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PRIYADARSHINI THREAD LIMITED

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FIFTEENTH ANNUAL REPORT 1998-99

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BOARD OF DIRECTORS

Chairman	:	Sri D Balasundaram
Vice Chairman	:	Sri N Radhakrishna Reddy
Directors	:	Sri G B K Reddy Sri C Satyanarayana Sri V Ramakrishna Rao Smt Ananda Lekshmi Narayanan [IDBI Nominee] Sri K L Krishna [BIFR Nominee] Sri R Mani Mohan [SBT Nominee] Sri N Sujith Kumar Reddy
Whole Time Director	:	Sri D Sivayya
Auditors	:	M/s P Srinivasan & Co., Chartered Accountants, Hyderabad - 500 001.
Bankers	:	State Bank of Travancore
Regd. Office	:	6-3-901, Shantiniketan, Rajbhavan Road, Somajiguda, Hyderabad - 500 082.
Factory	:	Chandapur, Narsapur Taluk, Medak Dt., Andhra Pradesh

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NOTICE TO SHARE HOLDERS

Notice is hereby given that the Fifteenth Annual General Meeting of the Company will be held on 30-12-1999 at 11.00 AM at JAYA GARDENS, 6-3-1106, Rajbhavan Road, Somajiguda, HYDERABAD - 500 082 to transact the following business:

ORDINARY BUSINESS :

01. To receive, consider and adopt the Profit and Loss account for the year ended 31st March'99 and Balance Sheet as on that date and the Report of Directors and Auditors thereon.

02. To appoint a Director in place of Sri D.Balasundaram, who retires by rotation and being eligible, offers himself for reappointment.

03. To appoint a Director in place of Sri V Ramakrishna Rao, who retires by rotation and being eligible offers himself for reappointment.

04. To appoint a Director in place of Sri N Radhakrishna Reddy, who retires by rotation and being eligible offers himself for reappointment.

05. To Appoint Auditors and to fix their Remuneration.

By order of the Board
for **PRIYADARSHINI THREAD LIMITED**

N. RADHAKRISHNA REDDY
DIRECTOR

Place : HYDERABAD
Date : 15-11-1999.

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NOTES :

1. 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. The instrument of the proxy shall, however, be deposited at the Registered Office of theCompany not less than 48 hours before the commencement of the meeting.

2. The Register of Members and Share Transfer Books of the Company will remian closed from 27-12-1999 to 30-12-1999 (both days inclusive).

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DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Annual Report and the audited accounts for the financial year ended 31st March, 1999.

THE WORKING RESULTS OF THE COMPANY ARE :

(Rs.in lakhs)

		Year ended 31.03.1999	Year ended 31.03.1998
a)	FINANCIAL:		
	Sales & Other Income	971.99	1396.56
	Profit before Interest and Depreciation	(202.39)	(122.41)
	Interest & Finance Charges	63.82	99.90
	Profit/(Loss) after Interest but before depreciation	(266.21)	(222.31)
	Depreciation	16.82	46.89
	Profit/(Loss) for the year	(283.03)	(269.20)
	Prior period adjustment	22.26	0.15
	Interest on Term Loans Written back to Profit & Loss A/c	--	--
	Net Profit/(Loss)	(260.77)	(269.05)
b)	OPERATIONS:		
	Production (in Kgs)	4,18,545	6,99,716
	Sales (in Kgs)	4,48,641	6,76,612

REVIEW OF OPERATIONS

During the year under review, production was less than the previous year by 281.17 MT, mainly due to Working Capital shortage as well as non-availability of yarn as per our specifications. Consequently, sales were lower than the previous year. The Company has sustained a loss of Rs 260.77 lakhs as against a loss of Rs. 269.05 lakhs during the previous year.

Prior year adjustment is inclusive of, excess provision made in depreciation in the earlier years has now been adjusted to the extent of Rs 20.85 lakhs in respect of Plant & Machinery.

MARKETING:

As reported in the previous year, the un-organised sector manufacturing and selling sewing thread continues to be outside Central Excise net offering severe competition to organised sector. While realisations are also not remunerative, input costs have gone up steeply resulting in higher losses per sale unit. Inspite of it, we are able to market because of good quality of our products.

DIRECTORS :

Sri D Balasundaram, who retires by rotation and being eligible, offers himself for reappointment.

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Sri V Ramakrishna Rao, who retires by rotation and being eligible offers himself for reappointment.

Sri N Radhakrishna Reddy, who retires by rotation and being eligible offers himself for reappointment.

AUDITORS :

M/s.P.Srinivasan & Co., Chartered Accountants, the Company's Auditors retire at the conclusion of this Annual General Meeting. They are eligible for reappointment.

FIXED DEPOSITS :

The Company has not invited any deposits from public in terms of section 58 (A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information required under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 with respect to these matters is given in Annexure - I and form part of this report.

PARTICULARS OF EMPLOYEES :

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 during the year under report is as per the Annexure II.

The Employee relationship continued to be cordial during the year.

ACKNOWLEDGEMENTS :

The Director's take this opportunity to express their deep sense of gratitude to Financial Institutions, Banks, Central and State Government Departments and local authorities for their continued guidance and support.
At this point, the Director's would like to place on record their sincere appreciation of the total commitment, dedication and hard work put in by every employee of the Priyadarshini Thread Limited.
And to you, the Director's are ever grateful for the confidence and faith reposed in the Company.

For and on behalf of the Board

Place : HYDERABAD	**N. RADHAKRISHNA REDDY**	**G B K REDDY**
Date : 15-11-1999	DIRECTOR	DIRECTOR

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ANNEXURE I

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

A. Conservation of Energy :

a) Energy conservation measures taken

i. We have installed power capacitors to improve the power factor.

ii. Lighting load is reduced by providing more natural light.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

i. Energy losses due to steam leakage etc., are being minimised.

ii. Thermal losses are being reduced by providing better insulation.

iii. Improvement of boiler efficiency.

c) Impacts of the measures at (a) and (b) above for reduction of energy consumption and subsequent impact on the cost of production of goods are shown in item (B) of Form 'A'.

d) Total energy consumption per unit of production is as under :

FORM 'A'

	Current Year 1998-99	Previous Year 1997-98
A. POWER AND FUEL CONSUMPTION :		
1. Electricity.		
a. Purchased Units	**11.96 lakhs**	13.71 lakhs
Total Amount (Rs.)	**42.60 lakhs**	47.07 lakhs
Rate/Unit (Rs.)	**3.56**	3.43
b. Own Generation		
Through Diesel Generator sets (Units)	**0.47 lakhs**	1.47 lakhs
(Units/Lr. of Diesel Oil	**2.11 Ut/Ltr**	2.18 Ut/Ltr
Cost/Unit (Rs.)	**4.84/Unit**	4.49/Unit
Through Steam Turbine/	--	--
Gen. Units	--	--
Units/Ltr. of fuel Oil/	--	--
Gas	--	--
Cost/Unit	--	--

2. Coal (Specify quantity and where used): Average CV 3000 Cal/Kg.and ash 30% average and used for burning to produce steam.

Quantity (Tonnes)	**1350**	2488
Total Cost (Rs.)	**25.28 lakhs**	59.10 lakhs
Average Rate (Rs.)	**1872/MT**	2375/MT

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