



**PRAKASH WOOLLEN &  
SYNTHETIC MILLS LIMITED**

**ANNUAL  
REPORT** | **2018-19**

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## **BOARD OF DIRECTORS**

Mr. Vijay Kumar Gupta  
Chairman & Whole Time Director & CFO

Mr. Pramod Kumar Agarwal  
Independent Director

Dr. Satish Kumar Raj  
Independent Director

Mrs. Sushma Pandey  
Independent Director

## **COMPANY SECRETARY**

Ms. Ruchi Gupta

## **BANKERS**

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

## **STATUTORY AUDITORS**

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

## **SECRETARIAL AUDITORS**

Mr. R. S. Bhatia  
Company Secretary in Practice  
New Delhi

## **REGISTERED OFFICE**

18th KM, Stone, Delhi Moradabad Road,  
NH-24, Village Amhera, Distt. J.P. Nagar-244102  
Ph. No.: 0591-2223008/18; Fax: 0591-2223009  
Email id: info@prakashwoollen.com  
Website: www.prakashwoollen.com

## **REGISTRAR & TRANSFERS AGENTS**

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

## **LISTING**

Bombay Stock Exchange  
**CORPORATE IDENTIFICATION NUMBER**  
CIN:L17291UP1979PLC004804

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**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**

Regd. Office: 18<sup>th</sup> Km Stone Delhi Moradabad Road,  
NH-24, Village Amhera, Distt. J.P Nagar-244102  
Tel: 0591-2223008/18 Fax:0591-2223009  
website : www.prakashwoollen.com ; Email : info@prakashwoollen.com  
CIN: L17291UP1979PLC004804

**NOTICE OF ANNUAL GENERAL MEETING**

Dear Member(s),

**NOTICE** is hereby given that the 40<sup>th</sup> Annual General Meeting of the Members of **Prakash Woollen & Synthetic Mills Limited** will be held on Saturday, the 31<sup>st</sup> day of August, 2019 at 11:00 A.M. at the registered office of the Company at 18<sup>th</sup> Km Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar- 244102, to transact the following businesses:

**ORDINARY BUSINESSES :**

1. To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Vijay Kumar Gupta (DIN: 00335325), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESSES :**

3. **To consider and approve Appointment of Mr. Jai Kishan Gupta (DIN: 00337659) as a Director of the Company**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT**, Mr. Jai Kishan GUPTA (DIN:-00337659), be and hereby appointed as Director of Company liable to retire by rotation.”

“**RESOLVED FURTHER THAT**, pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of members be and is hereby accorded to appoint Mr. Jai Kishan Gupta (DIN:-00337659), Director of the Company, to continue to hold office of Director of the Company even after attaining the age of 75 years.”

4. **To consider and approve Appointment of Mr. Jai Kishan Gupta (DIN: 00337659) as Managing Director w.e.f. 01<sup>st</sup> September, 2019.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT**, pursuant to the provisions of Sections 196, 197 and 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and all other applicable statutory provisions of the Companies Act, 2013, and regulation 17(1A) of SEBI (LODR) Regulation, 2015 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, consent of the shareholders be and is hereby accorded to the appointment of Mr. Jai Kishan Gupta, DIN: 00337659 (who has attained the age of more than 70 years i.e. 72 years) as Managing Director of the Company liable to retire by rotation, for three years with effect from 1<sup>st</sup> September 2019 to 31<sup>st</sup> August, 2022 on the following terms and conditions:-

**Salary & Perquisites:** Rs. 7, 00,000 (Rupees Seven Lacs) p.m.

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

“**RESOLVED FUTURE THAT**, in the event of loss or inadequacy of profits, he shall be paid a minimum remuneration as above.”

“**RESOLVED FURTHER THAT**, pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“regulations”) including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for continuation of Mr. Jai Kishan Gupta (DIN: 00337659) as Managing Director, who will attain the age of 75 years during his tenure, to continue as Managing Director till the end of his tenure i.e. till 31<sup>st</sup> August, 2022.”

5. **To consider and approve re-appointment of Mr. Vijay Kumar Gupta (DIN: 00335325) as Whole Time Director who will attain the age of 70 years during his tenure.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT**, pursuant to the provisions of Sections 196, 197 and 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and all other applicable statutory provisions of the Companies Act, 2013, and regulation 17(1A) of SEBI (LODR) Regulation, 2015, (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, consent of the shareholders be and is hereby accorded to the re-appointment of Mr. Vijay Kumar Gupta as Whole Time Director (designated as Whole-Time Director & Chief Financial Officer), of the Company liable to retire by rotation and (who will attain the age of 70 years, on 07<sup>th</sup> August, 2023 for a period of five years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024 on the following terms and conditions:-

**Salary & Perquisites:** Rs. 7, 00,000 (Rupees Seven Lacs) p.m.

However, the retirement benefits namely Gratuity, Leave Encashment Benefits, Provident Fund, Superannuation Fund etc. shall not be counted as perquisites to the extent these are exempted under Income Tax Act, 1961.”

“**RESOLVED FUTURE THAT**, in the event of loss or inadequacy of profits, he shall be paid minimum remuneration as above.”

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**6. To consider and approve Appointment of Mr. Daya Kishan Gupta (DIN: 00337569) as a Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT**, Mr. Daya Kishan Gupta (DIN: 00337569), be and hereby appointed as Director of Company liable to retire by rotation.”

**“RESOLVED FURTHER THAT**, pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of members be and is hereby accorded to appoint Mr. Daya Kishan Gupta (DIN:-00337569), Director of the Company, to continue to hold office of Director of the Company even after attaining the age of 75 years.”

**7. To consider and approve Appointment of Mr. Daya Kishan Gupta (DIN: 00337569) as Whole-Time Director w.e.f. 01<sup>st</sup> September, 2019 who has attained the age of more than 70 years.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT**, pursuant to the provisions of Sections 196, 197 and 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and all other applicable statutory provisions of the Companies Act, 2013, and regulation 17(1A) of SEBI (LODR) Regulation, 2015, (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, consent of the shareholders be and is hereby accorded the appointment of Mr. Daya Kishan Gupta (DIN: 00337569), who has attained the age of 70 years as Whole - Time Director of the Company liable to retire by rotation, for three years with effect from 1<sup>st</sup> September 2019 to 31<sup>st</sup> August, 2022 on the following terms and conditions:-

**Salary & Perquisites:** Rs. 7, 00,000 (Rupees Seven Lacs) p.m.

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

**“RESOLVED FURTHER THAT**, in the event of loss or inadequacy of profits, he shall be paid minimum remuneration as above.”

**“RESOLVED FURTHER THAT**, pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“regulations”) including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for continuation of Mr. Daya Kishan Gupta (DIN: 00337569), as Whole Time Director, who will attain the age of 75 years during his tenure, to continue as Whole Time Director till the end of his tenure.”

**8. To consider and approve the Appointment of Mr. Ved Prakash Gupta (DIN 00434369) as Non-Executive Director of the Company who has attained the age of more than 75 years i.e. 77 years.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT**, Mr. Ved Prakash Gupta (DIN 00434369) be and hereby appointed as Director of Company liable to retire by rotation.”

**“RESOLVED FURTHER THAT** pursuant to section 152 of companies act 2013 and Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of members be and is hereby accorded to appoint Mr. Ved Prakash Gupta (DIN:-00434369), Director of the Company, to continue to hold office of Director of the Company even after attaining the age of 75 years.”

**9. To consider and approve Re-appointment of Mr. Pramod Kumar Agarwal (DIN: 05248122) as a Non- Executive Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT**, pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the basis of recommendation of Nomination and Remuneration committee approval of the members of the company be and is hereby granted to re-appointment of Mr. Pramod Kumar Agarwal (DIN: 05248122), as , an Independent Director, not liable to retire by rotation, for a further term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2024.

**“RESOLVED FURTHER THAT**, pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“regulations”) including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for continuation of Mr. Pramod Kumar Agarwal (DIN: 05248122), who will attain the age of 75 years during his tenure and to continue, as a Non-Executive Independent Director of the Company till the end of his tenure i.e. till 31<sup>st</sup> August, 2024.”

**10. To consider and approve Re-appointment of Mr. Satish Kumar Raj (DIN: 00852221) as a Non- Executive Independent Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT**, pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and

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the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and on the basis of recommendation of Nomination and Remuneration committee approval of the members of the company be and is hereby granted to re-appointment of Mr. Satish Kumar Raj (DIN: 00852221), as an Independent Director, not liable to retire by rotation, for a further term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> September, 2019 to 31st August, 2024.”

“**RESOLVED FURTHER THAT**, pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“regulations”) including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for continuation of Mr. Satish Kumar Raj (DIN: 00852221), who will attain the age of 75 years during his tenure and to continue, as a Non-Executive Independent Director of the Company till the end of his tenure i.e. till 31<sup>st</sup> August, 2024.”

### 11. To consider and approve Appointment of Mr. Mahendra Kumar Agrawal (DIN: 02225421) as a Non- Executive Independent Director of the Company for who has attained the age of more than 75 years.

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT**, pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and on the basis of recommendation of Nomination and Remuneration committee approval of the members of the company be and is hereby granted the appointment of Mr. Mahendra Kumar Agrawal (DIN: 02225421), who has submitted a declaration that he meets the criteria of Independence as provided in section 149(6) of the Companies act and who is eligible for appointment, be and is hereby appointed as an Independent Director (for second term) of the Company, not liable to retire by rotation and to hold office for a term of 5 (Five) consecutive years w.e.f. 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2024.”

“**RESOLVED FURTHER THAT**, pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“regulations”) including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for appointment of Mr. Mahendra Kumar Agrawal (DIN: 02225421), who has attained the age of more than 75 years and to continue as Non-Executive Independent Director till the end of his tenure i.e. till 31<sup>st</sup> August, 2024”

### 12. AUTHORISATION U/S 180 (1) (a) OF COMPANIES ACT, 2013

#### To Sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) as may be enacted from time to time and subject to the provisions of Articles of Association of the Company, the consent of the members of the Company by way of Special Resolution, be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”), to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially the whole of any such undertaking(s), in one or more tranches, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company’s any one or more of the undertakings or all of the undertakings of the Company to anybody(ies) corporate or person(s) or related parties or any other entity, whether a shareholder(s) of the Company or not.”

By Order of the Board of Directors  
For Prakash Woollen & Synthetic Mills Limited  
Sd/-

(Vijay Kumar Gupta)  
Chairman & Whole Time Director  
DIN : 00335325

18<sup>th</sup> July 2019  
Registered Office:  
18<sup>th</sup> Km. Stone, Delhi Moradabad Road  
NH-24, Village Amhera, Distt. J.P Nagar,  
Uttar Pradesh-244102  
CIN: L17291UP1979PLC004804  
E-mail: info@prakashwoollen.com

#### NOTES:

##### 1. PROXY/AUTHORIZED REPRESENTATIVE

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

- The instrument appointing proxy (Proxy Form), in order to be effective must be deposited at the registered office of the Company, not less than 48 (Forty-Eight) hours before the commencement of the AGM. Proxy Form is enclosed with this Notice.

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Members are requested to note that a person can act as proxy on behalf of the Members not exceeding 50 (fifty) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights, however, a member, holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company during the period beginning 24 (Twenty-Four) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, provided that not less than 3 (three) days of notice in writing is to be given to the Company.

- b) Members / proxies / authorized representatives are requested to bring duly filled admission / attendance slips sent herewith along with this notice of the AGM at the Meeting.
- c) Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting.
- d) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

### 2. CUT OFF DATE :

- a) The e-voting period begins on 28<sup>th</sup> August, 2019 (10:00 Hours (IST)) and ends on 30<sup>th</sup> August, 2019 (17:00 Hours (IST)). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of dated 23<sup>rd</sup> August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) This Notice is being sent to all the Members whose names appear as on 26<sup>th</sup> July, 2019 in the Register of Members or in the Register of beneficial owners as received from M/s Skyline Financial Services Private Limited, the Registrar and Transfer Agent ("RTA") of the Company.

### 3. COMMUNICATION TO MEMBERS :

- a) The Notice of the AGM along with the Attendance Slip and Proxy Form, and a copy of Annual Report are being sent by electronic mode to all Members whose email addresses are registered with the Company / Depository Participant(s) and also to the auditors and Directors of the Company. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
- b) Full version of the Annual report and notice of AGM will also be available on the website of the Company at [www.prakashwoollen.com](http://www.prakashwoollen.com) under the Investor Relations section and at the website of CDSL at <https://www.evotingindia.com>. Hard copies of the full annual reports will be sent to those shareholders who will request the same to the company's email id : [compliance@prakashwoollen.com](mailto:compliance@prakashwoollen.com)
- c) All the documents referred to in the accompanying notice, explanatory statement and Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested are open for inspection at the registered office of the Company on all working days except Saturdays and Sundays, between 11.00 AM to 1.00 PM up to the date of AGM and also at the venue of the AGM.
- d) In case you have any query related to the enclosed annual accounts you are requested to send the same to the Company Secretary at the Registered office of the Company or on email [id compliance@prakashwoollen.com](mailto:compliance@prakashwoollen.com), at least 10 (ten) days before the date of AGM so as to enable the management to collect the relevant information and redress the queries.
- e) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
- f) In order to implement the Green Initiatives of the Government, whereby Companies have now been allowed to send/ serve notice(s) / document(s) / Annual Report(s) etc. to their Members through electronic mode, your Company hereby requests all its Members to register/ change, if required, their email ID with the RTA (in case of Physical holding) and with the Depository Participant (in case of Dematerialized holding), if not yet provided, to promote Green Initiative.
- g) As per Section 118(1) of the Companies Act, 2013 read with the Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, "No gifts, gift coupons, or cash in lieu of gifts shall be distributed to the members at or in connection with the meeting".

### 4. Voting through electronic means :

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

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

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

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

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

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

The route map along with prominent land mark for easy location of the 40<sup>th</sup> Annual General Meeting venue is printed on the last page of the Annual report.

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

- i. The e-voting period begins on 28<sup>th</sup> August, 2019 (10:00 Hours (IST)) and ends on 30<sup>th</sup> August, 2019 (17:00 Hours (IST)). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of dated 23<sup>rd</sup> August, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii. Click on "Shareholders" tab.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number/member ID in the PAN field.</li> <li>• In case the sequence number/member ID is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number/member ID 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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

- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL

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platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the **PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED** on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Window phone users can download the app from the app store and the window phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodian
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### 5. SCRUTINIZER :

- a) Mr. Rupinder Singh Bhatia, Practicing Company Secretary (Membership No. FCS 2599), having consented to act as a scrutinizer has been appointed as "Scrutinizer" for scrutinizing the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.
- b) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, through "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes, by availing the Remote E-voting facility.
- c) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not later than 3 (three) days from the conclusion of the AGM, prepare and present a consolidated scrutinizer report of the total votes cast in favor or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

### 6. DECLARATION OF RESULTS :

The Result of voting (Remote E-voting and the voting at the AGM) on the resolutions shall be declared not later than 3 (three) days from the date of AGM by the Chairman or any person authorized by him for this purpose and will be displayed at the Registered Office of the Company situated at 18th Km Stone, Moradabad Road Delhi, Road Nh-24, Village Amhera Distt J P Nagar UP 244102 and communicated to BSE Limited where the equity shares of the Company are listed and will also be displayed on the Company's website: [www.prakashwoollen.com](http://www.prakashwoollen.com)

### 7. DEMATERIALIZATION :

As SEBI has mandated that transfer of securities in a listed company will be processed only if the securities are held in dematerialized form, the Members, who have not yet got their shares de-materialized, are requested to opt for the same in their own interest and send their share certificates through Depository Participant(s) with whom they have opened the dematerialization account to the Company's RTA.



# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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

### **Item No. 3 and 4**

The Board of Directors of the Company (the 'Board'), at its meeting held on 18<sup>th</sup> July 2019 has, appointed Mr. Jai Kishan Gupta (DIN: 00337659) as Additional Director to hold office upto the date of this Annual General Meeting. The NRC in its meeting has recommended the appointment of Mr. Jai Kishan Gupta as a regular Director on the Board of the Company and also recommended to the shareholder that he be appointed and should be allowed to continue as a director of company even after attaining the age of 75 years. Mr. Jai kishan Gupta will attain the age of 75 years on 8<sup>th</sup> July, 2022, hence, the special resolution is placed before the shareholders in order to comply with the SEBI (LODR) Regulation, 2015.

Further the Board of Directors of the Company (the 'Board'), at its meeting held on 18<sup>th</sup> July 2019 has, on the recommendation of NRC, subject to the approval of members, appointed Mr. Jai Kishan Gupta (DIN: 00337659) as Managing Director for a period of 3 (Three) years i.e. 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2022, who has attained the age of more than 70 years i.e. 72 years, on a remuneration of Rs.7 Lac per month (Whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act 1961). However, the benefits namely Gratuity, Leave Encashment Benefits, Provident Fund etc. shall not be counted as perquisites to the extent it is exempted under Income Tax Act, 1961."

Pursuant to the provision of sections 152, 196, 197, 203, schedule V of the companies act read with companies Managerial rules, regulation 17, 17(1A) of the SEBI (LODR) Regulation 2015, as amended from time to time, the members' approval by way of Special Resolution for the appointment of and payment of remuneration to Mr. Jai Kishan Gupta (DIN: 00337659) as a Director and Managing Director and remuneration payable to him..

### **MINIMUM REMUNERATION**

Notwithstanding anything to the contrary contained herein, where in any financial year during the tenure of Mr. Jai Kishan Gupta as MD, the company has either no profits or the profits are inadequate, the company will pay to him remuneration by way of salary, perquisites as specified above.

Mr. Jai Kishan Gupta is the promoter director of the company associated with the company since incorporation. He held the position of Managing Director for over approx 20 years. During his tenure as a Director and Managing Director of Company, your company has grown substantially. During his tenure as MD your company has switched over its line of activity i.e. from manufacturing of yarn to manufacturing of mink blankets. Today your company has established a name for itself in the mink blanket industry with established brand name like 'Dolphin, Metro, Korea Gold, Pringle, Autograph'. The Board is of the opinion that Mr. Jai Kishan Gupta's rich and diverse experience is valuable asset to the company which adds value and his experience/ enriched point of view in all aspects of the company's working and decision making at during Board discussion. He is also a person of integrity who possesses required expertise and his association as a director and MD will be beneficial to the company

A brief profile of Mr. Jai Kishan Gupta along with the required particulars is given at the end of the statement. Further Mr. Jai Kishan Gupta has confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the act and from being appointed as a managing director in terms of schedule V of the act. Mr. Jai Kishan Gupta has also confirmed that he is not debarred from holding the office of director by virtue of any SEBI Order or any such authority pursuant to circular dated 20<sup>th</sup> June, 2018 issued by BSE pertaining to enforcement of SEBI Orders regarding appointment of directors by the listed company.

**GENERAL INFORMATION:** General Information as required pursuant to the provisions of Schedule V is as under:-

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

- (1) Nature of Industry: Presently the Company is engaged in manufacturing of mink blankets .
- (2) Date or expected date of commencement of commercial production: The Company has obtained the certificate of commencement of business- 23.08.1979
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance

<b>Financial Results</b>	<b>2018-19</b>	<b>2017-18</b>
Profit/(Loss) before depreciation & amortization expenses and tax	946.17	861.13
Depreciation & amortization expenses	474.03	474.27
Profit before Tax	472.14	386.86
Provision for Tax		
Current Tax	(102.34)	(86.42)
Provisions for Wealth Tax		
Deferred Tax	23.76	(54.70)
Profit/(Loss) after Tax	393.56	245.74

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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- (5) Export performance and net foreign exchange collaborations: Nil
- (6) Foreign investments or collaborators if any: N. A.

## **II. INFORMATION ABOUT MR. JAI KISHAN GUPTA**

- (1) Background details:

Mr. Jai Kishan Gupta is the production head of the Company. He is 72 years old, a graduate and joined the company since its incorporation as a promoter director in 1979. His wide experience in field of manufacturing, production and quality management has helped the company keep up its consistency in quality and customer satisfaction for over three decades.

- (2) Past remuneration:

Rs. 450000 including perquisites as approved by the members in the annual general meeting held on 20<sup>th</sup> September, 2017.

- (3) Recognition or awards: Nil

- (4) Job profile and his suitability

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

- (5) Remuneration proposed: As explained in resolution no. 4 of this notice.

- (6) Comparative remuneration profile with respect to industry.

The proposed remuneration is in line with the remuneration in the industry.

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

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

## **III. OTHER INFORMATION**

- 1. Reasons of loss or inadequate profits:

During the year ending 31.03.2019, the company earned a profit of Rs.39356000/-.

There is no inadequacy of profit. The proposed Remuneration is with the parameters given in schedule V.

- 2. Steps taken proposed to be taken for improvement : To expand the base by tapping new clients and focusing on revenue enhancement and expense efficiency.

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

It is expected that the profitability of the company would be more in future.

## **IV. OTHER INFORMATION & DISCLOSURES**

The Shareholders of the Company have been informed about the remuneration of Mr. Jai Kishan Gupta in Item no.3 & 4 of the notice of this Annual General Meeting.

### **COMPLIANCE OF REGULATION 17 (1A) OF SEBI (LODR) REG 2015**

Shareholders may note during the continuance of his tenure Mr. Jai Kishan Gupta will cross the age of 75 years. As per Regulation 17 (1A) Of SEBI (LODR) Regulation 2015, no person can continue beyond the age of 75 without obtaining the approval of shareholder by way of Special Resolution. Hence the resolution.

### **Nature of concern / interest as per provision of section 102 of Companies act 2013**

None of the Directors and Key Managerial personnel of the Company except Mr. Jai Kishan Gupta himself and Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta, being relatives, are may be deemed to be concerned or interested in the resolution to the extent of payment of remuneration to be paid to Mr. Jai Kishan Gupta, Managing Director of the Company. His appointment shall be subject to retirement by rotation as provided in the Act but he shall be eligible for re-appointment.

Shareholders are requested to please to confirm / approve the appointment as a director and managing director and remuneration to be paid to Mr. Jai Kishan Gupta as mentioned in relevant item no. 4 of the notice.

Information about the appointee as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India and regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015 regarding Item No. 3 & 4.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Name	<b>Mr. Jai Kishan Gupta</b>
Designation	Director & Managing Director
Date of Birth	08-07-1947
Date of first appointment	He is associated as director since incorporation of the company
Qualification	Graduate
Experience	40 years of experience in the field of industry, business and corporate management.
Profile	Mr. Jai Kishan Gupta is on this post since incorporation and has wide experience in field of manufacturing, production and quality management.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2019	417960
No. of Board Meeting attended during the year	Five out of five
Terms & Conditions of appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m. inclusive of perquisites. Proposed remuneration is as per the Nomination and of Remuneration Policy of the Company. His appointment & Remuneration has been made as per Remuneration Policy of the company which is available on the website of the company.
Past Remuneration	Total remuneration as last approved by shareholders in Annual General Meeting held on 20th September, 2017 was Rs. 450,000/- per month including perquisites.
Relationship with other Directors	Brother of Vijay Kumar Gupta, Daya Kishan Gupta and Ved Prakash Gupta

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

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

The Board recommends the Special Resolution set out at Item No.3 & 4 of the Notice for approval by the members.

### **Item No. 5**

The Board of Directors of the Company (the 'Board'), at its meeting held on 12<sup>th</sup> February 2019 has, on the recommendation of NRC, subject to the approval of members, re-appointed Mr. Vijay Kumar Gupta (DIN: 00335325) as Whole-Time Director for a period of 5 (Five) years i.e. 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024, who will attain the age of more than 70 years, on a remuneration of Rs.7 Lac per month (Whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act 1961). However, the benefits namely Gratuity, Leave Encashment Benefits, Provident Fund etc. shall not be counted as perquisites to the extent it is exempted under Income Tax Act, 1961."

Pursuant to the provision of sections 152, 196, 197, 203, schedule V of the companies act read with companies Managerial rules, regulation 17, 17(1A) of the SEBI (LODR) Regulation 2015, as amended from time to time, the members' approval for the appointment of Mr. Vijay Kumar Gupta (DIN: 00335325) as a Director and Whole-Time Director and remuneration paid to him.

### **MINIMUM REMUNERATION:-**

Notwithstanding anything to the contrary contained herein, where in any financial year during the tenure of Mr. Vijay Kumar Gupta as WTD, the company has either no profits or the profits are inadequate, the company will pay to him remuneration by way of salary, perquisites as specified above.

Mr. Vijay Kumar Gupta is the promoter director of the company associated with the company since incorporation. He held the position of Whole-Time Director for over approx 18 years. During his tenure as a Director and Whole-Time Director of Company, your company has grown substantially. During his tenure as WTD your company has switched over its line of activity i.e. from manufacturing of yarn to manufacturing of mink blankets. Today your company has established a name for itself in the mink blanket industry with established brand name like 'Dolphin, Metro, Korea Gold, Pringle, Autograph'. The Board is of the opinion that Mr. Vijay Kumar Gupta's rich and diverse experience is valuable asset to the company which adds value and his experience/ enriched point of view in all aspects of the company's working and decision making at during Board discussion. He is also a person of integrity who possesses required expertise and his association as a director and WTD will be beneficial to the company

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

A brief profile of Mr. Vijay Kumar Gupta along with the required particulars is given at the end of the statement. Further Mr. Vijay Kumar Gupta has confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the act and from being appointed as a Whole-Time Director in terms of schedule V of the act. Mr. Vijay Kumar Gupta has also confirmed that he is not debarred from holding the office of director by virtue of any SEBI Order or any such authority pursuant to circular dated 20<sup>th</sup> June, 2018 issued by BSE pertaining to enforcement of SEBI Orders regarding appointment of directors by the listed company.

General Information as required pursuant to the provisions of Schedule V is as under:-

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

- (1) Nature of Industry: Presently the Company is engaged in manufacturing of mink blankets .
- (2) Date or expected date of commencement of commercial production: The Company has obtained the certificate of commencement of business- 23.08.1979
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance

<b>Financial Results</b>	<b>2018-19</b>	<b>2017-18</b>
Profit/(Loss) before depreciation & amortization expenses and tax	946.17	861.13
Depreciation & amortization expenses	474.03	474.27
Profit before Tax	472.14	386.86
Provision for Tax		
Current Tax	(102.34)	(86.42)
Provisions for Wealth Tax		
Deferred Tax	23.76	(54.70)
Profit/(Loss) after Tax	393.56	245.74

- (5) Export performance and net foreign exchange collaborations: Nil
- (6) Foreign investments or collaborators if any: N. A.

### **II. INFORMATION ABOUT MR. VIJAY KUMAR GUPTA**

- (1) Background details:  
Mr. Vijay Kumar Gupta is 66 years old. He is a graduate and joined the company since its incorporation as a promoter director in 1979. He has very rich experience in various fields. He has been responsible for liaison and finance of the company and thus helps build a strong base and backbone of the company.
- (2) Past remuneration:  
Rs. 450000 including perquisites as approved by the members in the annual general meeting held on 20<sup>th</sup> September, 2017
- (3) Recognition or awards: Nil
- (4) Job profile and his suitability  
Mr. Vijay Kumar Gupta has very rich experience in various fields. He has been responsible for liaison and finance of the company. Keeping in view the background of Mr. Vijay Kumar Gupta, he is best suitable for the job.
- (5) Remuneration proposed: As explained in resolution no.5 of this notice.
- (6) Comparative remuneration profile with respect to industry.  
The proposed remuneration is in line with the remuneration in the industry.
- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.  
Mr. Vijay Kumar Gupta is the promoter and director of the company. He directly holds 453709 Eq. Shares of the company.

### **III. OTHER INFORMATION**

1. Reasons of loss or inadequate profits:  
During the year ending 31.03.2019, the company earned a profit of Rs.39356000/-.  
There is no inadequacy of profit. The proposed Remuneration is with the parameters given in schedule V.
2. Steps taken proposed to be taken for improvement : To expand the base by tapping new clients and focusing on revenue enhancement and expense efficiency.
3. Expected increase in productivity and profits in measurable terms:  
It is expected that the profitability of the company would be more in future.

### **IV. OTHER INFORMATION & DISCLOSURES**

The Shareholders of the Company have been informed about the remuneration of Mr. Vijay Kumar Gupta in Item no.5 of the notice of this Annual General Meeting.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### COMPLIANCE OF REGULATION 17 (1A) OF SEBI (LODR) REG 2015

Shareholders may note during the continuance of his tenure Mr. Vijay Kumar Gupta will cross the age of 75 years. As per Regulation 17 (1A) Of SEBI (LODR) Regulation 2015, no person can continue beyond the age of 75 without obtaining the approval of shareholder by way of Special Resolution. Hence the resolution.

### Nature of concern / interest as per provision of section 102 of Companies act 2013

None of the Directors and Key Managerial personnel of the Company except Mr. Vijay Kumar Gupta himself and Mr. Jai Kishan Gupta, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta, being relatives, are may be deemed to be concerned or interested in the resolution to the extent of payment of remuneration to be paid to Mr. Vijay Kumar Gupta, Whole-Time Director of the Company. His appointment shall be subject to retirement by rotation as provided in the Act but he shall be eligible for re-appointment.

Shareholders are requested to please to confirm / approve the appointment as a director and Whole-Time Director and remuneration payable to Mr. Vijay Kumar Gupta as mentioned in relevant item no. 5 of the notice.

Information about the appointee as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India and regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015 regarding Item No. 5.

Name	<b>Mr. Vijay Kumar Gupta</b>
Designation	Whole Time Director & CFO
Date of Birth	07-08-1953
Date of first appointment	He is associated as director since incorporation of the company
Qualification	Graduate
Experience	40 years of experience in the field of industry, business and corporate management.
Profile	Mr. Vijay Kumar Gupta is on this post since incorporation and has wide experience in field of Finance management.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2019	453709
No. of Board Meeting attended during the year	Five out of five
Terms & Conditions of re-appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m. inclusive of perquisites. Proposed remuneration is as per the Nomination and of Remuneration Policy of the Company. Terms and Conditions of appointment is as per the appointment letter
Past Remuneration	Total remuneration as last approved by shareholders in Annual General Meeting held on 20th September, 2017 was Rs. 450,000/- per month including perquisites.
Relationship with other Directors	Brother of Daya Kishan Gupta, Jai Kishan Gupta and Ved Prakash Gupta

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

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

The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval by the members.

### **Item No. 6 & 7**

The Board of Directors of the Company (the 'Board'), at its meeting held on 18<sup>th</sup> July 2019 has, on the recommendation of NRC, subject to the approval of members, appointed Mr. Daya Kishan Gupta (DIN: 00337569) as Whole-Time Director for a period of 3 (Three) years i.e. 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2022, who has attained the age of more than 70 years, on a remuneration of Rs.7 Lac per month (Whether by way of salary or perquisites to the extent these are not taxable under the Income Tax Act 1961). However, the benefits namely Gratuity, Leave Encashment Benefits, Provident Fund etc. shall not be counted as perquisites to the extent it is exempted under Income Tax Act, 1961.

Pursuant to the provision of sections 152, 196, 197, 203, schedule V of the companies act read with companies Managerial rules, regulation 17, 17(1A) of the SEBI (LODR) Regulation 2015, as amended from time to time, the members' approval for the appointment of Mr. Daya Kishan Gupta (DIN: 00337569) as a Director and Whole-Time Director and remuneration payable to him.

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## MINIMUM REMUNERATION:-

Notwithstanding anything to the contrary contained herein, where in any financial year during the tenure of Mr. Daya Kishan Gupta as Whole-Time Director, the company has either no profits or the profits are inadequate, the company will pay to him remuneration by way of salary, perquisites as specified above.

Mr. Daya Kishan Gupta is the promoter director of the company associated with the company since incorporation. He held the position of Whole-Time Director for over approx 19 years. During his tenure as a Director and Whole-Time Director of Company, your company has grown substantially. During his tenure as Whole-Time Director your company has switched over its line of activity i.e. from manufacturing of yarn to manufacturing of mink blankets. Today your company has established a name for itself in the mink blanket industry with established brand name like 'Dolphin, Metro, Korea Gold, Pringle, Autograph'. The Board is of the opinion that Mr. Daya Kishan Gupta's rich and diverse experience is valuable asset to the company which adds value and his experience/ enriched point of view in all aspects of the company's working and decision making at during Board discussion. He is also a person of integrity who possesses required expertise and his association as a director and Whole-Time Director will be beneficial to the company.

A brief profile of Mr. Daya Kishan Gupta along with the required particulars is given at the end of the statement. Further Mr. Daya Kishan Gupta has confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the act and from being appointed as a Whole-Time Director in terms of schedule V of the act. Mr. Daya Kishan Gupta has also confirmed that he is not debarred from holding the office of director by virtue of any SEBI Order or any such authority pursuant to circular dated 20<sup>th</sup> June, 2018 issued by BSE pertaining to enforcement of SEBI Orders regarding appointment of directors by the listed company.

General Information as required pursuant to the provisions of Schedule V is as under:-

### I. GENERAL INFORMATION:

- (1) Nature of Industry: Presently the Company is engaged in manufacturing of mink blankets .
- (2) Date or expected date of commencement of commercial production: The Company has obtained the certificate of commencement of business- 23.08.1979
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance

Financial Results	2018-19	2017-18
Profit/(Loss) before depreciation & amortization expenses and tax	946.17	861.13
Depreciation & amortization expenses	474.03	474.27
Profit before Tax	472.14	386.86
Provision for Tax		
Current Tax	(102.34)	(86.42)
Provisions for Wealth Tax		
Deferred Tax	23.76	(54.70)
Profit/(Loss) after Tax	393.56	245.74

- (5) Export performance and net foreign exchange collaborations: Nil
- (6) Foreign investments or collaborators if any: N. A.

### II. INFORMATION ABOUT MR. DAYA KISHAN GUPTA

- (1) Background details:  
Mr. Daya Kishan is 70 years old. He is a Graduate and joined the company since its incorporation as a promoter director in 1979. Using his extensive and in-depth experience in field of marketing, he looks after the marketing of the company helping it grow and reach the maximum number of satisfied customers across the country.
- (2) Past remuneration:  
Rs. 450000 including perquisites as approved by the members in the annual general meeting on 20<sup>th</sup> September, 2017.
- (3) Recognition or awards: Nil
- (4) Job profile and his suitability  
Mr. Daya Kishan Gupta has in-depth experience in field of marketing, he looks after the marketing of the company. Keeping in view the background of Mr. Daya Kishan Gupta, he is best suitable for the job.
- (5) Remuneration proposed: As explained in resolution no.7 of this notice.
- (6) Comparative remuneration profile with respect to industry.  
The proposed remuneration is in line with the remuneration in the industry.
- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.  
Mr. Daya Kishan Gupta is promoter and director of the company. He directly holds 170910 Eq. Shares of the company.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

During the year ending 31.03.2019, the company earned a profit of Rs.39356000/-.

There is no inadequacy of profit. The proposed Remuneration is with the parameters given in schedule V.

2. Steps taken proposed to be taken for improvement : To expand the base by tapping new clients and focusing on revenue enhancement and expense efficiency.

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

It is expected that the profitability of the company would be more in future.

### IV. OTHER INFORMATION & DISCLOSURES

The Shareholders of the Company have been informed about the remuneration of Mr. Daya Kishan Gupta in Item no.6 & 7 of the notice of this Annual General Meeting.

#### COMPLIANCE OF REGULATION 17 (1A) OF SEBI (LODR) REG 2015

Shareholders may note during the continuance of his tenure Mr. Daya Kishan Gupta will cross the age of 75 years. As per Regulation 17 (1A) Of SEBI (LODR) Regulation 2015, no person can continue beyond the age of 75 without obtaining the approval of shareholder by way of Special Resolution. Hence the resolution.

#### Nature of concern / interest as per provision of section 102 of Companies act 2013

None of the Directors and Key Managerial personnel of the Company except Mr. Daya Kishan Gupta himself and Mr. Jai Kishan Gupta, Mr. Vijay Kumar Gupta and Mr. Ved Prakash Gupta, being relatives, are may be deemed to be concerned or interested in the resolution to the extent of payment of remuneration to be payable to Mr. Daya Kishan Gupta, Whole-Time Director of the Company. His appointment shall be subject to retirement by rotation as provided in the Act but he shall be eligible for re-appointment.

Shareholders are requested to please to confirm / approve the appointment as a director and Whole-Time Director and remuneration payable to Mr. Daya Kishan Gupta as mentioned in relevant item no. 6 & 7 of the notice.

Information about the appointee as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India and regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015 regarding Item No. 6 & 7.

Name	<b>Mr. Daya Kishan Gupta</b>
Designation	Whole Time Director
Date of Birth	06-06-1949
Date of first appointment	He is associated as director since incorporation of the company
Qualification	Graduate
Experience	40 years of experience in the field of industry, business and corporate management.
Profile	Mr. Daya Kishan Gupta is on this post since incorporation and has wide experience in field of Marketing and Sales Management.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2019	170910
No. of Board Meeting attended during the year	Five out of five
Terms & Conditions of re-appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m. inclusive of perquisites. Proposed remuneration is as per the Nomination and Remuneration Policy of the Company. Terms and Conditions of appointment is as per the appointment letter
Past Remuneration	Total remuneration as last approved by shareholders in Annual General Meeting held on 20th September, 2017 was Rs. 4,50,000/- per month including perquisites.
Relationship with other Directors	Brother of Vijay Kumar Gupta, Jai Kishan Gupta and Ved Prakash Gupta

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

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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

The Board recommends the Special Resolution set out at Item No.6 & 7 of the Notice for approval by the members.

### Item No. 8

The members of the company may recollect that Mr. Ved Prakash Gupta served the company since its incorporation till 31-03-2019. He ceased to be a director of the company as he attained the age of 75. As per provisions of Reg 17 (as amended) of SEBI(LODR) Reg 2015, no person can continue to act as a director of the company after attaining the age of 75 years unless approval of Shareholders is obtained by way of a Special Resolution passed at a general meeting/ Postal Ballot.

The company has received a notice in writing under the provisions of section 160 of the act from a member proposing the candidature of Mr. Ved Prakash Gupta for appointment as a regular director.

The Nomination and remuneration Committee(NRC) of the Board of the Company, at its meeting unanimously recommended to the Board, the appointment of Mr. Ved Prakash Gupta as a Director, who has attained the age of 75, liable to retire by rotation while recommending the appointment of Mr. Ved Prakash Gupta the NRC had considered various factors, viz., the number of board and general meeting attended by him, knowledge and experience, his contribution to the growth of the Company is active participation in the Board meetings, time spent by him for the Company. Etc

The Board on the recommendation made by NRC as above, at its meeting unanimously decided to recommend to the shareholders to reappoint Mr. Ved Prakash Gupta as a regular director liable to retire by rotation at the forth coming annual general meeting.

A brief profile of Mr. Ved Prakash Gupta along with the required particulars is given at the end of the statement. Further Mr. Ved Prakash Gupta has confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the act and from being appointed as a Director. Mr. Ved Prakash Gupta has also confirmed that he is not debarred from holding the office of director by virtue of any SEBI Order or any such authority pursuant to circular dated 20<sup>th</sup> June, 2018 issued by BSE pertaining to enforcement of SEBI Orders regarding appointment of directors by the listed company.

Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("regulations") including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for appointment of Mr. Ved Prakash Gupta (DIN: 00434369), who has attained the age of more than 75 years i.e. 77 years, as a Non-Executive Director of the Company.

Nature of concern / interest as per provision of section 102 of Companies act 2013

None of the Directors and Key Managerial personnel of the Company except Mr. Ved Prakash Gupta himself and Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta and Mr. Jai Kishan Gupta, being relatives, are may be deemed to be concerned or interested in the resolution. His appointment shall be subject to retirement by rotation as provided in the Act but he shall be eligible for re-appointment.

Shareholders are requested to please to confirm / approve the appointment as a director of Mr. Ved Prakash Gupta as mentioned in relevant item no. 8 of the notice.

Information about the appointee as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India and regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015 regarding Item No. 8.

Name	<b>Mr. Ved Prakash Gupta</b>
Designation	Non-Executive Director
Date of Birth	20-01-1942
Date of first appointment	He is associated as director since incorporation of the company
Qualification	Graduate
Experience	40 years of experience in the field of industry, business and corporate management.
Profile	Mr. Ved Prakash Gupta has wide experience in field of Marketing Management.
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2019	176393
No. of Board Meeting attended during the year	ONE
Terms & Conditions of re-appointment	In compliance with the provisions of Sec. 152, 160 of the Act, the appointment of Mr. Ved Prakash Gupta as a Non-Executive Director liable to retire by rotation.
Past Remuneration	Sitting Fee
Relationship with other Directors	Brother of Vijay Kumar Gupta, Jai Kishan Gupta and Daya Kishan Gupta

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



## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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

The Board recommends the Special Resolution set out at Item No.8 of the Notice for approval by the members.

### **Item No. 9**

Mr. Pramod Kumar Agarwal (DIN: 05248122), was appointed as a Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges to hold office as an Independent Director of the Company from 1<sup>st</sup> April, 2014 upto the conclusion of the Annual General Meeting of the company to be held in the calendar year 2019.

The members may note that pursuant to section 149(10) of the Act, an independent director shall hold office for a term of upto five(5) consecutive years on the Board of the Company but shall be eligible for reappointment for a further term of five(5) consecutive years by passing a Special Resolution by the Company.

The company has received a notice in writing under the provisions of section 160 of the act from a member proposing the candidature of Mr. Pramod Kumar Agarwal for appointment as a regular director.

The Nomination and remuneration Committee(NRC) of the Board of the Company, at its meeting, unanimously recommended to the Board, the appointment of Mr. Pramod Kumar Agarwal as an Independent Director, who has attained the age of 75, for a period of Five years from 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2024. While recommending the appointment of Mr. Pramod Kumar Agarwal the NRC had considered various factors, viz., the number of board and general meeting attended by him, knowledge and experience, his contribution to the growth of the Company is active participation in the Board meetings, time spent by him for the Company. Etc

The Board on the recommendation made by NRC as above, at its meeting unanimously decided to recommend to the shareholders to reappoint Mr. Pramod Kumar Agarwal as an Independent director not liable to retire by rotation at the forth coming annual general meeting.

A brief profile of Mr. Pramod Kumar Agarwal along with the required particulars is given at the end of the statement. Further Mr. Pramod Kumar Agarwal has confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the act and from being appointed as a Director. Mr. Pramod Kumar Agarwal has also confirmed that he is not debarred from holding the office of director by virtue of any SEBI Order or any such authority pursuant to circular dated 20<sup>th</sup> June, 2018 issued by BSE pertaining to enforcement of SEBI Orders regarding appointment of directors by the listed company.

Mr. Pramod Kumar Agarwal has given his consent to be reappointed as an ID and also confirm that he is not disqualified to act as a director in terms of section 164 of the Act besides he is also confirmed that he meets the criteria of independence as prescribed, both, u/s 149(6) of the Act read with relevant rules and under regulation 16(1)(b) of the SEBI LODR.

In the opinion of Board Mr. Pramod Kumar Agarwal fulfills the criteria/conditions specified in section 149,152 and other applicable provisions of the Act and rules made thereunder read with schedule 4 of the Act and Regulation 25 of the SEBI LODR.

The company has received a notice in writing under the provisions of section 160 of the act from a member proposing the candidature of Mr. Pramod Kumar Agarwal for appointment as a regular director.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Pramod Kumar Agarwal as an Independent Directors to hold office for a second term of 5 (Five) consecutive years w.e.f. 1<sup>st</sup> September to 31<sup>st</sup> August, 2024.

Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("regulations") including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for continuation of Mr. Pramod Kumar Agarwal (DIN: 05248122), who will attain the age of more than 75 years during his tenure i.e. 75 years, as a Non-Executive Independent Director of the Company with effect from 26.8.2024

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given him background and experience and contributions made by him during his tenure, the continued association of Mr. Pramod Kumar Agarwal would be beneficial to the Company.

Except Mr. Pramod Kumar Agarwal himself, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this item. He is a Post Graduate and is having a degree of L.L.M. also. He is retired manager of Life Insurance Corporation. He has been associated with Prakash woollen & Synthetic Mills Limited as an Independent Director and has gained vast experience in corporate affairs as well.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution set out at Item No.9 of the Notice for approval by the members.

The members are requested to consider and approve the above Special Resolution.

Information about the appointees as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India and regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015 regarding Item No. 9.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Name	<b>Mr. Pramod Kumar Agarwal</b>
Designation	Independent Director
Date of Birth	26-08-1949
Date of first appointment	07-11-2012
Qualification	Post Graduate
Experience	48
Profile	He is a Post Graduate and is having a degree of L.L.M. also. He is retired manager of Life Insurance Corporation. He has been associated with Prakash woollen & Synthetic Mills Limited as an Independent Director and has gained vast experience in corporate affairs as well.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership, is held (includes only Audit Committee and Stakeholder Relationship Committee)	Stakeholder Relationship Committee (Prakash woollen & Synthetic Mills Limited)
Numbers of shares held in the Company as on 31.03.2019	200
No. of Board Meeting attended during the year	Four out of five
Terms & Conditions of re-appointment	In compliance with the provisions of Sec. 149 read with Schedule IV of the Act, the re-appointment of Mr. Pramod Kumar Agarwal as an Independent Director to hold office for a second term of 5 (Five) consecutive years w.e.f. 1 <sup>st</sup> September, 2019 to 31 <sup>st</sup> August, 2024.
Past Remuneration	Only Sitting fee was paid.
Relationship with other Directors	None
Committee Positions	1*

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

In opinion of the Board Mr. Pramod Kumar Agarwal fulfils all the condition as are required for her appointment as an Independent Director, as specified in act. Further, Mr. Pramod Kumar Agarwal has also given a declaration to the Board that she meet the criteria of independence as provided under section 149(6) of Companies Act 2013 read with schedule IV of the act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Pramod Kumar Agarwal under section 149 of the Companies Act, 2013.

The Directors recommends the resolution for approval of the Shareholders.

### Item No. 10

Mr. Satish Kumar Raj (DIN: 00852221), was appointed as a Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges to hold office as an Independent Director of the Company from 1<sup>st</sup> April, 2014 upto the conclusion of the Annual General Meeting of the company to be held in the calendar year 2019.

The members may note that pursuant to section 149(10) of the Act, an independent director shall hold office for a term of upto five(5) consecutive years on the Board of the Company but shall be eligible for reappointment for a further term of five(5) consecutive years by passing a Special Resolution by the Company.

The company has received a notice in writing under the provisions of section 160 of the act from a member proposing the candidature of Mr. Satish Kumar Raj for appointment as a regular director.

The Nomination and remuneration Committee(NRC) of the Board of the Company, at its meeting, unanimously recommended to the Board, the appointment of Mr. Satish Kumar Raj as an Independent Director, who will attain the age of 75, for a period of Five years from 1<sup>st</sup> September, 2019 to 31<sup>st</sup> August, 2024. While recommending the appointment of Mr. Satish Kumar Raj the NRC had considered various factors, viz., the number of board and general meeting attended by him, knowledge and experience, his contribution to the growth of the Company is active participation in the Board meetings, time spent by him for the Company. Etc

The Board on the recommendation made by NRC as above, at its meeting unanimously decided to recommend to the shareholders to reappoint Mr. Satish Kumar Raj as an Independent director not liable to retire by rotation at the forth coming annual general meeting.

A brief profile of Mr. Satish Kumar Raj along with the required particulars is given at the end of the statement. Further Mr. Satish Kumar Raj has confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the act and from being appointed as a Director. Mr. Satish Kumar Raj has also confirmed that he is not debarred from holding the office of director by virtue of any SEBI Order or any such authority pursuant to circular dated 20<sup>th</sup> June, 2018 issued by BSE pertaining to enforcement of SEBI Orders regarding appointment of directors by the listed company.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Mr. Satish Kumar Raj has given his consent to be reappointed as an ID and also confirm that he is not disqualified to act as a director in terms of section 164 of the Act besides he is also confirmed that he meets the criteria of independence as prescribed, both, u/s 149(6) of the Act read with relevant rules and under regulation 16(1)(b) of the SEBI LODR.

In the opinion of Board Mr. Satish Kumar Raj fulfills the criteria/conditions specified in section 149,152 and other applicable provisions of the Act and rules made thereunder read with schedule 4 of the Act and Regulation 25 of the SEBI LODR.

The company has received a notice in writing under the provisions of section 160 of the act from a member proposing the candidature of Mr. Satish Kumar Raj for appointment as a regular director.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Satish Kumar Raj as an Independent Directors to hold office for a second term of 5 (Five) consecutive years w.e.f. 1<sup>st</sup> September to 31<sup>st</sup> August, 2024.

Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("regulations") including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for continuation of Mr. Satish Kumar Raj (DIN: 00852221), who will attain the age of more than 75 years during his tenure i.e. 75 years, as a Non-Executive Independent Director of the Company with effect from 25.9.2022

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given him background and experience and contributions made by him during his tenure, the continued association of Mr. Satish Kumar Raj would be beneficial to the Company.

Except Mr. Satish Kumar Raj himself, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this item. He is an M.B.B.S. and is having an experience of more than 40 years in this profession. He has been associated with Prakash woollen & Synthetic Mills Limited as an Independent Director and has gained vast experience in corporate affairs as well.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution set out at Item No.10 of the Notice for approval by the members.

The members are requested to consider and approve the above Special Resolution.

Information about the appointees as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India and regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015 regarding Item No. 10.

Name	<b>Dr. Satish Kumar Raj</b>
Designation	Independent Director
Date of Birth	21-09-1946
Date of first appointment	31-03-2003
Qualification	MBBS
Experience	47
Profile	He is an M.B.B.S. and is having an experience in this profession and has a vast experience in this field.He has been associated with Prakash woollen & Synthetic Mills Limited as an Independent Director and has gained vast experience in corporate affairs as well.
Directorship held in other Companies	Moradabad Club Private Limited (Director)
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	Audit CommitteeNomination & Remuneration Committee (Prakash woollen & Synthetic Mills Limited)
Numbers of shares held in the Company as on 31.03.2019	900
No. of Board Meeting attended during the year	Two out of five
Terms & Conditions of re-appointment	In compliance with the provisions of Sec. 149 read with Schedule IV of the Act, the re-appointment of Dr. Satish Kumar Raj as an Independent Director to hold office for a second term of 5 (Five) consecutive years w.e.f. 1 <sup>st</sup> September, 2019 to 31 <sup>st</sup> August, 2024.
Past Remuneration	Only Sitting fee was paid.
Relationship with other Directors	None
Committee Positions	2*

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

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

In opinion of the Board Mr. Satish Kumar Raj fulfils all the condition as are required for her appointment as an Independent Director, as specified in act. Further, Mr. Satish Kumar Raj has also given a declaration to the Board that she meet the criteria of independence as provided under section 149(6) of Companies Act 2013 read with schedule IV of the act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Satish Kumar Raj under section 149 of the Companies Act, 2013.

The Directors recommends the resolution for approval of the Shareholders.

### **Item No. 11**

Mr. Mahendra Kumar Agrawal (DIN: 02225421), was appointed as a Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. He holds office as an Independent Director of the Company upto 31st March, 2019.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended the appointment of Mr. Mahendra Kumar Agrawal as an Independent Directors to hold office for a second term of 5 (Five) consecutive years w.e.f. 1<sup>st</sup> September to 31<sup>st</sup> August, 2024.

Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("regulations") including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and any other applicable provisions, the consent of the members of the Company be and is hereby accorded for appointment of Mr. Mahendra Kumar Agrawal (DIN: 02225421), who has attained the age of more than 75 years i.e. 79 years

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given him background and experience and contributions made by him during his tenure, the continued association of Mr. Mahendra Kumar Agrawal would be beneficial to the Company.

A brief profile of Mr. Mahendra Kumar Agrawal along with the required particulars is given at the end of the statement. Further Mr. Mahendra Kumar Agrawal has confirmed that he is not disqualified from being appointed as a director in terms of section 164 of the act and from being appointed as a Director. Mr. Mahendra Kumar Agrawal has also confirmed that he is not debarred from holding the office of director by virtue of any SEBI Order or any such authority pursuant to circular dated 20<sup>th</sup> June, 2018 issued by BSE pertaining to enforcement of SEBI Orders regarding appointment of directors by the listed company.

Except Mr. Mahendra Kumar Agrawal himself, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this item. He is a Post Graduate and is having a degree of L.L.B. also. He is in business and is also having a printing press of himself. He has been associated with Prakash woollen & Synthetic Mills Limited as an Independent Director and has gained vast experience in corporate affairs as well.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolution set out at Item No.11 of the Notice for approval by the members.

The members are requested to consider and approve the above Special Resolution.

Information about the appointees as per the requirement of SS-2 on General Meeting issued by The Institute of Company Secretary of India and regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations, 2015 regarding Item No. 11.

Name	<b>Mr. Mahendra Kumar Agrawal</b>
Designation	Independent Director
Date of Birth	15-07-1940
Date of first appointment	30-06-2008
Qualification	Post Graduate
Experience	49
Profile	He is a Post Graduate and having a degree of L.L.B. also. He is in business and also having a printing press of himself.He has been associated with Prakash woollen & Synthetic Mills Limited as an Independent Director and has gained vast experience in corporate affairs as well.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	Audit Committee Nomination & Remuneration Committee (Prakash woollen & Synthetic Mills Limited)
Numbers of shares held in the Company as on 31.03.2019	NIL
No. of Board Meeting attended during the year	Four out of five
Terms & Conditions of re-appointment	In compliance with the provisions of Sec. 149 read with Schedule IV of the Act, the re-appointment of Mr. Mahendra Kumar Agrawal as an Independent Director to hold office for a second term of 5 (Five) consecutive years w.e.f. 1 <sup>st</sup> September, 2019 to 31 <sup>st</sup> August, 2024
Past Remuneration	Only Sitting fee was paid.
Relationship with other Directors	None
Committee Positions	2*

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

In opinion of the Board Mr. Mahendra Kumar Agrawal fulfils all the condition as are required for her appointment as an Independent Director, as specified in act. Further, Mr. Mahendra Kumar Agrawal has also given a declaration to the Board that she meet the criteria of independence as provided under section 149(6) of Companies Act 2013 read with schedule IV of the act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Mahendra Kumar Agrawal under section 149 of the Companies Act, 2013.

The Directors recommends the resolution for approval of the Shareholders.

### Item No. 12

Pursuant to Section 180(1) (a) of the Companies Act, 2013 and other applicable provisions, the Board of Directors of the Company, shall not, except with the consent of the shareholders in General Meeting; sell, lease or otherwise dispose off the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of such undertaking or all of the undertakings of the Company to anybody(ies) corporate or person(s) or related parties or any other entity, whether a shareholder(s) of the Company or not."

The Company, inter alia intends to dispose of its land situated at Bhudanpur.

This is to further clarify that the sale proceeds which may result from the transaction will be used for expansion of business of the Company and pay off the liabilities and for such other purposes which are necessary for fulfillment of objectives of the Company.

As per Section 180 (1) (a) and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of a Special resolution, which includes voting by electronic means in terms of the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014 (the "Rules").

None of the Directors, Key managerial personnel of the Company and their relatives are concerned or interested in the Resolution except to extent of their respective holding of equity or preference shares in the Company.

The Board of Directors of your Company recommends the resolution as set in the enclosed notice for approval.

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## Annexure I

### Details of Directors Seeking Re-appointment at the 40<sup>th</sup> Annual General Meeting

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

Name	<b>Mr. Vijay Kumar Gupta</b>
Designation	Whole Time Director & CFO
Date of Birth	07-08-1953
Date of first appointment	He is associated as director since incorporation of the company
Qualification	Graduate
Experience	40 years of experience in the field of industry, business and corporate management.
Profile	Mr. Vijay Kumar Gupta is on this post since incorporation and has wide experience in field of Finance management.
Directorship held in other Companies	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL
Membership of Committees of the Board (only Listed Entities) in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL
Numbers of shares held in the Company as on 31.03.2019	453709
No. of Board Meeting attended during the year	Five out of five
Terms & Conditions of re-appointment	Proposed remuneration to be paid is Rs. 7,00,000/-p.m. inclusive of perquisites. Proposed remuneration is as per the Nomination and of Remuneration Policy of the Company. Terms and Conditions of appointment is as per the appointment letter
Past Remuneration	Total remuneration as last approved by shareholders in Annual General Meeting held on 20th September, 2017 was Rs. 450,000/- per month including perquisites.
Relationship with other Directors	Brother of Daya Kishan Gupta, Jai Kishan Gupta and Ved Prakash Gupta

By Order of the Board of Directors  
For Prakash Woollen & Synthetic Mills Limited  
Sd/-  
(Vijay Kumar Gupta)  
Chairman & Whole Time Director  
DIN : 00335325

18<sup>th</sup> July 2019  
Registered Office:  
18<sup>th</sup> Km. Stone, Delhi Moradabad Road  
NH-24, Village Amhera, Distt. J.P Nagar,  
Uttar Pradesh-244102  
CIN: L17291UP1979PLC004804  
E-mail: info@prakashwoollen.com

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## BOARD'S REPORT

### To The Members,

Your Directors are pleased to present 40th Annual Report covering the operational and financial performance of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2019.

### FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Particulars	2018-2019	2017-2018
Revenue from operations	12698.50	9965.60
Other Income	59.97	7.92
<b>Total Revenue</b>	<b>12758.47</b>	<b>9973.52</b>
Profit before Depreciation & Tax	946.17	861.13
Depreciation	474.03	474.27
<b>Profit before Tax &amp; Exceptional Items</b>	<b>472.14</b>	<b>386.86</b>
Current tax inclusive of earlier year tax	(102.34)	(86.42)
Deferred Tax Asset/Liability	23.76	(54.70)
<b>Profit after Tax</b>	<b>393.56</b>	<b>245.74</b>
Other Comprehensive Income		
<b>A (i) Items that will not be reclassified to profit or loss</b>		
Remeasurements of net defined benefit plans	4.60	7.41
Income tax relating to above items	(1.28)	(2.45)
<b>Total Comprehensive Income for the period</b>	<b>396.88</b>	<b>250.70</b>
Earning Per Share	Rs. 3.84	Rs. 2.40

### KEY HIGHLIGHTS/ REVIEW OF OPERATIONS

During the period under consideration the revenue of the Company has increased from Rs. 9973.52 lakh to Rs 12758.47 lakh (78%). The net profit after tax of the Company has increased from Rs. 245.74 lakh to Rs. 393.56 lakh. Your directors hope for better results in the coming financial years. There is an increase of 62.4% in profits for the year ended 31.03.2019 as compared to the profits earned in financial year ending 31.03.2018.

### STATEMENT OF AFFAIRS

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

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

There are no material changes affecting the affairs of the company which have occurred between the end of the financial year on March 31, 2019 of the company to which the financial statements relate and the date of this report.

### CHANGE IN THE NATURE OF BUSINESS

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

### DIVIDEND & RESERVES

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

### DEPOSITS (Compliance of deposit rules)

Your Company has no unclaimed / unpaid matured deposit or interest due thereon. Your Company has not accepted any deposits covered under 'Chapter V - Acceptance of Deposits by Companies' under the Companies Act, 2013 during the financial year ended March 31, 2019, but there was an outstanding loan of Rs.33,240,000 including interest from the Promoter-Directors, of the Company which is exempted as deposit under Rule 2 (c)(viii) of Companies (Acceptance of Deposit) Rule, 2014.

### CAPITAL STRUCTURE

The Authorized Share Capital of the Company as on March 31, 2019 stands at Rs. 12,00,00,000/- divided into 1,20,00,000 equity shares of Rs. 10/- each. The Paid up Equity Share Capital as at March 31, 2019 stood at Rs. 10,25,97,500/- divided into 1,02,59,750 equity shares of Rs. 10/- each and the Subscribed and Paid-up Share Capital is Rs. 10,25,97,500/- divided into 1,02,59,750 equity shares of Rs. 10/- each fully paid-up.

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During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your company does not have any unlisted/listed subsidiary company or Joint Venture or any Associate Company, pursuant to the provisions of the Rule 8 of Companies (Accounts) Rules, 2014, therefore, no requirement of attachment of Form AOC-1.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act 2013, your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE GOVERNANCE

As per Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, compliance with the Corporate Governance provisions specified in regulation 17 to 27 and clause (b) to (i) of the sub-regulation (2) of regulation 46 and Para C, D & E of Schedule V shall not apply to the company having Paid-up Equity Share Capital not exceeding Rs. Ten Crore and Net Worth not exceeding Rs. Twenty Five Crores as on the last day of the previous financial year. The Paid-up Equity Share Capital of the company is more than the prescribed limit but the Net worth is less than the prescribed limit. So the Company is covered under the limit as prescribed in Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, therefore company is not required to comply with the said provisions.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

The Policy on dealing with related party transactions and on determining materiality of related party transactions as approved by the Board may be accessed on the Company's website at the link <http://www.prakashwoollen.com/sites/default/files/Policy%20On%20Related%20Party%20Transaction.pdf>

## RISK MANAGEMENT

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

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

## INTERNAL FINANCIAL CONTROLS

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



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

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL (there is change in directors & kmp)**

Mr. Vijay Kumar Gupta, director, retire by rotation and being eligible offer himself for re-appointment. Your Company is managed and controlled by a Board comprising an optimum blend of Executives and Non-Executive Professional Directors. As on March 31, 2019, the Board of Directors consists of Eight (9) Directors including (1) Chairman & Managing Director, (1) Whole time Director & CFO (1) Whole time Director and six (6) Non-executive Directors, out of which five (5) are Independent Directors including one Woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013. All the Directors possess the requisite qualifications and experience in general corporate Management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

There is no change in directors except Mr. Jai Kishan Gupta, Managing Director, Mr. Vijay Anand Rastogi, Independent Director, Mr. Mahendra Kumar Agrawal, Independent Director and Mr. Ved Prakash Gupta, Non-Executive Director, who has resigned from the directorship w.e.f. 31<sup>st</sup> March, 2019 and Mr. Daya Kishan Gupta, Whole-Time Director, who has resigned from the whole-time directorship w.e.f. 31<sup>st</sup> May 2019.

Mr. Jai Kishan Gupta and Mr. Daya Kishan Gupta were appointed as Additional Directors by the Board at their meeting held on 18<sup>th</sup> July, 2019 with effect from 17<sup>th</sup> August, 2019 to hold office upto the date of forthcoming AGM. Further, they are also proposed to be appointed as Managing Director and Whole Time Director respectively by the Shareholders, at the forthcoming AGM. Your Board recommend their such appointment.

Mr. Vijay Kumar Gupta was re-appointed as Whole time director & CFO with effect from 1<sup>st</sup> April, 2019 by the Board in its meeting 12<sup>th</sup> February, 2019. Your Board recommends Shareholders to confirm his re-appointment as Whole Time Director at the forthcoming AGM.

Your Board also recommends the appointment of Mr. Ved Prakash Gupta, as Ordinary Director at the forthcoming AGM.

Further, your Board recommends the re-appointment of Mr. Pramod Kumar Agarwal, Mr. Satish Kumar Raj, Mr. Mahendra Kumar Agrawal as Independent Directors for another term for forthcoming AGM, as mentioned in the Notice of forthcoming AGM.

Ms. Shivangi Agarwal, Company Secretary and Compliance Officer resigned with effect from 12<sup>th</sup> June 2018 and Ms. Ruchi Gupta was appointed as Company Secretary and Compliance Officer with effect from 12<sup>th</sup> June 2018. There has been no change in any other Key Managerial Personnel of the Company during the year.

### **DECLARATION BY INDEPENDENT DIRECTORS**

**There was a Re-appointment of Dr. Sushma Pandey as Independent Director during the year as on 22<sup>nd</sup> September, 2018.**

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

### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR), 2015, a separate meeting of the Independent Directors of the Company was held on 26<sup>h</sup> March 2019 to discuss the agenda items as prescribed under the applicable laws. The meeting was attended by all Independent Directors of the Company.

### **FORMAL ANNUAL EVALUATION**

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation i.e. evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board. The Performance evaluation was carried out by the Nomination and Remuneration Committee based on the "Annual Evaluation Framework" prepared by the Committee.

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

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

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

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evaluated. The evaluation involves Self-Evaluation by the Board Members and subsequent assessment by the Board of Directors. The Board of Directors expressed their satisfaction with the evaluation process.

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

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: [www.prakashwoollen.com](http://www.prakashwoollen.com) (<http://www.prakashwoollen.com/node/322>).

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

### AUDITORS

#### Statutory Auditors

The shareholders of the Company at AGM held on September 23<sup>rd</sup> 2016 had appointed M/s. A. Anand & Co., Chartered Accountants (Firm Registration No. **005147C**), as the Statutory Auditors of the Company for an initial term of 5 years, i.e., at the Thirty Seventh Annual General Meeting of the Company to hold such office till the conclusion of the Forty Second Annual General Meeting of the Company, subject to ratification by members at every AGM, if required under the provisions of the Companies Act, 2013. However, the Companies Amendment Act, 2013 has deleted the condition of ratification of statutory auditors.

#### Auditors' Report

The Report given by M/s. A. Anand & Co, Statutory Auditors on the financial statement of the Company for the year ended March 2019 is part of the Annual Report. There are no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

#### Cost Auditors

Companies (cost records and audit) (Amendment) Rules, 2015 are not applicable on the Company for the financial year 2018–19:

#### Secretarial Auditor

The Board had appointed Mr. R.S. Bhatia (CP No.2514). Practicing Company Secretary, to carry out Secretarial Audit in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2019. The Secretarial Audit Report for the financial year ended March 31, 2019 has been obtained and does not contain any qualification, which requires any comments from the Board. A copy of Secretarial Audit Report from Mr. R.S. Bhatia for financial year ended March 31, 2019 in the prescribed Form No. MR-3 is annexed to this report as **Annexure I**.

### COMPOSITION OF COMMITTEES

#### Audit Committee

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

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

#### Nomination and Remuneration Committee

The Board of Directors constituted a Nomination and Remuneration Committee comprising three Non-Executive Independent Directors namely Mr. Vijay Anand Rastogi (Chairman), Mr. Mahendra Kumar Agarwal and Dr. Satish Kumar Raj as other members. The function of the Nomination and Remuneration Committee includes recommendation of appointment of Whole-time Director(s)/ Managing Director/ Joint Managing Director and recommendation to the Board of their remuneration.

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

The aforesaid policy has been posted on the Website of the Company (<http://www.prakashwoollen.com/sites/default/files/Policy%20On%20Nomination%20%26%20Remuneration%20Committee.pdf>)

#### Stakeholder Relationship Committee

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

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

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## VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

The whistle Blower policy has been posted on the Website of the Company (<http://www.prakashwoollen.com/sites/default/files/Whistel%20Blower%20Policy.pdf>)

## MEETINGS OF THE BOARD OF DIRECTORS

Five meetings of the Board of Directors were held during the financial year 2018-19 i.e. on 30.05.2018, 12.06.2018, 11.08.2018, 12.11.2018, and 12.02.2019. The details of the meetings of the Board held during the financial year 2018-19 forms part of the Corporate Governance Report.

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

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

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

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

## DEPOSIT

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

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT – 9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure III** and forms an integral part of this Report. MGT-9 is also available on the website of the Company - [www.prakashwoollen.com](http://www.prakashwoollen.com).

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Directors state that during the financial year ended March 31, 2019 under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## PARTICULARS OF EMPLOYEES

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

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

Non-executive directors	Ratio to median Remuneration
Mr. Vijay Anand Rastogi	0.07:1
Mr. Pramod Kumar Agarwal	0.09:1
Mr. Mahendra Kumar Agarwal	0.10:1
Mr. Satish Kumar Raj	0.06:1
Ms. Sushma Pandey	0.08:1
Mr. Ved Prakash Gupta	0.01:1
Executive directors	Ratio to median Remuneration
Mr. Vijay Kumar Gupta	15.36:1
Mr. Daya Kishan Gupta	15.36:1
Mr. Jai Kishan Gupta	15.36:1

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Vijay Kumar Gupta	20
Mr. Daya Kishan Gupta	20
Mr. Jai Kishan Gupta	20
Mr. Ved Prakash Gupta	0
Mr. Vijay Anand Rastogi	- 28.57
Mr. Pramod Kumar Agarwal	- 7.69
Mr. Mahendra Kumar Agarwal	- 6.67
Mr. Satish Kumar Raj	- 27.27
Ms. Sushma Pandey	57.14
Ms. Shivangi Agarwal	- 85.96
Ms. Ruchi Gupta	0

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### Remuneration of Independent Director is sitting fees.

- c. The percentage decrease in the median remuneration of employees in the financial year: **-16.57%**
- d. The number of permanent employees on the rolls of Company: **32**
- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around **1.92%**.

Increase in the managerial remuneration for the year was **20%**.

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

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

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

S. No	Name of The Employee	Designation	Nature of Employment	Educational Qualification	Age	Experience (in years)	Date of Joining	Remuneration Paid (₹)	Whether employee is relative of Director
1	Vijay Kumar Gupta	Whole Time Director & CFO	Permanent	Commerce Graduate	66	40	23/08/1979	5400000	Brother of Mr. Daya Kishan Gupta, Mr. Jai Kishan Gupta, Mr. Ved Prakash Gupta
2	Daya Kishan Gupta	Whole Time Director	Permanent	Commerce Graduate	70	40	23/08/1979	5400000	Brother of Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta, Mr. Ved Prakash Gupta
3	Jai Kishan Gupta	Chairman & Managing Director	Permanent	Commerce Graduate	72	40	23/08/1979	5400000	Brother of Mr. Vijay Kumar Gupta, Mr. Daya Kishan Gupta, Mr. Ved Prakash Gupta
4	Kapil Gupta	Vice President-Sales & Marketing	Permanent	M.Com	44	19	1/6/2004	1860000	Son of Mr. Daya Kishan Gupta
5	Adeep Gupta	Vice President-Production	Permanent	Commerce Graduate	47	22	1/7/2004	1860000	Son of Mr. Jai Kishan Gupta
6	Ashish Gupta	Vice President-Finance	Permanent	Commerce Graduate	40	15	1/7/2004	1860000	Son of Mr. Vijay Kumar Gupta
7	Sanjay Kumar Agarwal	Manager-Plant & Operations	Permanent	Mechanical Engineer-B.E	59	33	1/4/2000	1860000	NIL
8	Praveen Gupta	Manager Accounts	Permanent	B.Com, FCA	59	33	1/11/1994	1860000	NIL
9	Omkar Dongre	General Manager	Permanent	Diploma in Industrial Management	60	38	1/1/2015	1915000	NIL

### GENERAL DISCLOSURES

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

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

### ACKNOWLEDGEMENT

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

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

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

Vijay Kumar Gupta  
Chairman and Whole Time Director  
DIN: 00335325

Place : Vill Amhera (J.P. Nagar)  
Date : 18<sup>th</sup> July 2019

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the book, papers, Minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ("the Acts") and the rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings. Neither there were any transaction of Direct Investment, External Commercial Borrowings nor any transaction of Overseas Direct Investment which were required to be reported during the financial year.
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable
  - e. \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
  - g. \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
  - h. \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 (herein after referred as SEBI LODR);
  - j. Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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(vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management:

- a. Explosives Act, 1884
- b. Petroleum Act, 1934
- c. The Legal Metrology Act, 2009 & Rules
- d. Hazardous Wastes (Management & Handling) rules 1989 and Amendment rules

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Act and the SEBI LODR Regulations;
- ii. Adequate notice(s) were given to all directors regarding holdings of Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- iii. All the decisions at the Board Meetings and Committee meetings were carried through with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. The dissenting members' views, if any, were captured and recorded as part of the minutes.
- iv. As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.
- v. There are adequate systems & processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations & guidelines.

I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Except elsewhere mentioned in this report, in my opinion and to the best of my information and according to explanations given to me, I believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

I further report that:

At the Annual General Meeting held on 22<sup>nd</sup> September 2018, Ms. Sushma Pandey was appointed as Independent Director to hold office for three years.

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

PLACE : NEW DELHI

DATE : 16<sup>th</sup> July, 2019

**Note: This report is to be read with letter of even date by the Secretarial Auditor, which is annexed to this report and forms an integral part of this report**

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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## *Annexure A*

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

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

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

### **Disclaimer**

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

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

PLACE : NEW DELHI  
DATE : 16<sup>th</sup> July, 2019

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

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is given below and forms part of the Directors' Report.

**A) Conservation of energy:**

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

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

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

The Company has installed Solar Power Plant and using solar energy as other alternate sources of energy in its factory.

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

**(B) Technology absorption:**

(i) the efforts made towards technology absorption;

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

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

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

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

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

(a) the details of technology imported;

(b) the year of import;

(c) Whether the technology been fully absorbed;

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

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

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

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

	<b>2018-19</b>	<b>2017-18</b>
	NIL	NIL

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

	<b>2018-19</b>	<b>2017-18</b>
Imports	61.79	693.92
Travelling	5.49	4.26
	<b>67.28</b>	<b>698.18</b>

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

**Vijay Kumar Gupta**  
Chairman and Whole Time Director  
DIN: 00335325

Place : Vill Amhera (J.P. Nagar)

Date : 18<sup>th</sup> July 2019



**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31.03.2019**

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

**I. REGISTRATION & OTHER DETAILS:**

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

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

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

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

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

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
a) Individual/ HUF	6441520	0	6441520	62.78	6441520	0	6500520	63.36	0.58
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>6441520</b>	<b>0</b>	<b>6441520</b>	<b>62.78</b>	<b>6441520</b>	<b>0</b>	<b>6500520</b>	<b>63.36</b>	<b>0.58</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	13400	13400	0.13	0	13400	13400	0.13	0
b) Banks / FI	120000	0	120000	1.17	120000	0	120000	1.17	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>120000</b>	<b>13400</b>	<b>133400</b>	<b>1.30</b>	<b>120000</b>	<b>13400</b>	<b>133400</b>	<b>1.30</b>	<b>0</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	410156	127400	537556	5.24	805923	127400	933323	9.1	3.86
ii) Overseas	0	0	0	0	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	559032	594500	1153532	11.24	569736	519278	1089014	10.61	-0.63
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1453116	369280	1822396	17.76	1079127	301597	1380724	13.46	-4.3
c) Others (specify)Resident Indian HUF	159674	0	159674	1.56	203032	0	203032	1.98	0.42
Non Resident Indians	7062	4500	11562	0.11	14296	4500	18796	0.18	0.07
Overseas Corporate Bodies	0	0	0	0	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0	0	0	0	0.00	0.00
Clearing Members	110	0	110	0.001	941	0	941	0.01	0.009
Trusts	0	0	0	0	0	0	0	0.00	0.00
Foreign Bodies - D R	0	0	0	0	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>2589150</b>	<b>1095680</b>	<b>3684830</b>	<b>35.92</b>	<b>2673055</b>	<b>952775</b>	<b>3625830</b>	<b>35.34</b>	<b>-0.58</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2709150</b>	<b>1109080</b>	<b>3818230</b>	<b>37.22</b>	<b>2793055</b>	<b>966175</b>	<b>3759230</b>	<b>36.64</b>	<b>-0.58</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>9150670</b>	<b>1109080</b>	<b>10259750</b>	<b>100.00</b>	<b>9293575</b>	<b>966175</b>	<b>10259750</b>	<b>100</b>	<b>0.00</b>

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change shareholding during in the year
		No. of Shares	% of total Share of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the company	% of Shares Pledged / encumbered to total shares	
1	VIJAY KUMAR GUPTA	453709	4.42	0	453709	4.42	0	0
2	SHALINI GUPTA	420800	4.1	0	420800	4.1	0	0
3	JAI KISHAN GUPTA	417960	4.07	0	417960	4.07	0	0
4	ASHISH GUPTA HUF	400000	3.9	0	400000	3.9	0	0
5	RAJNI GUPTA	393600	3.84	0	393600	3.84	0	0
6	KAPIL GUPTA HUF	381350	3.72	0	381350	3.72	0	0
7	REETIKA GUPTA	366100	3.57	0	366100	3.57	0	0
8	ADEEP GUPTA	348450	3.4	0	363450	3.54	0	0.14
9	ADEEP GUPTA HUF	338000	3.29	0	338000	3.29	0	0
10	GUPTA JAI KISHAN HUF	330590	3.22	0	330590	3.22	0	0
11	DAYA KISHAN GUPTA HUF	325490	3.17	0	325490	3.17	0	0
12	ANITA GUPTA	324110	3.16	0	324110	3.16	0	0
13	VIJAY KUMAR GUPTA HUF	294281	2.87	0	294281	2.87	0	0
14	HIMANI AGARWAL	274900	2.68	0	274900	2.68	0	0
15	MADHU GUPTA	227558	2.22	0	227558	2.22	0	0
16	VED PRAKASH GUPTA	176393	1.72	0	176393	1.72	0	0
17	DAYA KISHAN GUPTA	170910	1.67	0	170910	1.67	0	0
18	KAPIL GUPTA	85770	0.84	0	107770	1.05	0	0.21
19	ATUL GUPTA	78795	0.77	0	78795	0.77	0	0
20	ASHISH GUPTA	71000	0.69	0	93000	0.91	0	0.22
21	MANJUSHA AGARWAL	68305	0.67	0	68305	0.67	0	0
22	PUSHPA GUPTA	55340	0.54	0	55340	0.54	0	0
23	SHALAB GUPTA	53200	0.52	0	53200	0.52	0	0
24	SANJAY KUMAR AGARWALA	52560	0.51	0	52560	0.51	0	0
25	SHASHI GUPTA	49217	0.48	0	49217	0.48	0	0
26	DEEPALI GUPTA	38420	0.37	0	38420	0.37	0	0
27	RAM KISHAN GUPTA & SONS	36822	0.36	0	36822	0.36	0	0
28	VED PRAKASH GUPTA HUF	35690	0.35	0	35690	0.35	0	0
29	SHALINI GUPTA	20000	0.19	0	20000	0.19	0	0
30	MEGHNA TAYAL	20000	0.19	0	20000	0.19	0	0
31	CHHAVI AGARWAL	20000	0.19	0	20000	0.19	0	0
32	SHALAB GUPTA HUF	20000	0.19	0	20000	0.19	0	0
33	PARUL GUPTA	18700	0.18	0	18700	0.18	0	0
34	SANJAY AGARWAL HUF	15000	0.15	0	15000	0.15	0	0
35	B K GUPTA (HUF)	15000	0.15	0	15000	0.15	0	0
36	ATUL GUPTA HUF	15000	0.15	0	15000	0.15	0	0
37	SHALINI GUPTA	10000	0.1	0	10000	0.1	0	0
38	REKHA GOVIL	10000	0.1	0	10000	0.1	0	0
39	SANJAY GUPTA	8500	0.08	0	8500	0.08	0	0
		<b>6441520</b>	<b>62.78</b>	<b>-</b>	<b>6500520</b>	<b>63.36</b>	<b>0</b>	<b>0.58</b>

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>ADEEP GUPTA</b>	348450	3.4	363450	3.54
2	<b>KAPIL GUPTA</b>	85770	0.84	107770	1.05
3	<b>ASHISH GUPTA</b>	71000	0.69	93000	0.91

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

SN	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of Change in Shareholding	Increase/Decrease in Shareholding	Reason for Increase/Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	IL And FS Securities Services* Ltd	-	-	01.04.2018	-	-	-	-
		-	-	29.06.2018	400000	Buy	400000	3.90
		-	-	31.03.2019	-	-	400000	3.90
2	Indo Thai Securities Limited- Investment Account*	186723	1.82	01.04.2018	-	-	186723	1.82
		-	-	06.04.2018	26843	Buy	213566	2.08
		-	-	13.04.2018	26935	Sale	186631	1.82
		-	-	20.04.2018	3434	Buy	190065	1.85
		-	-	27.04.2018	40186	Buy	230251	2.24
		-	-	04.05.2018	2464	Buy	232715	2.27
		-	-	11.05.2018	10958	Buy	243673	2.38
		-	-	18.05.2018	2789	Buy	246462	2.40
		-	-	25.05.2018	29117	Sale	217345	2.12
		-	-	01.06.2018	31188	Buy	248533	2.42
		-	-	08.06.2018	26922	Buy	275455	2.68
		-	-	15.06.2018	6461	Sale	268994	2.62
		-	-	22.06.2018	10127	Buy	279121	2.72
		-	-	29.06.2018	3900	Buy	283021	2.76
		-	-	06.07.2018	162513	Buy	445534	4.34
		-	-	13.07.2018	17960	Sale	427574	4.17
		-	-	20.07.2018	720	Sale	426854	4.16
		-	-	27.07.2018	4242	Buy	431096	4.20
		-	-	03.08.2018	39762	Sale	391334	3.81
		-	-	10.08.2018	19	Sale	391315	3.81
-	-	17.08.2018	99	Sale	391216	3.81		
-	-	24.08.2018	60	Buy	391276	3.81		
-	-	31.08.2018	4881	Sale	386395	3.77		
-	-	07.09.2018	330	Sale	386065	3.76		
-	-	14.09.2018	20	Sale	386045	3.76		
-	-	21.09.2018	1060	Sale	384985	3.75		
-	-	28.09.2018	3250	Sale	381735	3.72		
-	-	05.10.2018	100	Sale	381635	3.72		
-	-	12.10.2018	23213	Sale	358422	3.49		
-	-	19.10.2018	486	Buy	358908	3.50		
-	-	26.10.2018	24771	Sale	334137	3.26		
-	-	02.11.2018	34	Sale	334103	3.26		
-	-	09.11.2018	811	Buy	334914	3.26		

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

		-	-	16.11.2018	1049	Buy	335963	3.27
		-	-	23.11.2018	30013	Sale	305950	2.98
		-	-	30.11.2018	44202	Buy	350152	3.41
		-	-	07.12.2018	473	Sale	349679	3.41
		-	-	14.12.2018	3716	Buy	353395	3.44
		-	-	21.12.2018	7354	Sale	346041	3.37
		-	-	04.01.2019	4270	Sale	341771	3.33
		-	-	11.01.2019	220	Sale	341551	3.33
		-	-	25.01.2019	1000	Buy	342551	3.34
		-	-	31.03.2019	-	-	342551	3.34
3	Prakash Chand Gupta	182725	1.78	01.04.2018	-	-	182725	1.78
		-	-	31.03.2019	-	-	182725	1.78
4	State Bank of India	120000	1.17	01.04.2018	-	-	120000	1.17
		-	-	31.03.2019	-	-	120000	1.17
5	Prity Goel*	-	-	01.04.2018	-	-	-	-
		-	-	22.06.2018	112000	Buy	112000	1.09
		-	-	31.03.2019	-	-	112000	1.09
6	Pankaj Jain	84350	0.82	01.04.2018	-	-	84350	0.82
		-	-	31.03.2019	-	-	84350	0.82
7	Mukesh Goyal	100011	0.97	01.04.2018	-	-	100011	0.97
		-	-	15-06-2018	1000	Sale	99011	0.97
		-	-	06-07-2018	99000	Sale	11	0.00
		-	-	01-03-2019	73507	Buy	73518	0.72
		-	-	08-03-2019	8000	Buy	81518	0.79
		-	-	31.03.2019	-	-	81518	0.79
8	Subramanian P*	68290	0.67	01.04.2018	-	-	68290	0.67
		-	-	31.03.2019	-	-	68290	0.67
9	Prahlad Flour Mills Limited	60000	0.58	01.04.2018	-	-	60000	0.58
		-	-	31.03.2019	-	-	60000	0.58
10	Swastika Investmart Limited *	850	0.01	01.04.2018	-	-	850	0.01
		-	-	13.04.2018	100	Buy	950	0.01
		-	-	20.04.2018	200	Buy	1150	0.01
		-	-	27.04.2018	150	Buy	1300	0.01
		-	-	08.06.2018	50050	Buy	51350	0.50
		-	-	15.06.2018	350	Sale	51000	0.50
		-	-	29.06.2018	400	Sale	50600	0.49
		-	-	20.07.2018	299	Buy	50899	0.50
		-	-	27.07.2018	196	Buy	51095	0.50
		-	-	10.08.2018	2	Buy	51097	0.50
		-	-	17.08.2018	153	Buy	51250	0.50
		-	-	31.08.2018	148	Sale	51102	0.50
		-	-	07.09.2018	250	Buy	51352	0.50
		-	-	28.09.2018	815	Sale	50537	0.49
		-	-	12.10.2018	200	Sale	50337	0.49
		-	-	09.11.2018	250	Sale	50087	0.49
		-	-	01.02.2019	200	Buy	50287	0.49
		-	-	31.03.2019	-	-	50287	0.49

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

11	Arvind Goyal	91223	0.89	01.04.2018	27644	Sale	63579	0.62
		-	-	27.04.2018	13916	Sale	49663	0.48
		-	-	29.03.2019	39719	Sale	9944	0.09
		-	-	31.03.2019	-	-	9944	0.09
12	Rajendra Kumar Gupta	133793	1.30	01.04.2018	-	-	133793	1.30
		-	-	11.05.2018	5000	Sale	128793	1.26
		-	-	08.06.2018	793	Sale	128000	1.25
		-	-	29.06.2018	120000	Sale	8000	0.08
		-	-	31.03.2019	-	-	8000	0.08
13	Navdeep Varshney	292127	2.85	01.04.2018	-	-	292127	2.85
		-	-	29.06.2018	290390	Sale	1737	0.02
		-	-	31.03.2019	-	-	1737	0.02
14	Shri Parasram Holdings Pvt.Ltd. #	163500	1.59	01.04.2018	-	-	163500	1.59
		-	-	20.04.2018	500	Sale	163000	1.59
		-	-	25.05.2018	500	Buy	163500	1.59
		-	-	01.06.2018	500	Sale	163000	1.59
		-	-	22.06.2018	161177	Sale	1823	0.02
		-	-	29.06.2018	295	Buy	2118	0.02
		-	-	06.07.2018	1018	Sale	1100	0.01
		-	-	13.07.2018	100	Buy	1200	0.01
		-	-	20.07.2018	105	Sale	1095	0.01
		-	-	27.07.2018	95	Sale	1000	0.01
		-	-	17.08.2018	848	Sale	152	0.00
		-	-	22.03.2019	152	Sale	0	0.00
		-	-	31.03.2019	-	-	0	0.00
15	Dheeraj Kumar Lohia #	144009	1.40	01.04.2018	-	-	144009	1.40
		-	-	02.04.2018	5552	Sale	138457	1.35
		-	-	06.04.2018	11851	Sale	126606	1.23
		-	-	20.04.2018	16217	Sale	110389	1.08
		-	-	27.04.2018	5000	Sale	105389	1.03
		-	-	04.05.2018	5000	Sale	100389	0.98
		-	-	11.05.2018	3630	Sale	96759	0.94
		-	-	18.05.2018	6340	Sale	90419	0.88
		-	-	25.05.2018	21000	Sale	69419	0.68
		-	-	01.06.2018	27788	Sale	41631	0.41
		-	-	15.06.2018	22745	Sale	18886	0.18
		-	-	22.06.2018	2508	Sale	16378	0.16
		-	-	13.07.2018	13064	Sale	3314	0.03
		-	-	14.09.2018	3314	Sale	0	0.00
-	-	31.03.2019	-	-	0	0.00		

Note:

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

\* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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

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

Note:

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

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

### v. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3517.62	300.00	-	3817.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13.68	6.85	-	20.53
<b>Total (i+ii+iii)</b>	<b>3531.30</b>	<b>306.85</b>	<b>-</b>	<b>3838.15</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	11.00	300.00	-	311.00
* Reduction	(830.21)	(300.00)	-	(1130.21)
<b>Net Change</b>	<b>(819.21)</b>	<b>-</b>	<b>-</b>	<b>(819.21)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2698.41	300.00	-	2998.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	32.40	-	32.40
<b>Total (i+ii+iii)</b>	<b>2698.41</b>	<b>332.40</b>	<b>-</b>	<b>3030.81</b>

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

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (in lacs)
		Jai Kishan Gupta	Daya Kishan Gupta	Vijay Kumar Gupta	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54.00	54.00	54.00	162.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>54.00</b>	<b>54.00</b>	<b>54.00</b>	<b>162.00</b>
	Ceiling as per the Act: The remuneration paid to Directors and Key Management Personnel are within the limit as prescribed under Schedule V of the Companies Act, 2013.	84.00	84.00	84.00	252.00

### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Vijay Anand Rastogi	Dr. Satish Kumar Raj	Sushma Pandey	Mahendra Kumar Agarwal	Pramod Kumar Agarwal	
1	Independent Directors						
	Fee for attending board committee meetings	25000	20000	27500	35000	30000	137500
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>25000</b>	<b>20000</b>	<b>27500</b>	<b>35000</b>	<b>30000</b>	<b>137500</b>
2	Other Non-Executive Directors	Ved Prakash Gupta					
	Fee for attending board committee meetings	5000	-	-	-	-	5000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>30000</b>	<b>20000</b>	<b>27500</b>	<b>35000</b>	<b>30000</b>	<b>142500</b>
	<b>Total Managerial Remuneration (A+B)</b>						<b>16342500</b>



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

SN	Particulars of Remuneration	Key Managerial Personnel				
		GEO	CS	CS	CFO	Total
			Shivangi Agarwal 1.04.18 to 12.06.18	Ruchi Gupta 12.06.18 to 31.03.19		
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1.26	2.61	-	3.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	Others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	-	1.26	2.61	-	3.87

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

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

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

Vijay Kumar Gupta  
Chairman and Whole Time Director  
DIN: 00335325

Place : Vill Amhera (J.P. Nagar)  
Date : 18<sup>th</sup> July 2019

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1) OVERVIEW OF THE ECONOMY

#### Global Economy

Global growth is expected to remain at 3.0 per cent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks. (Source: Department of Economic & Social Affairs)

In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018.

#### Indian economy

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

The long-term growth perspective of the Indian economy is positive due to its young population, English proficiency, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. India topped the World Bank's growth outlook for the first time in fiscal year 2015-16, during which the economy grew 7.6%. Despite previous reforms, economic growth is still significantly slowed by bureaucracy, poor infrastructure, and inflexible labor laws (especially the inability to lay off workers in a business slowdown). India is the second-largest start-up hub in the world with over 3,100 technology start-ups in 2018-19. (Source: IBEF)

### 2) ANALYSIS AND REVIEW

#### Business Outlook

Indian textiles industry is a well-established with showing strong features and a bright future. In fact, the country is the second biggest textiles manufacturer worldwide, right after China. Similar force is demonstrated in the cotton production and consumption trend where India ranks just after China and USA. The textiles manufacturing business is a pioneer activity in the Indian manufacturing sector and it has a primordial importance in the economic life of the country, which is still predominantly based on the agro-alimentary sector. Employing around 35 million people, textiles industry stands as a major foreign currency revenue generator and further proves it in its 14% share of industrial production and the 16% of export revenues it generated.

In that view, many manufacturing companies in India are rushing towards expansion and modernization options. Manufacturers are having recourse to fund raising programmes pushing EPS to higher growth, dissolving equity on its way. Business collaborations with foreign players, creation of buying offices and Government's effort to enhance quality production and export are many visible signs of Indians coming into force on the global market.

India Ratings has maintained a stable outlook for the textile sector for 2019-20 following strong domestic demand, waning impact of the disruptions due to GST and demonetization and rising exports aided by a weak rupee. Textile companies are likely to improve cash-flow from operations in FY20, as their working capital would stabilise as challenges related to demonetization and the GST subsidy. The sector is likely to continue deleveraging gradually in FY20 in view of strong annual growth generation and some moderation in the debt level. Liquidity of the majority of players in the sector is likely to remain adequate, along with an improvement in operational cash generation, backed by steady raw material costs and strong demand from end-user segments.

The domestic and global stock-to-use ratios will remain under pressure during cotton year 2018-19. Global cotton production is likely to decline in cotton year 2018-19 owing to a low acreage and adverse weather conditions in key cotton-growing nations. Meanwhile, India's textile exporters are likely to continue to benefit from improved cost competitiveness due to a weak rupee, which would drive volume growth.

### 3) Indian Textile Industry

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY18 stood at US\$ 39.2 billion. The size of India's textile market as of November 2017 was around US\$ 150 billion, which is expected to touch US\$ 223 billion market by 2021, growing at a CAGR of 12.2% between 2009-21. The new textile policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 250 billion by 2019. India's textiles industry contributed 7% of the industry output (in value terms) of India in FY18. As per data from National Bureau of Statistics, due to steep

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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wage inflation, the average monthly wage cost in China stood at US\$ 230 per month in 2013 as against US\$ 80 per month in India. Also, India is rich in traditional workers adept at value-adding tasks, which could give Indian companies significant margin advantage. (Source: IBEF)

### 4) Opportunities and Threats

The fundamental strength of Indian textile industry is its strong production base with wide range of fibers/yarns. These are natural fibers such as cotton, jute, silk and wool and synthetic/man-made fibers like polyester, viscose, nylon and acrylic. In producer-driven value chains, large, usually transnational, manufacturers play the central roles in coordinating production networks. Textile industry is capital and technology-intensive comparable with automobiles, aircraft, computers, semiconductors and heavy machinery industry. Buyer-driven value chains are those in which large retailers, marketers and branded manufacturers play the pivotal roles in setting up decentralized production networks in a variety of exporting countries, typically located in developing countries.

The growth of Indian E-Commerce companies provides opportunities for the Indian textile industry in the domestic as well as international market. Amazon, Flipkart, Jabong and Myntra are the major players IN Indian E-Commerce Industry. India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textile industry is also labor intensive and is one of the largest employers. (Source: Trends in Textile Engineering & Fashion Technology)

### 5) Risk and Concerns

The textile industry consists of a number of units engaged in spinning, weaving, dyeing, printing, finishing and a number of other processes that are required to convert fibre into a finished fabric or garment. There are several safety and health issues associated with the textile industry. This article aims at studying each of these issues in relation to the US and Indian textile industries in detail, along with the possible solutions for these problems.

The major safety and health issues in the textile industry can be stated as under:

- 1) Exposure to cotton dust
- 2) Exposure to chemicals
- 3) Exposure to noise
- 4) Ergonomic issues

The workers engaged in the processing and spinning of cotton are exposed to significant amounts of cotton dust. They are also exposed to particles of pesticides and soil. Exposure to cotton dust and other particles leads to respiratory disorders among the textile workers. The fatal disease of byssinosis, commonly known as brown lung, is caused among people working in the textile industry on account of excessive exposure to cotton dust. The symptoms of this disease include tightening of the chest, coughing, wheezing and shortness of breath.

The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### 6) Internal Control Systems and their Adequacy

Company has an effective internal control and risk mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons. Apart from the above the company has engaged M/s Pulkit Rastogi & Co.- Amroha, Chartered Accountant, to conduct Internal Audit during the year 2018-19.

### 7) Financial and operational performance

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

The Company is engaged in the blankets business only. Therefore there is only one reportable segment in accordance with the Accounting Standards on Segment Reporting (Ind AS 108).

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

### 8) Human Resources and Industrial Relations

The role of human resource management in organization is at counter stage. Managers are aware that HRM is a function that must play a vital role in the success of organization. It is an active participant in charting the strategic course an organization must take place to remain competitive, productive and efficient. Its focal point is people, people are the life blood of the organization. The uniqueness of HRM lies in its emphases on the people in work setting and its concerns for the well living and comfort of the human resources in an organization. The HRM function is much more integrated and strategically involved. HRM and every other functions must work together to achieve the level of organization. Effectiveness required competing locally and internationally.

Industrial relation is the one of the major component which determine the potentiality and stability of the employees as well as helps to enrich the productivity of the business establishments. Textile industries were contributing more to the Indian economy in terms of export earnings as well as generating employment opportunities. Most of the modern days business establishments have failed to maintain the good industrial relations as well as face the labour scarcity due to high employee turnover. The relationship between the employees and employers determine the productivity of the enterprises. If the industrial relation is good the enterprise will attain the success in all the side especially in terms of producing the materials without much defects.

## AUDITORS' REPORT

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

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Prakash Woollen & Synthetic Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

#### Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

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assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosures about the matter or when, in extremely circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 Nonember 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

**(AJAY ANAND)**  
(Partner)  
Membership No. 074016

Place : Village Amhera (Amroha)  
Date : 28.05.2019

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## ANNEXURE A TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### ANNEXURE A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified once in a year. In accordance with the programme, property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.  
(c) The title deeds of all immovable properties (which are included under the Note 2A – Property, plant and equipment) are held in the name of the company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- (iii) The company has not granted any secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantee and security.
- (v) In our opinion, the company has not accepted deposits from public within the meaning of sections 73 to 76 the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
- (vi) Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act for the products which company produces.
- (vii) (a) The Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.  
(b) There are no dues in respect of income tax, sales tax, service tax or duty of customs or duty of excise which have not been deposited on account of any dispute except of value added tax amounting to Rs 20.58 lakh for the financial year 2016-17 out of which Rs 8 lakh have been paid, the appeal against which is pending before Additional Commissioner, Grade II(VAT) Appeals.
- (viii) The company has not defaulted in repayment of loans or borrowing to a financial institution or a bank. The Company did not have any outstanding loans or borrowings from government or dues to debenture holders during the year.
- (ix) The company did not raise moneys by way of initial public offer or further public offer. In our opinion, the moneys raised by the company by way of term loans were applied for the purposes for which those are raised.
- (x) No fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, the company is not a nidhi company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Ind AS.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion, the company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

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

**(AJAY ANAND)**  
(Partner)

Membership No. 074016

Place : Village Amhera (Amroha)  
Date : 28.05.2019

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## ANNEXURE B TO THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED, ON THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

### ANNEXURE B

#### Auditors Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Prakash Woollen & Synthetic Mills Limited (formerly known as Prakash Woollen Mills Limited), ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

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

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

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

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(AJAY ANAND)**  
(Partner)

Membership No. 074016

Place : Village Amhera (Amroha)  
Date : 28.05.2019



# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## STANDALONE BALANCE SHEET AS AT 31ST MARCH 2019

₹ in lakhs

	Notes	As at 31.03.2019	As at 31.03.2018
<b>Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2A	4337.34	4689.30
(b) Capital work-in-progress	2B	-	46.60
(c) Financial assets			
(i) Other Financial assets	3	19.60	19.62
(d) Non Current Tax Assets (Net)		-	278.29
(e) Other non-current assets	4	15.82	21.01
		<b>4372.76</b>	<b>5054.82</b>
<b>Current Assets</b>			
(a) Inventories	5	2131.56	1825.12
(b) Financial Assets			
(i) Investments	6	-	-
(ii) Trade receivables	7	980.17	1253.11
(iii) Cash and cash equivalents	8	41.17	182.28
(iv) Bank Balances other than Cash and cash equivalents	9	0.57	-
(v) Loans	10	16.59	16.55
(c) Current Tax Assets (Net)		12.14	7.39
(d) Other current assets	11	654.55	561.68
		<b>3836.75</b>	<b>3846.13</b>
<b>Total</b>		<b>8209.51</b>	<b>8900.95</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	12	1025.98	1025.98
(b) Other Equity	13	3005.14	2608.26
		<b>4031.12</b>	<b>3634.24</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	1214.17	1631.44
(b) Deferred tax liabilities (Net)	29	268.66	282.58
		<b>1482.83</b>	<b>1914.02</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	1363.49	1761.82
(ii) Trade payables	16	550.64	839.42
(iii) Other financial liabilities	17	600.86	614.23
(b) Other current liabilities	18	163.72	116.57
(c) Provisions	19	16.85	20.65
(d) Current Tax Liabilities (Net)		-	-
		<b>2695.56</b>	<b>3352.69</b>
<b>Total</b>		<b>8209.51</b>	<b>8900.95</b>
Summary of Significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

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

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

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

**D. K. GUPTA**  
Chairman & Whole Time Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 28 May 2019

**RUCHI GUPTA**  
Company Secretary

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2019

₹ in lakhs

	Notes	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from operations	20	12698.50	9965.60
Other income	21	59.97	7.92
<b>Total Income</b>		<b>12758.47</b>	<b>9973.52</b>
<b>Expenses</b>			
Cost of materials consumed	22	8726.17	6669.44
Excise duty		-	1.05
Purchases of Stock-in-Trade	24	207.45	59.98
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	23	130.80	(194.70)
Employee benefit expense	25	811.80	762.94
Finance costs	26	366.02	336.52
Depreciation and amortization expense	27	474.03	474.27
Other expenses	28	1570.06	1477.16
<b>Total expenses</b>		<b>12286.33</b>	<b>9586.66</b>
<b>Profit Before Exceptional Items &amp; Tax</b>		<b>472.14</b>	<b>386.86</b>
Exceptional items		0.00	0.00
<b>Profit before tax</b>		<b>472.14</b>	<b>386.86</b>
<b>Tax expense</b>	29		
Current tax		(102.34)	(86.37)
Deferred tax charge / (credit)		15.20	(54.70)
Tax in respect of earlier years		8.56	(0.05)
<b>Profit (Loss) for the year from continuing operation</b>		<b>393.56</b>	<b>245.74</b>
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		4.60	7.41
Income tax relating to above items		(1.28)	(2.45)
<b>Total Comprehensive Income for the year</b>		<b>396.88</b>	<b>250.70</b>
<b>Earnings per equity share of face value of ₹10 each (for continuing operation):</b>			
Basic	38	₹ 3.84	₹ 2.40
Diluted		₹ 3.84	₹ 2.40

Summary of Significant accounting policies 1

The accompanying notes are integral part of the financial statements

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

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

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

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

**D. K. GUPTA**  
Chairman & Whole Time Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 28 May 2019

**RUCHI GUPTA**  
Company Secretary

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>₹ in lakhs</b>		
<b>Cash Flow From Operating Activities</b>		
Net profit before tax from Continuing Operations	472.14	386.86
<b>Adjustment for</b>		
Depreciation	474.03	474.27
(Profit)/loss on sale of fixed assets	-	(0.04)
Finance cost	366.02	336.52
Interest/dividend	(49.24)	(0.01)
Remeasurement of net defined benefit plans	4.60	7.41
<b>Operating Profit Before Working Capital Changes</b>	<b>1,267.55</b>	<b>1,205.01</b>
<b>Adjustment For Movements In Working Capital</b>		
Increase/(decrease) in trade payables	(288.78)	319.99
Increase/(decrease) in short term provisions	(3.80)	14.40
Increase/(decrease) in other current liabilities	25.52	27.78
Increase/(decrease) in trade receivables.	272.94	(93.72)
Increase/(decrease) in inventory	(306.44)	(128.98)
Increase/(decrease) in in short term loans and advances	(93.48)	(506.91)
<b>Cash Generated From Operations</b>	<b>873.51</b>	<b>837.57</b>
Direct taxes paid	179.77	(105.71)
Cash flow before extraordinary items	<b>1,053.28</b>	<b>731.86</b>
<b>Extraordinary Items</b>	<b>-</b>	<b>-</b>
<b>Net cash from operation activities</b>	<b>1,053.28</b>	<b>731.86</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of fixed assets	(75.48)	(1,245.44)
Sale of fixes assets	-	7.00
Interest received	49.24	0.01
(Purchase)/sale of current investments	-	0.47
Capital advances	5.21	43.77
<b>Net Cash used in investing activities</b>	<b>(21.03)</b>	<b>(1,194.19)</b>
<b>Cash Flow From Financing Activities</b>		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowing	11.00	851.65
Repayment of long term borrowing	(431.88)	(335.41)
Proceeds for short term borrowing	(398.33)	414.50
Interest paid	(354.15)	(325.80)
<b>Net Cash used in financial activities</b>	<b>(1,173.36)</b>	<b>604.94</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(141.11)</b>	<b>142.61</b>
<b>Cash and cash equivalent as at the beginning of the year</b>	<b>182.28</b>	<b>39.67</b>
<b>Cash and cash equivalent as at the end of the year</b>	<b>41.17</b>	<b>182.28</b>

Summary of significant accounting policies 1

The accompanying notes are integral part of the financial statements

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

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

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

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

**D. K. GUPTA**  
Chairman & Whole Time Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 28 May 2019

**RUCHI GUPTA**  
Company Secretary

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2019

### A. Equity Share Capital

₹ in lakhs

Particulars	Notes	Amount
As at 1st April 2017	11	1,025.98
Changes in equity share capital		-
As at 31st March 2018	11	1,025.98
Changes in equity share capital		-
As at 31st March 2019		1,025.98

### B. Other Equity

₹ in lakhs

Particulars	Revaluation reserve	Reserve and surplus				Total
		Security premium reserve	Capital reserve	General Reserves	Retained Earnings	
Balance as at 1st April, 2017	132.69	488.19	10.00	4.17	1,722.51	2,357.56
Profit for the year					245.74	245.74
Other Comprehensive Income for the year					4.96	4.96
Total Comprehensive Income for the year					250.70	250.70
Balance as at 31st March, 2018	132.69	488.19	10.00	4.17	1,973.21	2,608.26
Balance as at 1st April, 2018	132.69	488.19	10.00	4.17	1,973.21	2,608.26
Profit for the year					393.56	393.56
Other Comprehensive Income for the year					3.32	3.32
Total Comprehensive Income for the year					396.88	396.88
Balance as at 31st March, 2019	132.69	488.19	10.00	4.17	2,370.09	3,005.14

The accompanying notes are integral part of the financial statements

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

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

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

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

**D. K. GUPTA**  
Chairman & Whole Time Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 28 May 2019

**RUCHI GUPTA**  
Company Secretary

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

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## Note :- 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### I. Background

Prakash Woollen & Synthetic Mill Limited ('the Company') incorporated in India is a leading Indian Textile Company. The Company has its wide network of operations in domestic market. The Company sells its product through multiple channels including wholesale, retail and through agents etc.

### II. Significant Accounting Policies Followed By The Company

#### (a) Basis of Preparation

##### (i) Compliance With Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

##### (ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

##### (iii) Current / non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

##### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

#### (b) Use Of Estimates And Judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### (c) Property, Plant And Equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

### **Depreciation Methods, Estimated Useful Lives And Residual Value**

Depreciation on Buildings, Plant and Equipment, Furniture & fixtures, Vehicles and office equipments, is provided on a Straight Line Method over the estimated useful lives of assets.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act, except for (i) Solar power plant which based on an independent technical evaluation, life has been estimated as 25 years (on a single shift basis), (ii) parts of some items of property, plant and equipment that require replacement at regular intervals, which are different from that prescribed in Schedule II to the Act.

### **Useful life considered for calculation of depreciation for various assets class are as follows-**

<u>Asset Class</u>	<u>Useful Life</u>
Building	30 years
Plant and Machinery (on single shift basis)	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Solar Power Plant	25 years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of pre-owned assets, the useful life is estimated on a case to case basis. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### **(d) Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **(e) Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods, wherever applicable. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### **(f) Investments And Other Financial Assets**

#### **(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### **(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**Debt Instruments :** Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) **Fair Value Through Profit And Loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

**Equity Instruments :** The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

### (iii) Impairment Of Financial Assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### (g) Impairment Of Non-Financial Assets

The other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (h) Non-Current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

### (i) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

### (j) Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### (k) Provisions And Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

### (l) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, Value added tax/ Goods and Service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

## **Sale of Goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

## **Rendering of Services**

Revenue from services is recognised in the accounting period in which the services are rendered.

## **Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method.

## **Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

## **(m) Employee Benefits**

### **(i) Short-Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### **(ii) Other Long-Term Employee Benefit Obligations**

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

### **(iii) Post-Employment Obligations**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The company operates defined benefits plan for gratuity for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ◆ The date of the plan amendment or curtailment, and
- ◆ The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- ◆ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- ◆ Net interest expense or income

## **(n) Foreign currency translation**

### **(i) Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

### **(ii) Transactions and balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

## **(o) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income



tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### **(p) Earnings Per Share**

#### **Basic Earnings Per Share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### **Diluted Earnings Per Share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **(q) Government Grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

### **(r) Critical Estimates And Judgements**

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

Management also need to exercise judgement in applying the company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

Estimation of Defined benefit obligation - refer note 32

Estimation of current tax expenses and Payable - refer note 29

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## Notes to the Financial Statements for the year ended 31st March, 2019

### 2A Property, Plant and Equipment

₹ in lakhs

Particulars	Land	Building	Plant and Machinery	Furniture & fixture	Vehicle	Office equipment	Total
<b>Gross Carrying Amount</b>							
Deemed cost as at 1st April, 2017	566.45	1291.68	2299.85	14.43	193.81	6.14	4372.36
Additions	0.00	37.28	1129.27	0.86	50.12	1.66	1219.19
Disposals	0.00	0.00	2.00	0.00	14.10	0.00	16.10
Reclassification as held for sale							
<b>Balance as at 31st March, 2018</b>	<b>566.45</b>	<b>1328.96</b>	<b>3427.12</b>	<b>15.29</b>	<b>229.83</b>	<b>7.80</b>	<b>5575.45</b>
Additions	0.00	21.25	91.32	0.57	7.59	1.35	122.08
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reclassification as held for sale							
<b>At 31 March 2019</b>	<b>566.45</b>	<b>1350.21</b>	<b>3518.44</b>	<b>15.86</b>	<b>237.42</b>	<b>9.15</b>	<b>5697.53</b>
<b>Accumulated Depreciation</b>							
At 1 April 2017	0.00	44.67	354.74	2.30	15.35	3.97	421.03
Charges for the year	0.00	54.68	377.16	2.40	38.65	1.37	474.26
Disposals	0.00	0.00	0.00	0.00	9.14	0.00	9.14
Reclassification as held for sale							
<b>At 31 March 2018</b>	<b>0.00</b>	<b>99.35</b>	<b>731.90</b>	<b>4.70</b>	<b>44.86</b>	<b>5.34</b>	<b>886.15</b>
Charges for the year	0.00	55.38	375.78	2.10	39.64	1.14	474.04
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reclassification as held for sale							
<b>At 31 March 2019</b>	<b>0.00</b>	<b>154.73</b>	<b>1107.68</b>	<b>6.80</b>	<b>84.50</b>	<b>6.48</b>	<b>1360.19</b>
<b>Net carrying amount</b>							
Balance as at 1st April, 2017	566.45	1247.01	1945.11	12.13	178.46	2.17	3951.33
<b>Balance as at 31st March, 2018</b>	<b>566.45</b>	<b>1229.61</b>	<b>2695.22</b>	<b>10.59</b>	<b>184.97</b>	<b>2.46</b>	<b>4689.30</b>
<b>Balance as at 31st March, 2019</b>	<b>566.45</b>	<b>1195.48</b>	<b>2410.76</b>	<b>9.06</b>	<b>152.92</b>	<b>2.67</b>	<b>4337.34</b>

### 2B Capital Work in Progress

₹ in lakhs

31st March, 2018	46.60
31st March, 2019	--

#### Capitalised Borrowing Costs:

The amount of borrowing costs capitalised during the year ended 31.03.2019 was Rs. Nil (31.03.2018: Rs 12.45 lakh). The rate used to determine the amount of borrowing costs eligible for capitalisation was Nil (March 31, 2018: 9.60 %), which is the effective interest rate of the specific borrowing.

#### Capital Work in progress:

Capital work in progress comprises expenditure for civil work and machinery under installation. Total Amount of Capital Work In Progress is Rs. Nil (31.03.2018: Rs. 40.60 lakh)

Refer Note 30 for information on Property, plant and equipment pledged as security by the Company.

### 3 Other Financial Assets

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits	19.60	19.62
<b>Total</b>	<b>19.60</b>	<b>19.62</b>

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31.03.2019	As at 31.03.2018
<b>4 Other Non-Current Assets</b>		
Capital advances	2.79	13.00
Defined benefit plan (Gratuity)	5.02	-
Other advances	8.01	8.01
<b>Total</b>	<b>15.82</b>	<b>21.01</b>
<b>5 Inventories</b>		
Raw Material and components (at Cost)	730.72	298.62
Work-in-progress	609.86	1,019.90
Finished goods	715.35	481.58
Traded goods	52.29	6.82
Stores and Spares	23.34	18.20
<b>Total</b>	<b>2,131.56</b>	<b>1,825.12</b>
<b>6 Current Investments</b>		
<b>Investment in Mutual Funds</b>		
<b>Unquoted</b>		
<b>At Fair Value through Profit and Loss</b>		
Nil	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>7 Trade Receivables And Other Assets</b>		
Trade receivables	980.17	1,253.11
Receivables from related parties	-	-
Less: Allowance for doubtful trade receivables	-	-
<b>Total receivables</b>	<b>980.17</b>	<b>1,253.11</b>
Current portion	980.17	1,253.11
Non-current portion	-	-
<b>Break-up of security details</b>		
Secured, considered good	-	-
Unsecured, considered good	980.17	1,253.11
Doubtful	-	-
<b>Total</b>	<b>980.17</b>	<b>1,253.11</b>
Allowance for doubtful trade receivables	-	-
<b>Total trade receivables</b>	<b>980.17</b>	<b>1,253.11</b>
No trade or other receivable are due from the directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.		
For terms and conditions relating to related party receivable, refer note 34 (Related Party Transactions)		
Trade receivables are non interest bearing and are generally on terms of 45-160 days. Refer note 36 for information about credit risk and market risk of trade receivables.		
<b>8 Cash And Cash Equivalents</b>		
Cash in hand	26.78	19.38
Balances with Banks - In current accounts	14.39	162.90
<b>Total</b>	<b>41.17</b>	<b>182.28</b>
<b>9 Bank Balances Other Than Cash And Cash Equivalents</b>		
Investments in Term deposits ( Refer Note below)	0.57	-
<b>Total</b>	<b>0.57</b>	<b>-</b>

Note: Held as lien by bank against bank guarantee amounting to Rs 5.70 lakh.

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Particulars	₹ in lakhs	
	As at 31.03.2019	As at 31.03.2018
<b>10 Loans (Unsecured, Considered Good)</b>		
Loans to employees	16.59	16.55
<b>Total</b>	<b>16.59</b>	<b>16.55</b>

Refer Note 36 for information about credit risk and market risk for Loans.

## 11 Other Current Assets

Interest Subsidy receivable (TUFS)	0.48	0.48
VAT advances	21.52	21.52
Advances to Suppliers	51.18	17.20
Prepaid expenses	0.22	3.26
Other advances	0.70	0.20
GST Input credit receivable	580.45	519.02
<b>Total</b>	<b>654.55</b>	<b>561.68</b>

## 12 Equity Share Capital

### Authorised

1,20,00,000 equity shares of Rs. 10/- each 1,200.00 1,200.00

### Issued, subscribed and fully paid up

1,02,59,750 equity shares of Rs. 10/- each 1,025.98 1,025.98

**Total issued, subscribed and fully paid up share capital 1,025.98 1,025.98**

### a. Reconciliation Of The Shares Outstanding At The Beginning And End Of The Reporting Period

Equity shares	31.03.2019		1.04.2018	
	No. in lakhs	₹ in lakhs	No. in lakhs	₹ in lakhs
At the beginning of the period	102.598	1,025.98	102.598	1,025.98
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>102.598</b>	<b>1,025.98</b>	<b>102.598</b>	<b>1,025.98</b>

### b. Terms/Rights Attached To Equity Shares

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. Aggregate Number Of Bonus Shares Issued For Consideration Other Than Cash And Shares Bought Back During The Period Of Five Years Immediately Preceding The Reporting Date

Particulars	No. in lakhs	
	As at 31.03.2019	As at 31.03.2018
Bonus shares	Nil	Nil
Shares issued for consideration other than cash	Nil	Nil
Shares bought back	Nil	Nil

### d. Details Of Shareholders Holding More Than 5% Shares In The Company

	31.03.2019		1.04.2018	
	Nos.	% holding in the class	Nos.	% holding in the class
	Nil	Nil	Nil	Nil

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

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## 13 Other Equity

₹ in lakhs

Particulars	Revaluation reserve	Reserve and surplus				Total
		Security premium reserve	Capital reserve	General Reserves	Retained Earnings	
<b>Balance as at 31st March, 2017</b>	132.69	488.19	10.00	4.17	1,722.51	2,357.56
<b>Profit for the year</b>					245.74	245.74
<b>Other Comprehensive Income for the year</b>					4.96	4.96
<b>Total Comprehensive Income for the year</b>					250.70	250.70
<b>Balance as at 31st March, 2018</b>	<b>132.69</b>	<b>488.19</b>	<b>10.00</b>	<b>4.17</b>	<b>1,973.21</b>	<b>2,608.26</b>
<b>Balance as at 1st April, 2018</b>	132.69	488.19	10.00	4.17	1,973.21	2,608.26
<b>Profit for the year</b>					393.56	393.56
<b>Other Comprehensive Income for the year</b>					3.32	3.32
<b>Total Comprehensive Income for the year</b>					396.88	396.88
<b>Balance as at 31st March, 2019</b>	<b>132.69</b>	<b>488.19</b>	<b>10.00</b>	<b>4.17</b>	<b>2,370.09</b>	<b>3,005.14</b>

### Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

## 14 Non-Current Borrowings

₹ in lakhs

Particulars	Non Current Portion		Current Maturities	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
<b>Term Loans</b>				
State Bank of India TL (Secured)	585.90	692.75	120.00	120.00
State Bank of India TL (Secured)	169.98	350.00	180.00	180.00
State Bank of India Car Loan (Secured)	46.04	77.44	30.00	33.61
State Bank of India Corporate Loan(Secured)	112.25	211.25	90.75	90.75
Unsecured Loan (Deposits)	300.00	300.00	-	-
	<b>1214.17</b>	<b>1631.44</b>	<b>420.75</b>	<b>424.36</b>
<b>The above amount includes</b>				
Secured borrowings	914.17	1331.44	420.75	424.36
Unsecured borrowings	300.00	300.00	-	-
Amount disclosed under the head other current liabilities	-	-	(420.75)	(424.36)
<b>Net amount</b>	<b>1214.17</b>	<b>1631.44</b>	<b>-</b>	<b>-</b>

### (a) TL

The term loan from State Bank of India has been sanctioned for Rs. 12 crore carrying interest @ 10.25% p.a. as on balance sheet date(March 31, 2018: 9.25%). The loan is repayable in 36 instalments of Rs. 10 lakh each, 48 instalments of Rs. 17.50 lakh each starting from 30.04.2018. The loan is secured primarily by first charge on assets created under the term loan and equitable mortgage of factory land and building at village Mangupura, Moradabad and village Amhera, Delhi Road, Amroha.

### (b) TL

The term loan from State Bank of India has been sanctioned for Rs. 11 crore carrying interest @ 10.65% p.a. as on balance sheet date(March 31, 2018: 9.25%). The loan is repayable in 15 instalments of Rs. 14 lakh each, 59 instalments of Rs. 15 lakh each and last instalment of Rs. 5 lakh starting from January 2015. The loan is secured primarily by first charge on assets created under the term loan and equitable mortgage of factory land and building at village Mangupura, Moradabad and village Amhera, Delhi Road, Amroha.

### (c) Car Loans

The car loans from State Bank of India carry interest @ 8.85% to 9.80% p.a. as on balance sheet date( March 31, 2018 :8.75% to 9.45%) and are secured by hypothecation of cars. The loans are repayable in 36 to 84 monthly instalments.

### (d) Corporate Loan

The corporate term loan from State Bank of India has been sanctioned for Rs 5 crore carrying interest @ 10.65% p.a. as on balance sheet date( March 31, 2018: 9.25%). The loan is repayable in 59 instalments of Rs. 8.25 lakh each and last instalment of Rs. 13.25 lakh starting from April 2016. The loan is secured primarily by way of hypothecation of entire current assets/ documents evidencing title of goods ( including all inventory and receivables) both present and future of the company.

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

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

- (e) The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in note 30.  
 (f) Deposits of Rs. 3 crores as unsecured loans from promoters under Bank's stipulation carrying interest @ 12% p.a.  
 # Intercorporate Deposits carried interest @ 12% p.a.

₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
<b>15 Current Borrowings</b>		
(a) Loans repayable on demand from banks (Cash Credit from SBI)	1,363.49	1,761.82
Total	1,363.49	1,761.82

Cash credit from State Bank of India is primarily secured against inventories and trade receivables and further secured by exclusive charge by way of equitable mortgage of land and building of the company. Further, guarantees by whole time directors Mr. J.K. Gupta, Mr. D.K. Gupta and Mr. V.K. Gupta have been given. The loan carries interest @ 10% p.a. as on balance sheet date (March 31, 2018 : 9.25%). The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 28.

### 16 Trade Payables

Trade payables [Refer Note below]		
Amounts due to related parties	19.90	5.20
Others	530.74	834.22
Total	550.64	839.42

Refer Note 36 for information about liquidity risk and market risk of trade payables.

### Dues to Micro and small enterprises

The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006( to the extent information received from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006). The disclosure pursuant to the the said MSME Act are as follows:

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under the MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

### 17 Other Current Financial Liabilities

Current maturities of long term borrowings	420.75	424.36
Interest accrued	32.40	20.53
Other Payables	147.71	169.34
<b>Total</b>	<b>600.86</b>	<b>614.23</b>

### 18 Other Current Liabilities

Revenue received in advance	88.00	68.78
Statutory dues	75.72	47.79
<b>Total</b>	<b>163.72</b>	<b>116.57</b>

### 19 Provisions

<b>Provision for employee benefits [Refer Note 32]</b>		
Gratuity	-	4.85
Leave Entitlement	16.85	15.80
Provision for litigation/dispute [Refer Note (a) below]	-	-
<b>Total</b>	<b>16.85</b>	<b>20.65</b>
<b>Other</b>		
Provision for excise duty	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current total</b>	<b>16.85</b>	<b>20.65</b>

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Particulars	₹ in lakhs	
	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>20 Revenue From Operations</b>		
Manufactured goods	12478.87	9838.21
Traded goods	166.33	66.28
Waste	53.30	61.11
<b>Revenue from operations (Gross)</b>	<b>12698.50</b>	<b>9965.60</b>
<b>21 Other Income</b>		
Dividend received	-	0.01
Interest received	49.24	-
Commission received	10.73	7.91
	<b>59.97</b>	<b>7.92</b>
<b>22 Cost Of Raw Material And Component Consumed</b>		
Inventory at the beginning of the year	298.62	359.49
Add.: Purchases	9158.27	6608.57
	9456.89	6968.06
Less : Inventory at the end of the year	730.72	298.62
Cost of raw material and components consumed	8726.17	6669.44
<b>Details of raw material and components consumed</b>		
Yarn	6813.72	4876.54
Dyes and chemicals	466.01	432.84
Packing materials	1441.56	1125.33
Blankets/ Fabric	4.88	234.73
	<b>8726.17</b>	<b>6669.44</b>
<b>Details Of Inventory / Raw Material And Components</b>		
Yarn	543.39	200.74
Dyes and chemicals	36.51	13.26
Packing materials	150.82	84.62
	<b>730.72</b>	<b>298.62</b>
<b>23 Changes In Inventories Of Finished Goods, Stock-In-Trade And Work-In-Progress</b>		
<b>A Inventories At The End Of The Year</b>		
Traded goods	52.29	6.82
Work in progress	609.86	1019.90
Finished goods	715.35	481.58
	<b>1377.50</b>	<b>1508.30</b>
<b>Inventories At The Beginning</b>		
Traded goods	6.82	5.02
Work in progress	1019.90	636.79
Finished goods	481.58	671.79
	<b>1508.30</b>	<b>1313.60</b>
<b>Increase / Decrease of Inventory</b>	<b>130.80</b>	<b>-194.70</b>
<b>24 Purchase of Stock in Trade</b>		
<b>Details Of Purchase Of Traded Goods</b>		
Blankets	82.21	57.98
Macinery scrap	-	2.00
Jackets	58.89	-
Yarn	66.35	-
	<b>207.45</b>	<b>59.98</b>

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Particulars	₹ in lakhs	
	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>25 Employee Benefits Expense</b>		
Salary & wages	728.19	672.21
Contribution to provident fund and other funds	43.60	40.67
Gratuity expenses	24.68	42.78
Staff welfare expenses	15.33	7.28
	<b>811.80</b>	<b>762.94</b>
<b>26 Finance Costs</b>		
Bank interest	305.19	290.18
Interest others	45.04	40.07
Other Borrowing Cost	15.79	6.27
	<b>366.02</b>	<b>336.52</b>
<b>27 Depreciation And Amortization Expense</b>		
Depreciation on property, plant and equipment	474.03	474.27
	<b>474.03</b>	<b>474.27</b>
<b>28 Other Expenses</b>		
Power and fuel	806.54	794.24
Rates and taxes	0.03	17.77
Freight and forwarding charges	91.04	88.27
Rent	19.80	21.07
Insurance	20.24	20.11
Repair and Maintenance		
Plant and Machinery	207.29	174.76
Buildings	-	-
Others (General)	16.71	17.81
Advertising and sales promotion	6.67	8.37
Commission to selling agents and discount to traders	171.20	140.63
Travelling and conveyance	18.04	20.27
Communication cost	5.03	7.37
Printing and stationery	3.62	4.96
Legal and professional fees	22.88	11.22
Directors sitting fees	1.43	1.55
Payment to auditors	1.45	1.25
Directors remuneration	162.00	135.00
Miscellaneous expenses	16.75	14.03
Loss on sale of fixed assets (net)	-	(0.04)
Exchange differences (net)	(0.66)	(1.48)
	<b>1570.06</b>	<b>1477.16</b>
<b>Payment To Auditors</b>		
<b>As Auditors</b>		
Audit fee	0.95	0.80
In others capacity	0.50	0.45
	<b>1.45</b>	<b>1.25</b>
<b>27 Income Taxes Expense</b>		
<b>Current Tax</b>		
Current Tax on taxable income for the year	102.34	86.37
<b>Total Current Tax Expense</b>	<b>102.34</b>	<b>86.37</b>
<b>Deferred tax</b>		
Deferred tax charge/(credit)	(15.20)	54.70
MAT Credit (taken)/utilised	-	-
<b>Total Deferred Income Tax Expense/(Benefit)</b>	<b>87.14</b>	<b>141.07</b>
Tax in respect of earlier years (credit)	(8.56)	0.05
<b>Total Income Tax Expense</b>	<b>78.58</b>	<b>141.12</b>



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### A Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	₹ in lakhs	
	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>Enacted income tax rate in India applicable to the Company</b>	27.82%	33.063%
<b>Profit before tax</b>	472.14	386.86
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	131.35	127.90
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income</b>		
Permanent Disallowances	0.29	13.60
<b>Tax in respect of earlier years</b>	(8.56)	0.05
Income exempted from income taxes		
Other items	(44.50)	(0.43)
<b>Total income tax expense/(credit)</b>	<b>78.58</b>	<b>141.12</b>

Consequent to reconciliation items shown above, the effective tax rate is 16.64% (2017-18: 36.48%).

**Significant Estimates** : In calculation of tax expense for the current year and earlier years, the company has disallowed certain expenditure based on previous tax assessments.

### B The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2019:

	₹ in lakhs						
	As at 1st April, 2017- Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in other compre- hensive Income	As at 31st March, 2018- Deferred Tax Asset/ (Liabilities)	Credit/ (charge) in statement of Profit and Loss	Credit/ (charge) in other compre- hensive Income	As at 31st March, 2019- Deferred Tax Asset/ (Liabilities)
Depreciation	(226.39)	(54.70)	0	(281.09)	15.20	0.00	(265.89)
Net loss/(gain) on remeasurement of defined benefit plan	0.96	0.00	(2.45)	(1.49)	0.00	(1.28)	(2.77)
Total	(225.43)	(54.70)	(2.45)	(282.58)	15.20	(1.28)	(268.66)
MAT Credit Entitlements	0	0	0	0	0	0	0
Dividend distribution tax on dividend from Subsidiary	0	0	0	0	0	0	0
	<b>(225.43)</b>	<b>(54.70)</b>	<b>(2.45)</b>	<b>(282.58)</b>	<b>15.20</b>	<b>(1.28)</b>	<b>(268.66)</b>

### 30 Assets Pledged As Security

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

Particulars	₹ in lakhs	
	As at 31.03.2019	As at 31.03.2018
<b>Current Assets</b>		
<b>Financial Assets</b>		
Floating Charge		
Receivables	980.17	1253.11
<b>Non Financial Assets</b>		
Floating Charge		
Inventories	2131.56	1825.12
<b>Total Current assets Pledged as security</b>	<b>3111.73</b>	<b>3078.23</b>
<b>Non Current Assets</b>		
First Charge		
Land	191.49	191.49
Building	1195.48	1229.61
Furniture, fittings and equipment	11.73	13.05
Plant and Machinery	2410.76	2695.22
Others	152.92	184.97
<b>Total non-current assets Pledged as security</b>	<b>3962.38</b>	<b>4314.34</b>
<b>Total assets Pledged as security</b>	<b>7074.11</b>	<b>7392.57</b>

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Particulars	₹ in lakhs	
	As at 31.03.2019	As at 31.03.2018
<b>31 Contingent Liabilities</b>		
Demand by EPFO against the company not acknowledged as debt	26.69	26.69
Demand by Income tax department against the company not acknowledged as debt	-	974.57

EPFO Bareilly has demanded Rs 26.69 lakh as PF dues. The management of the company has contested the demand of EPFO. An appeal with Hon'ble EPFAT New Delhi is pending. The company has not recognized provision for liabilities in the financial statement.

Income tax department in regular assessment for AY 2013-14 and AY 2014-15 had raised a demand of Rs 940.33 lakh and Rs 34.24 respectively. The management of the company had contested the demand of Income tax department. The appeals with Commissioner of Income Tax (Appeals) have been decided in company's favour.

## 30 Post Retirement Benefit Plans

### Defined Benefits Plan

#### (i) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

As per Actuarial Valuation as on 31st March, 2019 and 31st March, 2018 recognised in the financial statements in respect of Employee Benefit Schemes:

Particulars	₹ in lakhs	
	As at 31.03.2019	As at 31.03.2018
<b>A. Amount Recognised In The Balance Sheet</b>		
<b>Gratuity:</b>		
Present value of plan liabilities	156.45	132.95
Fair value of plan assets	161.48	128.10
Deficit/(Surplus) of funded plans	(5.02)	4.85
Unfunded plans	-	-
<b>Net plan liability/ (Asset)*</b>	<b>(5.02)</b>	<b>4.85</b>

## B. Movements In Plan Assets And Plan Liabilities

₹ in lakhs

Gratuity:	Year ended 31st March, 2019			Year ended 31st March, 2018		
	Plan Assets	Plan liabilities	Net	Plan Assets	Plan liabilities	Net
As at 1st April	128.10	132.96	4.86	109.19	102.67	(6.52)
Current service cost	-	24.31	24.31	-	43.20	43.20
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding actual return on plan assets	-	-	-	-	-	-
Actual return on plan asset	8.12	-	(8.12)	6.95	-	(6.95)
Interest cost	-	10.25	10.25	-	7.82	7.82
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.94	0.94	-	(2.35)	(2.35)
Actuarial (gain)/loss arising from experience adjustments	-	(7.30)	(7.30)	-	(6.34)	(6.34)
Employer contributions	29.96	-	(29.96)	24.00	-	(24.00)
Benefit payments	(4.71)	(4.71)	-	(12.04)	(12.04)	-
As at 31st March,	<b>161.47</b>	<b>156.45</b>	<b>(5.02)</b>	<b>128.10</b>	<b>132.96</b>	<b>4.85</b>

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₹ in lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
<b>C. Assets</b>		
<b>Gratuity:</b>		
<b>Unquoted</b>		
Insurer managed funds	161.47	128.10
<b>Total</b>	<b>161.47</b>	<b>128.10</b>
<b>D. Defined Benefit Obligation And Employer Contribution</b>		
<b>Gratuity</b>		
Active Members	466	465
The weighted average duration of the defined benefit plans is 18.06 years (2017-18 : 18.41 Years)		
The Company expects to contribute around ` 27.60 lakhs to the funded plans in financial year 2019-20 for gratuity.		
<b>E. Amount Recognised In The Statement of Profit And Loss As Employee Benefit Expenses</b>		
<b>Gratuity:</b>		
Current service cost	24.31	43.20
Finance cost/(income)	0.37	(0.41)
Mortality premium		
Asset/(Liabilities) recognised in Balance Sheet*		
<b>Net impact on the Profit / (Loss) before tax</b>	<b>24.68</b>	<b>42.79</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding actual return on plan assets	(1.76)	(1.28)
Actuarial gains/(losses) arising from changes in demographic	-	-
Actuarial gains/(losses) arising from changes in financial assumption	(0.94)	2.35
Experience gains/(losses) arising on experience adjustments	7.30	6.34
<b>Net Gain recognised in the Other Comprehensive Income before tax</b>	<b>4.60</b>	<b>7.41</b>

\*Surplus of assets over liabilities has not been recognised on the basis that future economic benefits are not available to the Company in the form of a reduction in future contributions or cash refunds.

## F Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

### Gratuity:

#### Financial Assumptions

Discount rate	7.65%	7.71%
Salary Escalation Rate #	7.00%	7.00%

#### Demographic Assumptions

Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.

## G. Sensitivity

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:

Gratuity:	Year ended 31st March, 2019			Year ended 31st March, 2018		
	Change in assumption	Increase in present value of plan	Decrease in present value of plan	Change in assumption	Increase in present value of plan	Decrease in present value of plan
Discount rate	50 bps	(7.68)	8.45	50 bps	(6.63)	7.28
Salary Escalation Rate	50 bps	7.23	(6.62)	100 bps	12.78	(10.80)
Attrition Rate				100 bps	(0.58)	0.65

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

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## H. The Defined Benefit Obligations Shall Mature After Year End 31st March, 2019 As Follows:

Particulars	₹ in lakhs	
	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>Gratuity:</b>		
2019	-	2.25
2020	6.47	3.87
2021	2.13	34.13
2022	23.26	14.99
2023	16.84	8.56
2024	9.21	2.82
2025	3.44	-
Thereafter	95.10	76.32

### Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. The scheme is funded with an insurance company in the form of qualifying insurance policy.

### (ii) Leave Obligations

The leave obligations cover the Company's liability for sick and earned leave.

The amount of the provision of ₹15.80 lakhs is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

### (iii) Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to EPFO. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 43.60 lakhs (31st March, 2018 - ₹ 40.67 lakhs).

**33** The company carries on the business of textiles under which blankets of different qualities and size are produced. Further the sale is made in domestic markets at the same terms and conditions. Therefore, no different business or geographical segments are recognizable and reportable.

### 34 Related Party Disclosures

#### Related parties where control exists

Prahlad Industries, Designs Unlimited, Shree Bankey Bihari Enterprises, Himani Gupta, with whom transactions took place.

#### Directors and key management personal and their relatives with whom transactions took place

Mr. J.K. Gupta, Mr. D.K. Gupta and Mr. V.K. Gupta, all whole time directors. Mr. V.P. Gupta, non executive director, Mr. Adeep Gupta, Mr. Kapil Gupta and Mr. Ashish Gupta, Anita Gupta, Rajni Gupta, Adeep Gupta HUF, Ashish Gupta HUF, D K Gupta HUF, Jai Kishan Gupta HUF and Kapil Gupta HUF are related parties.

#### Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

### (a) Sale/ Purchase Of Goods And Services

Particulars	Year ended	₹ in lakhs					
		Sale of Goods	Sale Service (Rent)	Purchase of Services (Rent)	Purchase of traded Goods	Amount owed by related parties	Amount owed by related parties
Designs Unlimited	31.3.2019	-	-	-	-	-	-
	31.3.2018	0.16	-	-	-	-	-
Shree Bankey Bihari Enterprises	31.3.2019	12.50	-	-	71.81	-	19.90
	31.3.2018	10.65	-	-	31.58	-	-
Prahlad Industries	31.3.2019	-	-	18.00	-	-	-
	31.3.2018	-	-	18.00	-	-	5.20
Himani Gupta	31.3.2019	-	-	1.80	-	-	-
	31.3.2017	-	-	1.80	-	-	0.08

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### (b) Remuneration To Directors, Key Managerial Personnel And Related Parties

Particulars	₹ in lakhs	
	Year Ended 31.03.2019	Year Ended 31.03.2018
Mr. J.K. Gupta	54.00	45.00
Mr. D.K. Gupta	54.00	45.00
Mr. V.K. Gupta	54.00	45.00
Mr. Adeep Gupta	18.60	17.64
Mr. Kapil Gupta	18.60	17.64
Mr. Ashish Gupta	18.60	17.64
	<b>217.80</b>	<b>187.92</b>

In addition, Mr. Adeep Gupta, Kapil Gupta and Ashish Gupta are covered by group gratuity scheme and remuneration to managerial personnel does not include the provisions/contribution made for gratuity as they are determined on an actuarial basis for the company as a whole.

### (C) Interest Paid To Related Parties

Particulars	₹ in lakhs	
	Year Ended 31.03.2019	Year Ended 31.03.2018
Adeep Gupta HUF	3.84	0.60
Anita Gupta	4.80	1.07
Ashish Gupta HUF	2.40	0.54
Daya Kishan Gupta HUF	1.80	0.85
Jai Kishan Gupta HUF	8.16	1.20
Kapil Gupta HUF	3.60	0.80
Kapil Gupta	1.20	0.26
Rajni Gupta	5.40	1.20
Vijay Kumar Gupta	4.80	1.08
	<b>36.00</b>	<b>7.60</b>

### (d) Sitting Fee Paid To Related Non Executive Directors

Particulars	₹ in lakhs	
	Year Ended 31.03.2019	Year Ended 31.03.2018
Mr V P Gupta	0.05	0.05
	<b>0.05</b>	<b>0.05</b>

## 33 Fair Value Measurement

### Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts. The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March, 2019				Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount	
	Non	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
<b>Financial Assets</b>																	
Investments - Mutual funds	-	-	-													-	-
Other Assets																	
Loans to Employees		16.59	16.59												16.59	16.59	16.59
Other Financial Assets	19.60	-	19.60												19.60	19.60	19.60
Trade receivable	-	980.17	980.17												980.17	980.17	980.17
Cash and Cash equivalents	-	41.17	41.17												41.17	41.17	41.17
Bank Balances other than Cash and cash equivalents	-	0.57	0.57												0.57	0.57	0.57
	19.60	1038.50	1058.10												1058.10	1058.10	1058.10
<b>Financial Liabilities</b>																	
Borrowings	1,214.17	1,784.24	2,998.41												2,998.41	2,998.41	2,998.41
Other Financial Liabilities	-	180.11	180.11												180.11	180.11	180.11
Trade Payables	-	550.64	550.64												550.64	550.64	550.64
	1,214.17	2,514.99	3,729.16												3,729.16	3,729.16	3,729.16

Financial Assets and Liabilities as at 31st March, 2018				Routed through Profit and Loss				Routed through OCI				Carried at amortised cost				Total Amount		
	Non	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total			
<b>Financial Assets</b>																		
Investments - Mutual funds	-	-	-														-	-
Other Assets																		
Loans to Employees	-	16.55	16.55												16.55	16.55	16.55	
Other Financial Assets	19.62	-	19.62												19.62	19.62	19.62	
Trade receivable	-	1,253.11	1,253.11												1,253.11	1,253.11	1,253.11	
Cash and Cash equivalents	-	182.28	182.28												182.28	182.28	182.28	
	19.62	1,451.94	1,471.56												1,471.56	1,471.56	1,471.56	
<b>Financial Liabilities</b>																		
Borrowings	1,631.44	2,186.18	3,817.62												3,817.62	3,817.62	3,817.62	
Other Financial Liabilities	-	189.87	189.87												189.87	189.87	189.87	
Trade Payables	-	839.42	839.42												839.42	839.42	839.42	
	1,631.44	3,215.47	4,846.91												4,846.91	4,846.91	4,846.91	

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## Fair value of financial assets and liabilities measured at amortised cost-

₹ in lakhs

Particulars	As at 31st March, 2019		As at 1st April, 20168	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	-	-	-	-
Financial Liabilities				
Borrowings	2998.41	2998.41	3817.62	3817.62
	<b>2998.41</b>	<b>2998.41</b>	<b>3817.62</b>	<b>3817.62</b>

### 36 Financial Risk Management

#### Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

#### Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

#### Exposure To Interest Rate Risk

₹ in lakhs

Particulars	As at 31.03.2019	As at 01.04.2018
Total Borrowings	2998.41	3817.62
% of Borrowings out of above bearing variable rate of interest	100	100

#### Interest Rate Sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

₹ in lakhs

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
50 bp increase would decrease the profit before tax by	14.99	19.09
50 bp decrease would Increase the profit before tax by	(14.99)	(19.09)

#### Market Risk- Foreign Currency Risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

#### (B) Particulars Of Unhedged Foreign Currency Exposures As At The Reporting Date

Particulars	As at 31st March, 2019 USD
Trade Receivable	-
Trade payables	1550
Advance for purchase	2604
Particulars	As at 31st March, 2018 USD
Trade Receivable	-
Trade payables	3500
Advance for purchase	-

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

### (a) (iii) Market Risk- Price risk

#### (a) Exposure

The exposure to equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. The Company does not have any exposure to equity/securities.

#### (b) Sensitivity

The Company does not have any exposure to equity/securities. So no sensitivity analysis is done.

#### (c) Foreign Currency Risk Sensitivity

A change of 5% in Foreign currency would have following Impact on profit before tax

₹ in lakhs

Particulars	2018-19		2017-18	
	5% Increase	5% decrease	5% Increase	5% decrease
USD	2.89	(2.89)	4.21	(4.21)
<b>Increase / (decrease) in profit or loss</b>	<b>2.89</b>	<b>(2.89)</b>	<b>4.21</b>	<b>(4.21)</b>

### Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no provision considered.

### Ageing of Account

#### Receivables

₹ in lakhs

Particulars	As at 31.03.2019	As at 01.04.2018
Not due	587.56	648.49
0-3 months	316.57	481.28
3-6 months	1.69	76.14
6 months to 12 months	1.45	46.46
beyond 12 months	72.90	0.74
<b>Total</b>	<b>980.17</b>	<b>1253.11</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

### Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

#### (i) Financing Arrangements

The Company closely monitors liquidity position and arranges for the funds in anticipation in case of need.



# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

## (ii) Maturity Patterns Of Borrowings

₹ in lakhs

	As at 31st March, 2019				As at 31st March, 2018			
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	420.75	1214.47	-	1635.22	424.36	1631.44	-	2055.80
Short term borrowings	1363.49	-	-	1363.49	1761.82	-	-	1761.82
<b>Total</b>	<b>1,784.24</b>	<b>1,214.47</b>	<b>-</b>	<b>2,998.71</b>	<b>2,186.18</b>	<b>1,631.44</b>	<b>-</b>	<b>3,817.62</b>

## Maturity Patterns Of Other Financial Liabilities

₹ in lakhs

As at 31st March, 2019	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payables	550.64	-	-	-	550.64
Other Financial liability (Current and Non Current)	180.11	-	-	-	180.11
<b>Total</b>	<b>730.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>730.75</b>
As at 31st March, 2018	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade payables	839.42	-	-	-	839.42
Other Financial liability (Current and Non Current)	189.87	-	-	-	189.87
<b>Total</b>	<b>1029.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1029.29</b>

## 37 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at 31.03.2019	As at 1.04.2018
Borrowings other than convertible preference shares (Note 13)	1214.17	1631.44
Trade payables (Note 15)	550.64	839.42
Other payables (Note 16)	180.11	189.87
Less: cash and cash equivalents (Note 8)	(41.17)	(182.28)
<b>Net debt</b>	<b>1903.75</b>	<b>2478.45</b>
Total capital	4031.12	3634.34
<b>Capital and net debt</b>	<b>5934.87</b>	<b>6112.79</b>
<b>Gearing ratio</b>	<b>32.08%</b>	<b>40.55%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

## 38 Earnings Per Share (Eps)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) if any, by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	₹ in lakhs	
	Year Ended 31.03.2019	Year Ended 31.03.2018
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year	393.56	245.74
Weighted average number of equity shares outstanding	10259750	10259750
<b>Earnings Per Share (₹) - Basic (Face value of Re. 10 per share)</b>	<b>3.84</b>	<b>2.40</b>
<b>Diluted earning per share is same as basic earning per share.</b>	<b>3.84</b>	<b>2.40</b>

As per our report of even date

For **A Anand & Co.**  
Chartered Accountants

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

**CA AJAY ANAND**  
(Partner)  
Membership No. 074016

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

**D. K. GUPTA**  
Chairman & Whole Time Director  
DIN-00337569

Place : Village. Amhera (Amroha)  
Date : 28 May 2019

**RUCHI GUPTA**  
Company Secretary

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**

Regd. Office: 18<sup>th</sup> Km Stone Delhi Moradabad Road,  
NH-24, Village Amhera, Distt. J.P Nagar-244102  
Tel: 0591-2223008/18 Fax:0591-2223009  
Website: www.prakashwoollen.com ; Email : info@prakashwoollen.com  
CIN: L17291UP1979PLC004804

**FORM NO. MGT 11**

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

**40<sup>th</sup> Annual General Meeting – August 31<sup>st</sup>, 2019**

Name of member(s) : .....

Registered address : .....

E Mail Id : .....

Folio No. / DP ID - Client ID : .....

I / We, being the member(s) of ..... shares of the above named Company, hereby appoint:

1) Name: ..... E-Mail .....

Address: .....

Signature ..... Or failing him / her

2) Name: ..... E-Mail .....

Address: .....

Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40<sup>th</sup> Annual General Meeting of the Company to be held at 18<sup>th</sup> Km Stone Delhi Moradabad Road, NH-24, Village Amhera, Distt. J.P Nagar-244102 on Saturday, the 31<sup>st</sup> day of August 2019 at 11.00 A.M. or at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions Ordinary Business	For	Against
1.	Adoption of Financial statements of the company alongwith the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2019		
2.	Appoint a director in place of Mr. Mr. Vijay Kumar Gupta (DIN: 00335325) who retires by rotation and being eligible offers himself for re-appointment.		
3.	<b>Special Business</b> To consider and approve Appointment of Mr. Jai Kishan Gupta (DIN: 00337659) as a Director of the Company.		
4.	To consider and approve Appointment of Mr. Jai Kishan Gupta (DIN: 00337659) as Managing Director w.e.f from 01st September, 2019.		
5.	To consider and approve Re-appointment of Mr. Vijay Kumar Gupta (DIN: 00335325) as Whole Time Director who will attain the age of 70 years during his tenure i.e. 71 years		
6.	To consider and approve Appointment of Mr. Daya Kishan Gupta (DIN: 00337569) as a Director of the Company.		
7.	To consider and approve Appointment of Mr. Daya Kishan Gupta (DIN: 00337569) as Whole Time Director w.e.f. 1st September, 2019 who has attained the age of more than 70 years.		
8.	To consider and approve the Appointment of Mr. Ved Prakash Gupta (DIN : 00434369) as Non- Executive Director of the Company who has attained the age of more than 75 years i.e. 77 years.		
9.	To consider and approve Re-appointment of Mr. Pramod Kumar Agarwal (DIN: 05248122) as a Non- Executive Independent Director of the Company.		
10.	To consider and approve Re-appointment of Mr. Satish Kumar Raj (DIN: 00852221) as a Non- Executive Independent Director of the Company.		

# PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

11.	To consider and approve Appointment of Mr. Mahendra Kumar Agrawal (DIN: 02225421) as a Non- Executive Independent Director of the Company who has attained the age of more than 75 years.		
12.	Authorization u/s 180(1) (a) of Companies Act, 2013 to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company		

Affix  
Re. 1/-  
Revenue  
Stamp

Signed this ..... day of ..... 2019.

**Signature of the member**

**Signature of the Proxy Holder(s)**

**NOTE:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 40<sup>th</sup> Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all details including detail of member(s) in above box before submission.

## ATTENDANCE SLIP

### PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Regd. Office: 18<sup>th</sup> Km Stone Delhi Moradabad Road,  
NH-24, Village Amhera, Distt. J.P Nagar-244102  
Tel: 0591-2223008/18 Fax:0591-2223009  
Website: www.prakashwoollen.com ; Email : info@prakashwoollen.com  
CIN: L17291UP1979PLC004804

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

**Number of shares held**

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

I/We hereby record my/our presence at the thirty ninth Annual General Meeting of the Company on Saturday, the 31<sup>st</sup> day of August, 2019, at 18<sup>th</sup> Km Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar- 244102.

Full name of proxy (in case of proxy)

Signature of first holder/proxy

Signature of joint holder(s)

Note:

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

## POLLING PAPER

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

### FORM MGT-12

## PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

Regd. Office: 18<sup>th</sup> Km Stone Delhi Moradabad Road,  
NH-24, Village Amhera, Distt. J.P Nagar-244102  
Tel: 0591-2223008/18 Fax:0591-2223009

Website: www.prakashwoollen.com ; Email : info@prakashwoollen.com  
CIN: L17291UP1979PLC004804

- Name(s) & Registered Address of the Sole/First Named Member : .....
- Name(s) of the Joint Holders(s), .....  
If Any
- Registered Folio Number/ DP ID No./Client ID No\*  
(\* Applicable To investors holding  
shares in demat form) : .....
- Number of Equity Share(s) held : .....
- I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of the 40<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Saturday, 31<sup>st</sup> August, 2019 by recording my/our assent or dissent to the said Resolutions by placing the tick ( / ) Mark at the appropriate box below:

Item No.	Description of Resolutions	Type of resolution (Ordinary/Special)	No. of Equity shares for which votescast	(FOR)/I/We assent to the Resolution	(AGAINST)/I/We dissent to the Resolution
1.	Adoption of Audited Financial Statements of the company along with the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2018	Ordinary			
2.	Appoint a director in place of Mr. Vijay Kumar Gupta (DIN: 00335325) who retires by rotation and being eligible offers himself for re-appointment	Ordinary			
3.	To consider and approve Appointment of Mr. Jai Kishan Gupta (DIN: 00337659) as a Director of the Company	Special			
4.	To consider and approve Appointment of Mr. Jai Kishan Gupta (DIN: 00337659) as Managing Director w.e.f from 01st September, 2019	Special			
5.	To consider and approve Re-appointment of Mr. Vijay Kumar Gupta (DIN: 00335325) as Whole Time Director who will attain the age of 70 years during his tenure i.e. 71 years.	Special			
6.	To consider and approve Appointment of Mr. Daya Kishan Gupta (DIN: 00337569) as a Director of the Company	Special			
7.	To consider and approve Appointment of Mr. Daya Kishan Gupta (DIN: 00337569) as Whole Time Director w.e.f. 1st September, 2019 who has attained the age more than 70 years.	Special			

8.	To consider and approve the Appointment of Mr. Ved Prakash Gupta (DIN 00434369) as Non- Executive Director of the Company who has attained the age of more than 75 years i.e. 77 years.	Special			
9.	To consider and approve Re-appointment of Mr. Pramod Kumar Agarwal (DIN: 05248122) as a Non- Executive Independent Director of the Company.	Special			
10.	To consider and approve Re-appointment of Mr. Satish Kumar Raj (DIN: 00852221) as a Non- Executive Independent Director of the Company.	Special			
11.	To consider and approve Appointment of Mr. Mahendra Kumar Agrawal (DIN: 02225421) as a Non- Executive Independent Director of the Company who has attained the age of more than 75 years.	Special			
12.	Authorization u/s 180(1) (a) of Companies Act, 2013 to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company	Special			

Date:

Place :

**Signature of the Member**

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

#### **INSTRUCTIONS**

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

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

- 1) The Form should be complete and signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder.
- 2) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution /Authorization.
- 3) Votes should be cast in case of each resolution, either in favour or against by putting the tick ( ) mark the column provided in the Ballot.
- 4) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 23rd day of August, 2019 as per the Register of Members of the Company.
- 5) A Member may request for a duplicate Ballot Form, if so required.
- 6) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 7) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 8) The results declared along with Scrutinizer's Report, shall be communicated to the BSE Limited where the shares of the Company are listed.

**Route Map for the venue of AGM of Prakash Woollen & Synthetic Mills Limited to be held on Saturday, 31<sup>st</sup> August, 2019 at 11.00 am at the Registered office of the Company.**



*If Undelivered please return to :*

**PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED**

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