

# PRAKASH WOOLLEN MILLS LIMITED

## **BOARD OF DIRECTORS :**

SHRI NARESH CHANDRA AGARWAL	--	Chairman
SHRI VED PRAKASH GUPTA	--	Whole Time Director
SHRI JAI KISHAN GUPTA	--	Whole Time Director
SHRI DAYA KISHAN GUPTA	--	Whole Time Director
SHRI VIJAY KUMAR GUPTA	--	Whole Time Director
SHRI PRADEEP KUMAR GUPTA	--	Director
SHRI SATISH KUMAR GUPTA	--	Director
DR. SATISH KUMAR RAJ	--	Director
SHRI MAHENDRA KUMAR AGARWAL	--	Director

## **REGISTERED OFFICE :**

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

## **BANKERS :**

STATE BANK OF INDIA

## **AUDITORS :**

AGARWAL PAWAN KUMAR & CO.,  
Chartered Accountants

## **COST AUDITORS :**

M K KULSHRESTHA & ASSOCIATES  
Cost Accountants

## **BOOK CLOSURE DATE :**

22nd September 2010 to 29th September 2010 (Both days inclusive)

## **ANNUAL GENERAL MEETING :**

**Date and Time** : 29th September 2010, 11:00 A.M.  
**Venue** : Regd. Office : 18<sup>th</sup> K.M. Stone, Delhi Moradabad Road,  
Village Amhera, Distt. J.P. Nagar (U.P.)-244102

## **SHARE TRANSFER AGENT :**

Skyline Financial Service (P) Ltd.  
246, 1<sup>st</sup> Floor, Sant Nagar,  
East of Kailash,  
New Delhi - 110 065

# PRAKASH WOOLLEN MILLS LIMITED

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

## **NOTICE**

NOTICE is hereby given that Thirty First Annual General Meeting of the Shareholders of **Prakash Woollen Mills Limited** will be held on Wednesday, the 29<sup>th</sup> day of September, 2010 at 11:00 A.M. at its registered office at 18<sup>th</sup> KM Stone, Delhi Moradabad Road, NH-24, Village Ahmera, District – J.P. Nagar (U.P.) to transact the following business :

## **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors Report, Auditors Report, Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2010.
2. To appoint a Director in place of Shri JAI KISHAN GUPTA, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. S. K. Raj, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri MAHENDRA KUMAR AGARWAL, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration. M/s Agarwal Pawan Kumar & Co., Chartered Accountants, Meerut the retiring auditors being eligible, for re-appointment, offer themselves for reappointment.

## **SPECIAL BUSINESS :**

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

“**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310 and subject to the approval of Central Government and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to increase the managerial remuneration of Mr. Vijay Kumar Gupta, Whole Time Director of the Company from Rs.62500/- (Rupees Sixty Two Thousands Five Hundred only) per month to yearly slab of Rs.100,000 – 15,000/- – 145,000/- per month by way of salary with effect from the date of approval of Central Government for a period of 3 years.”

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

“**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310 and subject to the approval of Central Government and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to increase the managerial remuneration of Mr. Daya Kishan Gupta, Whole Time Director of the Company from Rs.62500/- (Rupees Sixty Two Thousands Five Hundred only) per month to yearly slab of Rs.100,000 – 15,000/- – 145,000/- per month by way of salary with effect from the date of approval of Central Government for a period of 3 years.”

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

“**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310 and subject to the approval of Central Government and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to increase the managerial remuneration of Mr. Jai Kishan Gupta, Whole Time Director of the Company from Rs.62500/- (Rupees Sixty Two Thousands Five Hundred only) per month to yearly slab of Rs.100,000 – 15,000/- – 145,000/- per month by way of salary with effect from the date of approval of Central Government for a period of 3 years.”

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

“**RESOLVED THAT** pursuant to the provisions of section 198, 269, 309, 310 and subject to the approval of Central Government and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to increase the managerial remuneration of Mr. Ved Prakash Gupta, Whole Time Director of the Company from Rs.62500/- (Rupees Sixty Two Thousands Five Hundred only) per month to yearly slab of Rs.100,000 – 15,000/- – 145,000/- per month by way of salary with effect from the date of approval of Central Government for a period of 3 years.”

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

“**RESOLVED THAT** pursuant to provision of Section 314(1B) of the Companies Act, 1956 read with Rule 3 of Director's Relatives (Office or Place of Profit) Rules, 2003 and all other applicable provisions, if any, and subject to the approval of Central Government the Remuneration of SHRI ADEEP GUPTA, who is son of Mr. Jai Kishan Gupta Director of the Company be and is hereby increased from Rs.40000/- (Rupees Forty Thousand Only) per month to yearly slab of Rs.50,000 – 10,000/- – 80,000/- per month plus bonus as per company policy.

The aforesaid increase shall be effective from **1st October 2010** as per the Resolution passed by the Remuneration Committee.”

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

“**RESOLVED THAT** pursuant to provision of Section 314(1B) of the Companies Act, 1956 read with Rule 3 of Director's Relatives (Office or Place of Profit) Rules, 2003 and all other applicable provisions, if any, and subject to the approval of Central Government the Remuneration of SHRI KAPIL GUPTA, who is son of Mr. Daya Kishan Gupta Director of the Company be and is hereby increased from Rs.40000/- (Rupees Forty Thousand Only) per month to yearly slab of Rs.50,000 – 10,000/- – 80,000/- per month plus bonus as per company policy.

The aforesaid increase shall be effective from **1st October 2010** as per the Resolution passed by the Remuneration Committee.”

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

“**RESOLVED THAT** pursuant to provision of Section 314(1B) of the Companies Act, 1956 read with Rule 3 of Director's Relatives (Office or Place of Profit) Rules, 2003 and all other applicable provisions, if any, and subject to the approval of Central Government the Remuneration of SHRI ASHISH GUPTA, who is son of Mr. Vijay Kumar Gupta Director of the Company be and is hereby increased from Rs.40000/- (Rupees Forty Thousand Only) per month to yearly slab of Rs.50,000 – 10,000/- – 80,000/- per month plus bonus as per company policy.

The aforesaid increase shall be effective from **1st October 2010** as per the Resolution passed by the Remuneration Committee.”

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a member of the Company. Proxies, in order to be effective, must be received at the registered office of the Company not less than 48 hours before the time for holding the meeting.
2. Members desiring any information about the accounts and operations of the Company are requested to send their queries atleast ten days before the date of the Annual General Meeting so that information can be made available at the meeting.
3. The Register of Members and Share Transfer Books of the company will remain closed from 22nd September 2010 to 29th September 2010 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to bring their copy of Annual Report and Attendance slip (duly completed) alongwith them at the Meeting.
5. Members are requested to quote their folio number in all correspondence with Company.
6. Explanatory statements pursuant to section 173(2) is enclosed herewith as Annexure to this Notice.

**ANNEXURE (as required under Listing Agreement):**

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

**ITEM NO. 2 & 8 :**

Mr. Jai Kishan Gupta is 62 years old. He has done graduation. He joined the company since its incorporation as a promoter director in 1979. He has gained rich experience in textile industry and is incharge of production of the company. He is also the director in Prahlad Flour Mills (P) Ltd. also.

**ITEM NO. 3 :**

Dr. S. K. Raj is 65 years old. He is a qualified physician and has exposure to management also.

**ITEM NO. 4 :**

Mr. Mahendra Kumar Agarwal is 70 years old he is a successful businessman and has gained rich experience in the field.

**ITEM NO. 6 :**

Mr. Vijay Kumar Gupta is 57 years old. He has done graduation. He joined the company since its incorporation as a promoter director in 1979. He has gained rich experience in various fields. He has been the incharge of liaison and finance of the Company. He is director in Prahlad Flour Mills (P) Ltd. also.

**ITEM NO. 7 :**

Mr. Daya Kishan Gupta is 60 years old. He has done graduation. He joined the company since its incorporation as a promoter director in 1979. He has gained rich experience in various fields including manufacturing and marketing experience in textile industry. He is director in Prahlad Flour Mills (P) Ltd. also.

## **ITEM NO. 9 :**

Mr. Ved Prakash Gupta is 68 years old. He joined the company as a promoter director in 1979. He has rich experience in textile.

## **EXPLANATORY STATEMENT**

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

## **ITEM NO. 6 To 9 :**

For increased executive participation at the Board level, the remuneration committee has recommended and passed necessary resolution for Increase in Remuneration of Shri Ved Prakash Gupta, Shri Vijay Kumar Gupta, Shri Daya Kishan Gupta and Shri Jai Kishan Gupta with effect from the date of approval of Central Government from Rs.62500/- per month to yearly slab of Rs.100,000 – 15,000/- – 145,000/- per month.

Since the Directors possess sufficient experience and know-how, therefore the appointment proved to be in the best interest of the Company. The overall performance of the Company has shown tremendous growth. Under their able management, the Company has performed well on its financial front. Increase in day to day involvement in company matters of your directors results in overwhelming response and faith of the company officers. Due to increased participation and devotion of time for the industry it was resolved to increase their remuneration accordingly. The Remuneration Committee in their meeting on **29.06.2010** has decided to increase their remuneration for a period of 3 (Three) Years with effect from the date of approval of Central Government and other perquisite as detailed below:

### **REMUNERATION:**

**Salary: Rs.100000/- (Rupees One Lacs only)** per month on CTC basis to each of the above four directors.

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

## **STATEMENT FORMING PART OF THE NOTICE**

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

#### **I. GENERAL INFORMATION**

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

## **II. INFORMATION ABOUT THE APPOINTEES**

1. Background details –

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

2. Past Remuneration – **Sh. V.K.Gupta, D.K.Gupta, J.K.Gupta and V.P.Gupta each Rs. 62500/- per month.**

3. Recognition or Awards – **N/A**

4. Job Profile & Suitability –

**Handling the managerial responsibility as whole time director in the Company since 1979 (year) and having 30 yrs of experience in the Industry. Under their able direction and control, the company has grown up to the present level. Their expertise towards the industry and market conditions analysis is the core factor, which make them most suitable for the position and proposed remuneration.**

5. Remuneration Proposed – **Rs.100,000/- per month to each of them**

6. Comparative Remuneration Profile with respect to industry, size of the company, profile of the position and person: - **Rs.4,00,000/- p.m. is the remuneration which in present scenario, is not so high which require any comparison with other industry.**

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

## **III. OTHER INFORMATION**

1. Reasons of loss or inadequate profits:

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

2. Steps taken or proposed to be taken for improvement

**New Plant for best capacity utilization has been installed two years ago.**

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

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

## **IV. DISCLOSURES**

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

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

- All elements of remuneration package such as salary benefits, bonuses, stock options, pension etc. of all the director;
- Details of fixed component and performance linked incentives along with the performance criteria;
- Service contracts, notice period, severance fee;

- Stock options details, If any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

**All the aforesaid disclosures as required by Section – II of Part – II of Schedule XIII of the Companies Act, 1956 has been disclosed in the report of Corporate Governance attached with the Director’s Report in the Annual Report of the Company for the year 2009-10.**

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

Your Directors recommend the Resolutions for your approval.

**ITEM NO. 10 to 12:**

The remuneration Committee has approved increase in remuneration of the following persons, who are the relatives of Directors of the Company from Rs.40000/- each to yearly slab of Rs.50,000 – 10,000/- – 80,000/- per month plus bonus as per company policy w.e.f 1<sup>st</sup> of October 2010.

- A) SHRI ADEEP GUPTA
- B) SHRI KAPIL GUPTA
- C) SHRI ASHISH GUPTA

Since as per the provisions of Section 314(IB) of the Act, it is required to obtain prior permission of the members in general meeting and approval of Central Government for the increase of aforesaid remuneration. Hence the resolution is proposed.

None of the Director except Shri Jai Kishan Gupta, Shri Daya Kishan Gutpa and Shri Vijay Kumar Gupta is concerned or interested in the resolution. Shri Jai Kishan Gupta, Shri Daya Kishan Gupta and Shri Vijay Kumar Gupta are related to each other and may be deemed to be concerned or interested in the resolution to the extent of payment of remuneration to each of the appointee as detailed hereinabove.

By order of the Board of Directors

Place : Moradabad  
Date : 29.06.2010

V.K. GUPTA  
Whole Time  
Director

D.K. GUPTA  
Whole Time  
Director

## DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2010

To  
The Members,

The Directors hereby present the Thirty First Annual Report together with the audited statements of accounts of the company for the financial year ended 31st March 2010.

<b><u>FINANCIAL RESULTS</u></b>	<b><u>2009 – 2010</u></b>	<b><u>2008 – 2009</u></b>
	<b>(Rs. in Lacs)</b>	
Sales & other Income	4452.19	3074.67
Profit before interest tax and depreciation	594.40	424.49
Interest	231.16	207.07
	-----	-----
Profit/loss before Tax & Depreciation	363.24	217.42
Depreciation	190.35	119.02
	-----	-----
Profit before tax & after Interest and Depreciation	172.89	98.40
Taxation for the year		
Current tax	29.40	10.15
Defered tax	17.12	35.46
Fringe Benefit Tax	--	4.11
	-----	-----
Profit after tax	126.37	48.68
	-----	-----

### **DIVIDEND**

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

### **OPERATIONS**

During the year, the production and sale increased by 49.28% and 51.28% respectively in terms of quantity. Therefore PBDIT increased to Rs. 594.40 lacs from Rs. 424.49 lacs in the previous year and net Profit was before tax up at Rs. 172.89 lacs.

### **LABOUR RELATIONS**

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

### **FIXED ASSETS**

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

### **DIRECTORS**

As per the provisions of Section 256 of the Companies Act, 1956 Shri Jai Kishan Gupta, Dr. S. K. Raj and Shri M. K. Agarwal, Directors of the Company are due for retirement by rotation at the forthcoming Annual General Meeting and are being eligible offer themselves for reappointment.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your Directors state: (a) that in the preparation of the annual



accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31.03.2010 and of the profit or loss of the Company for the year ended on 31.03.2010; (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (d) that the directors have prepared annual accounts on a going concern basis.

### **PARTICULARS OF EMPLOYEES**

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

### **AUDITORS**

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

### **AUDITORS REPORT**

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

### **CORPORATE GOVERNANCE**

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

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

### **CONSERVATION OF ENERGY**

The company has been using HSD for steam generation. To save cost and energy as well as foreign exchange, the company installed a Boiler to generate steam through consumption agriculture produce waste. Since the company has expanded into production of polyester blankets which required consumption of steam at larger scale, the newly installed boiler will save on consumption of energy and cost.

### **FORM A** (See Rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

<b><u>A. Power and fuel consumption</u></b>	2009– 2010 Current Year	2008– 2009 Previous Year
1. Electricity		
(a) Purchased		
Unit (KWH)	NIL	NIL
Total Amount (Rs. '000)	NIL	NIL
Rate/Unit (Rs/Unit)	NIL	NIL
(b) Own generation		
(i) Through diesel generator		
Unit (KWH)	15,35,080	9,93,630
Unit per-ltr.of diesel oil	3.45	3.40
Cost/ Unit	9.74	8.82

(ii)Through steam turbine/Generator		
Unit	NIL	NIL
Unit per ltr.of fuel oil/gas	NIL	NIL
Cost/Unit	NIL	NIL

## **2. Coal(specify quality and where used)**

Quantity (tonnes)	NIL	NIL
Total cost	NIL	NIL
Average rate	NIL	NIL

## **3. Furnace Oil**

Quantity (K.ltrs.)	NIL	NIL
Total Amount	NIL	NIL
Average rate	NIL	NIL

## **4. Others/internal generation**

Quantity (Qlts)	NIL	NIL
Total Cost(Rs. '000)	NIL	NIL
Rate/Unit	NIL	NIL

## **B. Consumption per unit of production**

	Standards (if any)	Current Yr.	Previous Yr.
Products (with details unit)		1	2
<b><u>ACRYLIC BLANKETS (PCS)</u></b>			
Electricity KWH	N.A.	2.42	1.29
Furnace Oil	N.A.	NIL	NIL
Coal (Specify quality)	N.A.	NIL	NIL
Others (specify)	N.A.	NIL	NIL

## **ABSORPTION OF TECHNOLOGY**

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

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

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

	2009– 2010	2008 – 2009
	(Rs. in Lacs)	
1.During the year company used foreign Exchange:(Payment Basis)		
(a) on purchase of Raw Material & Stores & Spares	34.86	99.74
(b) on travelling	8.41	4.40
(c) on purchase of machinery	63.79	381.14
	-----	-----
Total	107.06	485.28
	-----	-----
2.During the year company earned Foreign Exchange	NIL	NIL

## **APPRECIATIONS**

Your Directors like to record their sincere appreciation for the support which the company received from its Employees, Clients, Bankers, Central/ State Governments, Financial Institutions and their various agencies and other organisation during the year .

FOR AND ON BEHALF OF THE BOARD

Place : Moradabad

Date : 29.06.2010

V.K. GUPTA  
Whole Time  
Director

D.K. GUPTA  
Whole Time  
Director

## **ANNEXURE 'A'**

### **REPORT ON CORPORATE GOVERNANCE**

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

### **COMPOSITION OF BOARD OF DIRECTORS AS ON 31.03.2010**

Promoter & Executive Director	4	44%
Non-Executive/Independent Director	5	56%

### **BOARD OF DIRECTORS AND BOARD MEETING**

The Board of the company consists of nine members as on 31st March 2010. Board Meetings were held during the financial year 2009-2010. The dates on which the said meetings were held are as follows :

6th Apr 2009, 29th June 2009, 31st July 2009, 26th Oct 2009, 30th Jan 2010.

Details of attendance of each Director at the Board Meeting, the last AGM and other Indian Companies directorship and committee membership held by them are as follows:

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

### **AUDIT COMMITTEE**

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

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

During the financial year 2009-2010, meeting of Audit Committee were held on 27.06.2009, 29.07.2009, 24.10.2009, 28.01.2010, 30.03.2010.

### **REMUNERATION COMMITTEE**

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

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

Remuneration paid or payable to Directors during the year 2009-2010.

Name of Directors	Sitting fees	Commission on profits	Salary	Perquisites	Total
Mr. J.K. Gupta	--	Nil	675000	--	675000
Mr. D.K. Gupta	--	Nil	675000	--	675000
Mr. V.K. Gupta	--	Nil	675000	--	675000
Mr. V.P. Gupta	--	Nil	675000	--	675000

### **INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE**

The company's Investors / Shareholders Grievance Committee is presently formed under the chairmanship of Mr. Naresh Chand Agarwal. The other members of the committee are Mr. Ved Prakash Gupta and Mr. Vijay Kumar Gupta. The company had no pending complaints and transfers at the close of the financial year 2009-2010.

### **GENERAL BODY MEETINGS**

The last three Annual General Meetings of the Company were held on 28<sup>th</sup> September 2007, 26<sup>th</sup> September 2008 and 26<sup>th</sup> September 2009 at Chamber Bhawan, Bombay Bazar, Meerut Cantt. respectively. All the resolutions set out in the respective notices were passed by the shareholders. No resolution requiring postal ballot as recommended by Clause 49 of the Listing Agreements were placed for shareholders approval at the meetings.

### **DISCLOSURES**

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

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

### **MEANS OF COMMUNICATION**

#### **1. Half Yearly Report :**

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

#### **2. Quarterly Result :**

Which newspapers normally published in

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

**3. Website :**

Any Website where displayed Nil

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

No

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

Yes

**GENERAL SHAREHOLDERS' INFORMATION****1. AGM : Date, Time & Venue :**

Wednesday 29th September 2010 at 11:00 A.M. at Vill. Amhera P.O. Chaudherpur, Delhi Road, Distt. J. P. Nagar.

**2. Financial Calendar :**

(i) First Quarter Results	--	July 2010
(ii) Half-Yearly Results	--	October 2010
(iii) Third Quarter Results	--	January 2011
(iv) Result for the year ending 31st March 2010	--	May 2011

**3. Dates of Book Closure**

22nd September 2010 to 29th September 2010 (Both days inclusive)

**4. Dividend Payment date :**

N.A.

**5. Listing on Stock Exchange :**

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

**6. Stock Code - Physical :**

BSE 531437 ASE 45511 JSE 725

**7. ISIN No. For NSDL / CDSL :**

INE523I01016

**8. Distribution of shareholding as on 31st March 2010 :**

Category	No. of Shares held	Percentage of Shareholding
<b>A. Promoters' holding</b>		
1. Promoters'		
- Indian Promoters	2798742	67.02
- Foreign Promoters	NIL	NIL
2. Persons acting in Concert	NIL	NIL
<b>Sub - Total</b>	<b>2798742</b>	<b>67.02</b>

## **B. Non-Promoters Holding**

### 3. Institutional Investors

a. Mutual Funds and UTI	13400	0.32
b. Banks, Financial Institutions Insurance Companies (Central / State Gov. Institutions / Non- Government Institutions)	120000	2.87
c. FIIs	--	--
<b>Sub - Total</b>	<b>133400</b>	<b>3.19</b>

### 4. Others

a. Private Corporate Bodies	126400	3.03
b. Indian Public	1017358	24.37
c. NRIs/OCBs	100000	2.39
d. Any Other (please specify)	--	--
<b>Sub - Total</b>	<b>1243758</b>	<b>29.79</b>

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<b>GRAND TOTAL</b>	<b>4175900</b>	<b>100.00</b>
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## **9. Market price data : High, Low during each month in the last financial year :**

No Trading

## **10. Performance in comparison to BSE sensex, (Broad based index) :**

N.A.

## **11. Registrars and Transfer Agent :**

Skyline Financial Service (P) Ltd  
246, 1st Floor, Sant Nagar,  
East of Kailash,  
New Delhi - 110065

## **12. Share Transfer System :**

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

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

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

Not Issued

## **15. Plant Locations :**

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

## **16. Address for correspondence :**

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

## **ANNEXURE 'B'**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **INDUSTRY**

The company has been manufacturing blankets since its inception in 1979. In three decades trends of usage of blankets have been changing and the company has adapted to the changed trends.

#### **OPPORTUNITIES & OUTLOOK**

The demand for blankets is huge in India and it is met by indigenous as well as imported blankets. The imports are made mainly from China at very competitive prices. Therefore domestic industries have to adapt new trends and technology to compete with the Chinese imports and to save their markets share of blankets. In order to meet its customers demands, the company has been manufacturing on raschel as well as circular machines. Further outlook of the industry looks stable. However threat from imported goods will always remain there.

#### **THREATS**

The Company has been adapting to new technologies, trends and varieties on regular basis to keep pace with the imported goods. Further the company tries to keep production at optimum level to keep prices low in order to compete with imported blankets.

#### **APPLICABILITY OF SEGMENTAL RESULTS**

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

#### **INTERNAL CONTROL**

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

#### **PERFORMANCE**

During the year under review the company posted good results. The production sales and PBT increase handsomely.

#### **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

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

#### **RISK & COVERS**

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

To,  
The Members of  
Prakash Woollen Mills Limited,

We have examined the compliance of conditions of Corporate Governance by Prakash Woollen Mills Limited (the Company) for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

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

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

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

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

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

Place : Moradabad  
Date : 29.06.2010

(PAWAN KUMAR)  
(Prop.)



To,  
The Members of  
Prakash Woollen Mills Limited,

1. We have audited the attached Balance Sheet of Prakash Woollen Mills Limited as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto, and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

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

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

(v) On the basis of the written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956;

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the other notes in schedule 14 give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2010;
- b) In the case of the Profit and Loss Account of the PROFIT for the year ended on that date; and
- c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

Place : Moradabad  
Date : 29.06.2010

(PAWAN KUMAR)  
(Prop.)

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

### **(Referred to in paragraph(3) thereof)**

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

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

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

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

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

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

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

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

(e) The company has taken unsecured loans, from two firm / company covered in the register maintained under section 301 of the Act. Balance outstanding was on Balance Sheet date was Rs. 36.39 acs.

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

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

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

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

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

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

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

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

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

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

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

The company has received a show cause notice from the Excise Department demanding Rs. 58.03 lacs as excise duty payable by the company. The company has deposited Rs. 44.61 lacs with the department under protest. The case is pending before settlement commission.

EPFO has demanded Rs. 38.95 lacs. The management of the company has contested the demand of EPFO. An appeal has been pending before hon'ble EPF appellate tribunal Lucknow.

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

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

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

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

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

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

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

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

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

(19) No debentures were issued.

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

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

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

Place : Moradabad  
Date : 29.06.2010

(PAWAN KUMAR)  
(Prop.)

**PRAKASH WOOLLEN MILLS LIMITED**  
**BALANCE SHEET AS ON 31ST MARCH 2010**

SCHEDULE	2009 – 2010 (Rs. in lakhs)	2008– 2009 (Rs. in lakhs)
<b><u>I.FUNDS EMPLOYED</u></b>		
<b><u>1.SHARE HOLDERS'FUNDS</u></b>		
a. Share Capital	1	417.59
b. Reserve & Surplus	2	891.80
		1309.39
		417.59
		756.63
		1174.22
<b><u>2.BORROWINGS</u></b>		
a. Secured Loans	3	2044.98
b. Unsecured Loans	4	300.00
		2344.98
		2132.60
		629.01
		2761.61
<b><u>3.DEFERRED TAX LIABILITY</u></b>		
		258.52
		241.40
<b>TOTAL :</b>		3912.89
		4177.23
<b><u>II.APPLICATION OF FUNDS</u></b>		
<b><u>1. FIXED ASSETS</u></b>		
a. Gross Block	5	3079.94
b. Less : Depreciation		1081.31
		1998.63
		2883.86
		890.97
		1992.89
<b><u>2. CURRENTS ASSETS LOANS &amp; ADVANCES</u></b>		
<b><u>a. CURRENT ASSETS</u></b>		
Inventories	6	870.61
Sundry Debtors		1049.34
Cash and Bank Balances		62.47
Other Current Assets		2.86
		666.17
		1500.75
		8.28
		2.86
<b><u>b. LOANS &amp; ADVANCES</u></b>		
	7	136.03
		188.61
		2121.31
		2366.67
<b>Less:1. CURRENT LIABILITIES &amp; PROVISIONS</b>	8	207.05
		1914.26
		(182.33)
		2184.34
		3912.89
		4177.23

**Auditor's Reports**

In Terms of our separate report of even date annexed

For PRAKASH WOOLLEN MILLS LTD.

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

V. K. GUPTA  
Whole Time  
Director

D. K. GUPTA  
Whole Time  
Director

Place : Moradabad  
Date : 29.06.2010

(Pawan Kumar)  
(Prop.)

Archana Bansal  
Company Secretary

**PRAKASH WOOLLEN MILLS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

	SCHEDULE	2009 – 2010 (Rs. in lakhs)		2008 – 2009 (Rs. in lakhs)	
<b><u>INCOME</u></b>					
Sales		4452.19		3074.11	
Other Income	9	0.06	4452.25	0.56	3074.67
<b><u>EXPENDITURE</u></b>					
(Increase)/Decrease in stock	10	( 93.06)		( 225.39)	
Cost of Material	11	2080.45		1709.63	
Manufacturing Exp.	12	1398.25		827.45	
Selling and Other Exp.	13	472.21		338.49	
Interest		231.16	4089.01	207.07	2857.25
Profit/loss before Depreciation & taxes			363.24		217.42
Depreciation			( 190.35)		( 119.02)
Profit/loss before tax			172.89		98.40
Less : Taxation for the year					
Current tax			29.40		( 10.15)
Deferred tax			17.12		( 35.46)
Fringe Benefit Tax			---		( 4.11)
Profit After tax			126.37		48.68
<b><u>APROPRIATIONS</u></b>					
Balance brought forward from Previous year			182.43		142.78
Adjustment of Previous Year Income Tax			( 0.40)		( 0.50)
Adjustment of Prior Period Items			9.20		( 8.53)
Balance Carried Forward to Next Year			317.60		182.43

**Auditor's Reports**

In Terms of our separate report of even date annexed

For PRAKASH WOOLLEN MILLS LTD.

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

V. K. GUPTA  
Whole Time  
Director

D. K. GUPTA  
Whole Time  
Director

Place : Moradabad  
Date : 29.06.2010

(Pawan Kumar)  
(Prop.)

Archana Bansal  
Company Secretary

**PRAKASH WOOLLEN MILLS LIMITED**  
**SCHEDULE FORMING PART OF THE BALANCE SHEET**

**SCHEDULE - 1 : SHARE CAPITAL**

	2009 – 2010 (Rs. in lakhs)	2008 – 2009 (Rs. in lakhs)
<b><u>AUTHORISED CAPITAL</u></b>		
60,00,000 Equity Shares of Rs. 10/- each	600.00	600.00
<b><u>ISSUED, SUBSCRIBED AND PAIDUP CAPITAL</u></b>		
41,75,900 Equity Shares of Rs. 10/- each fully paid up ( out of above 11,040 Equity Shares of Rs. 10/- each has been issued as fully paid up pursuant to a contract without payment being received in Cash and 7 lacs Equity Shares have been allotted as bonus shares capitalizing free reserves.)	417.59	417.59
	----- 417.59 -----	----- 417.59 -----

**SCHEDULE - 2 : RESERVE AND SURPLUS**

i) Revaluation Reserve	132.69	132.69
ii) Investment Allowance Reserve	0.17	0.17
iii) General Reserve	4.00	4.00
iv) Capital Subsidy	10.00	10.00
v) Share Premium	285.18	285.18
vi) Share Forfeited	142.16	142.16
vii) Profit & Loss	317.60	182.43
	----- 891.80 -----	----- 756.63 -----

**SCHEDULE - 3 : SECURED LOANS**

1) State Bank of India Cash Credit a/c (against hypo. of entire current assets)	1253.91	1381.71
2) State Bank of India Term Loan (against hypo. of Mach.)	--	20.18
3) State Bank of India Term Loan II (Against Hypo. of machine)	136.01	175.20
4) State Bank of India Corp.Loan III (Against Hypo. of entire assets of Co.)	--	78.54
5) State Bank of India TL III ( Against first charges on assets created )	427.58	451.84
6) State Bank Car Loan (Against Hypo. of Car)	19.00	--
7) State Bank Corporate Loan (Against Hypo. of entire assets of Co.)	193.00	--
8) I C I C I Bank Ltd. (Against Hypo. of Car)	2.68	11.67
9) Interest Accrued and Due	12.80	13.46
	----- 2044.98 -----	----- 2132.60 -----

**SCHEDULE - 4 : UNSECURED LOANS**

From Others	142.42	188.28
From Agents	35.76	37.17
Deferred payments credits	121.82	303.50
Short Term	--	100.06
	----- 300.00 -----	----- 629.01 -----

**PRAKASH WOOLLEN MILLS LIMITED**  
**DEPRECIATION SCHEDULE AS ON 31ST MARCH 2010**

**SCHEDULE - 5**

AMOUNT IN LAKHS

PARTICULARS	TOTAL COST ASSEST REVALUED AS ON 01.04.2009	ADDITION DURING THE YEAR	SALE DURING THE YEAR	REVAL-ATION WRITTEN BACK	ORIG-INAL COST W/BACK	TOTAL COST UPTO 31.03.2010	TOTAL DEPREC- IATION UPTO 31.3.2009	DEP. DURING THE YEAR	DEP WRITTEN BACK	TOTAL DEPRN. UPTO 31.3.2010	NET BLOCK AS ON 31.3.2010
LAND	92.22	--	--	--	--	92.22	--	--	--	--	92.22
BUILDING	633.29	65.28	--	--	--	698.57	198.38	21.19	--	219.57	479.00
PLANT & MACHINERY	2048.64	138.17	32.30	--	--	2154.51	642.82	159.35	--	802.17	1352.34
FURNITURE & FIXURE	18.10	0.65	--	--	--	18.75	10.15	1.15	--	11.30	7.45
COMPUTERS	8.03	--	--	--	--	8.03	7.64	--	--	7.64	0.39
OFFICE EQUIPMENTS	4.31	0.72	--	--	--	5.03	2.17	0.23	--	2.40	2.63
MOTOR VEHICLES	79.27	23.56	--	--	--	102.83	29.81	8.42	--	38.23	64.60
	<u>2883.86</u>	<u>228.38</u>	<u>32.30</u>	<u>--</u>	<u>--</u>	<u>3079.94</u>	<u>890.97</u>	<u>190.34</u>	<u>--</u>	<u>1081.31</u>	<u>1998.63</u>
Previous Year	2144.51	739.35	--	--	--	2883.86	771.95	119.02	--	890.97	1992.89

**SCHEDULE - 6 : CURRENT ASSETS**

2009 – 2010  
(Rs. in lakhs)

2008– 2009  
(Rs. in lakhs)

**I) INVENTORIES**

(As taken, valued & certified by the management)

**a) Consumable**

Dyes, Chemicals, Fuel, Designing, Mobil & Packing Material

136.83

83.51

**b) Stock in trade**

Raw Material  
Finished Goods  
Semi-Finished Goods

89.38

31.32

393.29

210.70

251.11

870.61

340.64

666.17

**II) SUNDRY DEBTORS**

(Unsecured considered goods)

More Than Six Month  
Less Than Six Month

26.00

66.09

1023.34

1049.34

1434.66

1500.75

## PRAKASH WOOLLEN MILLS LIMITED

	2009 – 2010 <u>(Rs. in lakhs)</u>	2008 – 2009 <u>(Rs. in lakhs)</u>
<b><u>III) CASH AND BANK BALANCE</u></b>		
a. Cash Balance on Hand	16.40	2.95
b. Bank Balance With -		
<b>Schedule Banks</b>		
Deposit Account	0.26	0.26
Current Account	45.81	5.07
Accrued Interest	--	8.28
	-----	-----
<b><u>IV ) OTHER CURRENT ASSETS</u></b>		
Securities	2.86	2.86
	-----	-----
<b>TOTAL CURRENT ASSETS</b>	<b>1985.28</b>	<b>2178.06</b>
	-----	-----
<b><u>SCHEDULE - 7 : LOANS AND ADVANCES</u></b>		
a) Advance for Goods	33.77	78.78
b) Advance Excise/Custom Duty	47.00	47.00
c) Other Advances	55.26	62.83
	-----	-----
	136.03	188.61
	-----	-----
<b><u>SCHEDULE - 8 : CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Sundry Creditors for goods-		
- Micro, Small & medium Enterprises	--	--
- Others	46.11	21.01
Sundry Creditors for Exp.	61.73	110.58
Advances from Customers and others	97.01	49.35
Provison for Income Tax (Net of Advance Tax)	2.20	1.39
	-----	-----
	207.05	182.33
	-----	-----
<b><u>SCHEDULES FORMING PART OF PROFIT &amp; LOSS A/C</u></b>		
<b><u>SCHEDULE :- 9 : OTHER INCOME</u></b>		
i) Interest on FDR/BONDS	0.06	0.56
	-----	-----
	0.06	0.56
	-----	-----



## PRAKASH WOOLLEN MILLS LIMITED

2009 – 2010  
(Rs. in lakhs)

2008 – 2009  
(Rs. in lakhs)

### **SCHEDULE :- 10 :(INCREASE)/DECREASE IN STOCKS**

#### **OPENING STOCK**

Finished Goods	210.70	123.30
Stock in Process	340.64	202.65
	-----	-----
	551.34	325.95
	-----	-----

#### **Less:- CLOSING STOCK**

Finished Goods	393.29	210.70
Stock in Process	251.11	340.64
	-----	-----
	644.40	551.34
	-----	-----

#### **(INCREASE) / DECREASE**

	( 93.06)	( 225.39)
	-----	-----

### **SCHEDULE :-11 : COST OF MATERIALS**

Raw Material Consumption	1979.48	1488.57
Purchase of Blankets/Cloth	100.97	221.06
	-----	-----
	2080.45	1709.63
	-----	-----

### **SCHEDULE :-12 : MANUFACTURING EXPENSES**

(i) Dyes & Chemical	186.60	124.52
(ii) Designing	10.38	4.40
(iii) Wages	93.11	46.98
(iv) Mobil Oil & Fuel	359.43	234.82
(v) Electricity & Power	5.76	4.30
(vi) Packing Exp.	742.97	412.43
	-----	-----
	1398.25	827.45
	-----	-----

### **SCHEDULE :-13 : ADMINISTRATIVE & SELLING EXPENSES**

#### **A. EMPLOYEES REMUNERATION & BENEFITS**

Salaries to employees	50.07	40.58
Bonus	21.02	6.60
Labour & Staff welfare	0.14	0.03
Leave with wages	0.02	--
Provident Fund	7.74	6.69
Medical expenses	0.46	0.40
Gratuity & contribution	8.80	5.75
	88.25	60.05
	-----	-----

## PRAKASH WOOLLEN MILLS LIMITED

	2009 – 2010 (Rs. in lakhs)	2008 – 2009 (Rs. in lakhs)
<b><u>B. ADMINISTRATIVE &amp; SELLING &amp; GENERAL EXPENSES</u></b>		
Travelling expenses	18.92	3.90
Printing & Stationery	2.16	2.47
Vehicle exp.	9.36	12.30
Insurance	9.23	6.42
Advertisement	2.53	1.83
Sales Promotion	--	--
Sample expenses	0.21	0.18
Discount & Commission to Dealer/Agent	97.59	59.30
Postage & Telegram	1.59	1.52
Bank Charges	15.55	11.05
Fee & Taxes	3.47	3.81
Legal Expenses	5.85	4.76
Local Conveyance	1.02	1.26
Sundry Expenses	3.32	2.16
Generator Expenses	9.75	7.22
Machinery & Repairs	39.17	17.29
Telephone Expenses	5.31	4.72
Donation & Subscription	0.53	0.43
Books & Periodicals	0.06	0.10
Freight & Cartage	35.07	42.81
Cost Audit Fee	0.25	0.30
Auditors Remuneration	0.44	0.33
Auditors Exps.	--	--
Directors Fee	0.22	0.12
Repaire & Maintenance	0.69	0.15
Corporate Expencess	0.85	1.24
Loading & Unloading	3.42	1.61
Loss on sale/discarded of assets	--	--
Confrence Expenses	0.11	10.42
Exchange Difference	44.61	31.59
Rent	10.79	6.83
Commercial Tax	33.46	9.05
Exhibition Expencess	0.78	0.88
Hospitality	0.65	1.07
Distribution	--	7.87
	356.96	254.99
<b><u>C. MANAGERIAL REMUNERATION</u></b>		
Directors Remuneration	27.00	23.45
	27.00	23.45
	472.21	338.49

### **SCHEDULE:- 14**

#### **NOTES & ACCOUNTING POLICIES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

1. Letter of Credit opened and outstanding as on 31st March 2010 on behalf of the company by bank for purchase of Raw Material / Machinery amounts to Rs. 6.64 Lacs.
2. Balances of Sundry Debtors, Sundry Creditors and Advance from Customers etc. are subject to confirmation as on 31.3.2010.

3. Break up of Interest on Borrowing is as under.

	2009-2010 (Rs.In Lakhs)	2008-2009 (Rs.In Lakhs)
i) Interest to State Bank of India on term loan & working Capital	195.41	199.32
ii) ICICI Bank	0.77	1.66
iii) Others	34.98	6.09
	----- 231.16 -----	----- 207.07 -----

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

5. In the opinion of the management and to the best of their knowledge and belief, the value of loans, advances and other Current Assets in the ordinary course of business will not be less than the amount at which they will be stated in Balance Sheet.

6. Pursuant to notification no. 30/2004 dated 09.07.2004, the company availed exemption of excise duty w.e.f. 01.09.2004, Therefore no excise duty is applicable and payable on blankets there after.

7. The figures relating to Previous year have been rearranged / regrouped wherever necessary .

8. Prior period items include :-

(i) Writing back of Gratuity provisions for past services amounting to Rs. 9.20 lacs.

9. 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.

10. In accordance with the Accounting Standard 22 on Accounting for Taxes on Income, the Company has made adjustments in its accounts for deferred tax liabilities/assets. The tax effects of significant temporary differences that resulted in deferred tax liabilities are

	As on 31.03.2010	As on 31.03.2009
	(Rs in Lacs)	
Depereciation on Fixed Assets	258.52	241.40
	-----	-----
Deferred Tax Liability	258.52	241.40
	-----	-----

#### **11. REMUNERATION TO MANAGING DIRECTOR/ WHOLE TIME DIRECTORS**

	2009-2010	2008-2009
	(Amount in Rs.)	
a) Salary	27,00,000	23,45,000
b) Perquisites	NIL	NIL

#### **12. PAYMENT TO AUDITOR'S**

a) Audit Fee	25,000	25,000
b) In other Capacity	19,000	5,000

#### **13. Additional Information requirement to be given in persuance of Paragraph 3 and 4c of Part 4 of schedule VI of the Companies Act, 1956.**

	2009 – 2010 -----	2008 – 2009 -----
<b>A. Detail of Product Manufactured</b>		
i. Licenced Capacity (As No Licence is applicable)	N/A	N/A
ii. Installed Capacity (Blankets of Synthetic Fibre Acrylic / Polyester)	12.67 lacs pcs. (Double Bed) p.a.	10.92 lacs pcs. (Double Bed) p.a.

<b>B. Detail of Sales</b>	unit	qty.	value	unit	qty.	value
	(Rs. in lakhs)			(Rs. in lakhs)		
<b>Class of goods</b>						
<u>Blankets</u>						
Synthetic (Acrylic / Polyester)	Nos.	861706	4304.10	Pcs.	569596	2905.67
Shoddy woollen	Nos.	18079	28.48	Pcs.	8078	11.12
Cloth	Mtr.	51577	100.11	Mtr.	55403	140.15
Others		--	19.50			16.87

<b>C. Actual Production and Stock</b>								
2009-2010				2008-2009				
	unit	opening	prod	closing	unit	opening	prod	closing
<b>Blankets (incl.semi Finished)</b>								
Synthetic (Acrylic / Polyester)	Nos.	125126	906973	170393	Pcs.	78430	616292	125126
(Value in Rs.in Lacs)		492.46		614.38		323.93		492.46

<b>D. Details of Raw Material Consumed and Purchase</b>						
	Qty	Rs. in Lacs	Qty	Rs. in Lacs		
Yarn	Qtls.	23235.907	1979.48	15246.235	1488.57	
Blanket (Pcs.) (Synth.)	Nos.	1687	11.21	5498	22.34	
Blanket (Pcs.)(Other)	Nos.	19087	22.14	7834	12.23	
Cloth (Mtr.)	Mtr.	72833	67.62	97997	186.49	
Other		--	--	--	--	
		-----	2080.45	-----	1709.63	
		-----		-----	-----	

<b>E. Trading Stock</b>										
	Unit	O.B.	Purchase	Sale	C.B.	Unit	O.B.	Purchase	Sale	C.B.
<u>CLOTH</u>	Mtr.	42594	72833	51577	63850	Mtr	--	97997	55403	42594
(Value Rs. in lacs)		56.09	67.62	100.11	25.14		--	186.49	140.15	56.09
<u>SHODDY BLANKETS</u>	Pcs.	1126	19085	17951	2260	Pcs	1370	7834	8078	1126
(Value Rs. in lacs)		2.55	22.14	28.48	2.55		1.57	12.23	11.12	2.55
Others		--	--	--	--		0.32	--	0.30	--

**14. INFORMATION PURSUANT TO PARAGRAPH 4D PART II OF SCHEDULE VI OF THE COMPANIES ACT 1956.**

	CURRENT YEAR		PREVIOUS YEAR	
	<-----Rs. in Lacs----->			
A. Imports calculated on CIF basis in respect of				
1) Raw Material		--		77.08
2) Components & Spare		34.86		20.95
3) Capital Goods (Plant & Machinery)		63.79		395.13
B. Expenditure In Foreign Currency During the Fiancial Year				
1) Foreign Travelling Exp.		8.41		4.40
C. Consumption of				
1) Raw Material				
i) Value of Imported Goods		--	94.86	6.37
ii) Value of Indigenous Good	1979.48	100.00	1393.71	93.63
	-----	-----	-----	-----
	1979.48	100.00	1488.57	100.00
	-----	-----	-----	-----
2) Component				
i) Value of Imported Goods	34.97	3.66	19.28	3.59
ii) Value of Indigenous Good	894.60	96.34	517.67	96.41
	-----	-----	-----	-----
	929.57	100.00	536.95	100.00
	-----	-----	-----	-----
3) Stores & Spares				
i) Value of Imported Goods	6.64	14.19	1.31	5.54
ii) Value of Indigenous Good	40.16	85.81	22.33	94.46
	-----	-----	-----	-----
	46.80	100.00	23.64	100.00
	-----	-----	-----	-----
D. Remittance in foreign currency on Account of Dividend to Non Resident Shareholders.		NIL		NIL
E. Earning in Foreign Exchange		NIL		NIL
15. The number of employees were in receipt or were entitled to receive emoluments Amounting in the Aggregate Rs.100000/- or more per month		NIL		NIL

16. The company carries on the business of textiles. Under which blankets of different qualities & sizes are produced. Further the sale is made in domestic markets at the same terms and conditions. Therefore, no different business or geographical segments are recognisable and reportable.

17. Related party disclosures as required by AS-18. Related party disclosures are given below :-

I. Relations Ships :-

(i) Enterprises over which significant influence exists:

Prahlad Industries, Prahlad Flour Mills Ltd., Design Unlimited, Swastik Biscuit (P) Ltd.

(ii) Directors & Key Management Personnel:

Shri Ved Prakash Gupta, Shri Jai Kishan Gupta, Shri Daya Kishan Gupta, Shri Vijay Kumar Gupta, Shri Pradeep Kumar Gupta, Dr. S. K. Raj, Shri S. K. Gupta, Shri N. C. Agarwal, Shri M.K. Agarwal, Shri Sanjay Kumar Agarwal, Shri Adeep Gupta, Shri Kapil Gupta and Shri Ashish Gupta.

II. (i) Summary of the transaction with the above related parties at 1(i) is as follows:

Rs. in lacs

Nature of Transaction	Name of Parties	Transaction for the year ended	
		31.03.2010	31.03.2009
Rent Paid	Prahlad Industries	9.75	5.70
Interest Paid	Prahlad Industries	3.28	2.23
Interest Paid	Directors & Relatives	4.40	1.19
Goods Purchased / Sale	Designs Unlimited	53.69 / 57.44	83.57 / Nil
Deposits Recd / Paid (Net)	Prahlad Industries	8.99 / Nil	Nil / 6.80
<b>Closing Balance :-</b>			
Deposits Received	Prahlad Industries	30.00	21.01

(ii) Details relating to persons referred in item I(ii) above :

Rs. in lacs

**Remuneration**

(V.K. Gupta=6.75, D.K. Gupta=6.75, J.K.Gupta=6.75, V.P. Gupta=6.75, S.K.Agarwal=4.50, Adeep Gupta=4.49, Kapil Gupta=4.49, Ashish Gupta=4.49) 44.97  
 In addition, the company contributes in Group Gratuity Scheme that Covers Mr. S.K. Agarwal, Adeep Gupta, Kapil Gupta and Ashish Gupta Also.

**19. BALANCE SHEET (ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE):**

I. Registration Details

Registration No.  
 State Code  
 Balance Sheet

4	8	0	4
		2	0
3	1	0	3
d	d	m	m
		Y	Y

II. Capital Raised during the Year (Amount Rs. In Thousand)

Public Issue  
 Right Issue  
 Bonus Issue  
 Private Placement

-
-
-
-

III. Position of Mobilisation and Deployment of Fund

(Amount in Rs. Thousand)

Total Liabilities  
 Total Assets

3	9	1	2	8	9
3	9	1	2	8	9

**SOURCES OF FUNDS :**

Paid up capital  
 Reserves & Surplus  
 Secured Loans  
 Unsecured Loans  
 Deferred Tax Liability

4	1	7	5	9
8	9	1	8	0
2	0	4	4	9
3	0	0	0	0
2	5	8	5	2

**APPLICATION OF FUNDS :**

Net Fixed Assets  
 Investments  
 Net Current Assets  
 Misc. Expenditure  
 Accumulated Losses

1	9	9	8	6	3
					-
1	9	1	4	2	6
					-
					-

#### IV. Performance of Company (Amount in Thousand)

Turnover & other Income	4	4	5	2	1	9
Total Expenditure	4	2	7	9	3	0
Profit/Loss Before Tax		1	7	2	8	9
Profit/Loss After Tax		1	2	6	3	7
Earning Per Share in Rs.			3	.	0	3
Dividend						-

#### V. Generic Names of Principal Products/ Services of Company (as per monetary terms)

Item Code No. (ITC Code) 

6	3	0	1	4	0	0	9
---	---	---	---	---	---	---	---

  
Product Description Blankets of Synthetic Fibres others

Item Code No. (ITC Code) 

6	3	0	1	2	0	0	9
---	---	---	---	---	---	---	---

  
Product Description Blankets of Synthetic Fibres others

## **20. SIGNIFICANT ACCOUNTING POLICIES**

### I. Basic of Presentation

The financial statements are prepared under the historical cost convention modified by revaluation of fixed assets and in accordance with application 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 of 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, accounted for on realisation of the investment.

### IV. Inventories

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

### V. Depreciation

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

### VI. Retirement Benefits

Gratuity liability in respect of gratuity to employees is covered under the Group Gratuity Scheme with the Life Insurance Corporation of India. Contribution towards gratuity liability is charged to the Profit and Loss Account 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 expencese 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. Defered tax is recognised, subject to the consideration of prudence, on timing differences, being the differeces 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 actual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**Auditor's Reports**

In Terms of our separate report of even date annexed

For PRAKASH WOOLLEN MILLS LTD.

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

V. K. GUPTA  
Whole Time  
Director

D. K. GUPTA  
Whole Time  
Director

Place : Moradabad  
Date : 29.06.2010

(Pawan Kumar)  
(Prop.)

Archana Bansal  
Company Secretary



**PRAKASH WOOLLEN MILLS LIMITED,  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2010**

	2009 – 2010	2008 – 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>(Rs. in lakhs)</u>	
Net profit before tax and extraordinary items	172.89	98.40
<b>ADJUSTMENT FOR :</b>		
1. Depreciation	190.35	119.02
2. Loss on Sale of Fixed Assets	--	--
3. Interest/Dividend	231.10	206.51
4. Miscellaneous Expenses Written off	--	--
	-----	-----
Operating Profit before working Capital Changes	594.34	423.93
<b>ADJUSTMENT FOR :</b>		
1. Trade & Other receivable	451.41	56.67
2. Inventories	(204.44)	( 220.26)
3. Trade Payable & Provision	23.91	( 35.57)
4. Bank Borrowing C/c	(127.80)	185.51
5. Loans & Advances	52.58	( 82.92)
	-----	-----
Cash Generated from operations	790.00	327.36
1. Interest Paid	(233.76)	(204.13)
2. Direct Taxes paid	( 28.99)	( 14.72)
	-----	-----
Cash Flow Before extraordinary Items	527.25	108.51
<b>1. Extraordinary Items</b>	<b>9.20</b>	<b>( 8.53)</b>
	-----	-----
<b>Net Cash from operating activities</b>	<b>536.45</b>	<b>99.98</b>
	-----	-----
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(196.08)	(731.83)
Sale of Fixes Assets	--	--
Interest received	1.99	2.16
	-----	-----
<b>Net Cash used in investing activities</b>	<b>(194.09)</b>	<b>(729.67)</b>
	-----	-----
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	--	--
Proceeds from long term borrowing	227.00	750.47
Repayment of loans	(515.17)	(167.94)
	-----	-----
<b>Net Cash used in financing activities</b>	<b>(288.17)</b>	<b>582.53</b>
	-----	-----
<b>Net increase in Cash and cash equivalents</b>	<b>54.19</b>	<b>( 47.16)</b>
Cash and Cash equivalents as at 1.4.2009 (Opening)	8.28	55.44
Cash and Cash equivalents as at 31.3.2010(Closing)	62.47	8.28

**Auditor's Reports**

In Terms of our separate report of even date annexed

For PRAKASH WOOLLEN MILLS LTD.

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

V. K. GUPTA  
Whole Time  
Director

D. K. GUPTA  
Whole Time  
Director

Place : Moradabad  
Date : 29.06.2010

(Pawan Kumar)  
(Prop.)

Archana Bansal  
Company Secretary

**PRAKASH WOOLLEN MILLS LIMITED**

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

**ATTENDENCE SLIP**

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

Name and Address of the Shareholder (In Block Letter)

Mr/Mrs/Ms : .....

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

Mr/Mrs/Ms : .....

Master Folio No.:
No. of Share Held:

I hereby record my presence at the Annual General Meeting of the Company, held on **Wednesday** the **29th September 2010** at **11.00 A.M.** at Regd. Office: 18th K.M. Stone, Delhi Moradabad Road, NH-24, Village – Ahmera, District – J.P.Nagar (U.P.)-244102

Signature of the Shareholder or Proxy

-----

**PRAKASH WOOLLEN MILLS LIMITED**

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

**PROXY FORM**

Master Folio No.:
No. of Share Held:

I/We .....

of ..... being a member/members of PRAKASH WOOLLEH MILLS LIMITED hereby appoint.....

of .....

or failing him.....of.....

as my/ our proxy to vote for me/us on my/our behalf to attend the Annual General Meeting of the Company to be held at Regd. Office: 18th K.M. Stone, Delhi Moradabad Road, NH-24, Village – Ahmera, District – J.P.Nagar (U.P.)-244102 at **11:00 A.M.** on **Wednesday**, the **29th** day of **September 2010** and/or at any adjournment thereof.

Signed.....day of.....2010                      Signature(s)

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

2 A Proxy need not be a member.