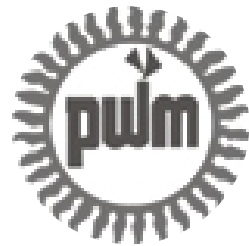


# Annual Report

2016-2017



**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**  
(formerly known as Prakash Woollen Mills Limited)

**BOARD OF DIRECTORS**

Mr. Jai Kishan Gupta  
Chairman & 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

Mrs. Sushma Pandey  
Independent Director

**COMPANY SECRETARY**

Ms. Shivangi Agarwal

**BANKERS**

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

**STATUTORY AUDITORS**

M/s. A. Anand & Co.  
Chartered Accountants  
Moradabad, U. P.

**SECRETARIAL AUDITORS**

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

**LISTING**

Bombay Stock Exchange

**CORPORATE IDENTIFICATION NUMBER**

CIN:L17291UP1979PLC004804

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## **PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**

(formerly known as Prakash Woollen Mills Limited)

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

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

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

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

CIN: L17291UP1979PLC004804

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of **Prakash Woollen & Synthetic Mills Limited (formerly known as Prakash Woollen Mills Limited)** will be held on Wednesday, the 20<sup>th</sup> day of September, 2017 at 12:30 P.M. at the registered office of the Company at 18<sup>th</sup> Km Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar- 244102, to transact the following businesses:

#### **ORDINARY BUSINESSES**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and Cash Flow Statement 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 being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

#### **Ratification of Appointment of Auditors and fixation of remuneration**

“**RESOLVED THAT** pursuant to the provisions of Section 139,142 and such other applicable provisions of the Companies Act, 2013,if any, read with Companies ( Audit and Auditors) Rules, 2015 , the appointment of M/s A. Anand & Co., Chartered Accountants (Firm Registration No. **005147C**), as the Statutory Auditors of the Company as made by the shareholders at the Annual general Meeting held on 23<sup>rd</sup> September, 2016, for a period of five years, be and is hereby ratified for a period commencing from the conclusion of this Annual general Meeting till the conclusion of the next Annual General Meeting of the Company and they be paid such remuneration as may be decided by the Board in its absolute discretion.”

#### **SPECIAL BUSINESSES:**

##### **4. Increase In Remuneration of Mr. Jai Kishan Gupta**

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 196,197, 198 and 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & 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 Shareholders be and is hereby accorded to increase the remuneration of Mr. Jai Kishan Gupta, Managing Director of the Company with effect from 01.10.2017 on the following terms and conditions:

**Salary & Perquisites : Rs. 7,00,000 (rupees seven lacs) p.m.**

However, the benefits namely Gratuity, Leave Encashment Benefits, Provident Fund etc. shall not be counted as perquisites to the extent it is exempted under Income Tax Act, 1961.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits, he shall be paid minimum remuneration as per provisions of Schedule V of the Companies Act, 2013.”

##### **5. Increase in remuneration of Mr. Daya Kishan Gupta**

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 196,197, 198 and 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & 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 Shareholders be and is hereby accorded to increase the remuneration of Mr. Daya Kishan Gupta, Director of the Company with effect from 01.10.2017 on the following terms and conditions:

**Salary & Perquisites : Rs. 7,00,000 (rupees seven lacs) p.m.**

However, the benefits namely Gratuity, Leave Encashment Benefits, Provident Fund etc. shall not be counted as perquisites to the extent it is exempted under Income Tax Act, 1961.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits, he shall be paid minimum remuneration as per provisions of Schedule V of the Companies Act, 2013.”

##### **6. Increase in Remuneration of Mr. Vijay Kumar Gupta**

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

## **PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

“**RESOLVED THAT** pursuant to the provisions of Section 196,197, 198 and 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment & 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 Shareholders be and is hereby accorded to increase the remuneration of Mr. Vijay Kumar Gupta, Director of the Company with effect from 01.10.2017 on the following terms and conditions:

**Salary & Perquisites : Rs. 7,00,000 (rupees seven lacs) p.m.**

However, the benefits namely Gratuity, Leave Encashment Benefits, Provident Fund etc. shall not be counted as perquisites to the extent it is exempted under Income Tax Act, 1961.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits, he shall be paid minimum remuneration as per provisions of Schedule V of the Companies Act, 2013.”

### **7. Acceptance of Unsecured Deposits**

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

“**RESOLVED THAT** the consent of the company be and is hereby accorded to the Board of Directors of the Company, pursuant to the section 73(2) and 76 of the Companies Act,2013 (“the Act” which term includes any amendment or modification or re-enactment thereof) and other applicable provisions of the said act or other laws and subject to conditions laid down in those provisions and the Companies (acceptance of Deposit ) Rules, 2014 to invite and accept deposits from the members of the Company on such terms and conditions as the Board may decide, so however that the borrowing by way of fixed deposits, as above, shall not exceed the limits laid down under the Companies (Acceptance of Deposits ) Rules, 2014 in force and as amended from time to time”.

By Order of the Board of Directors  
For Prakash Woollen & Synthetic Mills Limited  
Sd/-  
(Jai Kishan Gupta)  
Chairman & Managing Director  
DIN : 00337659

18<sup>th</sup> August 2017

Registered Office:

18<sup>th</sup> Km. Stone, Delhi Moradabad Road  
NH-24, Village Amhera, Distt. J.P Nagar,  
Uttar Pradesh-244102

CIN: L17291UP1979PLC004804

E-mail: info@prakashwoollen.com

### **NOTES:**

- 1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE APPOINTMENT OF PROXY SHALL BE IN THE FORM NO. MGT-11. A BLANK PROXY FORM IS ATTACHED WITH THIS NOTICE. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE.**
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Clause 1.2.5 of Secretarial Standard II, of the person seeking re-appointment as Director under Item No. 2 and for those whose remuneration are proposed to be increased as per item no 4,5 and 6 are annexed as Annexure 1.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. 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.
7. 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.
8. 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.

9. Members/Proxies/Authorized Representative are requested to:
  - a. Bring their copy of the Annual Report for the meeting and duly filled attendance Slip enclosed herewith along with a valid identity proof such as the PAN card, passport, AADHAR card, or driving license to attend the meeting.
  - b. Note that all correspondence relating to share transfers/transmission/Dividend/ Demat of shares etc should be addressed to Registrar and Transfer Agents of the Company, viz. Skyline Financial Services Private Limited D-153 A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase I, New Delhi, Delhi 110020.
  - c. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
10. Members desirous of having any information regarding accounts are requested to address their queries to the Compliance Officer 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.
11. 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.
12. The annual report for 2016-17 along with the notice of Annual General Meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the depository participants / registrar and share transfer agent unless where any member has requested for the physical copy. Members who have not registered their email ids, physical copies of the annual report 2016-17 along with the notice of annual general meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website [www.prakashwoollen.com](http://www.prakashwoollen.com) for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's email id viz. [compliance@prakashwoollen.com](mailto:compliance@prakashwoollen.com).

Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We therefore, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares) and make this initiative a success.
10. SEBI has made the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agents, Skyline Financial Services (P) Ltd.
11. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.
12. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Skyline Financial Services (P) Ltd. for assistance in this regard.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send share certificates to Skyline Financial Services (P) Ltd (RTA), for consolidation in to a single folio.

#### **Voting through electronic means**

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

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

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

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

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

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

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

The route map along with prominent land mark for easy location of the 38<sup>th</sup> Annual General Meeting venue is printed on the last page of the Annual report.

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

- (i) The e-voting period begins on 17<sup>th</sup> September, 2017 (10:00 Hours (IST)) and ends on 19<sup>th</sup> September, 2017 (17:00 Hours (IST)). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of dated 15<sup>th</sup> September, 2017, may cast their vote electronically. The e-voting module shall be displayed by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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 sequence number/member ID in the PAN field.</li> <li>• In case the sequence 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 sequence number/member ID 1 then enter RA00000001 in the PAN field.</li> </ul>
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. <ul style="list-style-type: none"> <li>• 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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 **PRAKASH WOOLLEN & SYNTHETIC 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Window phone users can download the app from the app store and the window phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

##### **Item No. 4**

Mr. Jai Kishan Gupta was re-appointed by shareholders as Managing Director of the Company at the Annual General Meeting held on 25<sup>th</sup> September, 2014 for a term of five years i.e. from 01.04.2014 to 31.03.2019. As he attained the age of 70 years on 08.07.2017, his appointment was regularized for rest of the period by the shareholders at the Annual General Meeting held on 23<sup>rd</sup> September, 2016.

Presently he is drawing a remuneration of Rs. 3,50,000/- p.m. including perquisites. During his leadership the Company has shown excellent growth as compared to other industries his salary is much below the normal level.

The Board of Directors as recommended by Nomination and Remuneration Committee approved the increase of remuneration of Mr. Jai Kishan Gupta, Managing Director w.e.f. 01/10/2017. as proposed in the resolution.

Members' approval by way of Ordinary resolution for the increase in remuneration to be paid to Mr. Jai Kishan Gupta, Managing Director, in terms of the provisions of Schedule V the Act is required.

Hence, the resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Mr. Jai Kishan Gupta.

**The Particulars required to be disclosed in the Explanatory Statement in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 are given below:**

#### **I. General Information:**

##### **1. Nature of Industry**

The Company is in business of Manufacturing of Mink Blankets and Bed Covers

##### **2. Date of Commercial Production:-**

The Company began its Commercial Production in 1979.

##### **3. Financial Performance**

The company's net profit after taxation is Rs 273.08 lakhs for the year ended 31st March, 2017.

##### **4. Foreign Investment or collaborations, if any: N.A.**

#### **II. Information about the appointee:**

##### **(1) Background details**

Mr. Jai Kishan Gupta is the Production head of the company. He is 70 Years old, a graduate and joined the company since its incorporation as a promoter director in 1979. His wide experience in field of manufacturing, production and quality management has helped the company keep up its consistency in quality and customer satisfaction for over three decades.

##### **(2) Past remuneration**

Total remuneration as last approved by shareholders in Annual General Meeting held on 25th September, 2015 was Rs. 3,50,000/- per month including perquisites.

##### **(3) Recognition or awards : NIL**

##### **(4) Job profile and his suitability :**

Mr. Jai Kishan Gupta is on this post since incorporation and has wide experience in field of manufacturing, production and quality management. Keeping in view the background of Mr. Jai Kishan Gupta, he is best suitable for the job.

##### **(5) Remuneration proposed.:**

As set out in Item No. 4 mentioned above.

##### **(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Taking into consideration the prevalent norms in the Industry, experience and exposure of Mr. Jai Kishan Gupta, Managing Director of the Company, the remuneration being paid to him is even below par. While recommending the proposed resolution

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

the NRC has taken into account job profile , position and responsibilities shouldered by Mr. Jai Kishan Gupta. The proposed NRC has considered the remuneration policy of the Company while recommending the proposed increase of remuneration.

### (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr Jai Kishan Gupta is the promoter and executive director of the company. He directly holds 417960 Eq. Shares of the company.

### III. Other information:

#### 1 Reasons for loss or inadequate profits: The main reason for inadequate profit/fall in profit during the year are as under :

The Company is earning profit for quite some time. There is an increase of 2.92% in profits as at 31.03.2017 over the profits as earned in financial year ending 31.03.2016.

The proposed remuneration is with the parameters given in Schedule V.

#### 1. Steps taken or proposed to be taken for improvement

To expand the base by tapping new clients and focusing on revenue enhancement and expense efficiency.

#### 2. Expected increase in Productivity and Profits in Measurable terms

The aforesaid steps being taken by the Company would increase the productivity and profits of the Company. The Company would continue its endeavour to increase the further revenue to improve the profitability Margin in the coming years.

### IV. Disclosures:

None of the Directors and Key Managerial personnel of the Company except Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta, being brothers of Mr. Jai Kishan Gupta are concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

Information about the appointee as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India regarding Item No. 4 .

Name	<b>Mr. Jai Kishan Gupta</b>
Designation	Chairman & Managing Director
Date of Birth	08-07-1947
Date of first appointment	23-08-1979
Qualification	Graduate
Experience	37 years
Profile	Mr. Jai Kishan Gupta is on this post since incorporation and has wide experience in field of manufacturing, production and quality management.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2017	417960
No. of Board Meeting attended during the year	Four
Terms & Conditions of appointment/ re-appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m inclusive of perquisites. Proposed remuneration is as per the Nomination and Remuneration Policy of the Company. Terms and Conditions of appointment is as per the appointment letter.
Past Remuneration	Total remuneration was Rs. 3,50,000/- per month including perquisites.
Relationship with other Directors	Brother of Vijay Kumar Gupta, Daya Kishan Gupta and Ved Prakash Gupta
Committee Positions	Nil*

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

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Jai Kishan Gupta under section 190 of the Companies Act, 2013. Details as required under SS-2 are given in corporate Governance report.

The Directors recommend the resolution for approval of the Shareholders



**Item No. 5**

The Board of the Company at its Meeting held on 31.03.2014 made the appointment of Mr. Daya Kishan Gupta as a Whole Time Director for a period of 5 years w.e.f. 01-04-2014 on a monthly salary of Rs. 2,50,000/- per month.

The salary of Mr. Daya Kishan Gupta has been increased from Rs. 2,50,000 per month to Rs. 3,50,000 per month including perquisites with effect from 1st October, 2015. However, all other terms and conditions of the appointment remain unchanged. The increased remuneration was subject to the overall limits as provided under section 197 and 198 and any other applicable provisions, if any, read with Schedule V of the Companies Act, 2013.

During his leadership the Company has shown excellent growth as compared to other industries, his salary is much below the normal level.

The Board of Directors as recommended by Nomination and Remuneration Committee approved the increase of remuneration of Mr. Daya Kishan Gupta, Whole Time Director w.e.f. 01/10/2017 as proposed in the resolution.

Members' approval by way of Ordinary resolution for the increase in remuneration to be paid to Mr. Daya Kishan Gupta, Whole Time Director, in terms of the provisions of Schedule V the Act is required.

Hence, the resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Mr. Daya Kishan Gupta.

**The Particulars required to be disclosed in the Explanatory Statement in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 are given below:**

**I. General Information:**

**1. Nature of Industry**

The Company is in business of Manufacturing of Mink Blankets and Bed Covers

**2. Date of Commercial Production:-**

The Company began its Commercial Production in 1979.

**3. Financial Performance**

The company's net profit after taxation is Rs 273.08 lakhs for the year ended 31st March, 2017.

**4. Foreign Investment or collaborations, if any: N.A.**

**II. Information about the appointee:**

**(1) Background details**

Mr. Daya Kishan Gupta is 68 Years old. He is a graduate and joined the company since its inception as a promoter director in 1979. 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.

**(2) Past remuneration**

Total remuneration as last approved by shareholders in Annual General Meeting held on 25th September, 2015 was Rs. 3,50,000/- per month including perquisites.

**(3) Recognition or awards : NIL**

**(4) Job profile and his suitability :**

Mr. Daya Kishan Gupta has in-depth experience in field of marketing, he looks after the marketing of the company. Keeping in view the background of Mr. Daya Kishan Gupta, he is best suitable for the job.

**(5) Remuneration proposed.:**

As set out in the Item No. 5 mentioned above.

**(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Taking into consideration the prevalent norms in the Industry, experience and exposure of Mr. Daya Kishan Gupta, Whole-Time Director of the Company the remuneration being paid to him is even below par while recommending the proposed resolution has taken into account his job profile and position and responsibilities shouldered by Mr. Daya Kishan Gupta.

**(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mr. Daya Kishan Gupta is the promoter and executive director of the company. He directly holds 325490 Eq. Shares of the company.

**III. Other information:**

**1 Reasons for loss or inadequate profits: The main reason for inadequate profit/fall in profit during the year are as under :**

The Company is earning profit for quite some time. There is an increase of 2.92% in profits as at 31.03.2017 over the profits as earned in financial year ending 31.03.2016.

The proposed remuneration is with the parameters given in Schedule V.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

### 1. Steps taken or proposed to be taken for improvement

To expand the base by tapping new clients and focusing on revenue enhancement and expense efficiency.

### 2. Expected increase in Productivity and Profits in Measurable terms

The aforesaid steps being taken by the Company would increase the productivity and profits of the Company. The Company would continue its endeavour to increase the further revenues to improve the profitability Margin in the coming years.

#### IV. Disclosures:

Vijay Kumar Gupta, Jai Kishan Gupta and Ved Prakash Gupta, Directors of the Company, being brothers of Mr. Daya Kishan Gupta, financially or otherwise in the resolution set out at Item No. 5

Information about the appointee as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India regarding Item No. 5.

Name	<b>Mr. Daya Kishan Gupta</b>
Designation	Whole Time Director
Date of Birth	06-06-1949
Qualification	Graduate
Experience	37 years
Profile	He has gained rich experience in field of marketing and is incharge of Sales department of the company.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2017	170910
No. of Board Meeting attended during the year	Four
Terms & Conditions of appointment / re-appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m inclusive of perquisites. Proposed remuneration is as per the Nomination and of Remuneration Policy of the Company. Terms and Conditions of appointment is as per the appointment letter
Past Remuneration	Total remuneration as last approved by shareholders in Annual General Meeting held on 25 <sup>th</sup> September, 2015 was Rs. 3,50,000/- per month including perquisites.
Relationship with other Directors	Brother of Vijay Kumar Gupta, Jai Kishan Gupta and Ved Prakash Gupta
Committee Positions	Nil*

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

This explanatory statement may also be treated as a written memorandum setting out the terms of re-appointment of Mr. Daya Kishan Gupta under section 190 of the Companies Act, 2013. Details as required under SS-2 are given in corporate Governance report.

The Directors recommend the resolution for approval of the Shareholders.

#### Item No. 6

The Board of the Company at its Meeting held on 31.03.2014 made the appointment of Mr. Vijay Kumar Gupta as a Whole Time Director & CFO for a period of 5 years w.e.f. 01-04-2014 on a monthly salary of Rs. 2,50,000/- per month.

The salary of Mr. Vijay Kumar Gupta has been increased from Rs. 2,50,000 per month to Rs. 3,50,000 per month including perquisites with effect from 1st October, 2015. However, all other terms and conditions of the appointment were remain unchanged. The increased remuneration was subject to the overall limits as provided under section 197 and 198 and any other applicable provisions, if any, read with Schedule V of the Companies Act, 2013.

During his leadership the Company has shown excellent growth as compared to other industries his salary is much below the normal level.

The Board of Directors as recommended by Nomination and Remuneration Committee approved the increase of remuneration of Mr. Vijay Kumar Gupta, Whole Time Director w.e.f. 01/10/2017 as proposed in the resolution.

## **PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

Members' approval by way of Ordinary resolution for the increase in remuneration to be paid to Mr. Vijay Kumar Gupta, Managing Director, in terms of the provisions of Schedule V the Act is required.

Hence, the resolution.

The members are requested to consider and approve the above proposal for increase in the salary of Mr. Vijay Kumar Gupta.

**The Particulars required to be disclosed in the Explanatory Statement in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 are given below:**

### **I. General Information:**

#### **1. Nature of Industry**

The Company is in business of Manufacturing of Mink Blankets and Bed Covers

#### **2. Date of Commercial Production:-**

The Company began its Commercial Production in 1979.

#### **3. Financial Performance**

The company's net profit after taxation is Rs 273.08 lakhs for the year ended 31st March, 2017.

#### **4. Foreign Investment or collaborations, if any: N.A.**

### **II. Information about the appointee:**

#### **(1) Background details**

Mr. Vijay Kumar Gupta is 64 Years old. He is a graduate and joined the company since its inception as a promoter director in 1979. He has very rich experience in various fields. He has been responsible for liaison and finance of the company and thus helps build a strong base and backbone of the company.

#### **(2) Past remuneration**

Total remuneration as last approved by shareholders in Annual General Meeting held on 25th September, 2015 was Rs. 3,50,000/- per month including perquisites.

#### **(3) Recognition or awards : NIL**

#### **(4) Job profile and his suitability :**

Mr. Vijay Kumar Gupta has very rich experience in various fields. He has been responsible for liaison and finance of the company. Keeping in view the background of Mr. Vijay Kumar Gupta, he is best suitable for the job.

#### **(5) Remuneration proposed.:**

As set out in the proposed Resolution mentioned above.

#### **(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Taking into consideration the prevalent norms in the Industry, experience and exposure of Mr. Vijay Kumar Gupta, Whole Time Director of the Company the remuneration being paid to him is even below par while recommending the proposed resolution has taken into account his job profile and position and responsibilities shouldered by Mr. Vijay Kumar Gupta.

#### **(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mr. Vijay Kumar Gupta is the promoter and executive director of the company. He directly holds 453709 Eq. Shares of the company.

### **III. Other information:**

#### **1 Reasons for loss or inadequate profits: The main reason for inadequate profit/fall in profit during the year are as under :**

The Company is earning profit for quite some time. There is an increase of 2.92% in profits as at 31.03.2017 over the profits as earned in financial year ending 31.03.2016.

The proposed remuneration is with the parameters given in Schedule V.

#### **1. Steps taken or proposed to be taken for improvement**

To expand the base by tapping new clients and focusing on revenue enhancement and expense efficiency.

#### **2. Expected increase in Productivity and Profits in Measurable terms**

The aforesaid steps being taken by the Company would increase the productivity and profits of the Company. The Company would continue its endeavour to increase the further revenues to improve the profitability Margin in the coming years.

### **IV. Disclosures:**

None of the other Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 6

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

Information about the appointee as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India regarding Item No. 6 as well as in Item No. 2.

Name	<b>Mr. Vijay Kumar Gupta</b>
Designation	Whole Time Director & CFO
Date of Birth	07-08-1953
Qualification	Graduate
Experience	37 years
Profile	He has very rich experience in various fields. He has been responsible for liaison and finance of the company
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2017	453709
No. of Board Meeting attended during the year	Four
Terms & Conditions of appointment/ re-appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m. Proposed remuneration is as per the Nomination and of Remuneration Policy of the Company. Remuneration sought to be paid Terms and Conditions of appointment is as per the appointment letter
Past Remuneration	Total remuneration as last approved by shareholders in Annual General Meeting held on 25 <sup>th</sup> September, 2014 was Rs. 2,50,000/- per month including perquisites.
Relationship with other Directors	Brother of Daya Kishan Gupta, Jai Kishan Gupta and Ved Prakash Gupta
Committee Positions	Nil*

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

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Vijay Kumar Gupta under section 190 of the Companies Act, 2013. Details as required under SS-2 are given in corporate Governance report. The Directors recommend the resolution for approval of the Shareholders.

### **Item No. 7**

The Board of Directors at their meeting held on 18<sup>th</sup> August, 2017 approved and recommended the invitation and acceptance of fixed deposits from the members pursuant to Section 73 to 76 of the Companies Act, 2013 and (Acceptance of Deposits) Rules, 2014 to meet the working capital needs.

In compliance with the above provisions of the Act and the Rules, the Company is required to obtain approval of its shareholders for acceptance of Fixed Deposits from the members of the Company and as such, approval of the members by way of Special Resolution is being sought. It may be noted that the deposits to be accepted will be unsecured and has been permitted by Central Government will be issued after getting insurance cover (as required under Companies Act, 2013) and within the time limit as prescribed under law.

Pursuant to Companies (Acceptance of Deposits) Rules, 2014 proposed "Circular or circular in the form advertisement" for Deposit Scheme will be valid until expiry of the six months from the date of closure of financial Year in which it is issued or until the date on which the financial statements are laid before the company in Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Resolution is recommended by the Directors to be passed as a Special Resolution.

By Order of the Board of Directors  
For Prakash Woollen & Synthetic Mills Limited  
Sd/-  
(Jai Kishan Gupta)  
Chairman & Managing Director  
DIN : 00337659

18<sup>th</sup> August 2017  
Registered Office:  
18<sup>th</sup> Km. Stone, Delhi Moradabad Road  
NH-24, Village Amhera, Distt. J.P Nagar,  
Uttar Pradesh-244102  
CIN: L17291UP1979PLC004804  
E-mail: info@prakashwoollen.com

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

## Annexure 1

### Details of Directors Seeking Re-appointment at the 38<sup>th</sup> Annual General Meeting

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

Name	<b>Mr. Vijay Kumar Gupta</b>
Designation	Whole Time Director & CFO
Date of Birth	07-08-1953
Date of first appointment	23-08-1979
Qualification	Graduate
Experience	37 years
Profile	He has very rich experience in various fields. He has been responsible for liaison and finance of the company
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company	453709
No. of Board Meeting attended during the year	Four
Terms & Conditions of appointment/ re-appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m. Proposed remuneration is as per the Nomination and of Remuneration Policy of the Company. Remuneration sought to be paid Terms and Conditions of appointment is as per the appointment letter
Past Remuneration	Total remuneration as last approved by shareholders in Annual General Meeting held on 25 <sup>th</sup> September, 2014 was Rs. 2,50,000/- per month including perquisites.
Relationship with other Directors	Brother of Daya Kishan Gupta, Jai Kishan Gupta and Ved Prakash Gupta

By Order of the Board of Directors  
For Prakash Woollen & Synthetic Mills Limited  
Sd/-  
(Jai Kishan Gupta)  
Chairman & Managing Director  
DIN : 00337659

18<sup>th</sup> August 2017  
Registered Office:  
18<sup>th</sup> Km. Stone, Delhi Moradabad Road  
NH-24, Village Amhera, Distt. J.P Nagar,  
Uttar Pradesh-244102  
CIN: L17291UP1979PLC004804  
E-mail: info@prakashwoollen.com

## BOARD'S REPORT

### To The Members,

Your Directors are pleased to present 38th Annual Report covering the operational and financial performance of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2017.

### FINANCIAL SUMMARY OF THE COMPANY

Particulars	(Rs. in lacs) 2016-2017	(Rs. in lacs) 2015-2016
Gross Sales	10408.25	9498.57
Other Income	13.06	28.39
<b>Total Revenue</b>	<b>10421.31</b>	<b>9526.96</b>
Profit before Depreciation & Tax	855.96	811.08
Depreciation	441.05	419.90
<b>Profit before Tax</b>	<b>414.91</b>	<b>391.18</b>
Tax adjustment for Current year	(146.44)	(120.19)
Tax adjustment for Deferred Tax	4.61	(5.67)
<b>Profit after Tax</b>	<b>273.08</b>	<b>265.32</b>

### KEY HIGHLIGHTS/ REVIEW OF OPERATIONS

During the period under consideration the revenue of the Company has increased from Rs. 9498.57 lakh to Rs 10408.25 lakh.

However the net profit after Tax of the Company has increased from Rs. 265.32 Lakh to Rs. 273.08 Lakh. Your directors hope for better results in the coming financial years. There is an increase of 2.92% in profits as at 31.03.2017 over the profits as earned in financial year ending 31.03.2016.

### STATEMENT OF AFFAIRS

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

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

There are no material changes affecting the affairs of the company which have occurred between the end of the financial year on March 31, 2017 of the company to which the financial statements relate and the date of this report.

### CHANGE IN THE NATURE OF BUSINESS

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

### DIVIDEND & RESERVES

In order to meet the additional working capital requirements of the Company, No Dividend has been declared. During the period under review, no amount was transferred to General Reserve.

### DEPOSITS

Your Company has no unclaimed / unpaid matured deposit or interest due thereon. Your Company has not accepted any deposits covered under 'Chapter V - Acceptance of Deposits by Companies' under the Companies Act, 2013 during the financial year ended March 31, 2017.

### CAPITAL STRUCTURE

The Authorized Share Capital of the Company as on March 31, 2017 stands at Rs. 12,00,00,000/- divided into 1,20,00,000 equity shares of Rs. 10/- each. The Paid up Equity Share Capital as at March 31, 2017 stood at Rs. 10,25,97,500/- divided into 1,02,59,750 equity shares of Rs. 10/- each and the Subscribed and Paid-up Share Capital is Rs. 10,25,97,500/- divided into 1,02,59,750 equity shares of Rs. 10/- each fully paid-up.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

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

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your company does not have any unlisted/listed subsidiary company or Joint Ventures or any Associate Companies.

Pursuant to the provisions of the Rule 8 of Companies (Accounts) Rules, 2014, Form AOC-1 is attached as **Annexure I**.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- 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 and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **CORPORATE GOVERNANCE**

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

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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

Considering the nature of the industry in which the Company operates, transactions with related parties of the Company are in the ordinary course of business specially w.r.t. transactions which are also on arms' length basis. All such related Party Transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval for normal business transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal business transactions which cannot be foreseen and accordingly the details of related party transactions entered into by the company pursuant to each of the omnibus approval give has been reviewed by audit committee on a quarterly basis in terms of the approval of the Committee.

The Policy on dealing with related party transactions and on determining materiality of related party transactions as approved by the Board may be accessed on the Company's website at the link <http://www.prakashwoollen.com/reports/polices/related-party-policy.pdf>

## **RISK MANAGEMENT**

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

Further, a Risk Management Policy of the Company as adopted by the Board during the FY 2014-15 is available on Company's Website at the link [http://www.prakashwoollen.com/reports/polices/PWM\\_Risk\\_Management\\_Policy.pdf](http://www.prakashwoollen.com/reports/polices/PWM_Risk_Management_Policy.pdf)

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board and shall formulate a Corporate Social Responsibility Policy. Your Company is not falling under the preview of said section during the year.

### **INTERNAL FINANCIAL CONTROLS**

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

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

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your Company is managed and controlled by a Board comprising an optimum blend of Executives and Non-Executive Professional Directors. As on March 31, 2017, the Board of Directors consists of Nine (9) Directors including Managing Director & CEO, Whole time Director and five (5) Non-executive Directors, out of which four (4) are Independent Directors including one Woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013. All the Directors possess the requisite qualifications and experience in general corporate Management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

There is no change in directors except that change in designation of Mr. Ved Prakash Gupta from Whole Time Director to Non-Executive Director of the Company w.e.f. 1<sup>st</sup> June, 2017.

There has been no change in any other Key Managerial Personnel of the Company during the year.

### **DECLARATION BY INDEPENDENT DIRECTORS**

**There was no Appointment and Re-appointment of Independent Director during the year.**

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

### **FORMAL ANNUAL EVALUATION**

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation i.e. evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board

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

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

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

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

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: [www.prakashwoollen.com](http://www.prakashwoollen.com) (<http://www.prakashwoollen.com/node/223>).

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



## **AUDITORS**

### **Statutory Auditors**

M/s. A. Anand & Co., Chartered Accountants (Firm Registration No. 005147C), were appointed with your approval as the Auditors of your Company for a period of five consecutive years, i.e., at the Thirty Seventh Annual General Meeting of the Company to hold such office till the conclusion of the Forty Second Annual General Meeting of the Company. The Board, in terms of Section 139 of the Act, has recommended the Members, for the ratification of the appointment of M/s. A. Anand & Co. from the conclusion of the ensuing AGM till the conclusion of the Thirty Ninth AGM. The Board, in terms of Section 142 of the Companies Act, 2013 has sought approval of the Members, to fix the remuneration of M/s. A. Anand & Co.

### **AUDITORS' REPORT**

The Report given by M/s. A. Anand & Co, Statutory Auditors on the financial statement of the Company for the year ended March 2017 is part of the Annual Report. There are no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

### **Cost Auditors**

Companies (cost records and audit) (Amendment) Rules, 2015 are not applicable on the Company for the financial year 2016–17:

### **Secretarial Auditor**

The Board had appointed Mr. R.S. Bhatia (CP No.2514). Practicing Company Secretary, to carry out Secretarial Audit in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2017. The Secretarial Audit Report for the financial year ended March 31, 2017 has been obtained and does not contain any qualification, which requires any comments from the Board. A copy of Secretarial Audit Report from Mr. R.S. Bhatia for financial year ended March 31, 2017 in the prescribed Form No. MR-3 is annexed to this report as **Annexure II**.

## **COMPOSITION OF COMMITTEES**

### **Audit Committee**

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

The Audit Committee comprises Independent Directors namely Mr. Vijay Anand Rastogi (Chairman), Mr. Mahendra Kumar Agarwal and Dr. Satish Kumar Raj as other members. All the recommendations made by the Audit Committee were accepted by the Board.

### **Nomination and Remuneration Committee**

The Board of Directors constituted a Nomination and Remuneration Committee comprising three Non-Executive Independent Directors namely Mr. Vijay Anand Rastogi (Chairman), Mr. Mahendra Kumar Agarwal and Dr. Satish Kumar Raj as other members. 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.

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

The aforesaid policy has been posted on the Website of the Company (<http://www.prakashwoollen.com/reports/polices/nomination-remuneration-policy.pdf>)

### **Stakeholder Relationship Committee**

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

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

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

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

The whistle Blower policy has been posted on the Website of the Company (<http://www.prakashwoollen.com/reports/polices/whistle-blower-policy.pdf>)

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

### MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held during the financial year 2016-17 i.e. on 30.05.2016, 12.08.2016, 07.11.2016 and 11.02.2016. The details of the meetings of the Board held during the financial year 2016-17 forms part of the Corporate Governance Report.

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

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

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

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

### DEPOSIT

Your Company has neither accepted nor any fixed deposit was outstanding as on the Balance Sheet date.

### EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT – 9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure IV** and forms an integral part of this Report.

### PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Directors state that during the financial year ended March 31,2017 under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### PARTICULARS OF EMPLOYEES

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

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

Non-executive directors	Ratio to median Remuneration
Mr. Vijay Anand Rastogi	0.08:1
Mr. Pramod Kumar Agarwal	0.05:1
Mr. Mahendra Kumar Agarwal	0.09:1
Mr. Satish Kumar Raj	0.09:1
Ms. Sushma Pandey	0.05:1
Executive directors	Ratio to median Remuneration
Mr. Vijay Kumar Gupta	10.04:1
Mr. Daya Kishan Gupta	10.04:1
Mr. Jai Kishan Gupta	10.04:1
Mr. Ved Prakash Gupta	5.74:1

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Vijay Kumar Gupta	27.27
Mr. Daya Kishan Gupta	27.27
Mr. Jai Kishan Gupta	27.27
Mr. Ved Prakash Gupta	0
Mr. Vijay Anand Rastogi	- 5.41
Mr. Pramod Kumar Agarwal	12.50
Mr. Mahendra Kumar Agarwal	17.19
Mr. Satish Kumar Raj	70.45
Ms. Sushma Pandey	125.00
Ms. Shivangi Agarwal	28.26

\* Remuneration of Independent Director is sitting fees.

- c. The percentage increase in the median remuneration of employees in the financial year: 4.65%
- d. The number of permanent employees on the rolls of Company : 24

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was 12.33%.

Increase in the managerial remuneration for the year was 21.95%

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

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

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

S. No	Name of The Employee	Designation	Nature of Employment	Educational Qualification	Age	Experience (in years)	Date of Joining	Remuneration Paid (₹)	Whether employee is relative of Director
1	Vijay Kumar Gupta	Whole Time Director & CFO	Permanent	Commerce Graduate	64	38	23/08/1979	4200000	Brother of Mr. Daya Kishan Gupta, Mr. Jai Kishan Gupta, Mr. Ved Prakash Gupta
2	Daya Kishan Gupta	Whole Time Director	Permanent	Commerce Graduate	68	38	23/08/1979	4200000	Brother of Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Ved Prakash Gupta
3	Jai Kishan Gupta	Chairman & Managing Director	Permanent	Commerce Graduate	70	38	23/08/1979	4200000	Brother of Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta, Mr. Ved Prakash Gupta
4	Ved Prakash Gupta	Whole Time Director *	Permanent	Commerce Graduate	75	38	23/08/1979	2400000	Brother of Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta, Mr. Jai Kishan Gupta
5	Kapil Gupta	Vice President-	Permanent	M.Com	42	17	1/6/2004	1560000	Son of Mr. Daya Kishan Gupta
6	Adeep Gupta	Vice President-Production	Permanent	Commerce Graduate	45	20	1/7/2004	1560000	Son of Mr. Jai Kishan Gupta
7	Ashish Gupta	Vice President-Finance	Permanent	Commerce Graduate	38	13	1/7/2004	1560000	Son of Mr. Vijay Kumar Gupta
8	Sanjay Kumar Agarwal	Manager-Plant & Operations	Permanent	Mechanical Engineer-B.E	57	31	1/4/2000	1560000	NIL
9	Praveen Gupta	Manager Accounts	Permanent	B.Com, FCA	57	31	1/11/1994	1575000	NIL
10	Omkar Dongre	General Manager	Permanent	Diploma in Industrial Management	58	36	1/1/2015	1600000	NIL

\*Change in designation of Mr. Ved Prakash Gupta was made from Whole Time Director to Director w.e.f. 1<sup>st</sup> June 2017.

**GENERAL DISCLOSURES**

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

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

**ACKNOWLEDGEMENT**

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

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

**For and on behalf of the Board of Directors**  
Sd/-

**Jai Kishan Gupta**  
Chairman and Managing Director  
DIN: 00337659

Place : Vill Amhera (J.P. Nagar)

Date : 18<sup>th</sup> August 2017

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	
1.	Sl. No.		
2.	Name of the subsidiary		
3.	The date since when subsidiary was acquired		
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries		
6.	Share capital		
7.	Reserves & surplus		N.A
8.	Total assets		
9.	Total Liabilities		
10.	Investments		
11.	Turnover		
12.	Profit before taxation		
13.	Provision for taxation		
14.	Profit after taxation		
15.	Proposed Dividend		
16.	Extent of shareholding (In percentage)		

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - N.A.
- Names of subsidiaries which have been liquidated or sold during the year - N.A.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures				
1.	Latest audited Balance Sheet Date			
2.	Date on which the Associate or Joint Venture was associated or Acquired			
3.	Shares of Associate/Joint Ventures held by the company on the year end No.			
	Amount of Investment in Associates/Joint Venture		N.A	
	Extend of Holding (In percentage)			
4.	Description of how there is significant influence			
5.	Reason why the associate/joint venture is not consolidated			
6.	Net worth attributable to shareholding as per latest audited Balance Sheet			
7.	Profit/Loss for the year			
i.	Considered in Consolidation			
ii.	Not Considered in Consolidation			

- Names of associates or joint ventures which are yet to commence operations - N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year - N.A.

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

Sd/-  
J. K. GUPTA  
Managing Director  
DIN-00337659

Sd/-  
Shivangi Agarwal  
Company secretary

Place: Village. Amhera (J.P. Nagar)

Dated: 26<sup>th</sup> May 2017

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,  
Prakash Woollen & Synthetic Mills Limited  
18th km Stone, Delhi Moradabad Road  
Nh-24, Village Amhera  
District J P Nagar, Uttar Pradesh  
CIN No.: L17291UP1979PLC004804

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 1956 and Companies Act, 2013 ("the Acts") and the rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable
  - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;
  - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
  - h. Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:
  - a. Explosives Act, 1884
  - b. Petroleum Act, 1934

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

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- c. The Legal Metrology Act, 2009 & Rules
- d. The Trade Marks Act, 1999
- e. Hazardous Wastes (Management & Handling) rules 1989 and Amendment Rules

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the financial year ended **March 31, 2017** complied with the aforesaid laws.

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Acts and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. Adequate notice was given to all the Directors regarding holding of the Board Meetings. Agenda was sent in advance before the meeting. There exists a system for Directors to seek and obtain further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
3. Decisions at the Board Meetings were taken unanimously and recorded as part of the Minutes of the Meetings; (No dissent was there nor any dissent recorded)

In my opinion, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and applicable general laws like labour laws, environmental laws and competition laws etc.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) of the Managing Director, Company Secretary and Chief Financial Officer taken on record by the Board of Directors at its meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with the specifically applicable laws, rules, regulations and guidelines as mentioned in this report and applicable general laws like labour laws competition laws, environmental laws, etc.

I further report that:

1. The Company sought approval of Shareholders in 37<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September, 2016 in accordance with provisions of Section 196, 197, 198 & 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 for continuance of the appointment of Mr. Jai Kishan Gupta as Managing Director even after attaining the age of 70 years on 08.07.2017 till his present term ends on i.e. 31.03.2019 on same terms & conditions as already approved by Company at the Annual General Meeting held on 25<sup>th</sup> September, 2014.
2. The SEBI has initiated adjudication proceedings against Company and some of its promoters for non-disclosures under Regulation 13(4A) of SEBI (Prohibition of Insider Trading) Regulations, 1992.

A Show cause notice dated 28.07.2016 was issued. The Company and the concerned promoters submitted earlier a reply stating that the concerned disclosures were made. However, revised disclosures were again made by Company and its concerned promoters. The said adjudicating proceedings are yet to be finalised.

R.S. BHATIA  
PRACTICING COMPANY SECRETARY  
CP NO.: 2514

PLACE : NEW DELHI  
DATE : 18<sup>th</sup> August, 2017

**Annexure A**

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

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

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Whether required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

**Disclaimer**

5. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

Place: New Delhi  
Date: 18<sup>th</sup> August, 2017

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

**A) Conservation of energy:**

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

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

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

The Company utilizes petcoke as fuel in its boilers. In addition, the Company is looking for utilizing other alternate sources of energy in its factory.

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

**(B) Technology absorption:**

(i) the efforts made towards technology absorption;

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

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

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

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

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

(a) the details of technology imported;

(b) the year of import;

(c) Whether the technology been fully absorbed;

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

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

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

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

	<b>2016-17</b>	<b>2015-16</b>
	NIL	NIL

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

	<b>2016-17</b>	<b>2015-16</b>
Imports	143.02	312.96
Travelling	10.50	9.22
	<b>153.52</b>	<b>322.18</b>

**For and on behalf of the Board of Directors**

Place : Vill Amhera (J.P. Nagar)  
Date : 18<sup>th</sup> August 2017

**Jai Kishan Gupta**  
**Chairman and Managing Director**  
DIN: 00337659



**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31.03.2017**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L17291UP1979PLC004804
2.	Registration Date	23/08/1979
3.	Name of the Company	PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)
4.	Category/Sub-category of the Company	Category: Company Limited by Shares Sub-Category : Indian Non-Government Company
5.	Address of the Registered office & contact details	<b>18<sup>th</sup> Km Stone, Delhi Moradabad Road, NH-24, Vill-Amhera, Distt. J. P. Nagar-244102</b> Ph. No.: 0591-2223008/18; Fax: 0591-2223009 <b>Website: www.prakashwoollen.com</b> <b>E-mail: info@prakashwoollen.com</b>
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Ltd, D-153 A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020. <b>Tel.: +91 11 64732681-88 Fax: +91 11 26812682</b> <b>Email : admin@skylinerta.com Website:www.skylinerta.com</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Blanket	13926	100%
2			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate Company	% of Shares Held	Applicable Section
1			N.A		
2					

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

**III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
a) Individual/ HUF	6441520	0	6441520	62.78	6441520	0	6441520	62.78	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>6441520</b>	<b>0</b>	<b>6441520</b>	<b>62.78</b>	<b>6441520</b>	<b>0</b>	<b>6441520</b>	<b>62.78</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	13400	13400	0.13	0	13400	13400	0.13	0
b) Banks / FI	120000	0	120000	1.17	120000	0	120000	1.17	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>120000</b>	<b>13400</b>	<b>133400</b>	<b>1.30</b>	<b>120000</b>	<b>13400</b>	<b>133400</b>	<b>1.30</b>	<b>0</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	144281	127400	271681	2.65	877249	127400	1004649	9.79	7.14
ii) Overseas	0	0	0	0	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	454449	630700	1085149	10.58	687326	606700	1294026	12.61	2.04
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1740421	369280	2109701	22.88	851392	369280	1220672	11.90	- 8.67
c) Others (specify)Resident Indian HUF	203204	0	203204	1.98	146635	0	146635	1.43	- 0.55
Non Resident Indians	8045	4500	12545	0.12	12390	4500	16890	0.16	0.04
Overseas Corporate Bodies	0	0	0	0	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0	0	0	0	0.00	0.00
Clearing Members	2550	0	2550	0.02	1958	0	1958	0.02	- 0.01
Trusts	0	0	0	0	0	0	0	0.00	0.00
Foreign Bodies - D R	0	0	0	0	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>2552950</b>	<b>1131880</b>	<b>3684830</b>	<b>35.92</b>	<b>2576950</b>	<b>1211780</b>	<b>3684830</b>	<b>35.92</b>	<b>0.10</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2672950</b>	<b>1145280</b>	<b>3818230</b>	<b>37.22</b>	<b>2696950</b>	<b>1225180</b>	<b>3818230</b>	<b>37.22</b>	<b>0.10</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>9114470</b>	<b>1145280</b>	<b>10259750</b>	<b>100</b>	<b>9138470</b>	<b>1225180</b>	<b>10269750</b>	<b>100</b>	<b>0.00</b>

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**ii) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change shareholding during in the year
		No. of Shares	% of total Share of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the company	% of Shares Pledged / encumbered to total shares	
1	RAM KISHAN GUPTA (HUF)	36822	0.36	0	36822	0.36	0	0
2	MANJUSHA AGARWAL	68305	0.67	0	68305	0.67	0	0
3	SANJAY KUMAR AGARWALA	52560	0.51	0	52560	0.51	0	0
4	SANJEEV GUPTA	12580	0.12	0	12580	0.12	0	0
5	ATUL GUPTA	78795	0.77	0	78795	0.77	0	0
6	SHALINI GUPTA	10000	0.10	0	10000	0.10	0	0
7	ATUL GUPTA	15000	0.15	0	15000	0.15	0	0
8	MEGHNA TAYAL	20000	0.19	0	20000	0.19	0	0
9	CHHAVI AGARWAL	20000	0.19	0	20000	0.19	0	0
10	DEEPALI GUPTA	25840	0.25	0	25840	0.25	0	0
11	ASHISH GUPTA	71000	0.69	0	71000	0.69	0	0
12	VIJAY KUMAR GUPTA	453709	4.42	0	453709	4.42	0	0
13	ANITA GUPTA	324110	3.16	0	324110	3.16	0	0
14	HIMANI AGARWAL	274900	2.68	0	274900	2.68	0	0
15	DAYA KISHAN GUPTA	170910	1.67	0	170910	1.67	0	0
16	SHALINI GUPTA	420800	4.10	0	420800	4.10	0	0
17	KAPIL GUPTA	85770	0.84	0	85770	0.84	0	0
18	REETIKA GUPTA	366100	3.57	0	366100	3.57	0	0
19	ADEEP GUPTA	348450	3.40	0	348450	3.40	0	0
20	RAJNI GUPTA	393600	3.84	0	393600	3.84	0	0
21	JAI KISHAN GUPTA	417960	4.07	0	417960	4.07	0	0
22	GUPTA JAI KISHAN	330590	3.22	0	330590	3.22	0	0
23	DAYA KISHAN GUPTA	325490	3.17	0	325490	3.17	0	0
24	KAPIL GUPTA HUF	381350	3.72	0	381350	3.72	0	0
25	ADEEP GUPTA	338000	3.29	0	338000	3.29	0	0
26	ASHISH GUPTA HUF	400000	3.90	0	400000	3.90	0	0
27	VIJAY KUMAR GUPTA HUF	294281	2.87	0	294281	2.87	0	0
28	PUSHPA GUPTA	55340	0.54	0	55340	0.54	0	0
29	B K GUPTA (HUF)	15000	0.15	0	15000	0.15	0	0
30	SANJAY AGARWAL	15000	0.15	0	15000	0.15	0	0
31	VED PRAKASH GUPTA HUF	35690	0.35	0	35690	0.35	0	0
32	SHALAB GUPTA	20000	0.19	0	20000	0.19	0	0
33	REKHA GOVIL	10000	0.10	0	10000	0.10	0	0
34	PARUL GUPTA	18700	0.18	0	18700	0.18	0	0
35	SANJAY GUPTA	8500	0.08	0	8500	0.08	0	0
36	MADHU GUPTA	227558	2.22	0	227558	2.22	0	0
37	SHALINI GUPTA	20000	0.19	0	20000	0.19	0	0
38	SHALAB GUPTA	53200	0.52	0	53200	0.52	0	0
39	SHASHI GUPTA	49217	0.48	0	49217	0.48	0	0
40	VED PRAKASH GUPTA	176393	1.72	0	176393	1.72	0	0
		<b>6441520</b>	<b>62.78</b>	<b>-</b>	<b>6441520</b>	<b>62.78</b>	<b>0</b>	<b>0</b>

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**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
			NO CHANGE		

**iv) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of Change in Shareholding	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Neeru Gupta #	255400	2.49	01.04.2016	-	-	255400	2.49
		-	-	17.03.2017	-28900	Sale	226500	2.21
		-	-	31.03.2017	-226100	Sale	400	0.00
2	Rajendra Kumar Gupta #	250000	2.44	01.04.2016	-	-	250000	2.44
		-	-	31.03.2017	-250000	Sale	0	0.00
		-	-					
3	Divya Varshney #	200300	1.95	01.04.2016	-	-	200300	1.95
		-	-	11.11.2016	-200034	Sale	266	0.00
		-	-	31.03.2017	-265	Sale	1	0.00
4	R K Gupta & Sons (HUF) #	200000	1.95	01.04.2016	-	-	200000	1.95
		-	-	11.11.2016	-100000	Sale	100000	0.97
		-	-	17.02.2017	-28071	Sale	71929	0.70
		-	-	24.02.2017	-4349	Sale	67580	0.66
		-	-	10.03.2017	-32580	Sale	35000	0.34
		-	-	17.03.2017	-35000	Sale	0	0.00
		-	-	31.03.2017	-	-	0	0.00
		-	-					
5	NavdeepVarshney	200000	1.95	01.04.2016	-	-	200000	1.95
		-	-	31.03.2017	-	-	200000	1.95
		-	-					
6	Prakash Chand Gupta	182725	1.78	01.04.2016	-	-	182725	1.78
		-	-	31.03.2017	-	-	182725	1.78
		-	-					
7	Deepak Mehra #	140000	1.36	01.04.2016	-	-	140000	1.36
		-	-	28.10.2016	-4023	Sale	135977	1.33
		-	-	11.11.2016	-5000	Sale	130977	1.28
		-	-	16.12.2016	-35040	Sale	95937	0.94
		-	-	30.12.2016	-20000	Sale	75937	0.74
		-	-	06.01.2017	-20000	Sale	55937	0.55
		-	-	13.01.2017	-20000	Sale	35937	0.35
		-	-	20.01.2017	-5490	Sale	30447	0.30
		-	-	03.02.2017	-30000	Sale	447	0.00
		-	-	31.03.2017	-	-	447	0.00
8	State Bank of India	120000	1.17	01.04.2016	-	-	120000	1.17
		-	-	31.03.2017	-	-	120000	1.17
		-	-					
9	Savita Oberoi #	74500	0.73	01.04.2016	-	-	74500	0.73
		-	-	06.05.2016	10000	Sale	84500	0.82
		-	-	11.11.2016	-5000	Sale	79500	0.77
		-	-	16.12.2016	-1100	Sale	78400	0.76
		-	-	23.12.2016	-2000	Sale	76400	0.74
		-	-	13.01.2017	-10000	Sale	66400	0.65
		-	-	03.02.2017	-10000	Sale	56400	0.55
		-	-	31.03.2017	-	-	56400	0.55
10	Anuj Kumar Goel #	80000	0.78	01.04.2016	-	-	80000	0.78
		-	-	11.11.2016	-24925	Sale	55075	0.54
		-	-	16.12.2016	-10200	Sale	44875	0.44
		-	-	13.01.2017	-4875	Sale	40000	0.39
		-	-	03.02.2017	-20000	Sale	20000	0.19

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11	Dheeraj Kumar Lohia *	-	-	31.03.2017	-	-	20000	0.19		
		0	0.00	01.04.2016	-	-	0	0.00		
		-	-	11.11.2016	94307	Buy	94307	0.92		
		-	-	16.12.2016	24848	Buy	119155	1.16		
		-	-	30.12.2016	23100	Buy	142255	1.39		
		-	-	06.01.2017	11353	Buy	153608	1.50		
		-	-	13.01.2017	5341	Buy	158949	1.55		
		-	-	20.01.2017	1137	Buy	160086	1.56		
		-	-	31.03.2017	-	-	160086	1.56		
		0	0.00	01.04.2016	-	-	0	0.00		
12	Sonal Lohia *	-	-	11.11.2016	20000	Buy	20000	0.19		
		-	-	06.01.2017	25000	Buy	45000	0.44		
		-	-	13.01.2017	24357	Buy	69357	0.68		
		-	-	31.03.2017	-	-	69357	0.68		
13	Raj Kumar Lohia *	0	0.00	01.04.2016	-	-	0	0.00		
		-	-	11.11.2016	62811	Buy	62811	0.61		
		-	-	31.03.2017	-	-	62811	0.61		
14	Modex International Securities Ltd *	200	0.00	01.04.2016	-	-	200	0.00		
		-	-	31.03.2017	200000	Buy	200200	1.95		
15	Rajsthan Global Securities Private Limited *	0	0.00	01.04.2016	-	-	0	0.00		
		-	-	11.11.2016	5951	Buy	5951	0.06		
		-	-	10.02.2017	-3445	Sale	2506	0.02		
		-	-	10.03.2017	13420	Buy	15926	0.16		
		-	-	17.03.2017	64205	Buy	80131	0.78		
		-	-	24.03.2017	44863	Buy	124994	1.22		
		-	-	31.03.2017	6448	Buy	131442	1.28		
16	R.K. Stockholding (P) Ltd *	8231	0.08	01.04.2016	-	-	8231	0.08		
		-	-	03.06.2016	-153	Sale	8078	0.08		
		-	-	09.09.2016	-125	Sale	7953	0.08		
		-	-	30.09.2016	-219	Sale	7734	0.08		
		-	-	21.10.2016	-1656	Sale	6078	0.06		
		-	-	03.02.2017	-1000	Sale	5078	0.05		
		-	-	10.02.2017	20000	Buy	25078	0.24		
		-	-	10.03.2017	-20000	Sale	5078	0.05		
		-	-	31.03.2017	167293	Buy	172371	1.68		
		17	Global Capital Market Ltd *	37586	0.37	01.04.2016	-	-	37586	0.37
				-	-	03.06.2016	152	Buy	37738	0.37
				-	-	24.06.2016	521	Buy	38259	0.37
				-	-	01.07.2016	-1002	Sale	37257	0.36
-	-			22.07.2016	-16829	Sale	20428	0.20		
-	-			16.09.2016	27021	Buy	47449	0.46		
-	-			23.09.2016	-1300	Sale	46149	0.45		
-	-			07.10.2016	200	Buy	46349	0.45		
-	-			21.10.2016	-730	Sale	45619	0.44		
-	-			28.10.2016	2504	Buy	48123	0.47		
-	-			04.11.2016	-4797	Sale	43326	0.42		
-	-			11.11.2016	-1425	Sale	41901	0.41		
-	-			23.12.2016	-200	Sale	41701	0.41		
-	-			03.02.2017	-1097	Sale	40604	0.40		
-	-	10.02.2017	300	Buy	40904	0.40				
-	-	24.02.2017	-1490	Sale	39414	0.38				
-	-	31.03.2017	109207	Buy	148621	1.45				

Note:

The above information is based on the weekly beneficiary position received from depositories.

\* Not in the list of Top 10 shareholders as on 01/04/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2017.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2016.

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**v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Vijay Kumar Gupta</b>				
	At the beginning of the year	453709	4.42	453709	4.42
	Purchase/Sale during the year	-	-	453709	4.42
	At the end of the year	453709	4.42	453709	4.42
2	<b>Jai Kishan Gupta</b>				
	At the beginning of the year	417960	4.07	417960	4.07
	Purchase/Sale during the year	-	-	417960	4.07
	At the end of the year	417960	4.07	417960	4.07
3	<b>Ved Prakash Gupta</b>				
	At the beginning of the year	176393	1.72	176393	1.72
	Purchase/Sale during the year	-	-	176393	1.72
	At the end of the year	176393	1.72	176393	1.72
4	<b>Daya Kishan Gupta</b>				
	At the beginning of the year	170910	1.67	170910	1.67
	Purchase/Sale during the year	-	-	170910	1.67
	At the end of the year	170910	1.67	170910	1.67
5	<b>Sushma Pandey</b>				
	At the beginning of the year	2300	0.02	2300	0.02
	Purchase/Sale during the year	-	-	2300	0.02
	At the end of the year	2300	0.02	2300	0.02
6	<b>Satish Kumar Raj</b>				
	At the beginning of the year	900	0.01	900	0.01
	Purchase/Sale during the year	-	-	900	0.01
	At the end of the year	900	0.01	900	0.01
7	<b>Pramod Kumar Agarwal</b>				
	At the beginning of the year	200	0	200	0
	Purchase/Sale during the year	-	-	200	0
	At the end of the year	200	0	200	0

Note:

1. The following directors/ Key Managerial Personnel (KMP) did not hold any shares during the year:

- Mr. Vijay Anand Rastogi- Independent Director
- Mr. Mahendra Kumar Agarwal- Independent Director
- Ms. Shivangi Agarwal-Company Secretary

**v. INDEBTEDNESS**

- Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2982.12	-	-	2982.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.54	-	-	13.54
<b>Total (i+ii+iii)</b>	<b>2995.66</b>	<b>-</b>	<b>-</b>	<b>2995.66</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	23.38	300.00	-	323.38
* Reduction	(418.62)	-	-	(418.62)
<b>Net Change</b>	<b>(395.24)</b>	<b>300.00</b>	<b>-</b>	<b>95.24</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2586.88	-	-	2886.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.81	-	-	9.81
<b>Total (i+ii+iii)</b>	<b>2596.69</b>	<b>-</b>	<b>-</b>	<b>2896.69</b>

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**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (in lacs)
		Ved Prakash Gupta	Jai Kishan Gupta	Daya Kishan Gupta	Vijay Kumar Gupta	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.00	42.00	42.00	42.00	150.00
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>24.00</b>	<b>42.00</b>	<b>42.00</b>	<b>42.00</b>	<b>150.00</b>
	Ceiling as per the Act : The remuneration paid to Directors and Key Management Personnel are within the limit as prescribed under Schedule V of the Companies Act, 2013*	84.00	84.00	84.00	84.00	336.00

\* The above ceiling is as per Amendment in Schedule V of Companies Act, 2013 on September 12, 2016

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Vijay Anand Rastogi	Dr. Satish Kumar Raj	Sushma Pandey	Mahendra Kumar Agarwal	Pramod Kumar Agarwal	
1	Independent Directors						
	Fee for attending board committee meetings	35000	37500	22500	37500	22500	155000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>35000</b>	<b>37500</b>	<b>22500</b>	<b>37500</b>	<b>22500</b>	<b>155000</b>
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>35000</b>	<b>37500</b>	<b>22500</b>	<b>37500</b>	<b>22500</b>	<b>155000</b>
	<b>Total Managerial Remuneration (A+B)</b>						<b>15155000</b>

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**C. Remuneration to Key Managerial Personnel other Than MD/Manager/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		GEO	CS	CFO	Total
			Shivangi Agarwal 1.04.16 to 31.03.17		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.90	-	3.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	<b>3.90</b>	-	<b>3.90</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**B. DIRECTORS**

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**C. OTHER OFFICERS IN DEFAULT**

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sd/-

Jai Kishan Gupta

Chairman and Managing Director

DIN: 00337659

Place : Vill Amhera (J.P. Nagar)

Date : 18<sup>th</sup> August 2017



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1) OVERVIEW OF THE ECONOMY**

#### **Global Economy**

Global economy growth continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies. Major global events during the year included United Kingdom's decision to leave the European Union and the outcome of presidential elections in United States of America both the events are expected to have long-term effects on the global economy. Global growth in 2016 was estimated at 3.1% and is projected to rise to 3.5% in 2017. Growth in emerging markets and developing economies is expected to pick up in 2017 on the back of fiscal stimulus measures in developed economies and narrowing of divergence between commodity exporters and importers. The main factors that could possibly weigh on the medium-term growth prospects across many emerging markets and developing economies are weak investments, below par levels of productivity coupled with heightened policy uncertainty, and protectionist pressures.

#### **Indian economy**

India emerged as a 'bright spot' in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world. Though India's fundamentals still remain strong, the recent demonetisation initiative undertaken by the Indian Government is expected to lower India's GDP growth from 7.6% in FY16 to 6.8% in FY17. The IMF mentioned that this cash shortage and slowed private consumption would only be a temporary disruption and the otherwise healthy economy will return to familiar territories post the predicted slowdown in FY17. The Indian Government's decisive policy man oeuvres towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead. India's eight core infrastructure industries – coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity registered cumulative growth of 4.9% during the April-November period compared to 2.5% a year ago.

(Source: International Monetary Fund (IMF) and Economic Survey)

### **2) ANALYSIS AND REVIEW**

#### **Global Textile Industry**

The textile and apparel industry has witnessed changes in the last few decades. Over the years, a major part of the industry has moved away from developed countries like the US, the EU and Japan to destinations like China, South Asia and South-East Asia. Two most vital variables which brought on this move were the availability of low-cost manpower and abundant of raw material in Asian countries. Today's textile and apparel sector is again at the cusp of some major structural changes. The demand pattern is governed by the economic growth of regions, which indicates a slowdown in developed countries while strong growth in China and India. The export growth rate of China has already slowed down, a trend that will lead China to lose some share of global market while still being the largest exporting nation. The opportunity arising because of China's export growth slowdown can help countries like India, Bangladesh, Vietnam, etc., to increase their trade share.

#### **Indian Textile Industry**

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 15 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 51 million people directly and 68 million people indirectly. India's overall textile exports during FY 2015-16 stood at US\$ 40 billion.

Textile plays a major role in the Indian economy. India accounts 63 per cent of the market share of textiles and garments. It contributes 14 per cent to industrial production and 4 per cent to GDP with over 45 million people, the industry is one of the largest source of employment generation in the country. The industry accounts for nearly 15 per cent of total exports.

The size of India's textile market in 2015 was around USD108.5 billion, which is expected to touch USD226 billion market by 2023, growing at a CAGR of 8.7 per cent between 2009-23E

Exports have been a core feature of India's textile sector. The Indian textiles export market estimated at \$18 billion is expected to grow at a CAGR of 4% as compared to the global CAGR of 3% over 2016-26

#### **Opportunities and Threats**

India, among the Asian countries, is one of the most competitive textile and apparel manufacturing centre today. For the Indian industry, these are specifically interesting times. India stands a chance to gain a prominent market share because of China's growth slowdown, supporting the Government policies and a strong raw material base. The way that India's own local request is likewise vast and developing is good to beat all.

Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS) and cluster development activities. TUFS for the textile sector to continue in the 12th Five Year plan with an investment target of USD24.8 billion. Under Union Budget 2016-17, USD226.1. USD701.9 million has been allocated to the Ministry of Textiles in order to support various schemes covering the textile industry million has been allocated for ATUF scheme for FY2016-17. Future opportunity in textile and apparel is beyond question but for businesses to gain market share overall competitiveness will be the key in terms of cost, quality, compliances, logistics, services and product development. Manufacturers have to confront four major challenges:

- Buyers command a strong control over manufacturing value chain,
- Low entry barriers lead to intense competition from unorganized players,
- National as well as bilateral/international policies have the potential to make or break an entire business model,
- Maximum trade is concentrated in price-sensitive commodity business lacking product differentiation.

In such a scenario, attaining manufacturing excellence becomes a function of five factors – productivity enhancement, market intelligence, sustainable manufacturing, product and design development and international partnerships.

#### **Risk and Concerns**

The key Risk management concern include those relating to identifying key risks to our business objectives, impact assessment, risk analysis, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring and integration with strategy and business planning. 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 Human Risk, Technological Risk, Physical Risk, Economic Risk, Political Risk, Natural Risk, Inflation Risk and Interest Rate Risk.

#### **Internal Control Systems and their Adequacy**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly. The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in house trained personnel. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system.

The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons. Apart from the above the company has engaged M/s Agarwal Pawan Kumar & Co., Chartered Accountant, to conduct Internal Audit during the year 2016-17.

#### **Financial and operational performance**

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

The Company is engaged in the blankets business only. Therefore there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting (AS-17).

## REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

### Governance Structure

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

#### 1. Board of Directors:

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

#### 2. Committees of the Board:

The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Stakeholder Grievance Committee and Finance Committee. Each of the said Committee has been mandated to operate within a given framework.

### BOARD OF DIRECTORS

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

The composition of the board is in line with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company consists of 9 Directors; out of which five are Non-Executive-Independent Directors, and three are Executive Directors and one is Non- Executive and Non- Independent Director of the Company. The Chairman of the Board is a Promoter Executive Director.

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

Name of the Director	Category	Relationship with other Directors	No. of membership in Boards of other companies	No. of Meeting Attended	Attendance of each director at last AGM
Mr. Jai Kishan Gupta	Promoter & Executive Director Managing Director & Chairman	Brother of Vijay Kumar Gupta, Daya Kishan Gupta, Ved Prakash Gupta	NIL	Four	Yes
Mr. Daya Kishan Gupta	Promoter & Executive Director Whole-Time Director	Brother of Vijay Kumar Gupta, Jai Kishan Gupta, Ved Prakash Gupta	NIL	Four	No
Mr. Vijay Kumar Gupta	Promoter & Executive Director CFO & Whole Time Director	Brother of Daya Kishan Gupta, Jai Kishan Gupta, Ved Prakash Gupta	NIL	Four	Yes
Mr. Ved Prakash Gupta	Promoter & Executive Director Whole-time Director *	Brother of Vijay Kumar Gupta, Daya Kishan Gupta, Jai Kishan Gupta,	One	Two	No
Mr. Pramod Kumar Agarwal	Non-Promoter & Independent Director	NIL	NIL	Three	No
Mr. Mahendra Kumar Agarwal	Non-Promoter & Independent Director	NIL	NIL	Four	No
Dr. Satish Kumar Raj	Non-Promoter & Independent Director	NIL	One	Four	No
Mr. Vijay Anand Rastogi	Non-Promoter & Independent Director	NIL	One	Three	Yes
Mrs. Sushma Pandey	Non-Promoter & Independent Director	NIL	NIL	Three	No

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.

\*Mr. Ved Prakash Gupta was designated as Promoter Non-Executive Director w.e.f 1st June 2017.

# **PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

## **INDEPENDENT DIRECTORS**

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

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

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

## **BOARD’S PROCEDURES**

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

### **Board Meetings**

During the financial year 2016-17 four (4) board meetings were held on 30.05.2016, 12.08.2016, 07.11.2016 and 11.02.2017. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Board meetings are given below:

<b>Date</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
May 30, 2016	9	8
August 12, 2016	9	8
November 7, 2016	9	8
February 11, 2017	9	7

## **MEETINGS OF INDEPENDENT DIRECTORS**

The Company’s Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted to enable Independent Directors to discuss matters pertaining to the Company’s affairs and put forth their views. The Independent Director takes appropriate steps to present their views to the Chairman and Managing Director. One meeting of Independent Directors was held during the year on 18th March 2017.

## **FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS**

The Board members are provided with a familiarization pack that is handed over to the new induct to enable them to familiarize with the Company’s procedures and practices. Updates on relevant statutory changes and on the business and operations of the Company on a continuous basis are regularly circulated to the Directors. Site visits to plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at [www.prakashwoollen.com](http://www.prakashwoollen.com) (<http://www.prakashwoollen.com/node/223>).

## **CODE OF CONDUCT**

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

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

A copy of these Codes has been put on the Company’s website ([www.prakashwoollen.com](http://www.prakashwoollen.com)) at the link <http://www.prakashwoollen.com/Code%20of%20Conduct%20For%20Directors%20%26%20Senior%20Management>. The Codes has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually.

### **Annual Declaration by the Managing Director (Chief Executive Officer)**

A declaration signed by the Company’s CFO and Whole Time Director is enclosed with this Report.

## **BOARD COMMITTEES**

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

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

### **A. AUDIT COMMITTEE**

#### **Composition**

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

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

#### **Meetings & Attendance**

The Audit Committee met four (4) times during the year ended on 30<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 7<sup>th</sup> November, 2016, 11<sup>th</sup> February 2017. The intervening period between two meetings was well within the maximum time gap 120 days as prescribed under Listing Regulations. The constitution of Audit Committee and attendance of each member is as given below:

<b>Name of Member</b>	<b>Designation</b>	<b>No. of Meeting attended</b>
Mr. Vijay Anand Rastogi	Chairman	Three
Dr. Satish Kumar Raj	Member	Four
Mr. Mahender Kumar Agarwal	Member	Four

The Company Secretary acts as Secretary to the Committee.

Mr. Vijay Anand Rastogi, Chairman of the Audit Committee Meetings was present Annual General Meeting of the Company held on 23<sup>rd</sup> September, 2016 to answer the shareholders' queries.

#### **Terms of Reference**

##### **Powers of Audit Committee**

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

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

##### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Reviewing the following information:**

The Audit Committee shall mandatorily review the following information:

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

**B. NOMINATION AND REMUNERATION COMMITTEE**

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

**Terms of Reference**

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

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board of Directors their appointment and/or removal;
2. To carry out evaluation of every Director's performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees such that its policies ensure that –
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals
4. To formulate the criteria for evaluation of Independent Directors and the Board of Directors;
5. To recommend to the Board of Directors whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

6. To devise a policy on the diversity of the Board of Directors;
7. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
8. To carry out any other function as is mandated by the Board of Directors from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
9. To administration and superintendence the employee stock option scheme or employees benefit schemes as approved by Board of Directors of the Company; and
10. To formulate the detailed terms and conditions of such schemes, frame suitable policies and procedures to ensure that there is no violation of applicable laws.

### Composition of the Committee, Meetings and Attendance

The Board of Directors constituted a Nomination and Remuneration Committee comprising of three Non-Executive Independent Directors. Mr. Vijay Anand Rastogi is the Chairperson of the Committee.

The Nomination and Remuneration Committee met two times during the financial year ended 31<sup>st</sup> March, 2017 i.e. on 12<sup>th</sup> August, 2016 for the appointment of Mr. Jai Kishan Gupta as Managing Director of the Company even after attaining the age of 70 years on 08.07.2017 till his present term ends i.e. 31.03.2019 on same terms & conditions as already approved and on 11<sup>th</sup> February, 2017 for performance evaluation of Board, the Independent directors, each Board committee and the Chair of the Board pursuant to section 178(2) of the Companies Act, 2013. The Constitution of Committee and attendance of each member is as given below:

Name of Member	Designation	No. of Meeting attended
Mr. Vijay Anand Rastogi	Chairman	1
Dr. Satish Kumar Raj	Member	2
Mr. Mahender Kumar Agarwal	Member	2

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

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

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

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

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

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

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

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

Outcome of such Performance Evaluation exercise was tabled at the Nomination and Remuneration Committee Meeting and also discussed at a separate Meeting of the Independent Directors, both of which were held on March 18, 2017.

The Nomination and Remuneration Committee forwarded their recommendation based on such Performance Evaluation to the Board of Directors and the same was tabled at the Board Meeting held on 11<sup>th</sup> February, 2017. All the criteria of Evaluation as envisaged in the SEBI Circular of Guidance Note on Board Evaluation had been adhered to by your Company. Based on the aforesaid Performance Evaluation, your Board decided to continue the terms of appointment of the Chairman, the Independent Directors, the Executive Directors and the Non-Executive Directors.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

### REMUNERATION TO DIRECTORS

#### Nomination and Remuneration Policy

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

The company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. Nomination and Remuneration policy is available at the Company's Website on the link <http://www.prakashwoollen.com/reports/polices/nomination-remuneration-policy.pdf>

#### Remuneration paid to the Executive Directors:

The details of Remuneration paid to the Chairman and Managing Director and Whole-Time Directors for the financial year 2016-2017 is given below:

Name	Salary	Commission on profits	Total
Mr. Vijay Kumar Gupta	42,00,000	NIL	42,00,000
Mr. Daya Kishan Gupta	42,00,000	NIL	42,00,000
Mr. Jai Kishan Gupta	42,00,000	NIL	42,00,000
Mr. Ved Prakash Gupta	24,00,000	NIL	24,00,000

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

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

Sitting fee and commission on net profit paid to Non-Executive Directors during the financial year ended 31<sup>st</sup> March, 2017 is as under:

Name of the	Sitting Fee	Commission	Total
<b>Non-Executive Director</b>			
Mr. P.K. Agarwal	22,500	NIL	22,500
Mr. M.K. Agarwal	37,500	NIL	37,500
Mr. Vijay Anand Rastogi	35,000	NIL	35,000
Dr. S.K. Raj	37,500	NIL	37,500
Ms. Sushma Pandey	22,500	NIL	22,500

#### Equity Shares held by the Directors

Except as stated hereunder, none of the directors, held any shares in the Company as on March 31, 2017:

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	0%
Dr. Satish Kumar Raj	900	0.01%
Ms. Sushma Pandey	2300	0.02%

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

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE.

The Stakeholders Relationship Committee is constituted as per Section 178 and Regulation 20 of the SEBI (LODR), 2015.

Pursuant to the Companies Act, 2013 and the Listing Regulations, the Company has a Stakeholders Relationship Committee. The Committee looks into the grievances of security holders including debenture holders and fixed deposit holders in addition to the equity shareholders of the Company.

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

The Stakeholders Relationship Committee was reconstituted on 12th August, 2016 and consists of three non-executive Independent Directors. Mr. Vijay Anand Rastogi, Independent Director is the Chairman of the Committee.

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



## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

The Committee met Four (4) times during the financial year ended 31<sup>st</sup> March, 2017, i.e. on 30<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 7<sup>th</sup> November 2016, and 11<sup>th</sup> February 2017. 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	Three
Mr. Pramod Kumar Agarwal	Member	Two
Ms. Sushma Pandey	Member	Two

Mr. Vijay Anand Rastogi, Chairman of the Stakeholders Relationship Committee, was present at the annual general meeting of the Company held on 23<sup>rd</sup> September, 2016 to answer members' queries.

### Compliance Officer

Ms. Shivangi Agarwal, Company Secretary is the Compliance Officer w. e. f. October 1, 2014 and is complying with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015.

### Complaints from Investors

In compliance with the requirements of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained exclusive User ID and Password for processing the investor complaints in a centralized web based SEBI Complaints Redress System - 'SCORES'. This enables the investors to view online the action taken by the Company on their complaints and current status thereof, by logging on to the SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in). No shareholder's complaint was lying unresolved as on March 31, 2017 under 'SCORES'.

It is confirmed that there was no request for registration of share transfers / transmissions lying pending as on March 31, 2017 and that all requests for issue of new certificates, sub-division or consolidation of shareholdings, etc., received up to March 31, 2017 have since been processed. The Company has an efficient system in place to record and process all requests for dematerialization and re-materialization of shares in the Company through National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL).

### Nature of complaints received and resolved during the financial year ended on March 31, 2017:

No. of complaints pending at the beginning of the year	Nil
No. of complaints received by correspondence during the year ended 31.03.2017	Nil
No. of complaints received for Refund / Instrument correction during the year	Nil
No. of complaints received from BSE during the year	Nil
No. of complaints received from SEBI during the year	Nil
No. of complaints resolved / replied during the year	Nil
No. of Investors complaints pending at the ending of the year 31.03.2017	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
37 <sup>th</sup> AGM 2015-16	23.09.2016 11:30 AM Registered Office	1. Appointment of Mr. Jai Kishan Gupta as Managing Director.
36 <sup>th</sup> AGM 2014-2015	25.09.2015 11.00 AM Registered Office	NIL
35 <sup>th</sup> AGM 2013-2014	25.09.2014 11.00 AM Registered Office	1. Borrowing Powers 2. Mortgaging/ Charging of Immovable/ Movable Properties of the Company 3. Re-Appointment of Mr. Vijay Kumar Gupta As A Whole-Time Director And CFO 4. Re-Appointment of Mr. Jai Kishan Gupta As Managing Director 5. Re-Appointment of Mr. Daya Kishan Gupta As Whole Time Director 6. Re-Appointment of Mr. Ved Prakash Gupta As Whole Time Director 7. Adoption of New Articles Of Association Of The Company

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

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

## Means of Communication

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

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

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

**Press / News releases:** Official press releases including Press Release on Financial Results of the Company are sent to the Stock Exchanges and the same are simultaneously hosted on the website of the Company.

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

## RELATED PARTY TRANSACTIONS

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

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

The said Related Party Transaction Policy is available on the website of the Company at the link <http://www.prakashwoollen.com/reports/policies/related-party-policy.pdf>.

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

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

## General Shareholders' Information

Scheduled AGM's

Day, Date, Time & Venue

Tentative Financial Year 2015-2016

Dividend

Registered Office

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

Registrar & Transfers Agents

Share Transfer System

ISIN for Equity Shares

Scrip Code

## 38<sup>th</sup> ANNUAL GENERAL MEETING

20<sup>th</sup> September, 2017 Friday, 12.30 PM

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

- Financial reporting for the quarter ending 30<sup>th</sup> June, 2016:  
**By August 2017**
- Financial reporting for the half year ending 30<sup>th</sup> September 2016:  
**By November 2017**
- Financial reporting for the quarter ending 31<sup>st</sup> December, 2016:  
**By February 2018**
- Financial reporting for the year ending 31<sup>st</sup> March, 2018:  
**By May 2018 for AFR**

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

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](mailto:info@prakashwoollen.com)

BSE Limited, Annual Listing fee for the year 2017-18 has been paid by the Company to the Stock Exchange

Skyline Financial Services (P) Limited, D-153 A, 1<sup>st</sup> Floor, Okhla, Indl. Area, Phase-I, New Delhi-110024 Ph. No.: 011-26812682/83 Fax: 011-30857562 Email id: [admin@skylinerta.com](mailto:admin@skylinerta.com)

Mr. Virender Rana, Vice President

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

INE523I01016

BSE '531437'

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

## STOCK MARKET DATA

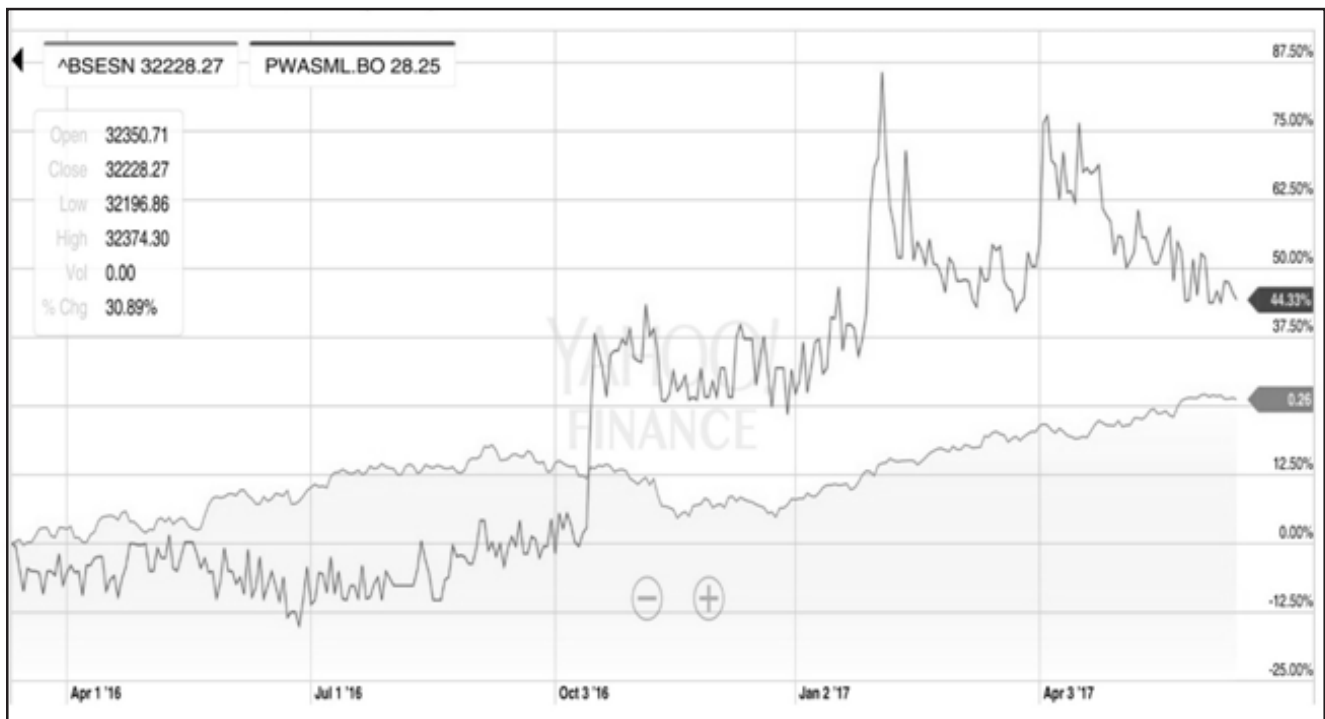
### A) YOUR COMPANY

MONTHS	HIGH	LOW
Apr 16	19.60	16.70
May 16	19.80	16.10
Jun 16	19.00	16.00
Jul 16	18.55	16.30
Aug 16	20.90	16.15
Sep 16	22.00	16.00
Oct 16	28.45	18.20
Nov 16	28.00	23.00
Dec 16	27.00	23.00
Jan 17	32.40	22.70
Feb 17	38.65	27.30
Mar 17	29.70	25.45

### B) Sensex

Months	High	Low
Apr 16	26,100.54	24,523.20
May 16	26,837.20	25,057.93
Jun 16	27,105.41	25,911.33
Jul 16	28,240.20	27,034.14
Aug 16	28,532.25	27,627.97
Sep 16	29,077.28	27,716.78
Oct 16	28,477.65	27,488.30
Nov 16	28,029.80	25,717.93
Dec 16	26,803.76	25,753.74
Jan 17	27,980.39	26,447.06
Feb 17	29,065.31	27,590.10
Mar 17	29,824.62	28,716.21

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



**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

**Shareholding pattern as on 31<sup>st</sup> March 2017 :-**

	CATEGORY	NO. OF SHARE HELD	% OF SHAREHOLDING
(A)	<b>Shareholding of Promoter and Promoter Group</b>		
1	<b>Indian</b>		
(a)	Individuals/Hindu Undivided Family	6441520	62.78
(b)	Bodies Corporate	0	0
	<b>Sub Total (A)(1)</b>	<b>6441520</b>	<b>62.78</b>
2	<b>Foreign</b>	NIL	NIL
	<b>Sub Total (A)(2)</b>	NIL	NIL
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>6441520</b>	<b>62.78</b>
(B)	<b>Public Shareholding</b>		
1	<b>Institutions</b>		
(a)	Mutual Funds/ UTI	13400	0.13
(b)	Financial Institutions / Banks	120000	1.17
	<b>Sub Total (A)(1)</b>	<b>133400</b>	<b>1.30</b>
2	<b>Non-Institutions</b>		
(a)	Bodies Corporate	1004649	9.79
(b)	Individuals		
i.	Individual shareholders holding nominal share capital up to Rs. 2 Lakh	1294026	12.61
	Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	1220672	11.90
(c)	Other	1958	0.02
i.	Non Resident Indians	16890	0.16
ii.	Hindu Undivided Family	146635	1.43
	<b>Sub Total (B)(2)</b>	<b>3684830</b>	<b>35.92</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3818230</b>	<b>37.22</b>
	<b>TOTAL (A)+ (B)</b>		<b>100.00</b>
(C)	Shares held by Custodians and against which depository Receipts have been issued		0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>10259750</b>	<b>100.00</b>

**Distribution of Shareholding**

Share holding Range	No. of Shareholders	%	Shares	%
UP TO 500	807	55.77	198986	1.94
501 - 1000	313	21.63	276023	2.69
1001 - 2000	114	7.88	183076	1.78
2001 - 3000	52	3.59	127528	1.24
3001 - 4000	23	1.59	80183	0.78
4001 - 5000	19	1.31	89600	0.87
5001 - 10000	26	1.80	210663	2.05
10001 & ABOVE	93	6.43	9093691	88.63
<b>TOTAL</b>	<b>1447</b>	<b>100.00</b>	<b>10259750</b>	<b>100.00</b>

**Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments as on March 31, 2017.

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

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

## **PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

### **Dematerialization of shares and liquidity**

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

The status of dematerialization of shares as on 31st March, 2017 is as under:

<b>Particulars</b>	<b>No. of shares</b>	<b>% of total share capital</b>
Held in dematerialization form	9138470	89.07%

### **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 31<sup>st</sup> March 2017, who has submitted his quarterly reports confirming that there is no discrepancy.

### **Compliance Certificate of the Auditors**

The Statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as ) as referred to in Regulation 15(2) as stipulated in Para E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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.

### **Plants and Units Locations**

<b>J. P. Nagar Works:</b>	18th KM Stone, Delhi-Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar-244102
<b>Moradabad Works:</b>	Village-Mangupura, P.O. Pakwara, Pakawara, Moradabad-244001
<b>Sales Office:</b>	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, 1<sup>st</sup> Floor, Okhla, Area, Phase-I  
Industrial Area, New Delhi-110024  
Tel.: 011-26812682-83, Fax: 011-30857562  
Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)

#### **For Shares held in Demat Form**

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

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

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

### **OTHER DISCLOSURES**

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

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

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

The Company was not subject to any non-compliance and no penalties or strictures were imposed on the Company by Stock Exchanges, SEBI or any statutory or other authority on any matters relating to capital markets, during the last three years.

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

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

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

The details of the policy on determining "Material Subsidiaries" is available on <http://www.prakashwoollen.com/sites/default/files/Policy%20for%20Determination%20of%20material%20subsidiary.pdf>

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

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

**e) Vigil Mechanism/ Whistle Blower Policy**

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

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

**f) Details Of Mandatory And Non-Mandatory Corporate Governance Requirements**

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

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

**g) Discretionary Corporate Governance Requirements**

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

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

**Place:** Village Amhera (J. P. Nagar)  
**Date:** 18<sup>th</sup> August, 2017

**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 and internal controls to the Board in terms of Regulation 17(8) of SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015. The Chief Financial Officer also gives quarterly certification on financial results before the Board in terms of Regulation 33(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The annual Certificate given by the Chief Financial Officer is published in this Report.

**Certificate on Compliance with Code of Conduct**

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the code of Business Conduct and Ethics for Directors/Management Personnel for the financial Year 2016-2017.

Date : 18<sup>th</sup> August, 2017  
Place : Village Amhera (J.P. Nagar)

**Sd/-**  
**(Vijay Kumar Gupta)**  
**Whole Time Director & CFO**  
**DIN No. : 00335325**

**CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

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

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

- A. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of my knowledge and belief, I state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2017 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. I have indicated to the Auditors and the Audit Committee that:
- (i) There has not been any significant changes in internal control over financial reporting during the financial year ended March 31, 2017;
  - (ii) There has not been significant changes in accounting policies during the financial year ended March 31, 2017, except to the extent, if any, disclosed in the notes to the financial statements; and
  - (iii) We have not become aware of any significant fraud or involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date : 18th August, 2017  
Place : Village Amhera (J.P.Nagar)

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

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
**The Members of Prakash Woollen & Synthetic Mills Limited**

We have examined the compliance of conditions of Corporate Governance by Prakash Woollen & Synthetic Mills Limited (formerly known as Prakash Woollen Mills Limited), ('the Company') for the year ended on 31<sup>st</sup> March, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 April 2016 to 31 March 2017.

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/ Listing Regulations, as applicable.

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

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

Place : Village Amhera(Amroha)  
Date : 26th May, 2017

(AJAY ANAND)  
(Partner)  
Membership No.074016

## **AUDITORS' REPORT**

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

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of Prakash Woollen & Synthetic Mills Limited (formerly known as Prakash Woollen Mills Limited), ("the company"), which comprise the Balance Sheet as at March 31, 2017, the statement of Profit and Loss, the Cash Flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements.**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements and estimate that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

8. 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, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Reports) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

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- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements.
  - ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

Place : Village Amhera (Amroha)  
Date : 26.05.2017

(AJAY ANAND)  
Partner)  
Membership No. 074016

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**ANNEXURE A TO THE AUDITORS' REPORT**

(Referred to in paragraph 9 under heading of "Report on other legal and regulatory requirements" of our report of even date)

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified once in a year. In accordance with the programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted deposits from public within the meaning of the Companies Act 2013 and the Rules framed there under to the extent notified.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act for the products which company produces.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is regular in depositing the undisputed statutory dues including provident fund, income tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) According to information and explanations given to us and the records of the Company examined by us, there are no dues of service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except of income tax amounting to Rs 940.33 lakh for the AY 2013-14 and Rs 34.24 for the AY 2014-15, the appeals against which are pending before Commissioner of Income tax (Appeals).
- (viii) According to information and explanations given to us and the records of the company examined by us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) According to the records of the company examined by us and the information and explanation given to us, in our opinion, the moneys raised by the company by way of term loans were applied for the purposes for which those are raised.
- (x) According to the records of the company examined by us and the information and explanation given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the explanations given to us, the company is not a nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the records of the company examined by us and the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the records of the company examined by us and the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the records of the company examined by us and the information and explanation given to us, the company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
- (xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(AJAY ANAND)  
(Partner)  
Membership No. 074016

Place : Village Amhera (Amroha)  
Date : 26.05.2017

## **ANNEXURE B TO THE AUDITORS' REPORT**

**Referred to in paragraph 10(f) under heading of "Report on other legal and regulatory requirements" of our report of even date**  
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Prakash Woollen & Synthetic Mills Limited (formerly known as Prakash Woollen Mills Limited), ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

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

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Village Amhera (Amroha)  
Date : 26.05.2017

(AJAY ANAND)  
(Partner)  
Membership No. 074016

**BALANCE SHEET AS ON 31ST MARCH 2017**

	Notes	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	1025.98	1025.98
Reserves and surplus	2	2356.60	2083.52
		<b>3382.58</b>	<b>3109.50</b>
<b>Non-current liabilities</b>			
Long-term borrowings	3	1236.64	1197.77
Deferred tax liabilities (Net)	4	226.39	231.00
Other long term liabilities	5	-	-
		<b>1463.03</b>	<b>1428.77</b>
<b>Current liabilities</b>			
Short-term borrowings	7	1347.32	1490.55
Trade payables		641.49	625.33
Other current liabilities	8	448.80	341.74
Short - term provisions	6	17.69	5.72
		<b>2455.30</b>	<b>2463.34</b>
<b>Total</b>		<b>7300.91</b>	<b>7001.61</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
(i) Tangible assets	9	3951.33	3829.62
(ii) Capital work-in-progress		20.36	281.64
		<b>3971.69</b>	<b>4111.26</b>
Long-term loans and advances	10	77.89	19.62
Other non-current assets	11	6.51	6.91
		<b>4056.09</b>	<b>4137.79</b>
<b>Current assets</b>			
Current investments	12	0.47	0.44
Inventories	13	1696.14	1652.29
Trade receivables	11	1159.39	961.20
Cash and cash equivalents	14	39.67	39.03
Short-term loans and advances	10	349.15	210.86
		<b>3244.82</b>	<b>2863.82</b>
<b>Total</b>		<b>7300.91</b>	<b>7001.61</b>

Summary of significant accounting policies 36

The accompanying notes are integral part of the financial statements

As per our report of even date

For A Anand & Co.  
Chartered Accountants

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

CA AJAY ANAND  
(Partner)  
Membership No. 074016

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

J. K. GUPTA  
Managing director  
DIN-00337659

Place : Village. Amhera (Amroha)  
Date : 26 May 2017

SHIVANGI AGARWAL  
Company secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

	Notes	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs
<b>INCOME</b>			
Revenue from operations	15	10408.25	9498.57
Other income	16	13.06	28.39
<b>Total revenue</b>		<b>10421.31</b>	<b>9526.96</b>
<b>EXPENSES</b>			
Cost of materials consumed	17	6970.07	6428.90
Purchase of stock in trade		44.39	43.19
Changes in inventories of finished goods, work in progress and stock in trade	18	-126.96	-65.70
Employee benefit expense	19	624.86	475.70
Finance costs	20	302.61	237.83
Depreciation and amortization expense	21	441.05	419.90
Other expenses	22	1750.38	1595.96
<b>Total expenses</b>		<b>10006.40</b>	<b>9135.78</b>
<b>Profit before exceptional &amp; extraordinary item &amp; tax</b>		<b>414.91</b>	<b>391.18</b>
Exceptional items		0.00	0.00
<b>Profit before extraordinary items &amp; tax</b>		<b>414.91</b>	<b>391.18</b>
Extraordinary items		0.00	0.00
<b>Profit before tax</b>		<b>414.91</b>	<b>391.18</b>
<b>Tax expense</b>			
Current tax		-146.44	-120.19
Deferred tax charge / (credit)		4.61	-5.67
Profit (Loss) for the year from continuing operation		273.08	265.32
<b>Profit / (loss) for the year</b>		<b>273.08</b>	<b>265.32</b>
Earnings per equity share of face value of ₹ 10 each			
Basic		₹ 2.66	₹ 2.59
Diluted		₹ 2.66	₹ 2.59

Summary of significant accounting policies 36

The accompanying notes are integral part of the financial statements

As per our report of even date

For A Anand & Co.  
Chartered Accountants

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

CA AJAY ANAND  
(Partner)  
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V. K. GUPTA  
CFO & Whole time director  
DIN -00335325

J. K. GUPTA  
Managing director  
DIN-00337659

Place : Village. Amhera (Amroha)  
Date : 26 May 2017

SHIVANGI AGARWAL  
Company secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**

	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs
<b>Cash flow from operating activities</b>		
Net profit before tax and extraordinary items	414.91	391.18
<b>Adjustment for</b>		
Depreciation	441.05	419.90
Loss on sale of fixed assets	1.47	3.59
Interest/dividend	292.39	202.14
<b>Operating profit before working capital Changes</b>	<b>1,149.82</b>	<b>1,016.81</b>
<b>Adjustment for movements in working capital</b>		
Increase/(decrease) in trade payables	16.16	147.16
Increase/(decrease) in short term provisions	0.53	5.72
Increase/(decrease) in other current liabilities	101.67	21.41
Increase/(decrease) in other long term liabilities	-	-
Increase/(decrease) in current investments	(0.03)	(0.44)
Increase/(decrease) in trade receivables.	(198.19)	(196.48)
Increase/(decrease) in inventory	(43.85)	23.15
Increase/(decrease) in long term loans and advances	(58.27)	(0.10)
Increase/(decrease) in short term loans and advances	9.16	171.23
Increase/(decrease) in other non current assets	0.40	(1.37)
<b>Cash generated from operations</b>	<b>977.40</b>	<b>1,187.09</b>
Interest paid	(296.15)	(214.51)
Direct taxes paid	(282.45)	(242.21)
Cash flow before extraordinary items	<b>398.80</b>	<b>730.37</b>
<b>Extraordinary Items</b>	<b>-</b>	<b>-</b>
<b>Net cash from operation activities</b>	<b>398.80</b>	<b>730.37</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(309.65)	(970.69)
Sale of fixed assets	6.70	12.06
Interest received	0.03	13.35
<b>Net Cash used in investing activities</b>	<b>(302.92)</b>	<b>(945.28)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowing	323.38	500.00
Repayment of long term borrowing	(275.39)	(185.87)
Proceeds for short term borrowing	(143.23)	(93.84)
<b>Net Cash used in financial activities</b>	<b>(95.24)</b>	<b>220.29</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>0.64</b>	<b>5.38</b>
<b>Cash and cash equivalent as at the beginning of the year</b>	<b>39.03</b>	<b>33.65</b>
<b>Cash and cash equivalent as at the end of the year</b>	<b>39.67</b>	<b>39.03</b>

Summary of significant accounting policies 36

The accompanying notes are integral part of the financial statements

As per our report of even date

For A Anand & Co.  
Chartered Accountants

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

CA AJAY ANAND  
(Partner)  
Membership No. 074016

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

J. K. GUPTA  
Managing director  
DIN-00337659

Place : Village. Amhera (Amroha)  
Date : 26 May 2017

SHIVANGI AGARWAL  
Company secretary

**Notes to the Financial Statements for the year ended 31st March 2017**

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
<b>1. Share Capital</b>		
<b>Authorised Shares</b>		
1,20,00,000 equity shares of Rs. 10/- each	1200.00	1200.00
<b>Issued, subscribed and paidup shares</b>		
1,02,59,750 equity shares of Rs. 10/- each	1025.98	1025.98
<b>Total issued, subscribed and fully paid up share capital</b>	<b>1025.98</b>	<b>1025.98</b>

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

<b>Equity shares</b>	31.03 2017		31.03 2016	
	No. in lacs	₹ in lacs	No. in lacs	₹ in lacs
At the beginning of the period	102.598	1025.98	102.598	1025.98
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>102.598</b>	<b>1025.98</b>	<b>102.598</b>	<b>1025.98</b>

**b. Terms/rights attached to equity shares**

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

During the year ended 31 March 2017, 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**

	31.03.2017 No. in lacs	31.03.2016 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.**

	31.03.2017		31.03.2016	
	Nos.	% holding in the class	Nos.	% holding in the class
	NIL	NIL	NIL	NIL

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

**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/- per share. On these shares Rs. 142.16 lacs were paid. These shares have been reissued during the financial year 2013-2014

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

<b>2. Reserves and surplus</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>Share premium</b>		
Balance as per last financial statements	488.19	488.19
<b>Closing balance</b>	<b>488.19</b>	<b>488.19</b>
<b>Revaluation reserve</b>		
Balance as per last financial statements	132.69	132.69
<b>Closing balance</b>	<b>132.69</b>	<b>132.69</b>
<b>Capital subsidy</b>		
Balance as per last financial statements	10.00	10.00
<b>Closing balance</b>	<b>10.00</b>	<b>10.00</b>
<b>Investment allowance reserve</b>		
Balance as per last financial statements	0.17	0.17
<b>Closing balance</b>	<b>0.17</b>	<b>0.17</b>
<b>General reserve</b>		
Balance as per last financial statements	4.00	4.00
<b>Closing balance</b>	<b>4.00</b>	<b>4.00</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	1448.47	1183.15
Fixed Assets written off (Net of deferred tax liability)	-	-
Profit for the year	273.08	265.32
<b>Net surplus in the statement of profit and loss</b>	<b>1721.55</b>	<b>1448.47</b>
<b>Total reserves and surplus</b>	<b>2356.60</b>	<b>2083.52</b>

<b>3. Long term borrowings</b>	<b>Non Current Portion</b>		<b>Current Maturities</b>	
	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>	<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>Term Loans</b>				
State Bank of India TL V (Secured)	544.99	710.01	180.00	180.00
State Bank of India Car Loan (Secured)	81.40	86.76	23.92	14.80
State Bank of India Corporate Loan(Secured)	310.25	401.00	99.00	99.00
Deposits (Intercorporate)	300.00	-	-	-
	<b>1236.64</b>	<b>1197.77</b>	<b>302.92</b>	<b>293.80</b>
<b>The above amount includes</b>				
Secured borrowings	936.64	1197.77	302.92	293.80
Unsecured borrowings	300.00	-	-	-
Amount disclosed under the head other current liabilities	-	-	- 302.92	- 293.80
<b>Net amount</b>	<b>1236.64</b>	<b>1197.77</b>	<b>-</b>	<b>-</b>

**(a) TL V**

The term loan from State Bank of India has been sanctioned for Rs. 11 crore carrying interest @ 9.10% p.a. as on balance sheet date. The loan is repayable in 15 instalments of Rs. 14 lac each, 49 instalments of Rs. 15 lac each and last instalment of Rs. 5 lac starting from January 2015. The loan is secured primarily by first charge on assets 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.

**(b) Car loans**

The car loans from State Bank of India carry interest @ 8.60% to 9.85% p.a. as on balance sheet date and are secured by hypothecation of cars. The loans are repayable in 36 to 84 monthly instalments.

**(c) Corporate loan**

The corporate term loan from State Bank of India has been sanctioned for Rs. 5 crore carrying interest @ 9.10% p.a. as on balance sheet date. The loan is repayable in 59 instalments of Rs. 8.25 lac each and last instalment of Rs. 13.25 lac starting from April 2016. The loan is secured primarily by way of hypothecation of entire current assets/ documents evidencing title of goods (including all inventory and receivables) both present and future of the company.

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

**(d) Deposits (Intercorporate) repayable after 3 years from the date of receipt and carry interest @ 12% p.a.**



**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

4. <u>Deferred tax liability</u>	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Fixed assets : impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting.	226.39	231.00
	<b>226.39</b>	<b>231.00</b>

5. Other long term liabilities

6. Provisions

	<u>Long Term</u>		<u>Short Term</u>	
	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
<b>Provision for employee</b>	-	-	-	-
<b>Other provisions</b>				
Provision for income tax	-	-	11.44	-
Provision for excise duty	-	-	6.25	5.72
	-	-	<b>17.69</b>	<b>5.72</b>

7. Short term borrowings

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Cash credit from State Bank of India (Secured)	1347.32	1490.55
	<b>1347.32</b>	<b>1490.55</b>
The above amount includes secured borrowings	1347.32	1490.55

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 @ 9.25% p.a. as on balance sheet date.

8. Other current liabilities

Current maturities of long term borrowings	302.92	293.80
Interest accrued but not due on borrowing	9.81	13.54
<u>Others</u>		
TDS payable	9.78	13.86
Service tax payable	0.91	3.03
Vat payable	7.43	0.06
Excise duty payable	0.65	0.58
Advances from customers	117.3	16.87
	<b>448.80</b>	<b>341.74</b>

	Land	Building	Plant and equipment	Furniture & fixture	Vehicle	Office equipments	Total
<b>Cost or valuation</b>							
<b>At 1 Apr.'2015</b>	207.52	1289.95	4113.37	31.36	276.96	26.07	5945.23
Additions	358.93	134.97	188.92	4.17	0	2.06	689.05
Disposals	0.00	0.00	51.71	0.00	0	0.00	51.71
<b>At 31 Mar.'2016</b>	<b>566.45</b>	<b>1424.92</b>	<b>4250.58</b>	<b>35.53</b>	<b>276.96</b>	<b>28.13</b>	<b>6582.57</b>
Additions	0	292.50	247.27	0.30	30.86	0.00	570.93
Disposals	0	0	0	0.00	28.19	0.00	28.19
<b>At 31 Mar.'2017</b>	<b>566.45</b>	<b>1717.42</b>	<b>4497.85</b>	<b>35.83</b>	<b>279.63</b>	<b>28.13</b>	<b>7125.31</b>
<b>Depreciation</b>							
<b>At 1 Apr.'2015</b>	0	381.63	1890.62	19.31	59.66	17.89	2369.11
Charges for the year	0	44.11	343.43	2.09	26.16	4.10	419.89
Disposals	0	0	36.05	0	0	0	36.05
<b>At 31 Mar.'2016</b>	<b>0.00</b>	<b>425.74</b>	<b>2198.00</b>	<b>21.40</b>	<b>85.82</b>	<b>21.99</b>	<b>2752.95</b>
Charges for the year	0	44.67	354.74	2.30	35.37	3.97	441.05
Disposals	0	0	0	0	20.02	0	20.02
<b>At 31 Mar.'2017</b>	<b>0</b>	<b>470.41</b>	<b>2552.74</b>	<b>23.70</b>	<b>101.17</b>	<b>25.96</b>	<b>3173.98</b>
<b>Net Block</b>							
<b>At 31 Mar.'2016</b>	<b>566.45</b>	<b>999.18</b>	<b>2052.58</b>	<b>14.13</b>	<b>191.14</b>	<b>6.14</b>	<b>3829.62</b>
<b>At 31 Mar.'2017</b>	<b>566.45</b>	<b>1247.01</b>	<b>1945.11</b>	<b>12.13</b>	<b>178.46</b>	<b>2.17</b>	<b>3951.33</b>

The company has been charging entire depreciation from profit and loss statement based on the revised remaining useful life of the assets as per the requirement of schedule II of the Companies Act 2013 effective from April 1, 2014.

Further, the amount of depreciation on difference of revalued amount and original cost is Rs 1.10 lakh.

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.

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

**10. Long term loan and advances**

	Non Current		Current	
	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
<b>Capital Advances</b>				
Secured considered good	-	-	-	-
Unsecured considered good	58.27	-	-	-
<b>(A)</b>	58.27	-	-	-
<b>Security Deposit</b>				
Secured considered good	-	-	-	-
Unsecured considered good	19.62	19.62	-	-
<b>(B)</b>	19.62	19.62	-	-
<b>Loan and Advance to related parties</b>				
Unsecured considered good	-	-	-	-
<b>(C)</b>	-	-	-	-
<b>Advance recoverable in cash or kind</b>				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	35.80	51.05
<b>(D)</b>	-	-	35.80	51.05
<b>Other Loans and Advances</b>				
Advance income tax(Net of provision)	-	-	277.83	131.38
Loans to employees	-	-	13.52	15.56
TUFS Subsidy Receivable	-	-	0.48	0.48
Vat	-	-	21.52	12.39
<b>(E)</b>	-	-	313.35	159.81
<b>Total (A+B+C+D+E)</b>	<b>77.89</b>	<b>19.62</b>	<b>349.15</b>	<b>210.86</b>

**11. 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	-	-	51.16	96.62
Doubtful	-	-	-	-

**(A)** - 51.16 96.62

**Other receivables**

Secured, Considered good	-	-	-	-
Unsecured, considered good	-	-	1108.23	864.58
Doubtful	-	-	-	-

**(B)** - 1108.23 864.58

**Total (A+B)** - 1159.39 961.20

**Trade receivables include**

Due from partnership Designs - - - -

**(b) Other assets**

<b>Defined benefit plan (gratuity)</b>	6.51	6.91	-	-
	<b>6.51</b>	<b>6.91</b>	-	-

31 March 2017  
₹ in lacs

31 March 2016  
₹ in lacs

**12. Current Investments**

**Unquoted mutual funds**

4626.829 ( 31 March 2016 : 4381.508) units of Rs 10.0622 each fully paid-up of SBI Mutual Fund

	0.47	0.44
	<u>0.47</u>	<u>0.44</u>

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs	
<b>13 Inventories (Valued at lower of cost and net realisable value)</b>			
Raw material and components	359.49	450.89	
Work in progress	636.79	513.54	
Finished goods	671.79	668.43	
Traded goods	5.02	4.67	
Stores and spares	23.05	14.76	
	1696.14	1652.29	
<b>14. Cash and bank balances</b>			
Cash and cash equivalents balance with bank			
On current accounts	19.82	16.31	
On deposit account	-	-	
Cash in hand	19.85	22.72	
	39.67	39.03	
<b>15. Revenue from operations</b>			
Finished goods	10322.35	9375.66	
Traded goods	51.63	52.59	
Waste	78.09	70.53	
Revenue from operations (Gross)	10452.07	9498.78	
Less : excise duty #	43.82	0.21	
Revenue from operations (Net)	10408.25	9498.57	
# Excise duty on sales amounting to ₹ 43.82 lakh (₹ 0.21 lakh in the previous year) has been reduced from sales in profit & loss account and excise duty on increase / decrease in stock amounting to Rs 0.53 lakh (₹ 6.10 lakh in the previous year) has been considered as (income) / expense in note 22 of financial statements.			
<b>16. Other income</b>			
Interest received	-	6.91	
Dividend received	0.03	6.44	
Rent received	3.00	3.00	
Commission received	10.03	12.04	
	13.06	28.39	
<b>17 Cost of raw material and component consumed</b>			
Inventory at the beginning of the year	450.89	528.88	
Add.: Purchases	6878.67	6350.91	
	7329.56	6879.79	
Less : Inventory at the end of the year	359.49	450.89	
Cost of raw material and components consumed	6970.07	6428.90	
<b>Details of raw material and components consumed</b>			
Yarn	5129.95	4572.34	
Dyes and chemicals	543.83	511.25	
Packing materials	1296.29	1345.31	
	6970.07	6428.90	
<b>Details of inventory / raw material and components</b>			
Yarn	187.19	264.70	
Dyes and chemicals	27.88	50.96	
Packing materials	144.42	135.23	
	359.49	450.89	
<b>18. (Increase) / decrease in inventories</b>			
	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs	Increase / Decrease ₹ in lacs
<b>Inventories at the end of the year</b>			
Traded goods	5.02	4.67	0.35
Work in progress	636.79	513.54	123.25
Finished goods	671.79	668.43	3.36
	1313.60	1186.64	126.96
<b>Inventories at the beginning</b>			
Traded goods	4.67	8.22	-3.55
Work in progress	513.54	598.44	-84.90
Finished goods	668.43	514.28	154.15
	1186.64	1120.94	65.70
<b>Details of Purchase of traded goods 31.03.2017</b>			
Blankets	44.39	43.19	
	44.39	43.19	

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs
<b>19. Employee benefits expense</b>		
Salary and wages	482.65	375.96
Bonus	88.87	67.91
Provident fund	33.41	23.89
Gratuity expenses	18.26	7.20
Medical exp.	1.67	0.74
	<u>624.86</u>	<u>475.70</u>
<b>20 Finance Costs</b>		
Bank interest	288.74	215.21
Interest others	3.68	0.28
Exchange difference to the extent considered as an adjustment to borrowing cost	-	-
Bank charges	10.19	22.34
	<u>302.61</u>	<u>237.83</u>
<b>21 Depreciation and amortization expense</b>		
Depreciation on tangible assets	441.05	419.90
Less- Recoupment from revaluation reserve	0.00	0.00
	<u>441.05</u>	<u>419.90</u>
<b>22 Other expenses</b>		
(Increase)/decrease of excise duty on inventory	0.53	6.10
Power and fuel	845.31	763.95
Rates and taxes	30.98	23.60
Freight and forwarding charges	135.44	119.69
Rent	40.87	38.47
Insurance	21.40	20.57
Repair and Maintenance		
Plant and Machinery	217.00	171.31
Buildings	-	2.02
Others (General)	15.65	19.90
Advertising and sales promotion	7.33	49.72
Commission and discount	213.86	189.00
Travelling and conveyance	27.18	20.77
Communication cost	8.99	8.74
Printing and stationery	4.77	4.41
Legal and professional fees	16.71	17.33
Directors sitting fees	1.55	0.95
Payment to auditors	1.25	1.20
Directors remuneration	150.00	123.00
Miscellaneous expenses	9.71	10.55
Loss on sale of fixed assets (net)	1.47	3.59
Exchange differences (net)	0.38	1.09
	<u>1750.38</u>	<u>1595.96</u>
<b>Payment to auditors</b>		
<b>As auditors</b>		
Audit fee	0.80	0.80
In others capacity	0.45	0.40
	<u>1.25</u>	<u>1.20</u>
<b>23. Related party disclosures</b>		
<b>Related parties where control exists</b>		
Prahlad Industries, Designs Unlimited, Shree Bankey Bihari Enterprises, Himani Gupta.		
<b>Directors and key management personal</b>		
Mr. V.P. Gupta, Mr. J.K. Gupta, Mr. D.K. Gupta and Mr. V.K. Gupta, all whole time directors. Mr. S.K. Agarwal, Mr. Adeep Gupta, Mr. Kapil Gupta and Mr. Ashish Gupta are related parties.		

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

## 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	31.3.2017	30.58	3.00	-	-	-	-
	31.3.2016	26.57	3.00	-	-	-	-
Shree Bankey							
Bihari Enterprises	31.3.2017	7.45	-	-	26.22	-	-
	31.3.2016	11.12	-	-	28.18	-	-
Prahlad Industries	31.3.2017	-	-	33.00	-	-	-
	31.3.2016	-	-	30.75	-	-	7.40
Himani Gupta	31.3.2017	-	-	1.80	-	-	0.15
	31.3.2016	-	-	1.80	-	-	0.15

### (b) Remuneration to directors and key managerial personnel.

	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs
Mr. V.P. Gupta	24.00	24.00
Mr. J.K. Gupta	42.00	33.00
Mr. D.K. Gupta	42.00	33.00
Mr. V.K. Gupta	42.00	33.00
Mr. S.K. Agarwal	15.60	14.40
Mr. Adeep Gupta	15.60	14.40
Mr. Kapil Gupta	15.60	14.40
Mr. Ashish Gupta	15.60	14.40
	<b>212.40</b>	<b>180.60</b>

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.

### 24. Value of imports calculated on CIF basis

	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs
Raw material	-	-
Components and spare parts	106.04	133.15
Capital goods	35.83	186.26
	<b>141.87</b>	<b>319.41</b>

### 25. Expenditure in foreign currency

	31 March 2017 ₹ in lacs	31 March 2016 ₹ in lacs
Travelling and conveyance	10.50	9.22
	<b>10.50</b>	<b>9.22</b>

### 26. Imported and indigenous raw material, components and spare parts consumed

	Value ₹ in lacs 31 March 2017	% of Total Consumption 31 March 2017	Value ₹ in lacs 31 March 2016	% of Total Consumption 31 March 2016
<b>Raw Material</b>				
Imported	-	-	-	-
Indigenously obtained	5129.95	100.00	4572.34	100.00
	<b>5129.95</b>	<b>100.00</b>	<b>4572.34</b>	<b>100.00</b>
<b>Components</b>				
Imported	91.31	4.96	150.75	8.12
Indigenously obtained	1748.81	95.04	1705.81	91.88
	<b>1840.12</b>	<b>100.00</b>	<b>1856.56</b>	<b>100.00</b>
<b>Spare parts</b>				
Imported	54.56	28.04	34.92	27.02
Indigenously obtained	140.05	71.96	94.31	72.98
	<b>194.61</b>	<b>100.00</b>	<b>129.23</b>	<b>100.00</b>

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** (formerly known as Prakash Woollen Mills Limited)

**27. Net dividend remitted in foreign exchange**

	31.03.2017 ₹ in lacs	31.03.2016 ₹ in lacs
Net dividend remitted in foreign exchange	Nil	Nil

**28. Earnings in foreign currency (accrual basis)**

Earnings in foreign currency (accrual basis)	Nil	Nil
--	-----	-----

**29. 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 2017 ₹ in lacs	31 March 2016 ₹ in lacs
Current service cost	15.07	10.87
Interest cost on benefit obligation	6.37	5.75
Expected return on plan assets	- 7.76	- 7.32
Net actuarial (gain)/loss recognized in the year	3.03	- 3.28
<b>Total</b>	<b>16.71</b>	<b>6.02</b>
LC Premium and charges	1.54	1.18
Net Benefit Expense	<b>18.25</b>	<b>7.20</b>
Actual return on plan assets	7.76	7.32

**Balance Sheet**

**Benefit Assets / liabilities**

Present value of defined benefit obligation	- 102.67	- 84.93
Fair value of plan assets	109.18	91.84
Plan assets (liability)	<b>6.51</b>	<b>6.91</b>

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

Opening defined benefit obligation	84.93	71.89
Less : past service cost not recognized	-	-
Current service cost	15.07	10.87
Interest cost	6.37	5.75
Benefits paid	- 6.73	- 0.30
Actuarial (gain/losses) on obligation	3.03	- 3.28
Closing defined benefit obligation	<b>102.67</b>	<b>84.93</b>

**Changes in the fair value of plan assets are as follows**

**Benefit Assets / liabilities**

Opening balance of plan assets	91.84	77.43
Expected return on plan assets	7.76	7.32
Contribution	16.32	7.39
Benefits paid	- 6.73	- 0.30
Actuarial gain /(loss on plan assets (balancing)	-	-

**Closing Balance of plan assets**

	<b>109.19</b>	<b>91.84</b>
Total actual gain (loss) recognised	3.03	- 3.28

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

	31 March 2017	31 March 2016
Investments with insurer	<b>100%</b>	<b>100%</b>

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

	31 March 2017	31 March 2016
Discount Rate	8%	8%
Expected rate of return on assets	8.5%	9%

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED (formerly known as Prakash Woollen Mills Limited)

<b>30. Contingent liabilities</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Demand by EPFO against the company not acknowledged as debt	26.69	26.69
Demand by Income Tax Deptt. against the company not acknowledge at debt	974.57	940.33
Lc opened with bank	185.82	-

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.

Income tax department in regular assessment for AY 2013-14 and AY 2014-15 has raised a demand of Rs 940.33 lakh and Rs 34.24 respectively. The management of the company has contested the demand of Income tax department. The appeals with Commissioner of Income Tax (Appeals) are pending. The company has been advised that the demands are likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

**31.** Balances of trade receivables, trade payables are subject to confirmation as on 31.3.17.

**32.** 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.

**33** Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

	<b>SBNs</b>	<b>Other denomination notes</b>	<b>Total</b>
<b>Closing cash in hand as on 08.11.2016</b>	7731500	84940	7816440
<b>(+) Permitted receipts</b>	0	9477854	9477854
<b>(-) Permitted payments</b>	0	6019752	6019752
<b>(-) Amount deposited in Banks</b>	7731500	1120494	8851994
<b>Closing cash in hand as on 30.12.2016]</b>	0	2422548	2422548

**34.** The company carries on the business of textiles under which blankets of different qualities and size are producud. 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.

### **35. Corporate information**

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

### **36. Significant accounting policies**

#### **I. Basis of Presentation**

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

#### **II. Fixed Assets**

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

#### **III. Investments**

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

#### **IV. Inventories**

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

#### **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 II to the Companies Act 2013. In respect of certain assets whose residual useful life is determined to be less than the residual life as per books, depreciation is provided at the adjusted higher rates so that the value thereof is written off over the useful life determined.

**VI. Retirement Benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund. The company operates defined benefit plan viz gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation each year.

**VII. Foreign Currency Transactions**

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

**VIII. Taxes on Income**

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

As per our report of even date

For A Anand & Co.  
Chartered Accountants

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

CA AJAY ANAND  
(Partner)  
Membership No. 074016

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

J. K. GUPTA  
Managing director  
DIN-00337659

Place : Village. Amhera (Amroha)  
Date : 26<sup>th</sup> May, 2017

SHIVANGI AGARWAL  
Company secretary



**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**

(formerly known as Prakash Woollen Mills Limited)

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

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

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

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

CIN: L17291UP1979PLC004804

**FORM NO. MGT 11**

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

**38<sup>th</sup> Annual General Meeting – September 20<sup>th</sup>, 2017**

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 38<sup>th</sup> Annual General Meeting of the Company to be held at 18<sup>th</sup> Km Stone Delhi Moradabad Road, NH-24, Village Amhera, Distt. J.P Nagar-244102 on Wednesday, the 20<sup>th</sup> day of September 2017 at 12.30 P.M. or at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions Ordinary Business	For	Against
1.	Adoption of Balance Sheet, Statement of Profit and Loss and Cash Flow Statement alongwith the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2017		
2.	Appoint a director in place of Mr.Vijay Kumar Gupta (DIN: 00335325), who retires by rotation and being eligible offers himself for re-appointment		
3.	Ratification of M/s. A. Anand & Co., Chartered Accountants as Statutory Auditors of the Company and fixation of remuneration.		
	<b>Special Business</b>		
4.	Increase in Remuneration of Mr. Jai Kishan Gupta .		
5.	Increase in Remuneration of Mr. Daya Kishan Gupta .		
6.	Increase in Remuneration of Mr. Vijay Kumar Gupta .		
7.	Acceptance of Deposits		

Signed this ..... day of ..... 2017.

**Signature of the member**

Affix  
Re. 1/-  
Revenue  
Stamp

**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 38<sup>th</sup> Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all details including detail of member(s) in above box before submission.

**ATTENDANCE SLIP**

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**

(formerly known as Prakash Woollen Mills Limited)

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

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

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

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

CIN: L17291UP1979PLC004804

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

**Number of shares held**

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

I/We hereby record my/our presence at the thirty seventh Annual General Meeting of the Company on Wednesday, the 20<sup>th</sup> day of September, 2017, at 18<sup>th</sup> Km Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar- 244102.

Full name of proxy (in case of proxy)

Signature of first holder/proxy



Note:

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

Signature of joint holder(s)

## POLLING PAPER

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

### FORM MGT-12

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

(formerly known as Prakash Woollen Mills Limited)

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

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

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

CIN: L17291UP1979PLC004804

- Name(s) & Registered Address of the Sole/First Named Member : .....
- Name(s) of the Joint Holders(s), .....  
If Any
- Registered Folio Number/ DP ID No./Client ID No\*  
(\* Applicable To investors holding  
shares in demat form) : .....
- Number of Equity Share(s) held : .....
- I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 38<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Wednesday, 20<sup>th</sup> September, 2017 by recording my/ our assent or dissent to the said Resolutions by placing the tick ( I / ) Mark at the appropriate box below:

Resolutions Number	Resolutions	For	Against	Abstain
	<b>Ordinary Business</b>			
1	Adoption of Balance Sheet, Statement of Profit and Loss and Cash Flow Statement and the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2017			
2.	Appoint a director in place of Mr.Vijay Kumar Gupta (DIN: 00335325), who retires by rotation and being eligible offers himself for re-appointment			
3.	Ratification of M/s. A. Anand & Co., Chartered Accountants as Statutory Auditors of the Company and fixation of remuneration.			
	<b>Special Business</b>			
4.	Increase in Remuneration of Mr. Jai Kishan Gupta .			
5.	Increase in Remuneration of Mr. Daya Kishan Gupta .			
6.	Increase in Remuneration of Mr. Vijay Kumar Gupta .			
7.	Acceptance of Deposits			

Date:

Place :

**Signature of the Member**

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

## INSTRUCTIONS

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

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

- 1) The Form should be complete and signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder.
- 2) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution /Authorization.
- 3) Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark the column provided in the Ballot.
- 4) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 15th day of September, 2017 as per the Register of Members of the Company.
- 5) A Member may request for a duplicate Ballot Form, if so required.
- 6) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 7) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 8) The results declared along with Scrutinizer's Report, shall be communicated to the BSE Limited where the shares of the Company are listed.

**Route Map for the venue of AGM of Prakash Woollen & Synthetic Mills Limited to be held on Wednesday, 20<sup>th</sup> September 2017 at 12.30 pm at the Registered office of the Company.**

