

31st
ANNUAL REPORT
2011 - 2012



Priyadarsini Limited
(Formerly known as Priyadarshini Spinning Mills Limited)

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Board of Directors

Mr.Kowsaledra Rao Cherukuri, Executive Vice Chairman
 Mr. Harish Cherukuri, Managing Director
 Mr.K.Rama Mohana Rao, Director
 Mr.David L.Sinate,(Exim Bank Nominee)
 Mr.H.N.Vishweshwar, (Syndicate Bank Nominee)
 Mr.Vasudev Chaturvedi, Director
 Mr.D.Venkatratnam, Director
 Mr.P.Govardhana Naidu Additional Director

Company Secretary

Mr. Ramesh Bandari

Audit Committee

Mr. D. Venkata Ratnam
 Mr. K. Rama Mohana Rao
 Mr. Harish Cherukuri
 Mr. Vasudev Chaturvedi
 Mr. P. Govardhana Naidu

Shareholders Committee

Mr. D. Venkata Ratnam
 Mr. Harish Cherukuri
 Mr. P. Govardhana Naidu

Remuneration Committee

Mr. D. Venkata Ratnam
 Mr. K. Rama Mohan Rao
 Mr. Vasudev Chaturvedi
 Mr. P. Govardhana Naidu

Statutory Auditors

M/s P. Srinivasan & Co.,
 Chartered Accountants
 12-13-422, Street No. 1
 Lane Opp. Bank of Baroda
 Tarnaka, Secunderabad - 500 017.

Bankers

State Bank of India
 Union Bank of India
 Syndicate Bank
 Bank of India
 Andhra Bank
 Exim Bank
 HDFC

Regd. Office

Survey No. 744 & 745
 Sadasivpet, Sadasivpet Mandal
 Medak District - 502291

Corp. Office

H. N.o. 262/3RT, 3rd Floor,
 M.N. Reddy Classic Building,
 S.R. Nagar, Hyderabad - 38.

Mktg. Division

G-9, Nahar & Seth Indl. Estate
 Plot No.29, B/D, Chakala Road
 Andheri (East)
 Mumbai -400 093.

WORKS
Unit-I

Sadashivpet
 Medak District
 A.P. -502 291.

Wind Mill

Ramagiri
 Anantapur District
 A.P. -515 001.

Gas Power Project

Y. Kattapalli Village, P. Gannavaram Mandal
 East Godavari District
 A.P. - 533240.



NOTICE

Notice is hereby given that the 31st Annual General Meeting of Member's of M/s. Priyadarsini Limited (Formerly known as Priyadarshini Spinning Mills Limited) to be held on Saturday the 29th December 2012 at 11-00 a.m. at the Regd. Office Survey No. 744 & 745, Factory Premises, Sadasivpet, Sadasivpet Mandal, Medak District - 502291.

ORDINARY BUSINESS:

1. To Consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Profit and Loss Account 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.K.Rama Mohana Rao, who retires by rotation and being eligible, offers himself for re – appointment.
3. To Appoint a Director in place of Mr.Vasudev Chaturvedi, who retires by rotation and being eligible, offers himself for re – appointment.
4. To Appoint Auditors to hold office till the conclusion of next Annual General Meeting and to fix their Remuneration, M/S.P.Srinivasan & Co., Chartered Accountants (the Retiring Auditors of the Company are eligible for re – appointment).

SPECIAL BUSINESS:

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

RESOLVED THAT Mr. P.Govardhana Naidu, who was appointed as an additional Director by the Board under section 260 of the Companies Act, 1956 and articles of association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing, under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company"

By order of the Board of Directors
for **PRIYADARSINI LIMITED**

Place: Hyderabad
Date : 10th November, 2012

RAMESH BANDARI
Company Secretary

**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. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27 - 12 -2012 to 29-12-2012 (Both days inclusive).
3. As per the provisions of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education & Protection Fund. Thereafter, the shareholders shall not be able to claim any unpaid dividend from the said fund or from the Company. Therefore, the shareholders who have not encashed the dividend warrant(s) so far for the financial year ended March 31, 2006 are requested to make their claim to the Company.
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 demat 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. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 with respect to the special business is annexed herewith.
9. Brief profile of the Directors who retire by rotation is given in the Corporate Governance report attached to this notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO.05**

Mr.P.Govardhana Naidu was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 14th February, 2012.pursuant to section 260 of the Companies Act, 1956, Mr. P.Govardhana Naidu, holds office only up to the Annual General Meeting. As required under section 257 of the Companies Act, 1956, notice has been received from a member along with deposit of Rs.500 signifying his intention to propose Mr.P.Govardhana Naidu, as a candidate for the office of Director.

The Board of Directors recommends passing of the Resolution None of the Directors, except, Mr.P.Govardhana Naidu, is in any way concerned in the resolution

for **PRIYADARSINI LIMITED**

Place: Hyderabad
Date : 10th November, 2012

RAMESH BANDARI
Company Secretary



DIRECTORS' REPORT

To the members,

The Directors of your Company have pleasure in presenting the 31st Annual Report together with the audited statement of accounts for the year ended March 31st, 2012.

FINANCIAL RESULTS

(Rs. in Lakhs)

	Current year ended 31-03-2012	Previous year ended 31-03-2011
1. Sales and other Income	18974.13	26109.33
2. Profit before interest and depreciation	(2141.55)	2254.99
3. Interest and Finance Charges	1728.76	1368.03
4. Depreciation	793.54	806.59
5. Profit/(loss) after interest and Depreciation	(4663.85)	80.36
6. Provision for Taxation		
a) Current Tax	-	(15.02)
b) Fringe Benefit Tax	-	-
c) Deferred Tax charge	369.29	807.89
7. Prior period item	-	-
8. Net Profit(loss) After tax	(4294.56)	873.23
9. Profit and Loss A/c Balance	(2462.76)	1831.80
APPROPRIATIONS		
1. Surplus carried forward to Balance Sheet	(2462.76)	1831.80

REVIEW OF OPERATIONS:

During the year under review, the company has achieved a turnover of Rs. 18974.13 lakhs against Rs.26109.33 in the previous year. Thus registering a negative growth of 27.32%. The company has incurred a loss of Rs. (4294.56) Lakhs against a profit of Rs.873.23 Lakhs in the previous year.

The poor operative results are due to down trend in the Textile Industry from the beginning of the operated financial year which is mainly on the account of volatility in the cotton market, severe power cut, low production and un-remunerative sale prices. The operations of the company were not able to meet the interest cost. The delay in realization of sale proceeds of Ongole unit by 3 months has also added to the loss.

The Management is taking effective steps to cut the cost and improve production. The bankers have also been approached for restructuring the limit coupled with reduction in the rate of interest. With the package already announced by the Textile Ministry, we are sure that the company will turn around in the next year of operation.

TEXTILE INDUSTRY

Textiles 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. For the period April, 2011 to December, 2011 the losses reported were to the extent of Rs.928 crores as against a profit of Rs.2325 Crores registered during the same period last year.

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 while 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 Interest relief.

The company is awaiting the directions from RBI to various banks for implementation of the scheme. In addition to this the Government of India has announced on 5th June, 2012 by means of annual supplement 2012-13. to Foreign Trade Policy 2009-14 wherein interim concessions/incentives have been extended to boost exports.

Production of cotton yarn and other yarns during the year 2011-12 stood at 4359 ml.kgs. and of which cotton yarn is at 3120 ml.kgs, Synthetic 779 ml.kgs and others 459 ml.kgs. For the Textile industry, the year 2011-12 is the worst year as it has suffered due to recession in Western Countries, Poor off take in domestic market, increased raw material prices, power shortage, Pollution problems etc.,.

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

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 including rupee appreciation increase in interest rates are the major risk factors presently for the textile industry. If there is an appreciation of rupee, then the competitiveness of industry vs. other countries will decrease. Since the products would be diverted to the domestic market, the price realization will decrease even though there is growth in the domestic consumption. 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 programme 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 are liable 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:

On the export front, your Company's exports has shown impressive performance by achieving export turnover of Rs. 1572.83 lakhs during the year 2011-2012 as Compared to Rs.2602.72 Lakhs in the previous year thereby registering a decline of 39.56% Which is due to global recession. The Company expects further growth in the exports in the fiscal year 2012-2013.

WIND MILL:

During the year under review, the 1.8 M.W Wind power Mill has generated 21, 67,219 units as against 20,50,800 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.

The company proposes to sell this unit during the current year 2011-2012 but the deal could not materialize, through the company got NOC from the bankers.

GARMENT DIVISION:

During the year the company sold the Garment Division. The company has made a net loss of Rs.215.48 Lakhs in this transaction.

ONGOLE UNIT

During the year the company has also sold the loss making Ongole unit for a sum of Rs.3400 Lakhs. Out of sale proceeds, the company has pre-paid the term loan taken for the project from Exim Bank and Syndicate Bank to the extent of Rs.1917 Lakhs, and the balance amount was utilized towards payment of principal and interest of other term loans cash credit account and meeting towards working capital requirements.

The company had made a profit of Rs.1165.63 lakhs out of the sale.



FIXED DEPOSITS:

The fixed Deposits outstanding as on 31.03.2012 amounted to Rs 659.87 Lakhs and there were no overdue Deposits.

INSURANCE:

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

CORPORATE GOVERNANCE:

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.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, 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 state of affairs of the Company at the end of the financial year and of the profit of the Company for that year:
- iii) The 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.

DIRECTORS:

Mr. P. Govardhana Naidu, who was appointed as an additional director will be regularized at the ensuing annual general meeting.

Mr. Srinivas Kodali, Director has resigned from the Board of Directors of the Company w.e.f 10th February, 2012

With the provisions of the Companies Act, 1956 and Article of Association of the Company, two of your Directors Mr.K.Rama Mohana Rao and Mr.Vasudev Chaturvedi Directors, retire by rotation and being eligible offer themselves for re – appointment.

STATUTORY AUDITORS:

M/S.P.Srinivasan & Co., Chartered Accountants, the Statutory Auditors of the Company retires at the Conclusion of the ensuing Annual General Meeting and are eligible for re – appointment.

CONSERVATION OF ENERGY:

Conservation of energy, Technology Absorption & Foreign exchange earnings and information pursuant to Section217(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.

PARTICULARS OF EMPLOYEES:

In terms of sub – section (2A) of section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended, the Company has No employee drawing salary exceeding Rs. 24.00 Lakhs per annum or Rs.2.00 Lakhs per month during the year under review.

HUMAN RELATIONS:

During the period and review the industrial relations continued to be cordial at all the units.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to offer their sincere thanks for continued assistance and cooperation extended to the Company by various departments of the Central and State Governments, Government Agencies, Financial Institutions, Banks, and other statutory authorities.

Your Directors also take this opportunity to offer their sincere thanks to shareholders, customers, creditors and other related organizations, for their continued support and Cooperation, and have helped in the Company's growth.

Your Directors also wish to thank the employees at all levels for the co-operation extended by them in achieving the results.

for and on behalf of the Board of Directors

Place: Hyderabad

Date: 10th November, 2012

Ramesh Bandari

Company Secretary

C.K. Rao

Executive Vice Chairman

Harish Cherukuri

Managing Director



ANNEXURE TO DIRECTORS' REPORT

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.

1. CONSERVATION OF ENERGY:

The Company has taken various steps over the previous year to conserve energy wherever possible. This process continues to remain a thrust area. Energy audit and inter unit studies are carried out on a regular basis for taking necessary steps for reduction of energy consumption.

The Required information regarding Energy Consumption is given in the prescribed Form – A.

2. TECHNOLOGY ABSORPTION:

The required information is given in the Prescribed Form – B.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earnings & outgo during the year under review as follows.

- i) Foreign Exchange used : Rs. 41,23,226
- ii) Foreign Exchange Earned : Rs. 1572.83 Laksh

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

A. Power and Fuel Consumption:	2011-2012	2010-2011
1. Electricity :		
a) Purchased :		
Units (in lakhs of KWH)	335.12	538.55
Total amount (Rs.in lakhs)	1411.56	1897.32
Average Rate : (Rs./Unit)	4.21	3.52
b) Own Generation :		
i) Through Diesel Generators		
Units (in lakhs of KWH)	0.67	0.85
Units per Litre of Diesel Oil	2.04	2.34
Average Cost: Rs. /Unit	22.15	14.48
ii) Through Wind Mills		
Units generated (in lakhs KWH)	21.67	19.95
Value (Rs.lakhs)	89.78	84.33
Average Rate (Rs./Unit)	4.14	4.23
iii) Through Gas Power Project		
Units generated (in lakhs KWH)	-	-
Value (Rs.lakhs)	-	-
Average Rate (Rs./Units)	-	-
2. Coal (Quality : 'B,C & D' Round used in boiler for fiber/yarn dyeing)		
Quantity (Tons)	2543.71	2711.08
Total Amount (Rs. in lakhs)	132.95	101.12
Average Rate (Rs./Kg)	5.23	3.73
3. Furnace Oil	Nil	Nil
4. Others	Nil	Nil

B. Consumption per unit of production :

	Standard	Current Year	Previous Year
Yarn Production (Kgs. in lakhs)	—	81.82	134.25
Fibre/yarn Dyed (Kgs. in lakhs)	—	26.35	32.92
Electricity(Units/Kg of Yarn)	—	4.36	3.65
Electricity(Units/Piece)	—	-	0.96
Coal(Kgs/Kg of Dyed Fibre/yarn)	—	0.96	1.01



FORM – B

Form for Disclosure of particulars with respect to Technology Absorption: Nil

Research and Development (R&D):

With the establishment of Research & Development department, the Company is in a position to explore the development of new varieties of Yarn & with more value addition.

REPORT ON CORPORATE GOVERNANCE:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company firmly believes that good corporate practices underscore its drive towards competitive strength and sustained performance. These practices are also powerful tool for building trust and long term relation ship with stakeholders of the Company. Your Company's thrust on transparency, integrity, accountability and disclosure has enabled it to accomplish best Corporate Governance practices.

2. Board of Directors:

A).Composition

The Board has Eight Directors Comprising Two Executive Directors and Six Non-Executive Independent Directors including nominee Directors and Additional Director. The non-executive Directors are eminent professionals drawn from amongst persons with experience in business, finance, research and industry.

The Board is composed as per clause 49 of listing agreement entered with the stock exchanges.

The Composition of the Board is as under:

Name of the Director	Category of Director	No. of other Directorships held (including Private Companies)	Attendance at Board meeting (No. of Board meetings)	Attendance at last AGM
Sri.Kowsalendra Rao Cherukuri	Executive Vice Chairman	1	5(5)	Attended
Mr. Harish Cherukuri	Managing Director	3	6(6)	Attended
Mr.K.Rama Mohana Rao	Independent Director	-	5(6)	Not Attended
Mr.Vasudev Chaturvedi	Independent Director	-	3(4)	Attended
Mr.D.Venkata Ratnam	Independent Director	-	4(4)	Attended
Mr.H.N.Vishweshwar	Nominee Director(Syndicate Bank)	1	4(6)	Not Attended
Mr.K.Uma Maheswaram	Nominee Director (Exim Bank)(1)*	-	6(6)	NotAttended
Mr.P.Govardhana Naidu	Additional Director (2)*	-	-	-
Mr.Srinivas Kodali	Executive Director (3)*	-	14(6)	Attended
Mr.David L Sinate	Nominee Director (Exim Bank)(4)*	-	-	-

Notes:

1. Mr.K.Uma Maheswaram(Ceased to be Exim Bank Nominee w.e.f.14.05.2012
2. Mr.P.Govardhana Naidu(Appointed as an additional Director w.e.f.10.02.2012
3. Mr.Srinivas Kodali(Ceased to be a Director w.e.f.10.02.2012
4. Mr. David L Sinate (Appointed as Exim Bank Nominee w.e.f.14.05.2012

B) BOARD MEETING:

The Board of Directors Met Six (6) times during the Financial year 2011-2012 on 11th May, 2011, 8th July, 2011, 02nd September, 2011, 29th September, 2011, 14th November, 2011 and 10th February, 2012

BOARD COMMITTEES:

The Board of Directors has constituted Three Committees of the Board:

Audit Committee:

The Committee comprises of Four non-Executive independent Directors and Managing Director. The Committee has powers similar to those stated in the listing agreement and shall exercise most of the functions as per the terms of reference in line with the requirements of the listing agreement.



Mr. Venkata Ratnam	Chairman
Mr. K.Rama Mohana Rao	Member
Mr.Harish Cherukuri	Member
Mr.Vasudev Chaturvedi	Member
Mr.P.Govardhana Naidu	Member

The Committee Met Five times(5) during the year 2011-2012 on 11th May, 2011, 08th July 2011 , 02nd September, 2011 14th November, 2011 and 11th February, 2012.

b) Remuneration Committee:

The Committee periodically reviews and recommends payment of Salaries, commission, and other terms and conditions of the Whole-Time Directors, subject to approval of Board of Directors and subsequent approval by shareholders at a General meeting. The Committee consists of the following Non-Executive Independent Directors:

Mr. Mr.Venkata Ratnam	Chairman
Mr. K.Rama Mohana Rao	Member
Mr.Vasudev Chaturvedi	Member
Mr.P.Govardhana Naidu	Member

The Committee met once on 08th June, 2011.

Directors' Remuneration :

i). Executive Directors:

Name & Designation	Salary (Rs.)	PF Contri- bution (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Harish Cherukuri Managing Director	1200,000	1,44,000	5,77,003	19,21,003
Mr. C. Kowaslendra Rao Executive Vice Chairman	1200,000	-	36,00,00	1560000
Mr. Srinivas Kodali Executive Director	12,00,000	1,44,000	5,74,855	19,18,855

ii) Non-Executive Directors

Non-Executive Directors has not been paid any remuneration except sitting fees for attending Board Meeting & Committee Meetings. The details of sitting fees paid to the Non-Executive Directors during the year 2011-2012 are given hereunder:

S.No.	Name & Designation	Sitting Fees (Rs.)
1.	Mr.P.Ramachandra Raju	25000
2.	Mr.K.Rama Mohana Rao	60000
3.	Mr.Vasudev Chaturvedl	25000
4.	Mr.D.Venkata Ratnam	35000
5.	M/s .Syndicate Bank	25000
6.	M/s .Exim Bank	40000

*Sitting fees paid to the concerned bank

No stock options granted to the Non-Executive Directors including independent Directors as on date

b). Shareholders/Investors Grievance Committee:

Main function of the Shareholders/Investors Grievance Committee is to supervise and ensure efficient transfer of shares and proper and timely attendance of Investor's complaints.

The Committee consists of the following Directors:

Mr.D.Venkata Ratnam	Chairman
Mr. Harish Cherukuri	Member
Mr.P.Govardhana Naidu	Member

Note:

1. Mr.P.Govardhana Naidu appointed w.e.f. 10.02.2012.
 2. Mr.Srinivas Kodali Resigned w.e.f.10.02.2012
- The Committee Met Five times(5) during the year 2011-2012 on 11th May, 2011, 08th July 2011 , 02nd September, 2011, 14th November, 2011 and 11th February, 2012.


Name and Designation of Compliance Officer:

Mr. Ramesh Bandari, Company Secretary

It is ensured that queries, if any, received from shareholders are attended within a minimum period of time

During the year under review, the Company has received 1 Complaint for divided warrant and replies were sent to the satisfaction of the shareholders. There are no outstanding Complaints as on 15th June, 2012

D) ADDITIONAL INFORMATION ON DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
1. GENERAL BODY MEETING:

Date and Venue of the last three Annual General Meetings

Date:	Place	Time
29.09.2011	Sri Sagi Rama Krishnama Raju Community Hall, Mdhura Nagar, "E" Block, Hyderabad – 500038	11.00.A.M.
29.09.2010	Sri Sagi Rama Krishnama Raju Community Hall, Mdhura Nagar, "E" Block, Hyderabad – 500038	10.30.A.M.
23.09.2009	Sri Sagi Rama Krishnama Raju Community Hall, Madhura Nagar, 'E' Block, Hyderabad – 500038.	10.30. A.M.

- Extra-Ordinary General Meeting of the Members was held on 25th October, 2011 and 18th September, 2012 through postal ballot for the sale of Ongole Unit and Name & Register Office change respectively.
- Special resolutions passed in previous 3 Annual General Meetings.

Date	Brief particulars of the Resolution(s)
29.09.2011	for Preferential Allotment of Shares
29.09.2010	Nil
23.09.2009	Nil

- 2. SUBSIDIARIES** : There are no Existing Subsidiary Companies.
- 3. RELATED PARTY TRANSACTIONS** : As per AS-18 the related party Transactions are reflected in notes to Accounts.

4. DISCLOSURES:

- a). There were no material significant transactions with the Directors or the management, their subsidiary or relatives that have no potential conflict with interest of the Company at large.
- b). There were no cases of non-compliance by the Company, nor any cases of penalties, strictures imposed on the Company by stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during the last three years.

5. MEANS OF COMMUNICATION:

The Company has always promptly reported all material information including quarterly financial results to all stock exchanges where the securities of the Company are listed. The quarterly results and other information were communicated to the shareholders by way of advertisement in national daily and in vernacular language newspapers. The summary of the financial results of the Company are also made available at the Company's web site www.pmspinning.com



6. GENERAL SHAREHOLDERS INFORMATION:

- a) Date, time and venue of 31st Annual General Meeting of Member's of M/s. Priyadarsini Limited (Formerly known as Priyadarshini Spinning Mills Limited) to be held on Saturday the 29th December 2012 at 11-00 a.m. at the Regd. Office Survey No. 744 & 745, Factory Premises, Sadasivpet, Sadasivpet Mandal, Medak District - 502291.
- b) Financial Calendar : 1st April to 31st March
- i) First quarter results : 1st or 2nd week of August
- ii) Second quarter results : 1st or 2nd week of November
- iii) Third quarter results : 1st or 2nd week of February
- iv) Annual results : Preferably audited within Two Months
- c) BOOK CLOSURE DATE : 27-12-2012 to 29-12-2012(Both days Inclusive)
- d) LISTING ON STOCK EXCHANGE: The Bombay Stock Exchange Limited, Mumbai.
- e) STOCK EXCHANGE CODE (BSE LTD) : 503873
- f) STOCK MARKET DATA:

The monthly high and low price vis-a-vis BSE Sensex during the financial year 2011-2012 are given below:

Month	Share prices Rupees		BSE sensex	
	High	Low	High	Low
April, 2011	86.80	56.05	19811.14	18976.19
May, 2011	91.00	74.10	192536.87	17786.13
June, 2011	90.00	68.00	18873.39	17314.38
July, 2011	97.00	70.05	19131.70	18131.86
August, 2011	93.85	60.25	18440.07	15765.53
September, 2011	107.00	78.05	17211.80	15801.01
October, 2011	81.80	28.85	17908.13	15745.43
November, 2011	38.25	25.30	17702.26	15478.69
December, 2011	31.40	18.10	17003.71	15135.86
January, 2012	21.40	15.75	17258.97	15358.02
February, 2012	19.25	13.20	18523.78	17061.55
March, 2012	16.90	12.04	18040.69	16920.61

- g) Listing Fees : Paid to the above Exchange for the year 2012 -2013
- h) Registrars and Share transfer agents for Physical And Electronic Form : Ms. XL Softech Systems Limited
Plot No – 3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad – 500034.
Ph No. 040-23545913, Fax No. 040-23553214.
- i) Company's ISN : INE165C01019
- j) Mode of Transfer of Shares : Compulsory dematerialization

As on 31.03.2012, 9899477 shares or 89.345% of the total equity capital is held in a dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

k) Share Transfer System:

The Company has appointed M/s.XL Softech Systems Limited as Registrars and Share Transfer Agents for both physical and Electronic form, Share transfers/transmissions etc., are being processed and approved by the share transfer committee and subsequently placed before the Shareholders/ Investors Grievance Committee and later on ratified by the Board of Directors, it is ensured that the shares sent for



transfer, transmission etc., are processed twice in a month and incase of demat requests, once in a week.

The Company is following rules and regulations framed by the statutory authorities from time to time. As a part of compliance of listing agreement, the Company is conducting secretarial audit by a qualified practicing Company Secretary on quarterly basis, the audit reconcile the total admitted capital with National Securities Depository Limited(NSDL) and Central Depository Services(India) Limited(CDSL) and the total issued and listed capital of the Company. The audit Confirms that the total issued capital is in agreement with the total number of shares held in physical form and the total number of shares held in dematerialized form with NSDL and CDSL.

l) Shareholding Pattern as on 31.03.2012

Category	No of Shares Held	Percentage of Shareholding
1. Indian Promoters	5074951	45.80%
2. Mutual Funds and UTI	100	-
3. Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions /Non-Government Institutions)	100	-
4. Private Corporate Bodies	2156306	19.46%
5. Indian Public	3789861	34.20%
6. NRIs	54778	0.50%
7. Others (Clearing Members)	3904	0.04%
TOTAL	11080000	100%

m) Company's Address for Correspondence : Secretarial Department, Priyadarsini Limited Register office : Survey No. 744 & 745, Sadasivpet, Sadasivpet Mandadal, Medak Dist – Corporate Office: H.No. 262/3RT, 3rd Floor, M.N.Reddy Classic Building SR Nagar Hyderabad-500038.

n) Registrar's Address for Correspondence : M/s. XL Softech Systems Limited
Unit: Priyadarsini Limited
No.3, Sagar Society, Road No.2
Banjara Hills, Hyderabad – 500034.

CEO Compliance Certificate on code of conduct

I, Harish Cherukuri, Managing Director of Priyadarsini Limited declare that all Board Members and senior management personnel have affirmed compliance with cod of conduct for the year ending March 31, 2012.

Place : Hyderabad
Date : 10th November, 2012

HARISH CHERUKURI
Managing Director



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Priyadarsini Limited

(Formerly known as Priyadarshini Spinning Mills Limited)
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Priyadarsini Limited (Formerly known as Priyadarshini Spinning Mills Limited) for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange.

The Compliance of the Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of the information and according to the explanation give to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For P.Srinivasan & Co.,
Chartered Accountants

K.Ranganathan
Partner
M.No.10842

Place : Hyderabad

Date : 14th August, 2010



AUDITORS' REPORT

To

The Members

M/s. PRIYADARSINI LIMITED

(Formerly known as Priyadarshini Spinning Mills Limited)

HYDERABAD

We have audited the attached Balance Sheet of M/s. Priyadarsini Limited (Formerly known as Priyadarshini Spinning Mills Limited) as at 31st March, 2012 and the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, We annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our Comments in the annexure referred to in paragraph 1 above We report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from directors and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified from being appointed as directors of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2012;
 - ii. In the case of The Statement of Profit and Loss , of the Loss of the Company for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **P.SRINIVASAN & Co.,**
Chartered Accountants
Firm Regd. No. 004055S

K.RANGANATHAN

Partner

M.No.10842

Hyderabad

September 29, 2012



ANNEXURE TO AUDITORS' REPORT

Annexure referred to, in paragraph 1 of our report:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. The management has physically verified most of the fixed assets of the company. The discrepancies noticed on comparison between book records and physical inventory were not material and have been properly dealt with in the books of account.
3. As per information and explanations given by the management during the year the company has not disposed off a substantial part of its fixed assets and the going concern assumption of the company is not affected.
4. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
5. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
6. The company has maintained proper records of inventory and the discrepancies noticed on physical verification as compared to book records were not material and have been appropriately dealt with in the books of account.
7. The Company has not, during the year, granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act,1956.
8. As the Company has not granted or taken loans to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act,1956,the clause relating to rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, which are prima facie prejudicial to the interest of the company is not applicable to the company.
9. As the company has not taken loans from/granted to companies, firms or other parties listed in the register maintained under Section 301 of the companies Act,1956,the clause relating to the regular payment of principal amount and interest is not applicable to the company.
10. As the company has not taken loans from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act,1956, the clause relating to steps taken for recovery/payment of the principal and interest on overdue amount of more than one lakh, is not applicable to the company.
11. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
12. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act,1956, have been so entered.
13. In our opinion and according to the information and explanations given to us, the company has not entered into contracts or arrangements exceeding Rs.5 lakhs in value with companies in which directors are interested as listed in the register maintained under Section 301 of the Companies Act,1956.
14. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA of the Companies Act,1956 and the Companies (Acceptance of Deposits) Rules,1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal.
15. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



16. In our opinion and according to the information and explanations given to us, the company has made and maintained accounts and records prescribed by the Central Government under section 209(1)(d) of the companies Act,1956.
17. According to the records of the company, the company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund. Provident fund dues amounting to Rs. 25,84,979/- are due for more than six months as on 31st March 2012.
18. The Company has accumulated losses which are not less than 50% of its net worth and it has incurred cash losses during the financial year covered by our audit.
19. The Company has defaulted in repayment of principal amounting to Rs.37,00,000 to Bank of India which became due on 1st January,2012 and Interest amounting to Rs.9,53,791 to State Bank of India Rs.13,88,553 to Bank of India, Rs.34,17,899 to Syndicate Bank and Rs.19,83,872 to Exim Bank which were due on 31st March,2012 and which were paid on 25th May 2012, 30th July,2012, 4th July,2012 and 4th October,2012 respectively.
20. The company has not granted loans and advance on the basis of security by way of pledge of shares, debentures and other securities.
21. The company is not a chit fund or nidhi or mutual benefit fund /society and hence the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order,2003 are not applicable to the Company.
22. The Company is not dealing in or trading in shares, securities, debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order,2003 are not applicable to the company.
23. In our opinion, as the Company has not given any guarantee for loans taken by others from banks or financial institutes the provisions of clause 4(xv) of the Companies (Auditor's Report) Order,2003 are not applicable to the company.
24. In our opinion, the he term loans taken by the Company have been applied for the purpose for which they were raised.
25. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term basis.
26. According to the information and explanations given to us the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act,1956.
27. According to the information and explanations given to us, during the period covered by our audit report the Company has not issued any debentures.
28. According to the information and explanations given to us, during the period covered by our audit report, the Company has not raised any monies by public issue.
29. According to the information and explanations given to us and the books and records examined by us, no fraud on or by the Company has been noticed or reported during the year.

For **P.SRINIVASAN & Co.,**
Chartered Accountants
Firm Regd No. 004055S

Hyderabad
September 29th, 2012

K.RANGANATHAN
Partner
M.No.10842



Balance Sheet as at 31st March, 2012

(All amounts in Rupees lakhs, except share data and unless otherwise stated)

	Note	As at 31-03-2012	As at 31-03-2011
		Rs	Rs
EQUITY AND LIABILITIES			
Share holders' Funds			
Share Capital	2.1	1108.00	1108.00
Reserves and Surplus	2.2	(996.63)	3297.93
		<u>111.37</u>	<u>4405.93</u>
Non-Current Liabilities			
Long - term Borrowings	2.3	2998.51	5924.96
Deferred tax Liabilities	2.4	9.66	90.25
Long - term provisions	2.5	268.32	336.15
		<u>3276.49</u>	<u>6351.37</u>
Current Liabilities			
Short - term borrowings	2.6	4794.22	4968.28
Trade payables	2.7	3231.58	3435.53
Other current Liabilities	2.8	1454.62	1834.03
Short - term Provisions	2.9	35.91	53.36
		<u>9516.33</u>	<u>10291.21</u>
TOTAL EQUITY AND LIABILITIES		<u>12904.19</u>	<u>21048.50</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	2.10	7718.48	11408.87
Capital Work - in- Progress		8.07	185.74
Intangible Assets		7.47	9.96
Long - term Loans & Advances	2.11	394.83	387.85
		<u>8128.85</u>	<u>11992.42</u>
Current Assets			
Inventories	2.12	2468.44	5533.93
Trade receivables	2.13	575.30	1466.46
Cash and Cash Equivalents	2.14	320.17	320.17
Short - term Loans and Advances	2.15	311.42	1004.81
Deferred tax asset		1100.00	730.71
		<u>4775.34</u>	<u>9056.08</u>
TOTAL-ASSETS		<u>12904.19</u>	<u>21048.50</u>

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report attached
For P.SRINIVASAN & CO
Chartered accountants
Firm Regd no: 004055S

For and on behalf of the board

K.RANGANATHAN
Partner

HARISH CHERUKURI
MANAGING DIRECTOR

C.K.RAO
EXECUTIVE VICE CHAIRMAN

Place: HYDERABAD
Date: 29-09-2012

RAMESH BANDARI
COMPANY SECRETARY



Statement of Profit & Loss Account for the period ended 31st March 2012

(All amounts in Rupees lakhs except share data and unless otherwise stated)

Particulars	Note	As at 31-03-2012	As at 31-03-2011
REVENUE			
Revenue from Operations (gross)	2.16	17265.09	25961.67
Less : Excise Duty		3.15	0.36
Revenue from Operations (Net)		17261.93	25961.31
Other Income	2.17	1712.20	148.02
Total Revenue		<u>18974.13</u>	<u>26109.33</u>
EXPENSES			
Cost of materials consumed	2.18	11657.63	17330.73
Change in Inventories of Finished goods and work-in-progress	2.19	2637.85	(1287.04)
Manufacturing expenses	2.20	3402.90	4201.37
Employee Benefit expenses	2.21	1416.16	1852.73
Other expenses	2.22	2001.12	1756.55
Finance costs	2.23	1728.76	1368.03
Depreciation	2.10	793.54	806.59
Total expenses		<u>23637.98</u>	<u>26028.98</u>
Profit/(Loss) before tax		<u>(4663.85)</u>	<u>80.36</u>
Tax expense:			
Current tax		0.00	15.02
Deffered tax charge/(credit)		369.29	807.89
Total of tax expenses		<u>369.29</u>	<u>792.87</u>
Profit for the year		<u>(4294.56)</u>	<u>873.23</u>
Basic Earnings per share of Rs 10 each	2.26	(38.76)	7.88
Diluted Earnings per share of Rs. 10 each	2.26	(38.76)	7.88
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report attached

For and on behalf of the board

For P.SRINIVASAN & CO

Chartered accountants

Firm Regd no: 004055S

HARISH CHERUKURI
MANAGING DIRECTOR

C.K.RAO
EXECUTIVE VICE CHAIRMAN

K.RANGANATHAN

Partner

RAMESH BANDARI
COMPANY SECRETARY

Place: HYDERABAD

Date: 29-09-2012



2 Notes to Financial Statements for the year ended 31 March 2012

(All amounts in Rupees lakhs except share data and unless otherwise stated)

Note	Particulars	31 March 2012	31 March 2011
2.1	SHARE CAPITAL	Rs in lakhs	Rs in lakhs
	Authorised		
	3,00,00,000 (As on 01-04-2011 - 3,00,00,000) Equity shares of Rs. 10 each	3000.00	3000.00
	5,00,000 (As on 01-04-2011 - 5,00,000) Preference shares of Rs. 100 each	500.00	500.00
	Total	<u>3500.00</u>	<u>3500.00</u>
	Issued,Subscribed & Paid up		
	1,10,80,000 (As on 01-04-2011 - 1,10,80,000) Equity shares of Rs 10 each	1108.00	1108.00
	Total	<u>1108.00</u>	<u>1108.00</u>

Details of shareholders holding more than 5% shares in the company

	31st March,2012		31st March,2011	
	No.of Shares	% of holding	No.of Shares	% of holding
1. C.Harish	1413838	12.76	1413838	12.76
2. Koneru Investments Pvt Ltd	1337941	12.08	1337941	12.08
3. Unicon Fincap Pvt Ltd	0	0	907569	8.19
4. Natwest Investments Ltd	714900	6.45	714900	6.45

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.2 RESERVES AND SURPLUS

Particulars	31 March 2012	31 March 2011
	Rs in lakhs	Rs in lakhs
AP State subsidy	25.00	25.00
Capital Reserve	30.35	30.35
Share Premium	1062.00	1062.00
General Reserve	348.78	348.78
Profit and Loss Account	(2462.76)	1831.80
Total	<u>(996.63)</u>	<u>3297.93</u>

(All amounts in Rupees lakhs except share data and unless otherwise stated)

NON-CURRENT LIABILITIES

2.3 LONG-TERM BORROWINGS

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Secured				
Term Loans from Banks - Indian Rupees				
Idbi Term Loan	0.00	0.00	0.00	18.33
Idbi Term Loan	0.00	0.00	0.00	11.26
Exim Bank	285.78	585.47	47.88	60.00
Syndicate Bank	1231.50	2757.81	212.00	176.00
HDFC Bank	34.82	62.57	27.75	24.32
State Bank of India	480.00	1016.97	120.00	89.00
Bank of India	169.17	648.29	148.00	148.00
HDFC Bank	0.00	2.78	2.78	20.24
Exim Bank	0.00	0.00	0.00	275.00
Total	<u>2201.27</u>	<u>5073.89</u>	<u>558.41</u>	<u>822.15</u>

**Other Loans & Advances (Unsecured)**

Unsecured loans from Promoters	794.00	846.40
Total	<u>794.00</u>	<u>846.40</u>

Hire Purchase Loans (Secured)

Vehicle Loans from Banks	3.24	4.67
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Total of Secured & Unsecured

<u>2998.51</u>	<u>5924.96</u>	<u>558.41</u>	<u>822.15</u>
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- Term loans from the financial institutions/banks viz Exim bank, Syndicate bank, State bank of india, Bank of india are secured by way of first charge of all immovable properties both present and future and second charge over all movable assets on a pari passu basis along with personal guarantee of Sri Harish Cherukuri Managing director of the company . Specified movable assets are subject to prior charge in favour of the company's bankers for working capital requirements.
- Term loans from Housing Development Finance corporation Limited are secured by first mortgage of Dwelling units.
- Working capital facilities from State bank of india, Bank of india, Union bank of india, Andhra bank, Syndicate bank are secured by first charge over current assets of the company and covered by second charge over the fixed assets of the company on pari passu basis along with the personal guarantee of Sri Harish Cherukuri managing director and Sri C.K Rao Executive Vice Chairman of the company. Specified fixed assets are subject to first charge in favour of the term lending institutions to cover their term loans.
- Terms of repayments are given below.
Loan taken from Bank of India is repayable in quarterly instalment of Rs 37 lakhs each.
Loan taken from Exim Bank is repayable in quarterly instalment of Rs 11.97 lakhs each.
Loan taken from SBI is repayable in quarterly instalment of Rs 30 lakhs each.
Loan taken from Syndicate Bank is repayable in quarterly instalment of Rs 53 lakhs each.
- Public deposits aggregating to Rs 638.82 lakhs is repayable within 1 year and Rs 21.05 lakhs is repayable within next 2 years.

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.4 DEFERRED TAX LIABILITY

	As at Mar, 2012	As at Mar, 2011
	Rs in lakhs	Rs in lakhs
Deferred Tax Liabilities	<u>9.66</u>	<u>90.25</u>

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.5 LONG TERM PROVISIONS

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-current portion		Current Maturities	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Provision for Employee Benefits				
Provision for Gratuity	268.32	336.15	0.00	0.00
Provision for Employee Bonus	0.00	0.00	0.00	0.00
Total	<u>268.32</u>	<u>336.15</u>	<u>0.00</u>	<u>0.00</u>

(All amounts in Rupees lakhs except share data and unless otherwise stated)

CURRENT LIABILITIES**2.6 SHORT TERM BORROWINGS**

	31 March 2012	31 March 2011
	Rs in lakhs	Rs in lakhs
State Bank of India	1634.97	1524.06
Bank of India	628.57	561.69
State Bank of India Mumbai	(3.70)	(9.25)
Union Bank of India	580.75	711.63
Andhra Bank	974.27	960.95
Syndicate Bank	319.48	313.29
State Bank of India Packing credit	0.00	144.65
Fixed Deposits	659.87	761.26
	<u>4794.22</u>	<u>4968.28</u>



Cash credit Loans from Banks is secured against Stocks of Rawmaterials, Semi finished goods finished goods & Trade Receivables, Stores & spares, present and future, and by second charges on fixed assets of the company and are guaranteed by Shri Harish Cherukuri, Managing Director, Sri C.K.Rao Executive vice chairman. The cash credit is repayable on demand and carries interest @ 14.75 to 17.75.

(All amounts in Rupees lakhs except share data and unless otherwise stated)		
2.7 TRADE PAYABLES	31 March 2012	31 March 2011
	Rs in lakhs	Rs in lakhs
Trade payables	<u>3231.58</u>	<u>3435.53</u>
(All amounts in Rupees lakhs except share data and unless otherwise stated)		
2.8 OTHER CURRENT LIABILITIES	31 March 2012	31 March 2011
	Rs in lakhs	Rs in lakhs
1. Current Maturities of Long term Borrowings		
Idbi term Loan	0.00	18.33
Idbi term Loan	0.00	11.26
Exim Bank	47.88	60.00
Syndicate Bank	212.00	176.00
HDFC Bank	27.75	24.32
State Bank of India	120.00	89.00
Bank of India	148.00	148.00
HDFC Bank	2.78	20.24
Exim Bank	0.00	275.00
Total of current Maturities on Long term Borrowings	<u>558.41</u>	<u>822.15</u>
2. Other Liabilities		
Other currentLiabilities	630.59	817.70
Value added Tax & Cst Payable	78.33	18.97
TDS Payable	33.21	28.13
Employee related paybles P.F.,ESI & Others	48.90	12.78
Unclaimed dividends	7.99	7.99
Interest Accured but not Due	1.29	3.61
Interest Accured & Due	95.91	122.70
Total	<u>896.21</u>	<u>1011.87</u>
Total	<u>1454.62</u>	<u>1834.03</u>
(All amounts in Rupees lakhs except share data and unless otherwise stated)		
2.9 SHORT TERM PROVISIONS	31 March 2012	31 March 2011
	Rs in lakhs	Rs in lakhs
Provision for Income Tax	0.00	21.24
Provision for Employee Bonus	35.91	32.13
Total	<u>35.91</u>	<u>53.36</u>
(All amounts in Rupees lakhs except share data and unless otherwise stated)		
NON CURRENT ASSETS	31 March 2012	31 March 2011
2.10 FIXED ASSETS (TANGIBLE)	Rs in lakhs	Rs in lakhs
Fixed Assets (Tangible)	14735.40	20421.03
Less: Accumulated Dep	7016.92	9012.16
Net Fixed Assets	<u>7718.48</u>	<u>11408.87</u>



2.10 FIXED ASSETS (TANGIBLE)

Name of the Asset	Land	Buildings	Plant & machinery	E T P	P&M (D.G set)	Electrical Installation	Furniture & Fittings	Office Equipment	Computers	Vehicles	Other Assets	Total
Cost Or Valuation												
At 1st April 2010	327.11	3002.03	15088.83	303.53	84.83	870.36	60.56	194.21	211.60	121.15	6.69	20270.91
Additions	14.41	0.00	154.25	0.00	0.00	14.25	0.00	1.05	0.70	31.51	0.00	216.18
Disposals	0.00	0.00	66.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66.05
At 31st March, 2011	341.52	3002.03	15177.03	303.53	84.83	884.61	60.56	195.26	212.30	152.66	6.69	20421.03
Additions	0.00	0.00	598.54	0.00	0.00	2.00	0.00	0.00	19.97	2.17	0.00	622.68
Disposals	180.34	1210.36	4468.00	0.00	7.78	322.91	11.18	50.10	13.43	41.12	3.09	6308.31
At 31st March, 2012	161.18	1791.67	11307.56	303.53	77.05	563.70	49.38	145.16	218.85	113.71	3.60	14735.40
Depreciation												
At 1st April 2010	0.00	916.90	6462.35	57.38	63.88	384.59	52.98	38.72	199.01	71.92	5.27	8253.01
Charge for the year	0.00	82.92	637.66	13.90	2.58	38.84	0.73	9.01	10.07	10.64	0.25	806.59
Disposals	0.00	0.00	47.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.44
At 31st March, 2011	0.00	999.82	7052.58	71.28	66.46	423.43	53.71	47.73	209.08	82.56	5.52	9012.16
Charge for the year	0.00	57.06	667.57	13.90	2.34	33.48	0.67	7.29	0.63	10.37	0.23	793.54
Disposals	0.00	365.00	2156.20	0.00	7.78	199.41	9.94	9.11	11.03	27.66	2.63	2788.78
At 31st March, 2012	0.00	691.88	5563.95	85.18	61.01	257.50	44.43	45.91	198.68	65.27	3.12	7016.92
Net Block												
At 31st March, 2011	341.52	2002.21	8124.45	232.25	18.38	461.18	6.86	147.54	3.22	70.10	1.17	11408.87
At 31st March, 2012	161.18	1099.79	5743.61	218.35	16.04	306.20	4.94	99.25	20.17	48.44	0.48	7718.48



2.10 FIXED ASSETS (TANGIBLE) (Cont...)

Name of the Asset	Land	Buildings	Plant & machinery	E T P	P&M (D.G sets)	Electrical Installation	Furniture & Fittings	Office Equipment	Computers	Vehicles	Other Assets	Total
Cost Or Valuation												
At 1st April 2010	16.46	63.24	1180.77	0.00	0.00	0.00	0.60	0.98	0.38	0.00	0.00	1262.44
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 31st March, 2011	16.46	63.24	1180.77	0.00	0.00	0.00	0.60	0.98	0.38	0.00	0.00	1262.44
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 31st March, 2012	16.46	63.24	1180.77	0.00	0.00	0.00	0.60	0.98	0.38	0.00	0.00	1262.44
Depreciation												
At 1st April 2010	0.00	8.34	457.76	0.00	0.00	0.00	0.18	0.18	0.12	0.00	0.00	466.58
Charge for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 31st March, 2011	0.00	8.34	457.76	0.00	0.00	0.00	0.18	0.18	0.12	0.00	0.00	466.58
Charge for the year	0.00	2.11	122.09	0.00	0.00	0.00	0.04	0.05	0.06	0.00	0.00	124.35
Disposals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
At 31st March, 2012	0.00	10.45	579.86	0.00	0.00	0.00	0.22	0.23	0.18	0.00	0.00	590.93
Net Block												
At 31st March, 2011	16.46	54.90	723.01	0.00	0.00	0.00	0.42	0.80	0.26	0.00	0.00	795.85
At 31st March, 2012	16.46	52.79	600.92	0.00	0.00	0.00	0.38	0.76	0.19	0.00	0.00	671.50



	31 March 2012	31 March 2011		
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>		
Capital Work in Progress	8.07	185.74		
(All amounts in Rupees lakhs except share data and unless otherwise stated)				
2.11 LONG-TERM LOANS & ADVANCES				
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-current portion		Current Maturities	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Unsecured considered good				
(a) Security Deposits				
Secured considered good				
Deposits with Excise authorities	32.02	37.85	0.00	0.00
	32.02	37.85	0.00	0.00
(c) Other Loans & Advance				
Deposit with others	362.82	350.00	0.00	0.00
	362.82	350.00	0.00	0.00
Total	394.83	387.85	0.00	0.00
(All amounts in Rupees lakhs except share data and unless otherwise stated)				
CURRENT ASSETS				
2.12 INVENTORIES (Valued at lower of cost and net realisable value)	31 March 2012	31 March 2011		
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>		
Rawmaterials	356.53	636.49		
Work In Progress	1321.68	2338.23		
Finished goods	573.08	2194.37		
Stores	143.56	272.12		
Packing Materials	12.73	19.43		
Dyes & Chemicals	60.86	73.28		
Goods in Transit	0.00	0.00		
Total	2468.44	5533.93		
(All amounts in Rupees lakhs except share data and unless otherwise stated)				
2.13 TRADE RECEIVABLES	31 March 2012	31 March 2011		
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>		
Debtors outstanding for a period exceeding six months				
Secured, considered good	0.00	0.00		
Unsecured, considered good	38.59	273.22		
Unsecured, considered doubtful	0.00	0.00		
Total	38.59	1193.24		
Debtors outstanding for a period less than six months				
Secured, considered good	0.00	0.00		
Unsecured, considered good	536.71	1193.24		
Total	575.30	1466.46		



(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.14 CASH & CASH EQUIVALENTS	31 March 2012		31 March 2011	
	Non Current		Non Current	
	Rs in lakhs		Rs in lakhs	
Cash in Hand	9.49		37.79	
Cash at Banks	41.74		28.07	
Deposits with Banks	268.94		254.31	
Total	<u>320.17</u>		<u>320.17</u>	

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.15 SHORT TERM LOANS & ADVANCES	31 March 2012		31 March 2011	
	Non Current		Current	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Advances to Suppliers	62.29	216.20	929.30	1208.39
Advances to Others	249.14	788.61	9.58	91.48
Total	<u>311.42</u>	<u>1004.81</u>	<u>938.88</u>	<u>1299.87</u>

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.16 REVENUE FROM OPERATIONS	31 March 2012		31 March 2011	
	Rs in lakhs		Rs in lakhs	
Sale of Products	16600.52		25118.41	
Less: Excise Duty	3.15		0.36	
Net Sales	16597.37		25118.05	
Other Operating Income	664.57		843.26	
Total	<u>17261.93</u>		<u>25961.31</u>	

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.17 OTHER INCOME	31 March 2012		31 March 2011	
	Rs in lakhs		Rs in lakhs	
Other income	1712.20		148.02	
Total	<u>1712.20</u>		<u>148.02</u>	

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.18 COST OF MATERIAL CONSUMED	31 March 2012		31 March 2011	
	Rs in lakhs		Rs in lakhs	
Rawmaterials Inventory at the Beginning of the year	636.49		400.92	
Add: Purchases	11377.67		17566.30	
Total	12014.16		17967.23	
Less: Inventory at the end of the year	356.53		636.49	
Consumption of raw materials	<u>11657.63</u>		<u>17330.73</u>	

Details of Rawmaterials consumed

Consumption of R M Viscose - Dyed	708.78	837.61
Consumption of R M Viscose- Grey	2260.33	3038.15
Consumption of R M Polyester	5257.34	6639.81
Consumption of Cotton Yarn	2825.50	3552.69
Consumption of R M Cotton	593.53	3261.83
Consumption of Fabric	10.42	0.00
Consumption of R M - Filament yran	1.74	0.64
Total	<u>11657.63</u>	<u>17330.73</u>

**Details of Inventory**

Stock of R M Viscose - Dyed	51.31	68.44
Stock of R M Viscose- Grey	24.60	30.92
Stock of R M Polyester	53.74	92.23
Stock of Cotton	0.00	109.74
Stock of Cotton Yarn	225.41	321.52
Stock of Fabric	0.00	10.42
Stock of R M - Filament yran	1.48	3.22
Total	356.53	636.49

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.19 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	31 March 2012 Rs in lakhs	31 March 2011 Rs in lakhs
Closing stock of Work in Progress	1321.68	2338.23
Closing stock of Finished goods	573.08	2194.37
Total	1894.76	4532.61
Opening stock of Work in Progress	2338.23	1704.88
Opening stock of Finished goods	2194.37	1540.70
Total	4532.61	3245.57
Increase/(Decrease) in stocks	2637.85	(1287.04)

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.20 OTHER MANUFACTURING EXPENSES

	31 March 2012 Rs in lakhs	31 March 2011 Rs in lakhs
Coal consumed	171.82	145.86
Power	1596.00	1897.32
Consumption of Dyes & Chemicals	781.79	942.86
Conversion charges	239.56	317.39
Packing Material	199.14	258.84
Stores & spares consumed	282.21	385.56
Rep & Maint Plant & Machinery	107.69	216.60
Rep & Maint Buildings	11.69	29.25
Rep & Maint Others	13.01	7.70
Total	3402.90	4201.37

(All amounts in Rupees lakhs except share data and unless otherwise stated)

2.21 EMPLOYEE BENEFIT EXPENSES

	31 March 2012 Rs in lakhs	31 March 2011 Rs in lakhs
Salaries, wages, Bonus & Allowances	1173.86	1667.01
Contribution to rovident Fund & Other Funds	176.20	123.08
Staff welfare expenses	66.11	62.64
Total	1416.16	1852.73



(All amounts in Rupees lakhs except share data and unless otherwise stated)		
2.22 OTHER EXPENSES	<u>31 March 2012</u> Rs in lakhs	<u>31 March 2011</u> Rs in lakhs
Administrative expenses		
Payments to auditors (refer details below)	1.75	1.40
Insurance	28.33	25.50
Rent	13.26	13.83
Rates taxes & Licenses	32.79	28.13
Directors travelling expenses	1.99	2.58
Directors Remuneration	49.31	35.74
General expenses	1265.19	912.85
Selling expenses	520.15	734.03
Prior period expenses	85.86	0.00
Capital issue expenses - written off	2.49	2.49
Total	<u>2001.12</u>	<u>1756.55</u>
PAYMENT TO AUDITORS		
Audit Fees	1.75	1.40
Total	<u>1.75</u>	<u>1.40</u>
(All amounts in Rupees lakhs except share data and unless otherwise stated)		
2.23 FINANCE COST	<u>31 March 2012</u> Rs in lakhs	<u>31 March 2011</u> Rs in lakhs
Interest		
on Term Loans	465.25	490.38
on Working capital Loans	1222.97	820.21
Sub-Total : Interest	<u>1688.22</u>	<u>1310.59</u>
Bank charges & Others	40.54	57.44
Total	<u>1728.76</u>	<u>1368.03</u>
2.24 Depreciation and amortization expenses		
Depreciation of tangible assets	793.54	806.59
(All amounts in Rupees lakhs except share data and unless otherwise stated)		
2.25 Contingent Liabilities	<u>31 March 2012</u> Rs in lakhs	<u>31 March 2011</u> Rs in lakhs
Letters of credit	1143.00	1148.00
Bank Guarantees Issued by banks	99.42	86.30
Claims against the company not acknowledged as debts	131.81	131.81
(All amounts in Rupees lakhs except share data and unless otherwise stated)		
2.26 Earnings Per Share	<u>31 March 2012</u>	<u>31 March 2011</u>
Net Profit/(Loss) for the period	(429455995)	873222838
At the beginning of the period	11080000	11080000
No of shares Issued during the period	0	0
Outstanding at the end of the period	11080000	11080000
Weighted Average No of equity shares for earnings per share computation	11080000	11080000



3. Earnings per share - Rs.	Rs.	Rs.
Basic	(38.76)	7.88
Diluted	(38.76)	7.88

2.27 Related party transactions

The company has transactions with the following related parties.

Name of the party	Nature of Relationship	Transaction Description	Transaction Amount	Out standing As on 31-03-12	Written off / Written back
1. Padmaja Investments pvt ltd	Managing Director Interested	Rent paid	3.60	0.27	Nil
2. Arjuna paper cones	Executive Vice chairman Interested	Purchase of packing material	86.49	18.97	Nil
3. Key Managent Personnel					
Harish Cherukuri	Managing Director	Payment of salary	19.13		
Srinivas Kodali	Executive Director	Payment of salary	16.37		
C.K.Rao	Executive Vice Chairman	Payment of salary	14.74		
Directors Sittinfg Fee			2.10		

2.28 Consumption of Raw materials

Class of goods	31 March 2012		31 March 2011	
	qty(kgs)	Value(Rs)	qty(kgs)	Value(Rs)
Polyester	4698442	5257.34	7269052	6640.46
Viscose	1785462	2969.11	2635985	3875.76
Cotton	386941	593.53	3129935	3261.83
Cotton Yarn	1556581	2827.23	2015118	3552.69
Fabric	17367	10.42	-	-
	8444793	11657.63	15050090	17330.73

2.29 Value of Imports Calculated on CIF Basis

	31 March 2012	31 March 2011
Capital Goods	4.63	45.85
Stores & Sparets	13.32	18.63


2.30 Imported and Indigenous Raw Materials, Components and Spare Parts

	31 March 2012	31 March 2012	31 March 2011	31 March 2011
	% of Total	Value of	% of Total	Value of
	Consumption	Consumption	Consumption	Consumption
RAWMATERIALS				
Imported	0	0	0	0
Indigenous obtained	100	11657.63	100	17330.73
Total	100	11657.63	100	17330.73
SPARE PARTS				
Imported	4.72	13.32	4.90	18.86
Indigenous obtained	95.28	268.89	95.10	366.70
Total	100.00	282.21	100.00	385.56

2.31 Expenditure in Foreign Currency

Commission	<u>31 March 2012</u>	<u>31 March 2011</u>
	23.28	29.93

2.32 Earnings in in Foreign Exchange

FOB value of exports	<u>31 March 2012</u>	<u>31 March 2011</u>
	1572.83	2602.72



SIGNIFICANT ACCOUNTING POLICIES

1. **ACCOUNTING ASSUMPTION** The financial statements of Priyadarshini Spinning Mills Ltd have been prepared and presented in accordance with Indian Generally Accepted Accounting principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the central Government of India under section 211(3c) of the companies Act 1956, other pronouncements of Institute of Chartered Accountants of India, the provisions of companies Act 1956 and guidelines Issued by Securities and Exchange Board of India.

The company has prepared these financial statements as per the format prescribed by Revised Schedule VI to the Companies Act 1956 issued by Ministry of Corporate Affairs. Previous year figures have been recast/restated to conform to the classification required by the Revised Schedule VI.

2. **PURCHASES AND SALES:**

- a) The Purchase cost of Raw Materials and other Inputs has been considered net of CENVAT Credits Receivable for dutiable products and inclusive of CENVAT for exempt products.
- b) Sales exclude CENVAT and net of discounts and Sales Tax

3. **FIXED ASSETS:** Fixed Assets are stated at cost. Cost is inclusive of Freight, Duties, Levies and any directly attributable cost of bringing the assets to their working condition for intended use and net of VAT Credits receivable on the Assets.

4. **DEPRECIATION:** Depreciation has been provided on Straight Line method on the assets acquired upto 31.12.1986, on Written Down Value method on the assets acquired from 01.01.1987 to 31.03.1990 and on Straight Line method on the additions from 1.4.1990 onwards in accordance with the rates stipulated in Schedule XIV to the Companies Act, 1956.

5. **INVENTORY VALUATION:**

- a) Inventories are valued at lower of cost and net realizable value. Cost of inventory comprises all cost of purchase cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- b) The value of Raw materials, stores and spares and packing materials is determined by using the weighted Average cost method. The value of Work-in progress and Finished goods is determined by weighted Average Cost Method and includes appropriate share of production overheads

6. **FOREIGN EXCHANGE TRANSACTIONS:** During the year foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions. Foreign Currency Liabilities / Assets are restated at the rates ruling at the year end. Exchange differences relating to Fixed Assets are adjusted in the cost of the assets. Any other ex-change differences are dealt within the Profit and Loss Account.

7. **RETIREMENT BENEFITS:** Retirement benefits viz. Provident Fund and Pension Fund are accounted for on accrual basis. Contributions to these funds are made to appropriate authorities. The Company adopted Accounting Standard AS-15 (Revised 2005) on employee benefits. Current years provision of gratuity Rs.21.25 lakhs has been charged to profit and loss account.

8. **EXPORT BENEFITS:**

The Company exports yarn and fabric under Duty Draw Back Scheme and Focus Market scheme. The unutilised benefits under the scheme are accounted for on accrual basis.

9. **VALUATION OF POWER GENERATED:**

Power generated through Wind mills project is valued as per the credits given by DISCOMS in regular power bills and is included in 'sales/income from operations'.

10. **BORROWING COSTS:**

Specific Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

11. **ACCOUNTING FOR TAXES ON INCOME:**

The Accounting treatment followed for taxes on income is to provide for current tax and deferred tax. Current Tax is the amount of income tax determined to be payable in respect of taxable income for a period. Deferred tax is the tax effect of timing differences.


CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012 (Rs. in Lakhs)

PARTICULARS	YEAR ENDED 31.03.2012		YEAR ENDED 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net profit before tax & extraordinary items		(4663.85)		80.36
Add: Depreciation	793.54		806.59	
Interest	1728.76		1310.59	
Capital Issue Expenses	2.49		2.49	
Loss on sale of Assets	637.38	3162.18	13.84	2133.52
		(1501.66)		2213.87
Less: Profit on sale of Assets		1565.56		12.87
Operating profit before working capital changes		(3067.23)		2201.00
Adjustments for working capital changes				
Sundry debtors	891.16		425.50	
Other Current liabilities	(664.05)		12.04	
Inventories	3065.48		(1600.16)	
Loans & Advances	686.40	3979.00	543.83	(618.79)
Cash generated from Operations		911.77		1582.21
Less : Interest charges		1728.76		1310.59
Less : Direct Taxes		0.00		0.00
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(816.99)		271.62
Less: Prior Period Item		0.00		0.00
CASH FLOW FROM OPERATING ACTIVITIES		(816.99)		271.62
B CASH FLOW FROM INVESTING ACTIVITIES				
Inflow : Sale of fixed assets		4447.71		17.65
Loss of Investments		0.00		140.00
Outflow: Acquisition of fixed assets		445.01		401.92
	4002.70		(244.27)	
C CASH FLOW FROM FINANCING ACTIVITIES				
Inflow : Term Loans received	0.00		0.00	
Increase in Bank borrowings	(72.67)		179.75	
Fixed deposits received	272.35		331.14	
Unsecured Loans	(133.00)		(30.65)	
Share Capital & Share premium	0.00	66.68	0.00	480.23
Outflow: Repayment of Term loans	2878.64		280.46	
Repayment of Fixed deposits	373.74		196.39	
Dividends	0.00	3252.38	0.90	477.76
NET CASH FROM FINANCING ACTIVITIES		(3185.70)		2.47
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		0.00		29.82
ADD:CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR.		320.17		290.35
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		(320.17)		320.17

As per our report attached
for **P.SRINIVASAN & CO.**
Chartered Accountants

for and on behalf of the Board

K.RANGANATHAN
Partner

HARISH CHERUKURI
Managing Director

C.K. RAO
Executive Vice Chairman

Place: Hyderabad
Date : 29/09/2012

RAMESH BANDARI
Company Secretary



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PRIYADARSINI LIMITED

(Formerly known as Priyadarshini Spinning Mills Limited)

Regd. Office: Priyadarsini Limited Register office : Survey No. 744 & 745, Sadasivpet, Sadasivpet Mandadal, Medak Dist - 502 991.

Corporate Office: H.No. 262/3RT, 3rd Floor, M.N.Reddy Classic Building SR Nagar Hyderabad-500 038.

ATTENDANCE SLIP

31st ANNUAL GENERAL MEETING

- 1. Regd. Folio No. : _____
- 2. Client ID No. : _____
- 3. DP ID No. : _____
- 4. No. of shares held : _____
- 5. Name of the Member/Proxy : _____

I am a member/proxy for the member of the Company. I hereby record my presence at the 31st Annual General Meeting of the Company at Regd. Office Survey No. 744 & 745, Factory Premises, Sadasivpet, Sadasivpet Mandadal, Medak Dist - 502 991.

_____ Signature of the Member / Proxy

Note : Please complete and sign this attendance slip and hand it over at the entrance of the hall.

PRIYADARSINI LIMITED

(Formerly known as Priyadarshini Spinning Mills Limited)

Regd. Office: Priyadarsini Limited Register office : Survey No. 744 & 745, Sadasivpet, Sadasivpet Mandadal, Medak Dist - 502 991.

Corporate Office: H.No. 262/3RT, 3rd Floor, M.N.Reddy Classic Building SR Nagar Hyderabad-500 038.

PROXY FORM

Regd. Folio No. _____ Client ID No. _____
 No. of shares held _____ DP ID No. _____

I/We _____ of
 _____ in the district of _____
 _____ being the Member(s) of
 Priyadarsini Limited. hereby appoint Mr./Ms. _____ of
 _____ in the district of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 31st Annual General Meeting of the Company to be held on ----- at ----- at -----
 ----- and at any adjournment thereof.



Signed this _____ day of December, 2012.

Signature of the Member(s)

- Notes: 1. The proxy form to be effective should be duly completed in all respects and signed across the revenue stamp.
 2. The proxy form must be deposited at the Registered Office not less than 48 hours before the time fixed for holding the meeting.
 3. A proxy need not be a member of the Company

BOOK-POST

Printed Matter

31st Annual Report

If undelivered, please return to:



Priyadarsini Limited

(Formerly known as Priyadarshini Spinning Mills Limited)

Corporate Office: H.No. 262/3RT, 3rd Floor, M.N.Reddy

Classic Building SR Nagar Hyderabad-500 038.