

34th
ANNUAL REPORT
2014 - 2015



Priyadarsini Limited
(Formerly known as Priyadarshini Spinning Mills Limited)



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Board of Directors	Mr.C.K. Rao, Executive Vice Chairman Mr.Vishnu Basudeo Bajaj, Independent Director Mr. Sivayya Dasari, Independent Director Mrs. Ratnakumari Cherukuri, Additional Director
Audit Committee	Mr.Vishnu Basudeo Bajaj Mr. Sivayya Dasari Mrs. Ratnakumari Cherukuri
Shareholders Relationship Committee	Mr. Kowsalendra Rao Cherukuri Mr.Sivayya Dasari Mrs. Ratnakumari Cherukuri
Remuneration Committee	Mrs. Ratnakumari Cherukuri Mr. Sivayya Dasari Mr.Vishnu Basudeo Bajaj
Chief Financial Officer	Mr. K. Chennakesavulu
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
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	"A" 304, Bonanza, Sahar Plaza, J.B. Nagar, Anderi Kulu Road Andheri (East) Mumbai -400 059.
Bankers	State Bank of India Union Bank of India Syndicate Bank Bank of India HDFC
Registrar & Share Transfer Agents:	M/s. XL Softech Systems Limited Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034.

CIN: L18100TG1981PLC003031

WORKS

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



NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of M/s. Priyadarsini Limited will be held on TUESDAY, 29TH day of SEPTEMBER, 2015 at 10.00 A. M. at the Registered Office of the Company situated at Priyadarsini Limited factory premises Survey No. 726 & 744, Sadasivpet, Sadasivpet Mandal, Medak District – 502 291 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2015; together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of C.K. Rao (00018525), who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. P. Srinivasan & Co., (Firm Registration No. 004055S) Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. APPOINTMENT OF Mrs. RATNAKUMARI CHERUKURI (DIN 00018519) AS DIRECTOR

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

“RESOLVED THAT Mrs. Ratnakumari Cherukuri (holding DIN 00018519) who was appointed as Additional Director of the Company with effect from 25th March, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a shareholder for the office of Director, be and is hereby appointed as Director of the Company.”

for and on behalf of the Board
for Priyadarsini Limited

C.K. RAO
Executive Vice-Chairman
DIN No: 00018525

Registered office

Survey No. 726 & 744
Sadasiv Pet, Sadasiv Pet Mandal
Medak District - 502 291

CIN: L18100TG 1981PLC003031

Email: psmsecl@psmspinning.com

Date: 13.08.2015

Place: Hyderabad



NOTES

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 26th September, 2015 to Tuesday, 29th September, 2015 (both days inclusive).
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.
4. The instrument appointing the Proxy, in order to be effective, should be deposited, duly complete and signed, at the Registered Office of the Company not less than (48) Forty-Eight hours before the scheduled start of the meeting. Proxies shall not have any right to speak at the meeting.
5. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the **Form No. MGT.11** annexed herewith.
6. Members/Proxies are requested to bring their duly filled Attendance Slip along with the copy of the Annual Report to the Meeting.
7. Member(s) are requested to notify immediately any change in their address to the Company at the Registered Office.
8. Pursuant to Section 72(1) of the Companies Act, 2013, read with Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The prescribed nomination Form-SH-13 can be obtained from the Share Transfer Agent or may be downloaded from the website of the Company
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members, who hold shares in physical form, are requested to advise the Company immediately of any change in their addresses.
11. Members, who hold shares in electronic form, are requested to intimate details regarding change of address, etc. to the Depository Participants, where they have their Demat accounts.
12. Members may avail of the facility of dematerialization by opening Demat accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get equity share certificates held by them dematerialized.
13. Members, who hold shares in electronic form, are requested to bring their Client Id and DP Id for easy identification.
14. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialized at the earliest.
15. Green Initiative in the Corporate Governance – Registration of email address.
The members are requested to register email address with the Depository Participant/the Registrar and Share Transfer Agent of the Company, i.e. XL Softech Systems Limited, as the case may be, for service of documents.
16. Brief resume of the Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships / Chairmanships of the Board Committees, shareholding and relationships between Directors *inter-se*, is annexed hereto and forms part of this Notice.
17. Members holding shares in multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholdings into one folio.
18. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.

Registered office

Survey No. 726 & 744
Sadasiv Pet, Sadasiv Pet Mandal
Medak District - 502 291

CIN: L18100TG 1981PLC003031

Email: psmsecl@psmspinning.com

Date: 13.08.2015

Place: Hyderabad

for and on behalf of the Board
for Priyadarsini Limited

C.K. RAO

Executive Vice-Chairman

DIN No: 00018525



Voting Through Electronic Means

19. 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 Wednesday 23rd September, 2015 (10:00 am) and ends on Friday 25th September, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares as on cut-off date of 28th August 2015 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.

P. Sarada, Company Secretary in Practice (Membership No. A21717) has been appointed as the scrutinizer to scrutinize the e-voting process and she will submit her 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.

20. 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.
- (d) 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.


EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 Item no.5:

Mrs. Ratnakumari Cherukuri, was appointed as an Additional Director of the Company with effect from 25th March, 2015 by the Board of Directors under Section 161 of the Act and Article 36(e) of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mrs. Ratnakumari Cherukuri, holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from shareholder signifying his intention to propose her to be appointed as a Director.

The Directors are of the view that the appointment of Mrs. Ratnakumari Cherukuri, as Director will be beneficial to the operations of the Company and hence said resolution being placed before the Members for their approval.

Except Mr. C.K. Rao, none of the Directors of the Company or their respective relatives are concerned or interested in this Resolution.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Cherukuri Ratnakumari (Appointment)	C.K. Rao (Re-appointment)
Date of Birth	25-08-1950	15-07-1941
Date of Appointment	25-03-2015	08-06-2011
Qualifications	Studied upto Graduation	Degree in Textile Technology
Expertise in specific functional areas	Knowledge of managing her husband's business for last three decades	Expertise knowledge in managing textile company for a period of over 38 years
Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 25)	M/s. Padmaja Agencies Private Limited	M/s. Natwest Investments Limited
Chairmanships/ Memberships of Committees of other Public Companies	N.A.	N.A.
(includes only Audit Committee; and Shareholders/ Investors Grievance Committee)		
Number of shares held in the Company	189850	46500

Registered office

Survey No. 726 & 744
Sadasiv Pet, Sadasiv Pet Mandal
Medak District - 502 291

C.K. RAO

Executive Vice-Chairman
DIN No: 00018525

Date: 13.08.2015

Place: Hyderabad

CIN: L18100TG 1981PLC003031

Email: psmsecl@psmspinning.com



DIRECTORS' REPORT

TO THE MEMBERS,

Company's philosophy on Code of Governance your Directors have pleasure in presenting 34th Annual Report together with the Audited Accounts for the year ended 31st March, 2015

1. Financial Performance

The financial results of the Company for the financial year 2014-15 as compared with the previous year are as follows:- (Rs. In Lakhs)

	<u>31March 2015</u>	<u>31March 2014</u>
Total Revenue	3971.26	3619.26
Profit/Loss before Tax	-505.74	-1166.78
Profit/Loss for the year	-505.74	-1166.78
Balance of Profit/Loss brought forward from previous year	-6037.21	-4870.43
Profit/Loss available for appropriation	-6542.95	-6037.21

DIVIDEND

Your Directors are not declaring any dividend as the Company has incurred loss during the financial year.

REVIEW OF OPERATIONS:

During the financial year under review, the company has achieved a turnover of Rs. 3971.26 lakhs against Rs.3619.26 in the previous 9 months period. The company has incurred a loss of Rs. 505.74 Lakhs against a loss of Rs.1166.78 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

Textile is the oldest industry in the country and it is the most labour 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. RBI relaxed conditions to avoid Textile units from being classified as NPAS by opting 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 round.

OUTLOOK ON OPPORTUNITIES, RISK AND CONCERN:

The fundamental growth drivers of Indian economy remain strong despite the economic turmoil in the world. There would be growing opportunities in the international market as well as domestic market. The consumption is growing in response to growing per capita income, population and strong retail push. With regards to textile industry, there are significant opportunities in the domestic market as more consumers are buying readymade garments and also consumption of the cloth per capita continues to increase due to growth in the economy which is adding to the purchasing power of the Consumers. Macroeconomic factors increase in interest rates are the major risk factors presently for the textile industry. Increase in interest rates will affect the profitability. Since the industry is capital intensive.



ADEQUACY OF INTERNAL CONTROLS

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorized use of disposition, and that transactions are authorized, recorded, and reported correctly. The internal control system is supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures.

The internal control system is designed to ensure that the financial and other records enable for preparing financial statements and other data and for maintaining accountability of assets. The audit Committee comprising independent Directors will review the internal control system on quarterly basis.

EXPORTS:

During the period under review there were no exports

WINDMILL:

During the year under review, the 1.8 M.W Wind power Mill has generated 22,65,564 units as against 16,05,427 units in the previous year.

GASPOWER PROJECT

The 3.2 M.W. Gas based power project of the Company has not generated power during the current year due to non-availability of Gas.

FIXEDDEPOSITS:

The Company has not accepted any fixed Deposits during the year.

INSURANCE:

The properties of the Company including its building, plant and machinery and stocks have been adequately insured.

CORPORATEGOVERNANCE:

The Company is in conformity with the code of Corporate Governance enunciated in clause 49 of the Listing agreement with Stock Exchanges. A separate report on Corporate Governance is annexed hereto and form part of Directors' Report together with a certificate from the Auditors of the Company confirming compliance of the Conditions of Corporate Governance.

DIRECTORSRESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013, your Director's Confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed:
- ii) Such accounting policies have been selected 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 statement of affairs of the Company at the end of the financial year and of the loss of the Company for that year

- iii) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:
- iv) The annual accounts have been prepared on a going concern basis.
- v) The directors had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS:

- 1) Mr. D.Sivayya, appointed as a director in the Annual General Meeting held on 29th September, 2014.
- 2) Mr.V.B.Bajaj appointed as a Director in the Annual General Meeting held on 29th September, 2014.
- 3) Mr.D Venkata Ratnam Director resigned as Director of the company with effect from 09.03.2015
- 4) Mrs. Ratnakumari Cherukuri has been appointed as additional director w.e.f. 25th March, 2015

STATUTORY AUDITORS:

M/s. P. Srinivasan & Co., Chartered Accountants, the Statutory Auditors of the Company have been appointed as statutory auditors for a period of three years upto the conclusion of 36th AGM subject to ratification of Members at every AGM. As per the provisions of companies Act, 2013, it is proposed to ratify their appointment as auditors for the current year commencing from the conclusion of ensuing AGM till the conclusion of next AGM.

CONSERVATION OF ENERGY:

Conservation of energy, Technology Absorption & Foreign exchange outgo and earnings and information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are annexed hereto and form part of this report.