



PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

(formerly known as Prakash Woollen Mills Limited)

Annual Report

2015-2016

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

BOARD OF DIRECTORS

Mr. Jai Kishan Gupta
Chairman & Managing Director

Mr. Vijay Kumar Gupta
Whole Time Director & CFO

Mr. Daya Kishan Gupta
Whole Time Director

Mr. Ved Prakash Gupta
Whole Time Director

Mr. Pramod Kumar Agarwal
Independent Director

Mr. Mahendra K. Agarwal
Independent Director

Mr. Vijay Anand Rastogi
Independent Director

Dr. Satish Kumar Raj
Independent Director

Mrs. Sushma Pandey
Independent Director

COMPANY SECRETARY

Ms. Shivangi Agarwal

BANKERS

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR & TRANSFERS AGENTS

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

LISTING

Bombay Stock Exchange

CORPORATE IDENTIFICATION NUMBER

CIN:L17291UP1979PLC004804

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PRAKASH WOOLLEN & SYNTHETIC MILLS LIMITED

(formerly known as Prakash Woollen Mills Limited)

Regd. Office: 18th Km Stone Delhi Moradabad Road,

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

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

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

CIN: L17291UP1979PLC004804

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Members of **Prakash Woollen & Synthetic Mills Limited (formerly known as Prakash Woollen Mills Limited)** will be held on Friday, the 23rd day of September, 2016 at 11:30 AM at the registered office of the Company at 18th Km Stone, Delhi Moradabad Road, NH-24, Village Amhera, Distt. J. P. Nagar- 244102, to transact the following businesses:

ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ved Prakash Gupta (DIN: 00434369), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Re-Appointment of Auditors and fixation of remuneration

"RESOLVED THAT pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, as amended from time to time and as recommended by audit committee, M/s. A. Anand & Co., Chartered Accountants (Firm Registration No. **005147C**), be and are hereby re-appointed as Auditors of the Company, for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2021, at such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESSES

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

APPOINTMENT OF MR. JAI KISHAN GUPTA (DIN: 00337659) AS MANAGING DIRECTOR

"RESOLVED THAT in accordance with the provisions of Section 196, 197 & 203 read with rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and with Schedule V and all other applicable Statutory provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee, approval of the shareholders be and is hereby accorded to the continuance of the appointment of Mr. Jai Kishan Gupta as Managing Director even after attaining the age of 70 years on 08.07.2017 till his present term ends i.e. 31.03.2019 on same terms & conditions as already approved by Company at the Annual General Meeting held on 25th September, 2014 and any modification(s) made thereafter."

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

(Jai Kishan Gupta)

Chairman & Managing Director

DIN : 00337659

August 12, 2016

Registered Office:

18th Km. Stone, Delhi Moradabad Road

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

Uttar Pradesh-244102

CIN: L17291UP1979PLC004804

E-mail: info@prakashwoollen.com

NOTES:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE APPOINTMENT OF PROXY SHALL BE IN THE FORM NO. MGT-11. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE. THE BLANK PROXY FORM IS ATTACHED.**
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

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3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Clause 1.2.5 of Secretarial Standard II, of the person seeking re-appointment as Director under Item No. 2 and for continuance of appointment of Mr. Jai Kishan Gupta as Managing Director as per item no 4 of the Notice, are annexed as Annexure 1.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of place of the meeting. Proxy/representative of a member should mark on the Attendance Slip as "Proxy" or "Representative" as the case may be.
7. Members who hold shares in dematerialized mode are requested to intimate any changes pertaining with their bank account details, ECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant only and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the members.
8. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to the Company's Registrar & Share Transfer Agent quoting their registered folio number.
9. Members/Proxies/Authorized Representative are requested to:
 - a. Bring their copy of the Annual Report for the meeting and duly filled attendance Slip enclosed herewith along with a valid identity proof such as the PAN card, passport, AADHAR card, or driving license to attend the meeting.
 - b. Note that all correspondence relating to share transfers/transmission/Dividend/ Demat of shares etc should be addressed to Registrar and Transfer Agents of the Company, viz. Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase I, New Delhi, Delhi 110020.
 - c. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
10. Members desirous of having any information regarding accounts are requested to address their queries to the Compliance Officer at the registered office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
11. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
12. The annual report for 2015-16 along with the notice of Annual General Meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the depository participants / registrar and share transfer agent unless where any member has requested for the physical copy. Members who have not registered their email ids, physical copies of the annual report 2015-16 along with the notice of annual general meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website www.prakashwoollen.com for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's email id viz. compliance@prakashwoollen.com.
Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We therefore, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares) and make this initiative a success.
13. SEBI has made the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agents, Skyline Financial Services (P) Ltd.
14. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection at the Annual General Meeting.
15. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Skyline Financial Services (P) Ltd. for assistance in this regard.
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send share certificates to Skyline Financial Services (P) Ltd (RTA), for consolidation in to a single folio.
17. **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 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 37th 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 voting period begins on 20th September, 2016 (10:00 Hours (IST)) and ends on 22nd September, 2016 (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 16th September, 2016, may cast their vote electronically. The e-voting module shall be displayed by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (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 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"> 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. 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.
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"> 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).

- (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) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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.
 - 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 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.
- (xix) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT PURSUING TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act")

Item No. 4

The members may recall that at the Annual General Meeting held on 25th September, 2014, Mr. Jai Kishan Gupta (DIN: 00337659) was appointed as Managing Director by the members for a term of five years w.e.f. 01.04.2014 upto 31.03.2019 at a remuneration as fixed by the members and any modification made thereof, if any. Section 196(3) of the Companies Act, 2013 read with schedule V, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

Mr. Jai Kishan Gupta will attain the age of 70 years on 08.07.2017 and hence continuation of his employment as Managing Director requires the approval of members by way of a special resolution.

The Board of Directors at their meeting held on 12.08.2016, considered on the recommendation of Nomination & Remuneration Committee and approved that his appointment should continue even after his attaining the age of 70 years keeping in view his contribution to the Company's growth his expertise & experience for the rest of his term that is upto 31.03.2019 on same terms & conditions as already approved by shareholders at Annual General Meeting held on 25th September, 2014 and any modification made thereafter.

None of the Directors and Key Managerial Personnel of the Company being his relatives except Mr. Vijay Kumar Gupta, Mr. Jai Kishan Gupta himself, Mr. Daya Kishan Gupta and Mr. Ved Prakash Gupta are concerned or interested financially or otherwise in the resolution.

The Directors recommend the resolution for approval of the shareholders.

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

August 12, 2016
Registered Office:
18th Km. Stone, Delhi Moradabad Road
NH-24, Village Amhera, Distt. J.P Nagar,
Uttar Pradesh-244102
CIN: L17291UP1979PLC004804
E-mail: info@prakashwoollen.com

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

Annexure 1

Details of Directors Seeking Re-appointment at the 37th 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	Mr. Ved Prakash Gupta	Mr. Jai Kishan Gupta
Designation	Whole Time Director	Chairman & Managing Director
Date of Birth	20-01-1942	08-07-1947
Date of first appointment	23-08-1979	23-08-1979
Qualification	Graduate	Graduate
Experience	37 years	37 years
Profile	The company under his able guidance, has grown tremendously and has been able to maintain a steady and sustainable growth rate.	He has gained rich experience in textile industry and is incharge of production of the company.
Directorship held in other Companies	SG Graphics Pvt. Ltd.	NIL
Directorship held in Listed entities (other than Prakash Woollen & Synthetic Mills Limited)	NIL	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	NIL
Numbers of shares held in the Company	176393	417960
No. of Board Meeting attended during the year	Three	Five
Terms & Conditions of appointment/ re-appointment	Rs. 2,50,000 per month including perquisites	Rs. 3,50,000 per month including perquisites
Past Remuneration	Rs. 24,00,000 p.a	Rs. 30,00,000 p.a
Relationship with other Directors	Brother of Vijay Kumar Gupta, Daya Kishan Gupta and Jai Kishan Gupta	Brother of Vijay Kumar Gupta, Daya Kishan Gupta and Ved Prakash Gupta

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

August 12, 2016
Registered Office:
18th Km. Stone, Delhi Moradabad Road
NH-24, Village Amhera, Distt. J.P Nagar,
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CIN: L17291UP1979PLC004804
E-mail: info@prakashwoollen.com

BOARD'S REPORT

To The Members,

Your Directors are pleased to present their Report for the Financial Year ended March 31, 2016.

FINANCIAL SUMMARY OF THE COMPANY

Particulars	(Rs. in lacs) 2015-2016	(Rs. in lacs) 2014-2015
Gross Sales	9498.57	8818.36
Other Income	28.39	27.66
Total Revenue	9526.96	8846.02
Profit before Depreciation & Tax	811.08	715.93
Depreciation	419.90	360.79
Profit before Tax	391.18	355.14
Tax adjustment for Current year	(120.19)	(93.29)
Tax adjustment for Deferred Tax	(5.67)	(28.01)
Profit after Tax	265.32	233.84

KEY HIGHLIGHTS/ REVIEW OF OPERATIONS

During the period under consideration the revenue of the Company has increased from Rs. 8818.36 lakh to Rs 9498.57 lakh.

However the net profit after Tax of the Company has increased from Rs. 233.84 Lakh to Rs. 265.32 Lakh. Your directors hope for better results in the coming financial years.

STATEMENT OF AFFAIRS

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

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 of the company to which the financial statements relate and the date of this report.

CHANGE IN NAME OF THE COMPANY

The Shareholders may recall that by way of Postal Ballot held on 10.07.2015, approval was obtained to change the name of company from Prakash Woollen Mills Limited to Prakash Woollen & Synthetic Mills Limited. Subsequently company received a fresh Certificate of Incorporation dated 27.07.2015.

CHANGE IN THE NATURE OF BUSINESS

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

DIVIDEND & RESERVES

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

CAPITAL STRUCTURE

The paid up Equity Share Capital as at March 31, 2016 stood at 1025.98 Lakh. 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, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

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

RISK MANAGEMENT

In accordance with provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to maintain Risk Management Committee. Hence, at the meeting of the Board of Directors held on 08.02.2016, your directors decided to dissolve the Risk Management Committee w.e.f. 08.02.2016. The roles and responsibilities as entrusted with the committee earlier shall be looked into by the Board at their Board Meetings.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

INTERNAL FINANCIAL CONTROLS

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

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

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

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

No change has occurred during the Financial Year 2016

DECLARATION BY INDEPENDENT DIRECTORS

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

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

FORMAL ANNUAL EVALUATION

The Companies Act, 2013 mandates that the Board shall monitor and review the Board evaluation framework. 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

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board and as collated by Nomination and Remuneration Committee and the Board expressed its satisfaction.

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: <http://prakashwoollen.com/node/189>

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s A. Anand & Co., Chartered Accountants, (Firm Registration No. 005147C), Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

Companies (cost records and audit) (Amendment) Rules, 2015 are not applicable on the Company for the financial year 2015-16:

Secretarial Auditor

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of the Board, appointed Shri Rupinder Singh Bhatia (PCS No. 2514), Practising Company Secretary to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Companies Act, 2013. The Secretarial Audit Report forms part of the Annual Report as **Annexure II** to the Board's Report.

The Secretarial Audit Report contains the qualification that the date of birth of Mr. Jai Kishan Gupta is different in DIN details as compared to PAN data base. With reference to difference in date of birth, Mr. Jai Kishan Gupta explained that date of birth in PAN data base is incorrect and he had applied for correction in PAN data base.

COMPOSITION OF COMMITTEES

Audit Committee

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