

# PRAKASH WOOLLEN MILLS LIMITED

## **BOARD OF DIRECTORS :**

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

## **REGISTERED OFFICE :**

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 2011 to 29th September 2011 (Both days inclusive)

## **ANNUAL GENERAL MEETING :**

**Date and Time** : 29th September 2011, 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.  
D-153 A, 1<sup>st</sup> Floor, Okhla,  
Industrial Area, Phase – I,  
New Delhi - 110 020

# PRAKASH WOOLLEN MILLS LIMITED

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

## **NOTICE**

NOTICE is hereby given that Thirty Second Annual General Meeting of the Shareholders of **Prakash Woollen Mills Limited** will be held on Thursday, the 29<sup>th</sup> day of September, 2011 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 2011.
2. To appoint a Director in place of Shri VIJAY KUMAR GUPTA, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri PRADEEP KUMAR GUPTA, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri NARESH CHANDRA 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.

### **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 2011 to 29th September 2011 (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.

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

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

### **ITEM NO. 2 :**

Mr. Vijay Kumar Gupta is 58 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. 3 :**

Mr. Pradeep Kumar Gupta is 51 years old. He is graduate. He has gained rich experience in various fields including manufacturing and marketing of food items. He is directors in M/s Swastik Biscuit (P) Ltd. and M/s Prahlad Flour Mills (P) Ltd.

**ITEM NO. 4 :**

Mr. Naresh Chandra Agarwal is 65 years old. He has done graduate. He owns business of Automobiles and Lubrications and has rich expences in marketing of the product.

Place : Moradabad  
Date : 15.06.2011

By order of the Board of Directors

V.K. GUPTA  
Whole Time  
Director

D.K. GUPTA  
Whole Time  
Director

## DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2011

To  
The Members,

The Directors hereby present the Thirty Second Annual Report together with the audited statements of accounts of the company for the financial year ended 31st March 2011.

<b><u>FINANCIAL RESULTS</u></b>	<b><u>2010 – 2011</u></b>	<b><u>2009 – 2010</u></b>
	<b>(Rs. in Lacs)</b>	
Sales & other Income	5342.12	4452.19
Profit before interest tax and depreciation	649.05	639.01
Interest	242.56	275.77
	-----	-----
Profit/loss before Tax & Depreciation	406.49	363.24
Depreciation	204.60	190.35
	-----	-----
Profit before tax & after Interest and Depreciation	201.89	172.89
Taxation for the year		
Current tax	( 47.25)	( 29.40)
Deferred tax	11.87	( 17.12)
	-----	-----
Profit after tax	166.51	126.37
	-----	-----

### **DIVIDEND**

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

### **OPERATIONS**

During the year, the production and sale increased by 6.43% and 12.49% respectively in terms of quantity. Therefore PBDIT increased to Rs. 649.05 lacs from Rs. 639.01 lacs in the previous year and net Profit was before tax up at Rs. 201.89 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 Vijay Kumar Gupta, Shri Pradeep Kumar Gupta and Shri Naresh Chandra 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 31.03.2011 and of the profit or loss of the Company for the year ended on 31.03.2011; (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (d) that the directors have prepared annual accounts on a going concern basis.

## **PARTICULARS OF EMPLOYEES**

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

## **AUDITORS**

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

## **AUDITORS REPORT**

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

## **COST AUDITORS**

The Central Government has approved the appointment of the following cost auditors for conducting Cost Audit for the financial year 2010 – 2011.

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

## **CORPORATE GOVERNANCE**

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

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

## **CONSERVATION OF ENERGY**

The company's thrust is to preserve natural resources. In order to conserve energy, the company has installed generators of latest technology which are not only fuel efficient but also emit least pollution. In addition, the company consumes agricultural produce waste as fuel in its boiler. The boiler also is based on latest technology in saving fuel and generating maximum steam.

**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>	2010 – 2011 Current Year	2009 – 2010 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)	17,42,325	15,35,080
Unit per-ltr.of diesel oil	3.48	3.45
Cost/ Unit	11.42	9.74
(ii)Through steam turbine/Generator		
Unit	NIL	NIL
Unit per ltr.of fuel oil/gas	NIL	NIL
Cost/Unit	NIL	NIL
<b><u>2. Coal(specify quality and where used)</u></b>		
Quantity (tonnes)	NIL	NIL
Total cost	NIL	NIL
Average rate	NIL	NIL
<b><u>3. Furnace Oil</u></b>		
Quantity (K.ltrs.)	NIL	NIL
Total Amount	NIL	NIL
Average rate	NIL	NIL
<b><u>4. Others/internal generation</u></b>		
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

**ACRYLIC BLANKETS (PCS)**

Electricity KWH	N.A.	1.80	2.42
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 mink blankets.

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

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

	2010– 2011	2009 – 2010
	(Rs. in Lacs)	
1. During the year company used foreign Exchange:(Payment Basis)		
(a) on purchase of Raw Material & Stores & Spares	49.95	34.86
(b) on travelling	6.71	8.41
(c) on purchase of machinery	53.21	63.79
	-----	-----
Total	109.87	107.06
	-----	-----
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 : 15.06.2011

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 31.03.2011**

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 2011. Board Meetings were held during the financial year 2010-2011. The dates on which the said meetings were held are as follows :

15th Apr 2010, 29th June 2010, 30th July 2010, 13th Nov 2010, 12th Feb 2011.

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	4	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	1	No	--	Nil
Mr. M. K. Agarwal	Non Executive - Independent	1	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 2010-2011, meeting of Audit Committee were held on 28.06.2010, 29.07.2010, 11.11.2010, 10.02.2011, 30.03.2011.

### **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 2010-2011.

Name of Directors	Sitting fees	Commission on profits	Salary	Perquisites	Total
Mr. J.K. Gupta	--	Nil	750000	--	750000
Mr. D.K. Gupta	--	Nil	750000	--	750000
Mr. V.K. Gupta	--	Nil	750000	--	750000
Mr. V.P. Gupta	--	Nil	750000	--	750000

### **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 2010 - 2011.

### **GENERAL BODY MEETINGS**

The last three Annual General Meetings of the Company were held on 26<sup>th</sup> September 2008, 26<sup>th</sup> September 2009 at Chamber Bhawan, Bombay Bazar, Meerut Cantt. And on 29<sup>th</sup> September 2010 at Regd. Office Vill. Amhera Distt. J.P. Nagar. respectively. All the resolutions set out in the respective



notices were passed by the shareholders. No resolution requiring postal ballot as recommended by Clause 49 of the Listing Agreements were placed for shareholders approval at the meetings.

## **DISCLOSURES**

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

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

## **MEANS OF COMMUNICATION**

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

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

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

Which newspapers normally published in

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

### **3. Website :**

Any Website where displayed Nil

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

No

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

Yes

## **GENERAL SHAREHOLDERS' INFORMATION**

### **1. AGM : Date, Time & Venue :**

Thursday 29th September 2011 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 2011
(ii) Half-Yearly Results	--	October 2011
(iii) Third Quarter Results	--	January 2012
(iv) Result for the year ending 31st March 2011	--	May 2012

### **3. Dates of Book Closure**

22nd September 2011 to 29th September 2011 (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 2011 :**

Category	No. of Shares held	Percentage of Shareholding
<b>A. Promoters' holding</b>		
1. Promoters'		
- Indian Promoters	2812542	67.35
- Foreign Promoters	NIL	NIL
2. Persons acting in Concert	NIL	NIL
<b>Sub - Total</b>	<b>2812542</b>	<b>67.35</b>
<b>B. Non-Promoters Holding</b>		
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. FII's	--	--
<b>Sub - Total</b>	<b>133400</b>	<b>3.19</b>
4. Others		
a. Private Corporate Bodies	126400	3.03
b. Indian Public	1003558	24.04
c. NRIs/OCBs	100000	2.39
d. Any Other (please specify)	--	--
<b>Sub - Total</b>	<b>1229958</b>	<b>29.46</b>
<b>GRAND TOTAL</b>	<b>4175900</b>	<b>100.00</b>

**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  
D-153 A, 1st Floor, Okhala,  
Industrial Area, Phase - I  
New Delhi - 110020

**12. Share Transfer System :**

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

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

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

Not Issued

**15. Plant Locations :**

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

**16. Address for correspondence :**

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

**ANNEXURE 'B'**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**INDUSTRY**

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

**OPPORTUNITIES & OUTLOOK**

Due to climatic conditions in India demand for blankets remains steady and growing. Such demand is met with domestic production as well as imports particularly from China. Over two decades, there have been regular changes in technologies and trends which have been dully adopted by the company to face with the challenges posed by such changes. The company has installed capacities from raschel as well as circular machines, the prevailing technologies in the field of blankets manufacturing with the opening of global markets, competition and challenge from imported cheap goods always remain there.

**THREATS**

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

**APPLICABILITY OF SEGMENTAL RESULTS**

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

### **INTERNAL CONTROL**

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

### **PERFORMANCE**

During the year under review the company posted goods results. The production sales and PBT 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 productd will remain there. However cheaper imports are a concern.

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

We have examined the compliance of conditions of Corporate Governance by Prakash Woollen Mills Limited (the Company) for the year ended on 31st March, 2011, 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 : 15.06.2011

(PAWAN KUMAR)  
(Prop.)

To,

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

1. We have audited the attached Balance Sheet of Prakash Woollen Mills Limited as at 31st March, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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 2011;

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 : 15.06.2011

(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 one firm / company covered in the register maintained under section 301 of the Act. Balance outstanding was on Balance Sheet date was Rs. 44.34 lacs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(19) No debentures were issued.

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

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

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

Place : Moradabad  
Date : 15.06.2011

(PAWAN KUMAR)  
(Prop.)



**PRAKASH WOOLLEN MILLS LIMITED**  
**BALANCE SHEET AS ON 31ST MARCH 2011**

SCHEDULE	2010 – 2011 (Rs. in lakhs)	2009– 2010 (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	1057.95
		1475.54
		891.80
		1309.39
<b><u>2.BORROWINGS</u></b>		
a. Secured Loans	3	1908.19
b. Unsecured Loans	4	339.07
		2247.26
		300.00
		2344.98
<b><u>3.DEFERRED TAX LIABILITY</u></b>		
		246.65
		258.52
<b>TOTAL :</b>		3969.45
		3912.89
<b><u>II.APPLICATION OF FUNDS</u></b>		
<b><u>1. FIXED ASSETS</u></b>		
a. Gross Block	5	3285.03
b. Less : Depreciation		1282.91
		2002.12
		3079.94
		1081.31
		1998.63
<b><u>2. CURRENTS ASSETS LOANS &amp; ADVANCES</u></b>		
<b><u>a. CURRENT ASSETS</u></b>		
Inventories	6	980.17
Sundry Debtors		1123.11
Cash and Bank Balances		36.77
Other Current Assets		5.01
		870.61
		1049.34
		62.47
		2.86
<b><u>b. LOANS &amp; ADVANCES</u></b>		
	7	102.51
		2247.57
		2121.31
<b>Less:1. CURRENT LIABILITIES &amp; PROVISIONS</b>	8	280.24
		1967.33
		207.05
		1914.26
		3969.45
		3912.89

**Auditor's Reports**

In Terms of our separate report of even date annexed

For Agarwal Pawan Kumar & Co.  
Chartered Accountants

(Pawan Kumar)  
(Prop.)

For PRAKASH WOOLLEN MILLS LTD.

V. K. GUPTA  
Whole Time  
Director

D. K. GUPTA  
Whole Time  
Director

Place : Moradabad  
Date : 15.06.2011

Archana Bansal  
Company Secretary

**PRAKASH WOOLLEN MILLS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

	SCHEDULE	2010 – 2011 (Rs. in lakhs)		2009 – 2010 (Rs. in lakhs)	
<b><u>INCOME</u></b>					
Sales		5342.12		4452.19	
Other Income	9	0.04	5342.16	0.06	4452.25
<b><u>EXPENDITURE</u></b>					
(Increase)/Decrease in stock	10	(111.98)		( 93.06)	
Cost of Material	11	2547.30		2080.45	
Manufacturing Exp.	12	1707.52		1398.25	
Selling and Other Exp.	13	550.27		427.60	
Interest		242.56	4935.67	275.77	4089.01
Profit/loss before Depreciation & taxes			406.49		363.24
Depreciation			( 204.60)		( 190.35)
Profit/loss before tax			201.89		172.89
Less : Taxation for the year					
Current tax			( 47.25)		( 29.40)
Deferred tax			11.87		( 17.12)
Fringe Benefit Tax			---		---
Profit After tax			166.51		126.37
<b><u>APROPRIATIONS</u></b>					
Balance brought forward from Previous year			317.60		182.43
Adjustment of Previous Year Income Tax			( 0.36 )		( 0.40 )
Adjustment of Prior Period Items			--		9.20
Balance Carried Forward to Next Year			483.75		317.60

**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 : 15.06.2011

(Pawan Kumar)  
(Prop.)

Archana Bansal  
Company Secretary

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

**SCHEDULE - 1 : SHARE CAPITAL**

	2010 – 2011 (Rs. in lakhs)	2009 – 2010 (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	483.75	317.60
	-----	-----
	1057.95	891.80
	-----	-----

**SCHEDULE - 3 : SECURED LOANS**

1) State Bank of India Cash Credit a/c (against hypo. of entire current assets)	1294.60	1253.91
2) State Bank of India Term Loan II (Against Hypo. of machine)	75.77	136.01
3) State Bank of India TL III ( Against first charges on assets created )	355.72	427.58
4) State Bank Car Loan (Against Hypo. of Car)	33.82	19.00
5) State Bank Corporate Loan (Against Hypo. of entire assets of Co.)	138.88	193.00
6) I C I C I Bank Ltd. (Against Hypo. of Car)	--	2.68
7) Interest Accrued and Due	9.40	12.80
	-----	-----
	1908.19	2044.98
	-----	-----

**SCHEDULE - 4 : UNSECURED LOANS**

From Others	293.29	142.42
From Agents	45.78	35.76
Deferred payments credits	--	121.82
	-----	-----
	339.07	300.00
	-----	-----

**PRAKASH WOOLLEN MILLS LIMITED**  
**DEPRECIATION SCHEDULE AS ON 31ST MARCH 2011**

**SCHEDULE - 5**

RS. IN LAKHS

PARTICULARS	TOTAL COST ASSEST AS ON 01.04.2010	ADDITION DURING THE YEAR	SALE DURING THE YEAR	REVAL-ATION WRITTEN BACK	ORIG-INAL COST W/BACK	TOTAL COST UPTO 31.03.2011	TOTAL DEPREC- IATION UPTO 31.3.2010	DEP. DURING THE YEAR	DEP WRITTEN BACK	TOTAL DEPRN. UPTO 31.3.2011	NET BLOCK AS ON 31.3.2011
LAND	92.22	--	--	--	--	92.22	--	--	--	--	92.22
BUILDING	698.57	97.03	--	--	--	795.60	219.57	24.91	--	244.48	551.12
PLANT & MACHINERY	2154.51	70.94	--	--	--	2225.45	802.17	166.40	--	968.57	1256.88
FURNITURE & FIXURE	18.75	5.09	--	--	--	23.84	11.30	1.42	--	12.72	11.12
COMPUTERS	8.03	1.21	--	--	--	9.24	7.64	1.04	--	8.68	0.56
OFFICE EQUIPMENTS	5.03	--	--	--	--	5.03	2.40	0.24	--	2.64	2.39
MOTOR VEHICLES	102.83	36.66	5.84	--	--	133.65	38.23	10.59	3.00	45.82	87.83
	3079.94	210.93	5.84	--	--	3285.03	1081.31	204.60	3.00	1282.91	2002.12
Previous Year	2883.86	228.38	32.30	--	--	3079.94	890.97	190.34	--	1081.31	1998.63

**SCHEDULE - 6 : CURRENT ASSETS**

2010 – 2011  
(Rs. in lakhs)

2009– 2010  
(Rs. in lakhs)

**I) INVENTORIES**

(As taken, valued & certified by the management)

**a) Consumable**

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

162.92

136.83

**b) Stock in trade**

Raw Material  
Finished Goods  
Semi-Finished Goods

60.87

89.38

353.46

393.29

402.92 980.17

251.11 870.61

**II) SUNDRY DEBTORS**

(Unsecured considered goods)

More Than Six Month  
Less Than Six Month

20.32

26.00

1102.80 1123.12

1023.34 1049.34

## PRAKASH WOOLLEN MILLS LIMITED

	2010 – 2011 (Rs. in lakhs)	2009 – 2010 (Rs. in lakhs)
<b><u>III) CASH AND BANK BALANCE</u></b>		
a. Cash Balance on Hand	5.71	16.40
b. Bank Balance With -		
<b>Schedule Banks</b>		
Deposit Account	0.26	0.26
Current Account	30.80	45.81
Accrued Interest	--	62.47
	-----	-----
<b><u>IV ) OTHER CURRENT ASSETS</u></b>		
Securities	5.01	2.86
	-----	-----
<b>TOTAL CURRENT ASSETS</b>	<b>2145.07</b>	<b>1985.28</b>
	-----	-----
<b><u>SCHEDULE - 7 : LOANS AND ADVANCES</u></b>		
a) Advance for Goods	19.05	33.77
b) Advance Duty / Taxes	53.05	47.00
c) Other Advances	30.41	55.26
	-----	-----
	102.51	136.03
	-----	-----
<b><u>SCHEDULE - 8 : CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Sundry Creditors for goods-		
- Micro, Small & medium Enterprises	--	--
- Others	32.89	46.11
Sundry Creditors for Exp.	173.03	61.73
Advances from Customers and others	71.05	97.01
Provision for Income Tax (Net of Advance Tax)	3.27	2.20
	-----	-----
	280.24	207.05
	-----	-----
<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	0.04	0.06
	-----	-----
	0.04	0.06
	-----	-----

## PRAKASH WOOLLEN MILLS LIMITED

2010 – 2011  
(Rs. in lakhs)

2009 – 2010  
(Rs. in lakhs)

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

#### **OPENING STOCK**

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

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

Finished Goods	353.46	393.29
Stock in Process	402.92	251.11
	-----	-----
	756.38	644.40
	-----	-----

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

	( 111.98)	( 93.06)
	-----	-----

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

Raw Material Consumption	2447.25	1979.48
Purchase of Blankets/Cloth	100.05	100.97
	-----	-----
	2547.30	2080.45
	-----	-----

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

(i) Dyes & Chemical	218.92	186.60
(ii) Designing	13.34	10.38
(iii) Wages	92.38	93.11
(iv) Mobil Oil & Fuel	410.18	359.43
(v) Electricity & Power	11.43	5.76
(vi) Packing Exp.	888.89	742.97
(vii) Excise Duty	72.38	--
	-----	-----
	1707.52	1398.25
	-----	-----

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

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

Salaries to employees	56.99		50.07	
Bonus	26.71		21.02	
Labour & Staff welfare	--		0.14	
Leave with wages	0.02		0.02	
Provident Fund	8.89		7.74	
Medical expenses	0.28		0.46	
Gratuity & contribution	9.35	102.24	8.80	88.25
	-----	-----	-----	-----

## PRAKASH WOOLLEN MILLS LIMITED

	2010 – 2011 (Rs. in lakhs)	2009 – 2010 (Rs. in lakhs)	
<b><u>B. ADMINISTRATIVE &amp; SELLING &amp; GENERAL EXPENSES</u></b>			
Travelling expenses	16.71	18.92	
Printing & Stationery	2.61	2.16	
Vehicle exp.	10.08	9.36	
Insurance	10.39	9.23	
Advertisement	2.70	2.53	
Sample expenses	0.01	0.21	
Discount & Commission to Dealer/Agent	107.79	97.59	
Postage & Telegram	1.96	1.59	
Bank Charges	15.76	15.55	
Fee & Taxes	4.00	3.47	
Legal Expenses	12.65	5.85	
Local Conveyance	1.23	1.02	
Sundry Expenses	4.51	3.32	
Generator Expenses	13.66	9.75	
Machinery & Repairs	55.88	39.17	
Telephone Expenses	5.87	5.31	
Donation & Subscription	1.17	0.53	
Books & Periodicals	0.18	0.06	
Freight & Cartage	56.14	35.07	
Cost Audit Fee	0.32	0.25	
Auditors Remuneration	0.37	0.44	
Directors Fee	0.12	0.22	
Repaire & Maintenance	2.16	0.69	
Corporate Expencess	0.95	0.85	
Loading & Unloading	4.20	3.42	
Loss on sale/discarded of assets	2.09	--	
Confrence Expenses	24.33	0.11	
Rent	8.95	10.79	
Commercial Tax	50.50	33.46	
Exhibition Expencess	--	0.78	
Hospitality	0.74	0.65	312.35
	-----	-----	
<b><u>C. MANAGERIAL REMUNERATION</u></b>			
Directors Remuneration	30.00	30.00	27.00
	-----	-----	-----
		550.27	427.60
		-----	-----

### **SCHEDULE:- 14**

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

1. Letter of Credit opened and outstanding as on 31st March 2011 on behalf of the company by bank for purchase of Raw Material / Machinery amounts to Rs. NIL.
2. Balances of Sundry Debtors, Sundry Creditors and Advance from Customers etc. are subject to confirmation as on 31.3.2011.

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

	2010-2011 (Rs.In Lakhs)	2009-2010 (Rs.In Lakhs)
i) Interest to State Bank of India on term loan & working Capital	155.10	195.41
ii) ICICI Bank	0.05	0.77
iii) Others	31.89	34.98
iv) Exchange Difference	55.52	44.61
	-----	-----
	242.56	275.77
	-----	-----

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. Depreciation during the year of Rs. 204.60 includes depreciation on revalued amount of building amounting to Rs. 2.20 lacs.

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

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

9. 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 31.03.2011 (Rs in Lacs)	As on 31.03.2010
Depereciation on Fixed Assets	246.65	258.52
	-----	-----
Deferred Tax Liability	246.65	258.52
	-----	-----

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

	2010-2011 (Amount in Rs.)	2009-2010
a) Salary	30,00,000	27,00,000
b) Perquisites	NIL	NIL

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

a) Audit Fee	25,000	25,000
b) In other Capicity	12,000	19,000

#### **11A. CONTINGENT LIABILITY**

EPFO has demanded Rs. 38.95 lacs. The management of the company has contested the demand of EPFO which has not been provided for in the books for the year.



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

	2010 – 2011			2009 – 2010						
	-----			-----						
<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)	10.00 lacs pcs. (Double Bed) p.a.			10.00 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>										
<b>Blankets</b>										
Synthetic (Acrylic / Polyester)	Nos.	969310	5295.33	Nos.	861706	4304.10				
Shoddy woollen Cloth	Nos.	10808	18.93	Nos.	18079	28.48				
Others	Mtr.	--	--	Mtr.	51577	100.11				
		--	27.86			19.50				
<b>C. Actual Production and Stock</b>										
	2010-2011			2009-2010						
	unit	opening	prod	closing	unit	opening	prod	closing		
-----										
<b>Blankets (incl. semi Finished)</b>										
Synthetic (Acrylic / Polyester)	Nos.	170393	965332	166415	Pcs.	125126	906973	170393		
(Value in Rs. in Lacs)		614.38		731.02		492.46		614.38		
<b>D. Details of Raw Material Consumed and Purchase</b>										
		Qty		Rs. in Lacs		Qty		Rs. in Lacs		
-----										
Yarn	Qtls.	25255.556		2447.25		23235.907		1979.48		
Blanket (Pcs.) (Synth.)	Nos.	14292		85.56		1687		11.21		
Blanket (Pcs.) (Other)	Nos.	8548		14.49		19087		22.14		
Cloth (Mtr.)	Mtr.	--		--		72833		67.62		
				2547.30				2080.45		
-----										
<b>E. Trading Stock</b>										
	Unit	O.B.	Purchase	Sale	C.B.	Unit	O.B.	Purchase	Sale	C.B.
-----										
<b>CLOTH</b>	Mtr.	63850	--	--	63850	Mtr.	42594	72833	51577	63850
(Value Rs. in lacs)		25.14	--	--	25.14		56.09	67.62	100.11	25.14
<b>SHODDY BLANKETS</b>	Pcs.	2260	8548	10808	NIL	Pcs.	1126	19085	17951	2260
(Value Rs. in lacs)		2.55	14.49	18.93	--		2.55	22.14	28.48	2.55

**13. 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	--		--	
2) Components & Spare	37.21		34.86	
3) Capital Goods (Plant & Machinery)	49.76		63.79	
B. Expenditure In Foreign Currency During the Fiancial Year				
1) Foreign Travelling Exp.	6.71		8.41	
C. Consumption of				
1) Raw Material		%		%
i) Value of Imported Goods	--	--	--	--
ii) Value of Indigenous Good	2447.25	100.00	1979.48	100.00
	2447.25	100.00	1979.48	100.00
2) Component				
i) Value of Imported Goods	82.18	7.42	34.97	3.66
ii) Value of Indigenous Good	1025.63	92.58	894.60	96.34
	1107.81	100.00	929.57	100.00
3) Stores & Spares				
i) Value of Imported Goods	7.25	11.40	6.64	14.19
ii) Value of Indigenous Good	56.36	88.60	40.16	85.81
	63.61	100.00	46.80	100.00
D. Remittance in foreign currency on Account of Dividend to Non Resident Shareholders.		NIL		NIL
E. Earning in Foreign Exchange		NIL		NIL
14. 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

15. 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.

16. 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	
		31.03.2011	31.03.2010
Rent Paid	Prahlad Industries	9.00	9.75
Interest Paid	Prahlad Industries	4.83	3.28
Interest Paid	Prahlad Flour Mills	0.23	--
Interest Paid	Directors & Relatives	14.25	4.40
Goods Purchased / Sale	Designs Unlimited	97.87 / 235.89	53.69 / 57.44
Deposits Recd / Paid (Net)	Prahlad Industries	10.00 / Nil	8.99 / Nil
<b>Closing Balance :-</b>			
Deposits Received	Prahlad Industries	44.34	30.00

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

Rs. in lacs

**Remuneration**

(V.K. Gupta=7.50, D.K. Gupta=7.50, J.K.Gupta=7.50, V.P. Gupta=7.50, S.K.Agarwal=5.49, Adeep Gupta=5.49, Kapil Gupta=5.49, Ashish Gupta=5.49) 51.96  
 In addition, the company contributes in Group Gratuity Scheme that Covers Mr. S.K. Agarwal, Adeep Gupta, Kapil Gupta and Ashish Gupta Also.

**17. 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
1	1	1	1
d	d	m	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	6	9	4	5
3	9	6	9	4	5

**SOURCES OF FUNDS :**

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

4	1	7	5	9
1	0	5	7	9
1	9	0	8	1
3	3	9	0	7
2	4	6	6	5

**APPLICATION OF FUNDS :**

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

2	0	0	2	1	2
					-
1	9	6	7	3	3
					-
					-

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

Turnover & other Income  
Total Expenditure  
Profit/Loss Before Tax  
Profit/Loss After Tax  
Earning Per Share in Rs.  
Dividend

5	3	4	2	1	6
5	1	4	0	2	7
	2	0	1	8	9
	1	6	6	5	1
		3	-	9	9
					-

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

Item Code No. (ITC Code)  
Product Description

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

Blankets of Synthetic Fibres others

Item Code No. (ITC Code)  
Product Description

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

Blankets of Synthetic Fibres others

### **18. 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 expence 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 : 15.06.2011

(Pawan Kumar)  
(Prop.)

Archana Bansal  
Company Secretary

**PRAKASH WOOLLEN MILLS LIMITED,  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2011**

	2010 – 2011	2009 – 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	201.89	172.89
<b>ADJUSTMENT FOR :</b>		
1. Depreciation	204.60	190.35
2. Loss on Sale of Fixed Assets	2.09	--
3. Interest/Dividend	242.52	275.71
4. Miscellaneous Expenses Written off	--	--
	-----	-----
Operating Profit before working Capital Changes	651.10	638.95
<b>ADJUSTMENT FOR :</b>		
1. Trade & Other receivable	( 73.77)	451.41
2. Inventories	(109.56)	( 204.44)
3. Trade Payble & Provision	72.12	23.91
4. Bank Borrowing C/c	40.69	(127.80)
5 Loans & Advances	31.37	52.58
	-----	-----
Cash Generated from operations	611.95	834.61
1. Interest Paid	(249.29)	(278.37)
2. Direct Taxes paid	( 46.54)	( 28.99)
	-----	-----
Cash Flow Before extraordinary Items	316.12	527.25
<b>1. Extraordinary Items</b>	--	<b>9.20</b>
	-----	-----
<b>Net Cash from operating activities</b>	<b>316.12</b>	<b>536.45</b>
	-----	-----
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(210.93)	(196.08)
Sale of Fixes Assets	0.75	--
Interest received	3.37	1.99
	-----	-----
<b>Net Cash used in investing activities</b>	<b>(206.81)</b>	<b>(194.09)</b>
	-----	-----
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	--	--
Proceeds from long term borowwing	59.72	227.00
Repayment of loans	(194.73)	(515.17)
	-----	-----
<b>Net Cash used in financing activities</b>	<b>(135.01)</b>	<b>(288.17)</b>
	-----	-----
<b>Net increase in Cash and cash equivalentents</b>	<b>( 25.70)</b>	<b>54.19</b>
Cash and Cash equivalentents as at 1.4.2010 (Opening)	62.47	8.28
Cash and Cash equivalentents as at 31.3.2011(Closing)	36.77	62.47

**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 : 15.06.2011

(Pawan Kumar)  
(Prop.)

Archana Bansal  
Company Secretary

**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 **Thursday** the **29th September 2011** 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

-----

**PROXY FORM**

Master Folio No.:
No. of Share Held:

I/We .....  
of ..... being a member/members of  
PRAKASH WOOLLEN 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 **Thursday**, the **29th** day of **September 2011** and/or at any adjournment thereof.

Signed.....day of.....2011                      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.