

33rd
ANNUAL REPORT
2013 - 2014



Priyadarsini Limited
(Formerly known as Priyadarshini Spinning Mills Limited)

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Board of Directors	Mr.Kowsaledra Rao Cherukuri, Executive Vice Chairman Mr.H.N.Vishweshwar, (Syndicate Bank Nominee) Mr.D.Venkatratnam, Director Mr. D. Sivayya Additional Director Mr.V.B.Bajaj Additional Director
Company Secretary	Mr. Ramesh Bandari
Audit Committee	Mr.D.Venkataratnam Mr. D.Sivayya Mr.V.B.Bajaj
Shareholders Relationship Committee	Mr.D.Venkata Ratnam Mr. C.Kowsalendra Rao Mr.D.Sivayya
Remuneration Committee	Mr. D.Venkataratnam Mr. D.Sivayya Mr.V.B.Bajaj
Statutory Auditors	M/s P. Srinivasan & Co., Chartered Accountants H.NO.12-13-422, Street No.1 (Lane Opp. to Bank of Baroda) Tarnaka, Secunderabad - 17
Bankers	State Bank of India Union Bank of India Syndicate Bank Bank of India Andhra Bank Exim Bank HDFC
Regd. Office	Survey No 726 & 744 Sadasiv Pet, Sadasiv Pet Mandal Medak District-502291
Corporate Office:	Satyanarayana Enclave, Icon Block, 3rd Floor, Madinaguda, Hyderabad -500048..
Mktg. Division	G-9, Nahar & Seth Indl. Estate Plot No.29, B/D, Chakala Road Andheri (East) Mumbai -400 093.

WORKS

Unit-I	Wind Mill	Gas Power Project
Sadashivpet Medak District	Ramagiri Anantapur District	Y.Kttapalli Village, P.Gannavaram Mandal East Godavari Dist. A.P. – 533240.

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of Member's of Priyadarsini Limited to be held on 29th September, 2014 at 10.00. A.M. At the Register office: Priyadarsini Limited factory premises Survey No 726 & 744 Sadasivpet, Sadasivpet Mandal Medak District-502291.

ORDINARY BUSINESS:

1. To receive and adopt the audited statement of profit and loss for the 9 months ended march 31st , 2014 and the balance sheet as at that date together with the reports of the director and auditors thereon
2. To appoint a Director in place of Mr. Kowsalendra Rao Chrukuri, who retires by rotation and being eligible for re-appointment be and is hereby appointed as Director subject to retire by rotation.

Appointment of Auditors:

3.To consider if thought fit to pass, with or with out modification the following resolution as an ordinary resolution

Resolved that pursuant to the provisions of section 139 of the Companies Act, 2013 (act) and other applicable provisions of the Act, if any and the rules framed there under as amended from time to time M/S.P.Srinivasan & Co. chartered Accountants, be and is hereby reappointed as the statutory auditors of the company for 3 years to hold office from the conclusion of this annual general meeting (AGM) till the conclusion of 4th consecutive AGM of the company to be held in the year 2017 (subject to ratification of their appointment at every AGM), on SUCH REMUNERATION plus service tax, out of pocket, expenses, etc, as may be mutually agreed up on between the board of directors of the company.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, Mr.D.Sivayya (DIN: 06722129), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. D.Sivayya for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Non-Executive Director for a period of 5 Consecutive years.

5.To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, Mr.V.B.Bajaj (DIN: 02015122.), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. V.B.Bajaj for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Non-Executive Director for a period of 5 consecutive years.

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other

applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. D. Venkataratnam (DIN: 00905936) Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. Kowsalendra Rao Chrukuri (DIN: 00018525), as Executive Vice chairman of the Company for a period of three years with effect from 07th June, 2014 with out any remuneration

By order of the Board of Directors
For Priyadarsini Limited

Place: Hyderabad
Date: 12.08 2014

Ramesh Bandari
Company Secretary

NOTES:

1. The Statement Pursuant to section 102 of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself/herself and such proxy need not be a member of the Company. But a proxy so appointed shall not have right to speak at the Meeting. Proxy forms, to be valid, shall be lodged with the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2014 to 29.09.2014 (Both days inclusive).
4. Members holding Shares in physical form are requested to intimate any change in their address quoting their registered folio number to the Registrars and Share Transfer Agents namely M/s XL Softech Systems Limited, Plot No.3, Sagar Society, Road No.2, Banjar Hills, Hyderabad – 500034.
5. Members holding shares in electronic form are requested to intimate any change in their address to the depository participant (DP) with whom the de-mat account is maintained.
6. Members are requested to bring admission slip duly filled in along with their copies of Annual Report to the Meeting.
7. Members are also requested to send their queries, if any, on the accounts well in advance, so as to enable the Company to place relevant records and information at the time of Annual General Meeting.
8. Brief profile of the Directors seeking re-appointment is given in the Corporate Governance report attached to this notice
9. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
10. Members may also note that the notice of the Annual General Meeting and Annual Report for 2014 will be available on the Company's website www.psm spinning.com.
11. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The e-voting period commences on Tuesday 23rd September, 2014 (10:00 am) and ends on Thursday 25th September, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares as on cut-off date of 29th August 2014 either in physical form or in dematerialized form, may cast their vote electronically. The e-voting portal shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. A member who has cast his vote by electronic means is not entitled to vote again at the AGM.

CS B. Venkatesh Babu, Company Secretary in Practice (F6708) has been appointed as the scrutinizer to scrutinize the e-voting process and he will submit his report within the period not exceeding three working days from the conclusion of e-voting. The Chairman will declare the results on or after the AGM of the Company accordingly and will also be placed at the company website.

12. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) 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. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	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.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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 platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (b) The voting period begins on <Date and Time> and ends on <Date and Time>. 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 <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (c) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
13. As an austerity measure, copies of the annual report will not be distributed at the Annual General Meeting. Members are requested to bring their attendance slip along with a copy of Annual Report to the Meeting.

**By order of the Board of Directors
For Priyadarsini Limited**

**Place: Hyderabad
Date: 12.08 2014**

**Ramesh Bandari
Company Secretary**

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013
Item no. 4 to 6:**

Mr. D. Sivayya (DIN: 06722129) and Mr. V. B. Bajaj (DIN: 02015122), who were appointed on 17.10.2013 and 06.04.2014 respectively will cease to be Directors from the date of Annual General Meeting and company received a request from the shareholder to propose his candidature for appointment as Independent Director at the Annual General meeting. With regard to Mr. D. Venkatarantam, who retire by rotation being appointed as Director in compliance of the Provisions of the Act.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed as Independent Directors at various times, in compliance with the requirements of the said clause. As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 and inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The above Independent Director have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

ITEM NO 7:

Mr. Kowsalendra Rao Chrukuri, aged 73 years, is a promoter and Executive Vice Chairman of the Company and having over 37 years of industry experience in the field of manufacturing. He has a degree in textile technology. His current term of Executive Vice chairman of the Company expires on 07th June, 2014. He has excellent grasp and thorough knowledge and experience in general management. He has knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Kowsalendra Rao Chrukuri should be available to the Company for a further period of three years with effect from 07th June, 2014 with out any remuneration

DIRECTORS REPORT

To the Members,

The Directors of your Company have pleasure in presenting the 33rd Annual Report together with the audited statement of accounts for the 9 Months ending 31st March, 2014.

FINALCIAL RESULTS

	Current year (9 months) Ended 31.03.2014.	previous year(15 Months) Ended 30-06-2013
1. Sales and other Income	3619.13	11873.65
2. Profit before interest and depreciation	376.78	935.75
3. Interest and Finance Charges	435.12	1081.09
4. Depreciation	354.87	754.62
5. Profit/(loss) after interest and Depreciation	(1166.78)	(2773.80)
6. Provision for Taxation		
a) Current Tax	-	-
b) Fringe Benefit Tax	-	-
c) Deferred Tax charge	00	0
7. Prior period item	-	-
8. Net Profit(loss) After tax	(1166.78)	(1100.00)
9. Profit and Loss A/c Balance	(4870.43)	(3873.80)
10. Reserves		1466.13
APPROPRIATIONS		
1. Surplus carried forward to Balance Sheet	(6037.21)	(4870.43)

REVIEW OF OPERATIONS :

During the 9 months period under review, the company has achieved a turnover of Rs. 3619.13 lakhs against Rs.11876.80 in the previous 15 months period and it is not comparable due to different period. The company has incurred a loss of Rs. 1166.78 Lakhs against a loss of Rs. 2401.36 Lakhs in the previous period.

Due to lack of working capital the company carried out the operations on job work basis during the entire period under review.

The Management is taking effective steps to cut the cost and improve production.

TEXTILE INDUSTRY

A textile is the oldest industry in the country and it is the most labor intensive industry. This sector gives direct employment to 35 million people and indirect employment to 45 million people covering mostly women and rural poor. This industry contributes for the growth of the country in terms of job creation in rural areas, export earnings, besides meeting the basic needs of the people.

The capacity of the Industry is much more than the domestic requirements. The fall in exports due to recession in developed countries has resulted in poor price realization from the domestic market. The unprecedented huge price fluctuations of raw materials and demand recession for all Textile products have seriously affected and drove the industry to register huge losses during the year. Nearly 75% to 80% of the textile mills across the country have started incurring losses.

In order to bail out the ailing industry the Spinning Mills Associations have approached the Textile Ministry pleading for reliefs. Recently the Government has agreed to provide some relief which includes: Debt Restructuring for Rs.35, 000 Crores.RBI to relax conditions to avoid Textile units being classified as NPAS by opt for debt restructuring. Moratorium on payment of principal and interest on term loans for a period of two years. Sanction of working capital term loan representing the uncovered portion in the cash credit loan account and Interest relief.

With the reliefs that are going to be available from the Banks, now the industry is hoping to turn around.