

**Thirty Second
ANNUAL REPORT
2010-2011**



Prakash Woollen Mills Ltd.

**Regd. Office :
Village Amhera,
P.O. Chaudherpur, Distt. J.P. Nagar, U.P.**

PRAKASH WOOLLEN MILLS LIMITED

BOARD OF DIRECTORS :

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

REGISTERED OFFICE :

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

BANKERS :

STATE BANK OF INDIA

AUDITORS :

AGARWAL PAWAN KUMAR & CO.,
Chartered Accountants

COST AUDITORS :

M K KULSHRESTHA & ASSOCIATES
Cost Accountants

BOOK CLOSURE DATE :

22nd September 2011 to 29th September 2011 (Both days inclusive)

ANNUAL GENERAL MEETING :

Date and Time : 29th September 2011, 11:00 A.M.

Venue : Regd. Office : 18th K.M. Stone, Delhi Moradabad Road,
Village Amhera, Distt. J.P. Nagar (U.P.)-244102

SHARE TRANSFER AGENT :

Skyline Financial Service (P) Ltd.
D-153 A, 1st Floor, Okhla,
Industrial Area, Phase – I,
New Delhi - 110 020

PRAKASH WOOLLEN MILLS LIMITED

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

NOTICE

NOTICE is hereby given that Thirty Second Annual General Meeting of the Shareholders of **Prakash Woollen Mills Limited** will be held on Thursday, the 29th day of September, 2011 at 11:00 A.M. at its registered office at 18th KM Stone, Delhi Moradabad Road, NH-24, Village Ahmera, District – J.P. Nagar (U.P.) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors Report, Auditors Report, Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2011.
2. To appoint a Director in place of Shri VIJAY KUMAR GUPTA, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri PRADEEP KUMAR GUPTA, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri NARESH CHANDRA AGARWAL, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration. M/s Agarwal Pawan Kumar & Co., Chartered Accountants, Meerut the retiring auditors being eligible, for re-appointment, offer themselves for reappointment.

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a member of the Company. Proxies, in order to be effective, must be received at the registered office of the Company not less than 48 hours before the time for holding the meeting.
2. Members desiring any information about the accounts and operations of the Company are requested to send their queries atleast ten days before the date of the Annual General Meeting so that information can be made available at the meeting.
3. The Register of Members and Share Transfer Books of the company will remain closed from 22nd September 2011 to 29th September 2011 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to bring their copy of Annual Report and Attendance slip (duly completed) alongwith them at the Meeting.
5. Members are requested to quote their folio number in all correspondence with Company.

ANNEXURE (as required under Listing Agreement):

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

ITEM NO. 2 :

Mr. Vijay Kumar Gupta is 58 years old. He has done graduation. He joined the company since its incorporation as a promoter director in 1979. He has gained rich experience in various fields. He has been the incharge of liaison and finance of the Company. He is director in Prahlad Flour Mills (P) Ltd. also.

ITEM NO. 3 :

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

ITEM NO. 4 :

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

By order of the Board of Directors

Place : Moradabad
Date : 15.06.2011

V.K. GUPTA
Whole Time
Director

D.K. GUPTA
Whole Time
Director

DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2011

To
The Members,

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

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

DIVIDEND

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

OPERATIONS

During the year, the production and sale increased by 6.43% and 12.49% respectively in terms of quantity. Therefore PBDIT increased to Rs. 649.05 lacs from Rs. 639.01 lacs in the previous year and net Profit was before tax up at Rs. 201.89 lacs.

LABOUR RELATIONS

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

FIXED ASSETS

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

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956 Shri Vijay Kumar Gupta, Shri Pradeep Kumar Gupta and Shri Naresh Chandra Agarwal, Directors of the Company are due for retirement by rotation at the forthcoming Annual General Meeting and are being eligible offer themselves for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000, your directors state: (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31.03.2011 and of the profit or loss of the Company for the year ended on 31.03.2011; (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (d) that the directors have prepared annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

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

AUDITORS

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

AUDITORS REPORT

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

COST AUDITORS

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

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

CORPORATE GOVERNANCE

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

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

CONSERVATION OF ENERGY

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

FORM A
(See Rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

	2010 – 2011 Current Year	2009 – 2010 Previous Year
<u>A. Power and fuel consumption</u>		
1. Electricity		
(a) Purchased		
Unit (KWH)	NIL	NIL
Total Amount (Rs. '000)	NIL	NIL
Rate/Unit (Rs/Unit)	NIL	NIL
(b) Own generation		
(i) Through diesel generator		
Unit (KWH)	17,42,325	15,35,080
Unit per-ltr.of diesel oil	3.48	3.45
Cost/ Unit	11.42	9.74
(ii)Through steam turbine/Generator		
Unit	NIL	NIL
Unit per ltr.of fuel oil/gas	NIL	NIL
Cost/Unit	NIL	NIL
<u>2. Coal(specify quality and where used)</u>		
Quantity (tonnes)	NIL	NIL
Total cost	NIL	NIL
Average rate	NIL	NIL
<u>3. Furnace Oil</u>		
Quantity (K.ltrs.)	NIL	NIL
Total Amount	NIL	NIL
Average rate	NIL	NIL
<u>4. Others/internal generation</u>		
Quantity (Qlts)	NIL	NIL
Total Cost(Rs. '000)	NIL	NIL
Rate/Unit	NIL	NIL

B. Consumption per unit of production

	Standards (if any)	Current Yr.	Previous Yr.
Products (with details unit)		1	2
<u>ACRYLIC BLANKETS (PCS)</u>			
Electricity KWH	N.A.	1.80	2.42
Furnace Oil	N.A.	NIL	NIL
Coal (Specify quality)	N.A.	NIL	NIL
Others (specify)	N.A.	NIL	NIL

ABSORPTION OF TECHNOLOGY

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

APPRECIATIONS

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

FOR AND ON BEHALF OF THE BOARD

Place : Moradabad
Date : 15.06.2011

V.K. GUPTA
Whole Time
Director

D.K. GUPTA
Whole Time
Director

ANNEXURE 'A'

REPORT ON CORPORATE GOVERNANCE

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

COMPOSITION OF BOARD OF DIRECTORS AS ON 31.03.2011

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

BOARD OF DIRECTORS AND BOARD MEETING

The Board of the company consists of nine members as on 31st March 2011. Board Meetings were held during the financial year 2010-2011. The dates on which the said meetings were held are as follows :

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

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

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM	No. of other Indian Companies in which Directors	No. of Committees (Other than Prakash Woollen Mills Ltd.) in which a member
Mr. Pradeep Kr Gupta	Non Executive	--	No	2	Nil
Mr. V. P. Gupta	Whole Time Director	4	No	--	Nil
Mr. J. K. Gupta	Whole Time Director	5	Yes	1	Nil
Mr. D. K. Gupta	Whole Time Director	5	Yes	1	Nil
Mr. V. K. Gupta	Whole Time Director	5	Yes	1	Nil
Mr. N. C. Agarwal	Non Executive - Independent	1	Yes	1	Nil
Mr. S. K. Gupta	Non Executive - Independent	--	No	--	Nil
Mr. S. K. Raj	Non Executive - Independent	1	No	--	Nil
Mr. M. K. Agarwal	Non Executive - Independent	1	No	--	Nil

AUDIT COMMITTEE

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

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

During the financial year 2010-2011, meeting of Audit Committee were held on 28.06.2010, 29.07.2010, 11.11.2010, 10.02.2011, 30.03.2011.

REMUNERATION COMMITTEE

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

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

Remuneration paid or payable to Directors during the year 2010-2011.

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

INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The company's Investors / Shareholders Grievance Committee is presently formed under the chairmanship of Mr. Naresh Chand Agarwal. The other members of the committee are Mr. Ved Prakash Gupta and Mr. Vijay Kumar Gupta. The company had no pending complaints and transfers at the close of the financial year 2010 - 2011.

GENERAL BODY MEETINGS

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

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

DISCLOSURES

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

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

MEANS OF COMMUNICATION

1. Half Yearly Report :

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

2. Quarterly Result :

Which newspapers normally published in

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

3. Website :

Any Website where displayed Nil

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

No

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

Yes

GENERAL SHAREHOLDERS' INFORMATION

1. AGM : Date, Time & Venue :

Thursday 29th September 2011 at 11:00 A.M. at Vill. Amhera P.O. Chaudherpur, Delhi Road, Distt. J. P. Nagar.

2. Financial Calendar :

(i) First Quarter Results	--	July 2011
(ii) Half-Yearly Results	--	October 2011
(iii) Third Quarter Results	--	January 2012
(iv) Result for the year ending 31st March 2011	--	May 2012

3. Dates of Book Closure

22nd September 2011 to 29th September 2011 (Both days inclusive)

4. Dividend Payment date :

N.A.