

36th
ANNUAL REPORT
2016 - 2017



Priyadarsini Limited

(Formerly known as Priyadarshini Spinning Mills Limited)

(Registered Office: Survey No. 726 & 744, Sadasiv Pet, Sadasiv Pet Mandal, Sangareddy – 502 291)



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Board of Directors	Mr.C.K. Rao, Executive Vice Chairman	00018525
	Mr.Vishnu Basudeo Bajaj, Independent Director	02015122
	Mr. Sivayya Dasari, Independent Director	06722129
	Mrs. Ratnakumari Cherukuri, Director	00018519
Audit Committee	Mr.Vishnu Basudeo Bajaj	
	Mr. Sivayya Dasari	
	Mrs. Ratnakumari Cherukuri	
Shareholders Relationship Committee	Mr. Vishnu Basudeo Bajaj	
	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 - 500 017	
Regd. Office	Survey No 726 & 744 Sadasivpet, Sadasivpet Mandal Sangareddy District – 502 291	
Corporate Office:	Satyanarayana Enclave, Icon Block, 3rd Floor, Madinaguda, Hyderabad -500049	
Mktg. Division	G-9, Nahar & Seth Indl. Estate Plot No. 29, B/D, Chakala Road Andheri (East), Mumbai – 400 093	
CIN:	L18100TG1981PLC003031	
Bankers	State Bank of India Union Bank of India Syndicate Bank Bank of India	
Registrar & Share Transfer Agents:	M/s. XL Softech Systems Limited Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034.	

WORKS

Unit-I	Wind Mill	Gas Power Project
Sadashivpet Sangareddy District	Ramagiri Anantapur District	Y.Kattapalli Village, P.Gannavaram Mandal East Godavari Dist. A.P. – 533 240.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 36th Annual General Meeting of the Members of M/s. Priyadarsini Limited will be held on WEDNESDAY, 29TH day of NOVEMBER, 2017 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, Sangareddy 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, 2017, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Ratnakumari Cherukuri (00018519), who retires by rotation at this Annual General Meeting, and being eligible, offers herself for re-appointment
3. To appoint the auditors of the company
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and based on the recommendations of the Audit Committee and the Board of Directors, approval of Members be and is hereby accorded to the appointment of M/s. GMN Rao & Associates, Chartered Accountants (Firm Registration No.016126S) as Statutory Auditors of the Company, in place of retiring auditors M/s. P. Srinivasan & Co., Chartered Accountants (Firm Registration No.004055S), to hold office from the conclusion of this 36th Annual General Meeting (AGM) until the conclusion of the 41st AGM, for a period of 5 years, and subject to ratification by members at every Annual General Meeting and at such remuneration and out of pocket expenses, as may be decided and approved by the Audit Committee and 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 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 reenactment 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 reappoint Mr. Kowsalendra Rao Chrukuri (DIN: 00018525), as Executive Vice chairman of the Company for a period of three years with effect from 07th June, 2017 without any remuneration.

By Order of the Board of Directors
For Priyadarsini Limited

Place: Hyderabad
Date : 16.10.2017

C. K. Rao
Executive Vice Chairman
DIN No: 00018525



NOTES

- 1 The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Ordinary/ Special Business set out in the notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
- 2 The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 24th November, 2017 to Wednesday, 29th November, 2017 (both days inclusive).
- 3 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.
- 4 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.
- 5 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.
- 6 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.
- 7 Members/Proxies are requested to bring their duly filled Attendance Slip along with the copy of the Annual Report to the Meeting.
- 8 Member(s) are requested to notify immediately any change in their address to the Company at the Registered Office
- 9 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.
- 10 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.
- 11 Members, who hold shares in physical form, are requested to advise the Company immediately of any change in their addresses.
- 12 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.
- 13 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.
- 14 Members, who hold shares in electronic form, are requested to bring their Client Id and DP Id for easy identification.
- 15 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.
- 16 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.
- 17 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.
- 18 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.



19 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.

Voting through electronic means

20 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 Sunday, 26th November, 2017 (9.00 A.M.) and ends Tuesday, 28th November, 2017 (5:00 P.M.). During this period shareholders' of the Company, holding shares as on cut-off date Tuesday, 21st November, 2017 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.

BSS & Associates, Practicing Company Secretaries, has been appointed as the scrutinizer to scrutinize the e-voting process and they will submit their 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.

21 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 "COMPANYNAME" 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 a-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 Corporate. 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 Sunday, 26th November, 2017 (9.00 A.M.) and ends Tuesday, 28th November, 2017 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off Tuesday, 21st November, 2017 of Record Date, may cast their vote electronically. The a-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.

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

Particulars	Cherukuri Ratnakumari (Re-appointment)
Date of Birth	25-08-1950
Qualifications	Studied upto Graduation
Expertise in specific functional areas	Knowledge of managing her husband's business for last three decades
Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 25 Companies)	M/s. Padmaja Agencies Private Limited M/s. Sravanthi Agencies Private Limited
Chairmanships/ Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/ Investors Grievance Committee)	N. A.
Number of shares held in the Company	189850

By Order of the Board of Directors
For Priyadarsini Limited

C. K. Rao

Executive Vice Chairman

DIN No: 00018525

Place: Hyderabad

Date : 16.10.2017

ITEM NO.4:

Mr.Kowsalendra Rao Cherukuri, aged 76 years, is a promoter and Executive Vice Chairman of the Company and having over 40 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, 2017. 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 Cherukuri should be available to the Company for a further period of three years with effect from 07th June, 2017 without any remuneration.

Mrs. Ratnakumari Cherukuri being related to Mr.Kowsalendra Rao Cherukuri, is interested and concerned in the above resolution along with the incumbent. Save and except Mr. Mr.Kowsalendra Rao Chrukuri (DIN:00018525) and his relatives to the extent of their shareholding interest, if any in the Company, none of the Directors/Key Managerial Personnel of the Company/their Relatives or in any way concerned or interested financially or otherwise in the resolution set out at Item No.4 of the Notice of the 36th Annual General Meeting.

The Board recommends the Special Business as set out in Item No.4 of the Notice for approval of the shareholders as Special Resolution.

By Order of the Board of Directors
For Priyadarsini Limited

C. K. Rao

Executive Vice Chairman

DIN No: 00018525

Place: Hyderabad

Date : 16.10.2017



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 36th Annual Report together with the Audited Accounts for the year ended 31st March, 2017.

1. Financial Performance

The financial results of the Company for the financial year 2016-17 as compared with the previous year are as follows:- (Rs. In Lakhs)

	<u>31March 2017</u>	<u>31March 2016</u>
Total Revenue	2585.74	3467.56
Profit/ Loss before Tax	-1083.15	-1389.04
Tax Expenses	0	0
Profit / Loss for the year	-1083.15	-1389.04
Balance of Profit/Loss brought forward from previous year	-7840.83	-6542.95
Profit/ Loss available for appropriation	-8923.98	-7840.83

DIVIDEND

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

POLICY ON MATERIAL SUBSIDIARIES

During the financial year under review, the company has achieved a turnover of Rs.2585.74 lakhs against Rs.3467.56 Lakhs in the previous financial year. The Company has incurred a loss of Rs.1083.15 lakhs against a loss of Rs.1389.04 lakhs in the previous period.

Due to lack of working capital the company carries 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 a period of two years. Sanction of working capital term loan representing the uncovered portion in the cash credit loan account and interest relief have been provided.

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.

WINMILL

During the year under review, the 1.8 M.W. Wind power mill has generated 22,21,700 units as against 18,42,086 units in the previous year.

GAS POWER 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.

FIXED DEPOSITS

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.

CORPORATE GOVERNANCE

Your Company is in conformity with the code of Corporate Governance enunciated in Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) 2015 read with the Listing Agreement entered with the Stock Exchanges. A separate report on Corporate Governance in 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.

PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

All transactions entered by the Company with Related Parties were in the Ordinary course of Business and are at Arm's Length pricing basis. The Audit Committee granted approvals for the transactions and the same were reviewed by the Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as Annexure - I to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 is appended as Annexure-II to the Board's Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies during the financial year 2016-17.

Number of Board Meetings held

The Board of Directors duly met 4 times during the financial year from 1st April, 2016 to 31st March, 2017, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard-1.