

29th
ANNUAL REPORT
2009 - 2010



Priyadarshini Spinning Mills Limited

C O N T E N T S

Notice	2
Directors' Report	4
Report on Corporate Governance	9
Auditors' Report	14
Annexure to Auditors' Report	15
Balance Sheet	17
Profit & Loss Account	18
Schedules to Accounts	19
Cash Flow Statement	29



Board of Directors

Mr. S. Prahalathan Iyer (Exim Bank Nominee)
Mr.P.K.Chandra Sekhar Herly
(Syndicate Bank Nominee Resigned w.e.f. 15.04.2010)
Dr. K. Rajaveeraiah
Mr. R.Venkatraman
(Syndicate Bank Nominee Appointed w.e.f. 15.04.2010)
Mr. K. Rama Mohana Rao
Mr. P.Ramachandra Raju
Mr. Srinivas Kodali, Executive Director
Mr. Harish Cherukuri, Managing Director

Company Secretary

Mr. Ramesh Bandari

Audit Committee

Mr. P.Ramachandra Raju
Mr. K. Rama Mohana Rao
Dr. K. Rajaveeraiah

Shareholders Committee

Mr. P.Ramachandra Raju
Mr. Srinivas Kodali
Mr. Harish Cherukuri

Remuneration Committee

Mr. K. Rama Mohana Rao
Mr. P.Ramachandra Raju
Dr. K. Rajaveeraiah

Statutory Auditors

M/s P. Srinivasan & Co.,
Chartered Accountants
12-13-422,
Lane Opp. Bank of Baroda
Street 1, Tarnaka, Secunderabad - 500 017.

Bankers

State Bank of India
Union Bank of India
Syndicate Bank
Bank of India
Andhra Bank

Regd. Office

Satyanarayana Enclave
Icon Block, 2nd Floor
Madinaguda, Hyderabad -500 049.

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.

Unit-II

Doddavarappadu
Maddipadu Mandal
Prakasam District, A.P. -523 211.

Wind Mill

Ramagiri
Anantapur District
A.P. -515 001.

Gas Power Project

Y. Kothapalli Village, P. Gannavaram Mandal,
East Godavari Dist. A.P. - 533 240.

Garments Division

Textile Park, IDA Pashamylaram, Patancheru Mandal
Medak District, A.P. - 502 319.



NOTICE

Notice is hereby given that the 29th Annual General Meeting of Member's of Priyadarshini Spinning Mills Limited to be held on Wednesday the 29th September, 2010 at 10.30.A.M. at Sri Sagi Rama Krishnam Raju Community hall, 8-3-222/R/1,'E' Block, Madhuranagar, Hyderabad – 500038.

ORDINARY BUSINESS:

1. To Consider and adopt the Audited Balance Sheet as at 31st March, 2010, 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. P.Ramachandra Raju, 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:

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

“RESOLVED THAT in accordance with the provisions of section 16, 94 and other applicable provisions if any, of the Companies Act, 1956 The existing authorised share capital of the company be and is here by increased from Rs. 20,00,00,000/- (Rupees Twenty Crores only) to Rs. 35,00,00,000/- (Rupees Thirty Five Crores only)”

RESOLVED FURTHER THAT pursuant section 16 of the Companies Act, 1956, Clause V of the memorandum of Association of the company be altered by substituting the existing clause v with following new clause namely:

“The Authorised Share Capital of the Company is Rs. 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 3,00,00,000(Three Crores only) Equity Shares of Rs.10/- (Rupees Ten only) each aggregating to Rs.30,00,00,000(Rs. Thirty Crores only) and 5,00,000 preference shares of Rs.100/- (Rs.Hundred only) each aggregating Rs.5,00,00,000 (Rs. Five Crores only) with power to increase or reduce the capital and to issue any part of its Capital, original or increased with or without any preferences, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions, so that unless the conditions of issue shall otherwise be subject to the power herein contained. The rights and privileges attached to any shares having preferential, qualified or special rights, privileges or conditions attached thereof may be altered or dealt with in accordance with the accompanying Articles of Association but not otherwise.”

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

“RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be amended by replacing the following sentence in place of Article 3 (a).

“The Authorized Share Capital of the Company shall be as stated in the Clause v of memorandum of Association of the Company.”

By order of the Board of Directors
for **PRIYADARSHINI SPINNING MILLS LIMITED**

Place: Hyderabad
Date : 14th August, 2010

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 Registrar of Members and Share Transfer Books of the Company will remain closed from 27.09.2010 to 29.09.2010 (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 31st, 2005 and 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, Banjara 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 in respect of 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 & 06

The Company, in order to meet its growth objectives and to strengthen its finance position, may be required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the authorised share capital of the company from Rs. 20, 00, 00,000 to Rs. 35, 00, 00,000. And for that purpose, the memorandum of Association and Articles of Association of the Company are proposed to be suitably altered as set out at item Nos. 5 and 6 of the accompanying Notice

The Provisions of Companies Act, 1956 require the Company to seek the approval of the Members for increase in the authorised share capital and for the alteration of capital clause of the Memorandum of Association and the article 3(a) in the Articles of Association of the Company.

The Board of Directors accordingly recommends the resolutions set out at the Item No.5 and 6 of the Accompanying Notice for the approval of the Members.

None of the Directors of the Company are interested or concerned in the above resolutions.

The Board recommends the resolutions for approval of the members.

By order of the Board of Directors
for **PRIYADARSHINI SPINNING MILLS LIMITED**

Place: Hyderabad
Date : 14th August, 2010

RAMESH BANDARI
Company Secretary



DIRECTORS' REPORT

To the members,

The Directors of your Company have pleasure in presenting the 29th Annual Report together with the audited statement of accounts for the year ended March 31st, 2010.

FINANCIAL RESULTS

(Rs. in Lakhs)

	Current year ended 31-03-2010	Previous year ended 31-03-2009
1. Sales and other Income	19263.78	18343.06
2. Profit before interest and depreciation	1405.00	1290.36
3. Interest and Finance Charges	1344.94	1254.68
4. Depreciation	846.16	847.85
5. Profit after interest and Depreciation	(786.09)	(812.17)
6. Provision for Taxation		
a) Current Tax	-	
b) Fringe Benefit Tax	-	6.22
c) Deferred Tax/(Asset)	(787.13)	(534.49)
7. Prior period item	-	13.87
8. Net Profit After tax	1.04	(297.77)
9. Profit brought forward from previous year	957.53	1255.30
10. Profit and Loss A/c Balance	958.57	957.53
1. Surplus carried forward to Balance Sheet	958.57	957.53

APPROPRIATIONS

REVIEW OF OPERATIONS:

During the year under review, company has achieved a turnover of Rs.19264 lakhs as against Rs.18343 lakhs in the previous year, registering a growth of 5%. With the increased turnover, the company has reached to break even level and earned a marginal profit of Rs.1 lakh as against the loss of Rs.298 lakhs in the previous year. This is after considering the deferred tax asset. Significant increase in sales performance during the second half of the year by Rs.2604 lakhs compared to previous year has facilitated the company to earn a profit against the loss during the previous year. This is due to the various steps taken at the plant level to improve the operating efficiencies by minimizing the absenteeism in work force after conclusion of wage agreement and ensuring availability of adequate inputs for uninterrupted production. But for the imposition of power cut and un-scheduled interruption in power supply, the operations would have been improved further.

However, the performance of the company is expected to increase substantially during the next financial year due to improved operations as well as increase in realization in sale price. In addition, company has taken steps to dispose off loss making unit, Garment Division and bring the Gas Based Power unit into operation which will generate additional income. Combination of all these efforts shall yield to have better performance in the next financial year.

TEXTILE INDUSTRY:

Overall performance of the industry during the year under review was still suffering from the economic impact of the financial collapse of the world markets in 2008. Sales realisation began to improve during the last quarter of the financial year due to rebound in the world economy. In addition with the improvement in the USA economy, dollar began to appreciate against other currencies in the world including the rupee. This has improved exports which in turn improved realisations in the domestic market. In addition domestic market also started recovering from the recession resulting in Improvement



in the market. This is expected to continue in the next financial year as economies throughout the world are recovering from the recession.

Infrastructure bottlenecks are affecting the competitiveness of the industry vs. the competitors. Industry has been affected by the substantial power cuts imposed during the summer months every year and increases in power costs throughout the country due to inefficiencies in the grid system. In addition labour costs continue to increase due to shortage of skilled manpower and increases in the DA by the government due to inflation. Interest rates have also begun to increase during the last financial year due to tightening of monetary policy by the RBI to contain the inflation. Even though sales realization have begun to improve the increase in operating costs and infrastructure problems is affecting the profitability of the industry.

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.

Macro economic factors including rupee appreciation increase in interest rates, in usages, increase in power tariff and powercuts 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 un-

authorized 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 been increased to Rs. 2192 lakhs during the year 2009-2010 as Compared to Rs.1956 Lakhs in the previous year thereby registering a growth of 12%. The Company expects further growth in the exports in the fiscal year 2010-2011.

WIND MILL:

During the year under review, the 1.8 M.W. Wind power Mill has generated 24, 45,482 units as against 20,21,064 units in the previous year.

GAS POWER PROJECT:

During the year under review, 3MW Gas based Power Plant was not in operation due to non availability of gas from the isolated well allotted to the Company by Oil and Natural Gas Corporation (ONGC).

Your Directors have pleasure to inform that steps have been taken to bring the unit into operation through a lease agreement with svin power plant private limited. Who shall invest for continued supply of gas and undertake to run the plant on the profitable terms.

GARMENT DIVISION:

"The Company had entered the Garment business in 2007 with a view to establish its presence and maximize profits across the entire spectrum of the textile business. The unit is engaged in the manufacturing and sale of garments at its owned facility at Hyderabad. The management has carried out a comprehensive review of the business of the Company and it was found that the return to the Company from the Garment unit is not commensurate



PRIYADARSHINI SPINNING MILLS LTD.

with the Investment and the efforts put into the Undertaking. The potential for Growth has remain unrealized and it was decided to completely exit the Garment business in the event of being able to realize a fair value by disposing off the undertaking.

Your Directors have pleasure to inform that the Company has identified a buyer, and the Board of Directors at their meeting held on 07.05.2010 has given their consent to dispose off the garment division to Marigold landmark Estates Private Limited who has offered the fair market value.

Accordingly members of the Company have approved the resolution for sale of garment Division through postal Ballot

The Board is satisfied that it is in the Best interest of the Company, shareholders and its lenders, to sell the said undertaking “

FIXED DEPOSITS:

The fixed Deposits outstanding as on 31.03.2010 amounted to Rs.626.51 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:

During the year under review, Syndicate Bank has appointed Mr. R.Venkatraman in the place of Mr. P.K.Chandara Sekhar Herle as its nominee Director on the Board of the Company.

In Accordance 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. P.Ramachandra Raju 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, the Company has no employees 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 under 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: 14th August, 2010

Harish Cherukuri
Managing Director

Srinivas Kodali
Executive Director

Ramesh Bandari
Company Secretary

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. 1,60,40,139
ii) Foreign Exchange Earned	:	Rs. 21,36,28,649



FORM - A

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

A. Power and Fuel Consumption:

	2009-2010	2008-2009
1. Electricity :		
a) Purchased :		
Units (in lakhs of KWH)	490.46	487.00
Total amount (Rs.in lakhs)	1653.33	1546.15
Average Rate : (Rs./Unit)	3.37	3.17
b) Own Generation :		
i) Through Diesel Generators		
Units (in lakhs of KWH)	0.14	0.19
Units per Litre of Diesel Oil	2.38	2.58
Average Cost : Rs. /Unit	20.58	11.79
ii) Through Wind Mills		
Units generated (in lakhs KWH)	24.45	20.21
Value (Rs.lakhs)	81.96	65.13
Average Rate (Rs./Unit)	3.35	3.22
2. Coal		
	(Quality : 'B,C & D' Round used in boiler for fiber/yarn dyeing)	
Quantity (Tons)	2711.08	2457.18
Total Amount (Rs. in lakhs)	101.12	92.88
Average Rate (Rs./Kg)	3.73	3.78
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)	—	123.06	122.36
Fibre/yarn Dyed (Kgs. in lakhs)	—	32.24	26.24
Electricity(Units/Kg of Yarn)	—	3.97	4.13
Electricity(Units/Piece)	—	0.94	1.05
Coal(Kgs/Kg of Dyed Fibre/yarn)	—	0.84	0.94

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 Seven Directors Comprising Two Executive Directors, one non-executive Director and Four Non-Executive Independent Directors including nominee Directors. The non-executive Directors are eminent professionals drawn from amongst persons with experience in business, finance, re-search 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
Mr. Harish Cherukuri	Managing Director	3	5(6)	Attended
Mr. Srinivas Kodali	Executive Director	1	6(6)	Attended
Dr. K.Rajaveeraiah	Independent Director	-	1(6)	No
Mr.K.Rama Mohana Rao	Independent Director	1	5(6)	No
Mr.Prahalathan Iyer	EXIM Bank nominee	-	5(6)	No
Mr.R.Venkatraman	Syndicate Bank nominee (d)	-	0(6)	No
Mr. P.Ramachandra Raju	Independent Director (a)	1	4(6)	Attended
Mr. Kamalesh Gandhi	Independent Director (b)	-	2(6)	No
Mr. P.K.Chandrashekara Herle	Nominee Director (c)	-	5(6)	No

*Note:

- Mr. Pusapati Ramachandra Raju (Appointed as Independent Non-Executive Director w.e.f.31.07.2009)
- Mr. Kamalesh Gandhi (Resigned as Independent Non-Executive Director w.e.f.20.07.2009)
- Mr. P.K.Chendrashekara Herle (Ceased to be syndicate Bank Nominee w.e.f. 15.04.2010)
- Mr. R. Venkatraman (Appointed as Syndicate Bank nominee Director w.e.f. 15.04.2010)

B) BOARD MEETING:

The Board of Directors met Six(6) times during the year 2009-2010 on 28th April,2009, 30th June, 2009, 31st July, 2009, 23rd September, 2009, 31st October, 2009 and 29th January, 2010.

BOARD COMMITTEES:

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

a) Audit Committee

The Committee comprises the following three non-Executive independent Directors. 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. P.RamachandraRaju	Chairman
Mr. K.Rama Mohana Rao	Member
Dr. Rajaveeraiah Kodali	Member

The Committee Met five times during the year 2009-2010 on April, 28 2009, 30th June, 2009, 31st July, 2009, 31st October, 2009 and 29th January, 2010

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. K.Rama Mohana Rao	Chairman
Mr. P. Ramachandra Raju	Member
Mr. K.Rajaveeraiah	Member

The Committee did not meet during the year 2009-2010



Directors' Remuneration :

i). Executive Directors:

The following is the remuneration paid to the Whole-time Directors during the year 2009-2010.

Name & Designation	Salary (Rs.)	PF Contribution (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. Harish Cherukuri Managing Director	12,00,000	1,44,000	5,77,003	19,21,003
Mr. Srinivas Kodali Executive Director	12,00,000	1,44,000	5,78,506	19,22,506

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 2009-2010 are given hereunder:

S.No.	Name of the Director	Sitting Fee (Rs.)
1	Dr. K. Rajaveeraiah	1000
2	Mr. P. Ramachandra Raju	4000
3	Mr. K. Rama Mohana Rao	5000
4	Mr. S. Prahalathan Iyer (Exim Bank Nominee)*	5000
5	Mr. Kamalesh Gandhi*	2000
6	Mr. P. Chandra Sekhar Herle (Syndicate Bank Nominee)*	5000

*Sitting fee paid to the concern 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. P. Ramachandra Raju	Chairman
Mr. Harish Cherukuri	Member
Mr. Srinivas Kodali	Member

During the year under review, the Committee met Five times on April 28, 2009, June 30, 2009, July, 31st, 2009, October 31st, 2009, and January 29th, 2010.

Name and Designation of Compliance Officer:

Mr. Ramesh Bandari, Company Secretary

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

During the year under review, the Company has received 3 Complaint under the various matters and replies were sent to the satisfaction of the shareholders. There are no outstanding Complaints as on 14th, August, 2010.

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

i) Mr.K.Rama Mohana Rao

Mr. K Rama Mohana Rao, Director was a Member of Parliament (Rajya Sabha). He is well connected with trade and industry circle. He is also Managing Director of Jayalakshmi Automotive Private Limited.

ii) Mr. P. Ramachandra Raju:

Mr. Pusapati Ramachandra Raju is a graduate in commerce and qualified chartered accountant and Cost Accountant. He has more than 40 years experience in the fields of Corporate Finance, Planning and Company Law Matters. He is also a professional Director in Anjani Portland Cements Limited.

4. GENERAL BODY MEETINGS :

Date and Venue of the last three Annual General Meetings

Date	Place of Annual General Meeting	Time
23.09.2009	Sri Sagi Rama Krishnama Raju Community Hall, Madhura Nagar, 'E' Block, Hyderabad – 500038.	10.30. A.M.
27.09.2008	Sri Sagi Rama Krishnama Raju Community Hall, Madhura Nagar, 'E' Block, Hyderabad – 500038.	10.30.A.M.
28.09.2007	Hotel Pearls Inn, S.S. Heights, First Floor, Opp. Deepthi Sri Nagar Bus Stop, Madinaguda, Hyderabad - 500 049.	10.30.A.M.

- No Extra-ordinary General Meeting of the members was held during the year.
- No postal ballot was conducted during the year. None of the resolutions proposed for the ensuing annual General Meeting need to be passed by postal ballot.
- Extra-Ordinary General Meeting of the Members was held after 31st March, 2010 through postal ballot for the sale of Garment Division(i.e. on 24th June, 2010)



PRIYADARSHINI SPINNING MILLS LTD.

- Special Resolutions passed in previous 3 Annual General Meetings.

Date	Brief particulars of the resolution(s)
23.09.2009	Nil
27.09.2008	to re-appoint Managing Director & Executive Director
28.09.2007	Nil

5. SUBSIDIARIES : There are no Subsidiary Company exist.

6. RELATED PARTY TRANSACTIONS : As per AS-18 the related party Transactions are reflected in notes to Accounts.

7. DISCLOSURES:

- 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.
- 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.

8. 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.psm spinning.com

9. GENERAL SHAREHOLDERS INFORMATION:

- Date, Time and Venue of the Twenty Ninth Annual General Meeting : Wednesday, the 29th September, 2010 at 10.30 A.M. at Sri Sagi Rama Krishnam Raju Community Hall, Madura Nagar,Hyderabd-500038.
- Financial Calendar : 1st April to 31st March
 - First quarter results : 1st or 2nd Week of August
 - Second quarter results : 1st or 2nd Week November
 - Third quarter results : 1st or 2nd Week February
 - Annual results : preferably audited within 2 months
- Book closure date : 27.09.2010 to 29.09.2010 (Both days inclusive)
- Listing on Stock Exchanges : The Bombay Stock Exchange Limited, Mumbai.
- Stock Code (BSE Ltd) : 503873
- Stock Market Data:

The monthly high and low price vis-à-vis BSE sensx during the financial year 2009-10 are given below:

Month	Share prices Rupees		BSE sensx	
	High	Low	High	Low
April, 2009	10.65	7.50	11492.10	9546.29
May, 2009	10.50	8.60	14930.54	11621.30
June, 2009	11.40	8.00	15600.30	14016.95
July, 2009	10.25	7.30	15732.81	13219.99
August, 2009	9.85	7.55	16002.46	14684.45
September, 2009	10.80	8.13	17142.52	15356.72
October, 2009	10.05	7.61	17493.17	15805.20
November, 2009	16.10	8.60	17290.48	15330.56
December, 2009	20.50	13.60	17530.94	16577.78
January, 2010	21.45	15.00	17790.33	15982.08
February, 2010	22.70	17.40	16669.25	15651.99
March, 2010	21.00	16.25	17793.01	16438.45



PRIYADARSHINI SPINNING MILLS LTD.

- g) Listing Fees : Paid to the above Exchange for the year 2010 -2011
- h) Registrars and Share transfer agents for Physical And Electronic Form : M/s. 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 30.06.2010, 9747036 shares or 87.96% 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 in case 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 reconciles 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 31.03.2010

Category	No. of Shares held	Percentage of Shareholding
1. Indian Promoters	4763968	43.00%
2. Mutual Funds and UTI	100	-
3. Banks, Financial Institutions, Insurance Companies (Central/ State Government Institutions /Non-Government Institutions)	100	-
4. Private Corporate Bodies	1336513	12.06%
5. Indian Public	4901963	44.24%
6. NRIs	67827	0.61%
7. Others (Clearing Members)	9529	0.09%
TOTAL	11080000	100%

- m) Company's Address for Correspondence : Secretarial Department, Priyadarshini Spinning Mills Limited Satyanarayana Enclave, Icon Block, Madinaguda, Hyderabad- 500049.
- n) Registrar's Address for Correspondence : M/s. XL Softech Systems Limited
Unit: Priyadarshini Spinning Mills 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 Priyadarshini Spinning Mills Limited declare that all Board Members and senior management personnel have affirmed compliance with code of conduct for the year ending March 31, 2010.

Place : Hyderabad
Date : 14th August, 2010

HARISH CHERUKURI
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Priyadarshini Spinning Mills Limited
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Priyadarshini Spinning Mills Limited, for the year ended on 31st March, 2010, 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 as 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

Place : Hyderabad
Date : 14th August, 2010

K.Ranganathan
Partner
M.No.10842



AUDITORS' REPORT

To

The Members

**M/s PRIYADARSHINI SPINNING MILLS LIMITED
HYDERABAD**

We have audited the attached Balance Sheet of M/s. Priyadarshini Spinning Mills Limited, as at 31st March, 2010 and also the Profit and Loss Account and 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.

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.

- a) 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, 2010;
 - ii. In the case of The Profit and Loss Account, 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

Hyderabad
August 14, 2010

K.RANGANATHAN
Partner
M.No.10842



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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise duty, cess and other statutory dues applicable to it.
18. The Company has no accumulated losses and it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
19. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
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. In our opinion, 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. In our opinion, 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, 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 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 assets.
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 money 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 course of our audit.

For **P.SRINIVASAN & Co.**,
Chartered Accountants

Hyderabad
August 14, 2010

K.RANGANATHAN
Partner
M.No.10842



Balance Sheet as at 31st March 2010

	Schedule	As at 31-03-2010		As at 31-03-2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A		11,08,00,000		11,08,00,000
Reserves & Surplus	B		24,24,69,818		24,23,66,325
Loan Funds					
Secured Loans	C		102,08,45,374		105,36,49,147
Unsecured Loans	D		15,93,81,980		10,24,67,871
Deferred Tax Liability (Net)			77,17,579		8,64,30,659
	Total		<u>154,12,14,751</u>		<u>159,57,14,002</u>
APPLICATION OF FUNDS					
Fixed Assets	E				
Gross Block		202,70,90,734		201,90,38,007	
Less: Depreciation		<u>82,53,00,513</u>		<u>74,42,95,932</u>	
Net Block		<u>120,17,90,221</u>		<u>127,47,42,075</u>	
Capital Work in Progress		<u>0</u>	120,17,90,221	<u>1,65,12,715</u>	129,12,54,790
Investments	F		1,40,00,000		1,40,00,000
Current Assets, Loans & Advances	G	80,52,56,613		67,35,92,787	
Less: Current Liabilities & Provisions	H	<u>48,10,77,075</u>		<u>38,46,27,566</u>	
Net Current Assets			32,41,79,538		28,89,65,221
Miscellaneous Expenditure (to the extent not written off or adjusted)					
Capital Issue Expenses			12,44,992		14,93,991
Significant Accounting Policies	N				
Notes on Accounts	O				
	Total		<u>154,12,14,751</u>		<u>159,57,14,002</u>

Schedules and notes annexed hereto form part of these accounts

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

SRINIVAS KODALI
EXECUTIVE DIRECTOR

Place: Hyderabad
Date : 14.08.2010

RAMESH BANDARI
COMPANY SECRETARY


Profit & Loss Account for the period ended 31st March 2010

	Schedule	2009-10 Rs.	2008-09 Rs.
INCOME			
Gross sales/Income from Operations	L	192,43,39,009	180,74,22,869
Less: Excise duty		30,038	3,77,966
		<u>192,43,08,971</u>	<u>180,70,44,903</u>
Other Income	M	20,68,995	2,72,60,782
	Total	<u><u>192,63,77,966</u></u>	<u><u>183,43,05,685</u></u>
EXPENDITURE			
Manufacturing, Administration and Selling expenses	I	186,17,55,849	164,50,57,803
Interest & Finance Charges	J	13,44,94,666	12,54,67,906
Depreciation		8,46,16,289	8,47,85,173
Capital Issue Expenses - Written Off		2,48,999	2,48,999
		<u>208,11,15,803</u>	<u>185,55,59,881</u>
(Increase)/Decrease in stocks	K	(7,61,28,250)	5,99,62,385
	Total	<u><u>200,49,87,553</u></u>	<u><u>191,55,22,266</u></u>
Profit/(Loss) before Tax		(7,86,09,587)	(8,12,16,581)
Provision for Taxation:			
Current Tax		-	-
Fringe Benefit Tax		-	6,21,886
Deferred Tax Asset		7,87,13,080	5,34,48,782
Profit/(Loss) after Tax		<u>1,03,493</u>	<u>(2,83,89,685)</u>
Prior Period Item		0	13,86,462
Add:Balance brought forward from previous year		9,57,53,485	12,55,29,632
Profit available for appropriation		<u><u>9,58,56,978</u></u>	<u><u>9,57,53,485</u></u>
APPROPRIATIONS			
Balance carried to Balance Sheet		<u><u>9,58,56,978</u></u>	<u><u>9,57,53,485</u></u>
Significant Accounting Policies	N		
Notes on Accounts	O		

Schedules and notes annexed hereto form part of these accounts

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

SRINIVAS KODALI
EXECUTIVE DIRECTOR

Place: Hyderabad
Date : 14.08.2010

RAMESH BANDARI
COMPANY SECRETARY


SCHEDULES TO ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Schedule-A		
SHARE CAPITAL		
Authorised		
15000000 Equity Shares of Rs.10/- each	15,00,00,000	15,00,00,000
500000 Preference Shares of Rs.100/- each	5,00,00,000	5,00,00,000
	<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued and Subscribed		
11080000 Equity Shares of Rs.10/-each	<u>11,08,00,000</u>	<u>11,08,00,000</u>
Called up & Paid up		
11080000 Equity Shares of Rs.10/-each	11,08,00,000	11,08,00,000
	<u>11,08,00,000</u>	<u>11,08,00,000</u>
Schedule-B		
RESERVES & SURPLUS		
AP State Subsidy	25,00,000	25,00,000
Capital Reserve	30,34,840	30,34,840
Share Premium	10,62,00,000	10,62,00,000
General Reserve	3,48,78,000	3,48,78,000
Profit & Loss Account	9,58,56,978	9,57,53,485
	<u>24,24,69,818</u>	<u>24,23,66,325</u>
Schedule-C		
SECURED LOANS		
From Financial Institutions & Banks		
Term Loans	61,81,17,527	63,97,94,083
From Banks		
Short Term Loans (working capital)	40,27,27,847	41,38,55,064
	<u>1,02,08,45,374</u>	<u>1,05,36,49,147</u>
Schedule-D		
UNSECURED LOANS		
Fixed Deposits	6,26,51,000	6,11,54,000
Others	9,67,30,980	4,13,13,871
	<u>15,93,81,980</u>	<u>10,24,67,871</u>



SCHEDULES TO ACCOUNTS (contd.)
Schedule - E : FIXED ASSETS

Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions/ Adjustments during the period	Deductions/ Adjustments during the period	As AT 31.03.2010	Up to 31.03.2009	Transfers/ Adjustments during the period	For the period	Up To 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	32711051	-	-	32711051	-	-	-	-	32711051	32711051
Buildings	299400618	802408	-	300203026	83381252	-	8308835	91690087	208512939	216019366
Plant & Machinery	1502170677	16885540	10172802	1508883415	583451590	3611708	66395591	646235473	862647942	918719087
Effluent Treatment Plant	30352626	-	-	30352626	4305207	-	1432887	5738094	24614532	26047419
Generators	8483353	-	-	8483353	6103423	-	284077	6387500	2095853	2379930
Electrical Installations	86816784	219369	-	87036153	34570020	-	3888955	38458975	48577178	52246764
Furniture & Fittings	6056116	-	-	6056116	5112284	-	185611	5297895	758221	943832
Computers	21071999	88412	-	21160411	17643595	-	2257674	19901269	1259142	3428404
Office Equipment	19191114	229800	-	19420914	2967913	-	904191	3872104	15548810	16223201
Vehicles	12114968	-	-	12114968	6265932	-	926461	7192393	4922575	5849036
Other Assets	668701	-	-	668701	494716	-	32007	526723	141978	173985
Previous Year Figures	2019038007	18225529	10172802	2027090734	744295932	3611708	84616289	825300513	1201790221	1274742075
Capital Work-in-Progress	1986357859	45075758	12395610	2019038007	667639124	8128365	84785173	744295932	-	16512715
									1201790221	1291254790



SCHEDULES TO ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
Schedule-F				
INVESTMENTS-TRADE (UNQUOTED-AT COST)				
Equity Shares:				
Ibiza Industries Limited		1,40,00,000		1,40,00,000
1032100 of shares of Rs.10/- each				
		<u>1,40,00,000</u>		<u>1,40,00,000</u>
Schedule-G				
CURRENT ASSETS, LOANS & ADVANCES				
A. CURRENT ASSETS				
Inventories				
a. Raw Materials	4,00,92,390		3,23,32,068	
b. Consumables Stores & Spares	2,16,63,391		1,87,68,372	
c. Dyes & Chemicals	47,12,265		62,34,481	
d. Packing Materials	23,51,216		20,17,734	
e. Stock in process	17,04,87,544		12,77,84,713	
f. Finished Goods (including goods in transit)	<u>15,40,69,526</u>		<u>12,06,44,107</u>	
		39,33,76,332		30,77,81,475
Sundry Debtors (unsecured considered good)				
a. Exceeding 6 months	109,50,781		91,44,758	
b. Not exceeding 6 months	<u>17,82,46,003</u>		<u>14,08,20,018</u>	
		18,91,96,784		14,99,64,776
Cash and Bank Balances				
Cash on hand	10,91,466		12,78,484	
Balances with Scheduled Banks				
a. In Current Accounts	39,24,789		27,05,095	
b. In Deposit Accounts	<u>2,40,18,310</u>		<u>2,07,16,310</u>	
		2,90,34,565		2,46,99,889
B. LOANS & ADVANCES				
(Unsecured considered good),				
Advances (Recoverable in cash or kind or for value to be received)		15,88,84,563		15,65,79,833
Deposits				
a. With Excise authorities on current accounts	56,529		53,252	
b. With others	<u>3,47,07,840</u>		<u>3,45,13,562</u>	
		3,47,64,369		3,45,66,814
		<u>80,52,56,613</u>		<u>67,35,92,787</u>

**PRIYADARSHINI SPINNING MILLS LTD.****SCHEDULES TO ACCOUNTS**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Schedule-H		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
a. Sundry Creditors	47,92,05,124	37,98,82,009
b. Unclaimed Dividends	8,89,443	8,89,443
c. Interest accrued but not due on term loans	3,60,622	32,34,228
Provisions		
Fringe Benefit Tax	6,21,886	6,21,886
	<u>48,10,77,075</u>	<u>38,46,27,566</u>

	2009-10		2008-09	
	Rs.	Rs.	Rs.	Rs.
Schedule-I				
MANUFACTURING, ADMINISTRATION, SELLING & OTHER EXPENSES				
Consumption of Raw materials				
Opening Stocks	3,23,32,068		7,56,95,035	
Add:Purchases	<u>121,48,99,678</u>		<u>102,51,45,338</u>	
	<u>124,72,31,746</u>		<u>110,08,40,373</u>	
Less:Closing Stocks	<u>4,00,92,390</u>		<u>3,23,32,068</u>	
		<u>120,71,39,356</u>		106,85,08,305
Power & Fuel		<u>17,57,37,478</u>		16,42,45,286
Consumption of Dyes & Chemicals		<u>7,98,39,674</u>		6,30,04,749
Consumption of Stores, Spares & Tools		<u>3,52,74,494</u>		3,00,97,121
Consumption of Packing Materials		<u>2,18,43,153</u>		2,49,47,569
Repairs & Maintenance				
Plant & Machinery	1,49,26,890		62,26,807	
Buildings	15,47,710		18,41,167	
Others	<u>11,96,032</u>		<u>10,36,052</u>	
		<u>1,76,70,632</u>		91,04,026
Payments to & Provisions for Employees				
Salaries, Wages, Bonus, Retirement benefits,etc.	16,01,24,994		13,76,86,933	
Staff and Workmen Welfare	57,99,754		76,96,798	
Contribution to PF & Other Funds	<u>1,39,97,627</u>		<u>1,21,24,577</u>	
		<u>17,99,22,375</u>		15,75,08,308
Conversion Charges		<u>3,44,74,309</u>		2,20,73,516
Insurance		<u>30,17,798</u>		59,40,651
Rent		<u>8,50,859</u>		7,67,541
Rates & Taxes		<u>22,49,010</u>		29,39,726
Directors' Travelling Expenses		<u>3,16,972</u>		4,19,584

**SCHEDULES TO ACCOUNTS**

	2009-10		2008-09	
	Rs.	Rs.	Rs.	Rs.
Remuneration To Auditors				
a. Audit Fee	75,000		75,000	
b. Tax audit fee	50,000		50,000	
c. Tax representation	0		0	
d. Others Services	<u>80,815</u>		<u>47,978</u>	
		2,05,815		1,72,978
Directors' Remuneration		35,79,509		36,58,402
Miscellaneous Expenses		3,71,42,436		3,20,98,053
Commission on Sales		95,30,792		1,04,23,430
Brokerage on Sales		1,39,12,931		1,20,71,142
Freight outwards on finished goods		3,90,48,256		3,70,77,416
		<u>186,17,55,849</u>		<u>164,50,57,803</u>
Schedule-J				
INTEREST & FINANCE CHARGES				
a. Term Loans		4,77,44,454		4,60,45,512
b. Banks & Others		8,22,25,222		7,46,84,363
c. Bank charges		45,24,990		47,38,031
		<u>13,44,94,666</u>		<u>12,54,67,906</u>
Schedule-K				
(INCREASE)/DECREASE IN STOCKS				
1. Work in Progress				
Opening Stock	12,77,84,713		13,47,43,382	
Closing Stock	<u>17,04,87,544</u>		<u>12,77,84,713</u>	
		(4,27,02,831)		69,58,669
2. Finished Goods				
Opening Stock	12,06,44,107		17,36,47,823	
Closing Stock	<u>15,40,69,526</u>		<u>12,06,44,107</u>	
		(3,34,25,419)		5,30,03,716
		<u>(7,61,28,250)</u>		<u>5,99,62,385</u>
Schedule-L				
SALES/INCOME FROM OPERATIONS				
From Yarn and Fabric Sales				
Domestic		163,17,84,695		149,97,53,980
Export		21,34,88,246		18,96,59,927
From Garment Sales				
Domestic		23,99,353		36,06,446
Export		57,63,621		59,88,716
From Generation of Power		81,96,589		65,13,306
Others		6,26,76,467		10,15,22,528
		<u>192,43,08,971</u>		<u>180,70,44,903</u>
Schedule-M				
OTHER INCOME				
Foreign Exchange Fluctuations		-		60,41,514
Others		20,68,995		2,12,19,268
		<u>20,68,995</u>		<u>2,72,60,782</u>



SCHEDULES TO ACCOUNTS (Contd.)

SCHEDULE - N

SIGNIFICANT ACCOUNTING POLICIES

1. **BASIS OF ACCOUNTING:** The Accounts of the Company are prepared on accrual basis following historical cost convention.
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. Depreciation has not been provided on buildings, plant and machinery of Gas Power Project as the unit was not in operation for the whole year. Depreciation not provided up to the Current year amounts to Rs.4,91,41,933/-.
5. **INVESTMENTS:** Investments are stated at cost.
6. **INVENTORY VALUATION:**
 - a) Raw Materials, Consumable Stores and Spares: at cost
 - b) Work-in-progress: At cost of raw materials and other variable costs
 - c) Finished Goods: At lower of cost or net realisable value.
7. **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.
8. **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 Rs 51.02 lakhs has been charged to profit and loss account.
9. **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.
10. **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'.
11. **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.
12. **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.



SCHEDULES TO ACCOUNTS (Contd.)

SCHEDULE - O

Notes annexed to and forming part of the accounts for the year ended 31st March, 2010.

01. Contingent Liabilities in respect of :

(Rs. in lakhs)

	As at 31/03/2010	As at 31/03/2009
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	7.38	13.22
b) Letters of Credit	1265.00	999.94
c) Counter Guarantee in respect of Guarantees issued by Banks	94.42	94.42
d) Claims against the Company not acknowledged as debts	158.08	158.08

02. a) Term loans from Financial Institutions and Banks are secured by way of joint equitable mortgage of all immovable properties both present and future and hypothecation of all movable assets on a paripassu basis along with personal guarantee of the Managing Director of the Company. Specified movable assets are subject to prior charge in favour of the Company's Bankers for working capital requirements among which participating Financial Institutions will have second charge.
- b) Term loans from Housing Development Finance Corporation Limited are secured by first mortgage of Dwelling units.
- c) Working Capital facilities from Banks are secured by hypothecation of raw materials, semi-finished goods, finished goods, stores and spares and book debts and second charge on Fixed Assets of the Company to the extent of Rs.5300 lakhs.
- d) Working Capital Loans taken from Commercial Banks are also secured by Personal Guarantee of the Managing Director of the Company.
03. Unsecured loans from others includes sales tax deferred liability of Rs. 1,82,43,630/- (previous year Rs. 2,28,26,521/-) (Incentive granted by Government of Andhra Pradesh).
04. a) The 1.8 M.W. Wind Farm of the Company has generated 24,45,482 units during the year (Previous year 20,21,064 units). The value of Rs. 81,96,589/- of the units generated is included in the Income from operations (Previous year Rs. 65,13,307/-).
- b) The 3 M.W Gas based power project of the company has not generated power due to non-availability of gas. (Previous year NIL units). The value of Rs.NIL of the units generated is included in the Income from operations (Previous year Rs.NIL).
05. Other Income and Miscellaneous expenses includes Profit and Loss of Rs. 766569/- and Rs.8597574/- on sale of fixed assets respectively.
06. None of the persons selling goods and materials and/ or rendering services have claimed it to be small-scale undertaking.



PRIYADARSHINI SPINNING MILLS LTD.

SCHEDULES TO ACCOUNTS (Contd.)

07. Related Party Transactions

The company has transactions with the following related parties:

(Amount in Rs.)					
Name of the Party	Nature of relationship	Description of transaction	Amount of transaction	Outstanding Balances as on 31/03/2010	Written off or Written back
a) Ibiza Industries Ltd.	One of the Promoters	Investment in equity shares	—	1,40,00,000 Dr	Nil
		Fabric conversion charges	—	53,22,317 Dr	Nil
		Unsecured loan given.	—	38,17,346 Dr	Nil
b) Padmaja Agencies (P) Ltd.	Managing Director Interested	Deposit against lease	—	13,23,759 Dr	Nil
		Rent paid	3,60,000	27,000 Cr	Nil
c) Key Management Personnel					
Mr.Harish Cherukuri	Managing Director	Payment of salary & allowances	19,21,003		
Mr.Srinivas Kodali	Executive Director	Payment of salary & allowances	19,22,506		

08. Information on earning per share as per Accounting Standard 20

	31/03/2010	31/03/2009
a) No. of equity shares outstanding	1,10,80,000	1,10,80,000
b) Profit/(Loss) available to equity shareholders (in Rs.)	1,03,493	(2,83,89,685)
c) Nominal Value per equity share (in Rs)	10	10
d) Basic & diluted earning per share (in Rs)	(0.01)	(2.56)

09. Deferred Tax liability (Net as on 31.03.10) is as follows:

Timing difference on account of Depreciation (in Rs)	77,17,579	8,64,30,659
--	-----------	-------------

10. Particulars of Remuneration paid to Directors

	2009-2010 (Rs.)	2008-2009 (Rs.)
Salary	24,00,000	24,00,000
Contribution to P.F.	2,88,000	2,88,000
Perquisites	11,55,509	12,36,402
Sitting fee	24,000*	22,000
	38,67,509	39,46,402

*(It Includes Rs 2,000 Paid to Representative of Nominee Directors)



PRIYADARSHINI SPINNING MILLS LTD.

SCHEDULES TO ACCOUNTS (Contd.)

11. Capacities, Production, Turnover and Stocks:

	2009-2010		2008-2009	
a) Capacity (No. of Spindles):				
Installed		82,176		82,176
b) Production :				
(i) Yarn (Kgs)				
Own		1,23,06,752		1,17,83,985
Jobwork		1,56,767		4,52,433
(ii) Garments(Pieces)				
Own		49,390		43,046
Job Work		1,36,193		1,94,700
c) Turnover	Qty.	Value Rs.	Qty.	Value Rs.
Yarn Sales(Kgs)	1,22,57,646	184,44,51,761	1,22,12,671	166,87,11,610
Fabric Sales(Mts)	10,703	8,21,180	2,09,143	2,07,02,296
Garments(Nos)	43,260	81,62,974	42,319	95,95,162
Others		7,08,73,056		10,80,35,835
		192,43,08,971		180,70,44,903
d) Stocks of Yarn	Qty (kgs)	Value Rs.	Qty. (kgs)	Value Rs.
Opening Stock	8,25,387	11,92,89,207	12,63,906	17,26,71,328
Closing Stock	8,81,311	15,11,21,876	8,25,387	11,92,89,207
	Qty (Nos)	Value Rs.	Qty (Nos)	Value Rs.
e) Stock of Garments				
Opening Stock	5,484	13,54,900	4,757	9,76,495
Closing Stock	11,614	29,47,650	5,484	13,54,900
Note: Consumption of yarn in fabric manufacturing on job work basis by outsiders	Qty. (kgs)		Qty. (kgs)	
Own yarn :	3,530		80,913	
12. Consumption of Raw materials.	Qty (kgs)	Value Rs.	Qty. (kgs)	Value Rs.
Class of goods :				
Polyester	68,08,558	48,94,15,512	58,54,654	41,58,14,946
Viscose	24,32,529	30,23,48,348	22,63,255	26,30,24,123
Acrylic	7,912	9,99,951	13,113	16,85,016
Cotton	24,98,332	18,05,74,524	31,63,801	22,30,18,713
Cotton yarn	18,07,475	22,99,56,210	13,71,545	15,97,73,753
Fabric	-	38,44,811	-	51,91,754
		120,71,39,356		106,85,08,305
Note: Cotton yarn includes goods purchased for trading				
Consumption of Imported and Indigenous materials and percentage thereof :				
Raw Materials	Value Rs.	%	Value Rs.	%
Imported	1,33,79,086	1.11	5,16,189	0.05
Indigenous	119,37,60,270	98.89	106,79,92,116	99.95
	120,71,39,356	100.00	106,85,08,305	100.00
Stores and Spares:				
Imported	20,04,404	5.68	8,69,848	2.89
Indigenous	3,32,70,090	94.32	2,92,27,273	97.11
	3,52,74,494	100.00	3,00,97,121	100.00
13. C I F Value of Imports	Value (Rs.)		Value (Rs.)	
Raw Materials	1,11,83,968		-	
Capital Goods	3,36,333		14,49,992	
Stores and Spares	18,85,425		8,71,362	
14. Expenditure in foreign currency				
a) Travelling Expenses		-		4,21,683
b) Commission		26,34,413		38,68,994
15. Earnings in foreign exchange				
FOB Value of Exports		21,36,28,649		18,84,08,819
16. Previous years figures have been regrouped/reclassified wherever necessary.				



PRIYADARSHINI SPINNING MILLS LTD.

SCHEDULES TO ACCOUNTS (Contd.)

17. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No./CIN : L18100AP1981PLC003031 State Code : 01
 Balance Sheet Date : 31/03/2010

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousands)

Public Issue : NIL Rights Issue : NIL
 Bonus Issue : NIL Private Placement : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.Thousands)

Total Liabilities : 15,41,215 Total Assets : 15,41,215

Sources of Funds

Paid-Up Capital : 1,10,800 Reserves & Surplus : 2,42,470
 Secured Loans : 10,20,845 Deferred Tax Liability (net) : 7,718
 Unsecured Loans : 1,59,382

Application of Funds

Net Fixed Assets : 12,01,790 Investments : 14,000
 Net Current Assets : 3,24,179 Misc. Expenditure : 1,245

IV. PERFORMANCE OF THE COMPANY (Amount in Rs.Thousands)

Turnover : 19,24,309 Total Expenditure : 20,04,988
 Other Income : 2,069
 Profit Before Tax : 78,610 Profit After Tax : 103
 Earnings Per Share (in Rs.) : 0.01
 Dividend Rate % : NIL

V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (As per Monetary Terms)

<u>Item Code No.</u>	<u>Product Description</u>
5205.14	100% Cotton Yarn
5206.11	Cotton Blended Single Yarn
5206.12	Cotton Blended Double Yarn
5510.12	VSF Double Yarn
5509.50	Polyester/Viscose Yarn - 65/35
5509.22	100% Polyester Double Yarn
5509.31	Acrylic Single Yarn
5509.32	Acrylic Double Yarn
5512.00	Synthetic Fabric

Schedules and notes annexed hereto form part of these accounts

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

SRINIVAS KODALI
 Executive Director

Place : Hyderabad
 Date : 14/08/2010

RAMESH BANDARI
 Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

PARTICULARS	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net profit before tax & extraordinary items		(7,86,09,587)		(8,12,16,581)
Add: Depreciation	8,46,16,289		8,47,85,173	
Interest	12,99,69,676		12,07,29,875	
Capital Issue Expenses	2,48,999		2,48,999	
Loss on sale of Assets	85,97,574	22,34,32,538	23,77,241	20,81,41,288
		14,48,22,951		12,69,24,707
Less: Profit on sale of Assets		7,66,569		1,99,996
Operating profit before working capital changes		14,40,56,382		12,67,24,711
Adjustments for working capital changes				
Sundry debtors	(3,92,32,008)		(1,49,37,591)	
Current liabilities	9,64,49,515		(1,51,89,007)	
Inventories	(8,55,94,857)		10,28,50,184	
Loans & Advances	(25,02,285)	(3,08,79,635)	6,83,91,426	14,11,15,012
Cash generated from Operations		11,31,76,747		26,78,39,723
Less: Interest charges		12,99,69,676		12,07,29,875
Less: Direct Taxes		-		2,18,44,119
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(1,67,92,929)		12,52,65,729
Less: Prior Period Item		-		13,86,462
CASH FLOW FROM OPERATING ACTIVITIES		1,67,92,929		12,38,79,267
B CASH FLOW FROM INVESTING ACTIVITIES				
Inflow: Sale of fixed assets		(12,69,911)		20,90,000
Sale of Investments				
Outflow: Acquisition of fixed assets		17,12,814		3,42,90,662
		(29,82,725)		(3,22,00,662)
C CASH FLOW FROM FINANCING ACTIVITIES				
Inflow: Term Loans received	-		9,32,828	
Increase in Bank borrowings	(1,11,27,218)		(3,56,62,734)	
Fixed deposits received	2,66,17,440		6,98,87,000	
Unsecured Loans	5,54,17,109		(1,46,63,058)	
Share Capital & Share premium	-	7,09,07,331	1,12,50,000	3,17,44,036
Outflow: Repayment of Term loans	2,16,76,561		6,17,38,103	
Repayment of Fixed deposits	2,51,20,440		5,97,38,000	
Dividends	-	4,67,97,001	-	12,14,76,103
NET CASH FROM FINANCING ACTIVITIES		2,41,10,330		(8,97,32,067)
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		43,34,676		19,46,536
ADD:CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR.		2,46,99,889		2,27,53,353
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		2,90,34,565		2,46,99,889

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

SRINIVAS KODALI
Executive Director

Place: Hyderabad
Date : 14/08/2010

RAMESH BANDARI
Company Secretary

PRIYADARSHINI SPINNING MILLS LIMITED

Regd. & Corporate Office: Satyanarayana Enclave, Icon Block, 2nd Floor, Madinaguda, Hyderabad - 500 049.

ATTENDANCE SLIP

29th ANNUAL GENERAL MEETING

Wednesday, the 29th day of September, 2010 at 10.30 A.M.

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 29th Annual General Meeting of the Company at Sri Sagi Ramakrishnam Raju Community Hall, 8-3-222/R/1, 'E' Block, Madhuranagar, Hyderabad - 500 038.

Signature of the Member / Proxy

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

PRIYADARSHINI SPINNING MILLS LIMITED

Regd. & Corporate Office: Satyanarayana Enclave, Icon Block, 2nd Floor, Madinaguda, Hyderabad - 500 049.

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

Priyadarshini Spinning Mills Ltd. 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 29th Annual General Meeting of the Company to be held on 29-09-2010 at 10.30 A.M. at Sri Sagi Ramakrishnam Raju Community Hall, 8-3-222/R/1, 'E' Block, Madhuranagar, Hyderabad - 500 038 and at any adjournment thereof.

Affix a
Re.1/-
Revenue
Stamp

Signed this _____ day of September, 2010.

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

29th Annual Report

If undelivered, please return to:



Priyadarshini Spinning Mills Limited

Satyanarayana Enclave, Icon Block, 2nd Floor,
Madinaguda, Hyderabad - 500 049. A.P. India.
Tel: +91 40 4015 3333, Fax: +91 40 2304 0374