

33rd
ANNUAL REPORT
2013 - 2014



Priyadarsini Limited
(Formerly known as Priyadarshini Spinning Mills Limited)

C o n t e n t s

Notice	2
Notes	4
Directors' Report	8
Annexure to Director's Report	11
Compliance Certificate on Corporate Governanance	17
Independent Auditors' Report	18
Annexure to the independent Auditors' Report	20
Balance Sheet	22
Statement of Profit & Loss	23
Cash Flow Statement	24
Significant Accounting Policies	25
Notes to Financial Statements for the 9months ended 31 March 2014	26

Board of Directors	Mr.Kowsaledra Rao Cherukuri, Executive Vice Chairman Mr.H.N.Vishweshwar, (Syndicate Bank Nominee) Mr.D.Venkatratnam, Director Mr. D. Sivayya Additional Director Mr.V.B.Bajaj Additional Director
Company Secretary	Mr. Ramesh Bandari
Audit Committee	Mr.D.Venkataratnam Mr. D.Sivayya Mr.V.B.Bajaj
Shareholders Relationship Committee	Mr.D.Venkata Ratnam Mr. C.Kowsalendra Rao Mr.D.Sivayya
Remuneration Committee	Mr. D.Venkataratnam Mr. D.Sivayya Mr.V.B.Bajaj
Statutory Auditors	M/s P. Srinivasan & Co., Chartered Accountants H.NO.12-13-422, Street No.1 (Lane Opp. to Bank of Baroda) Tarnaka, Secunderabad - 17
Bankers	State Bank of India Union Bank of India Syndicate Bank Bank of India Andhra Bank Exim Bank HDFC
Regd. Office	Survey No 726 & 744 Sadasiv Pet, Sadasiv Pet Mandal Medak District-502291
Corporate Office:	Satyanarayana Enclave, Icon Block, 3rd Floor, Madinaguda, Hyderabad -500048..
Mktg. Division	G-9, Nahar & Seth Indl. Estate Plot No.29, B/D, Chakala Road Andheri (East) Mumbai -400 093.

WORKS

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

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of Member's of Priyadarsini Limited to be held on 29th September, 2014 at 10.00. A.M. At the Register office: Priyadarsini Limited factory premises Survey No 726 & 744 Sadasivpet, Sadasivpet Mandal Medak District-502291.

ORDINARY BUSINESS:

1. To receive and adopt the audited statement of profit and loss for the 9 months ended march 31st , 2014 and the balance sheet as at that date together with the reports of the director and auditors thereon
2. To appoint a Director in place of Mr. Kowsalendra Rao Chrukuri, who retires by rotation and being eligible for re-appointment be and is hereby appointed as Director subject to retire by rotation.

Appointment of Auditors:

3. To consider if thought fit to pass, with or with out modification the following resolution as an ordinary resolution

Resolved that pursuant to the provisions of section 139 of the Companies Act, 2013 (act) and other applicable provisions of the Act, if any and the rules framed there under as amended from time to time M/S.P.Srinivasan & Co. chartered Accountants, be and is hereby reappointed as the statutory auditors of the company for 3 years to hold office from the conclusion of this annual general meeting (AGM) till the conclusion of 4th consecutive AGM of the company to be held in the year 2017 (subject to ratification of their appointment at every AGM), on SUCH REMUNERATION plus service tax, out of pocket, expenses, etc, as may be mutually agreed up on between the board of directors of the company.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, Mr.D.Sivayya (DIN: 06722129), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. D.Sivayya for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Non-Executive Director for a period of 5 Consecutive years.

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under read with Schedule IV to the Act, Mr.V.B.Bajaj (DIN: 02015122.), who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. V.B.Bajaj for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Non-Executive Director for a period of 5 consecutive years.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other

applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. D. Venkataratnam (DIN: 00905936) Director of the Company whose period of office is liable to determination by retirement of directors by rotation under the provisions of the Companies Act 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. Kowsalendra Rao Chrukuri (DIN: 00018525), as Executive Vice chairman of the Company for a period of three years with effect from 07th June, 2014 with out any remuneration

By order of the Board of Directors
For Priyadarsini Limited

Place: Hyderabad
Date: 12.08 2014

Ramesh Bandari
Company Secretary

NOTES:

1. The Statement Pursuant to section 102 of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2014 to 29.09.2014 (Both days inclusive).
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 de-mat 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. Brief profile of the Directors seeking re-appointment is given in the Corporate Governance report attached to this notice
9. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
10. Members may also note that the notice of the Annual General Meeting and Annual Report for 2014 will be available on the Company's website www.psm spinning.com.
11. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The e-voting period commences on Tuesday 23rd September, 2014 (10:00 am) and ends on Thursday 25th September, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares as on cut-off date of 29th August 2014 either in physical form or in dematerialized form, may cast their vote electronically. The e-voting portal shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. A member who has cast his vote by electronic means is not entitled to vote again at the AGM.

CS B. Venkatesh Babu, Company Secretary in Practice (F6708) has been appointed as the scrutinizer to scrutinize the e-voting process and he will submit his report within the period not exceeding three working days from the conclusion of e-voting. The Chairman will declare the results on or after the AGM of the Company accordingly and will also be placed at the company website.

12. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (b) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
13. As an austerity measure, copies of the annual report will not be distributed at the Annual General Meeting. Members are requested to bring their attendance slip along with a copy of Annual Report to the Meeting.

**By order of the Board of Directors
For Priyadarsini Limited**

**Place: Hyderabad
Date: 12.08 2014**

**Ramesh Bandari
Company Secretary**

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013
Item no. 4 to 6:**

Mr. D.Sivayya (DIN: 06722129) and Mr.V.B.Bajaj (DIN: 02015122), who were appointed on 17.10.2013 and 06.04.2014 respectively will cease to be Directors from the date of Annual General Meeting and company received a request from the shareholder to propose his candidature for appointment as Independent Director at the Annual General meeting. With regard to Mr D. Venkatarantam, who retire by rotation being appointed as Director in compliance of the Provisions of the Act.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed as Independent Directors at various times, in compliance with the requirements of the said clause. As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 and inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The above Independent Director have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

ITEM NO 7:

Mr. Kowsalendra Rao Chrukuri, aged 73 years, is a promoter and Executive Vice Chairman of the Company and having over 37 years of industry experience in the field of manufacturing. He has a degree in textile technology His current term of Executive Vice chairman of the Company expires on 07th June, 2014. He has excellent grasp and thorough knowledge and experience in general management. He has knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Kowsalendra Rao Chrukuri should be available to the Company for a further period of three years with effect from 07th June, 2014 with out any remuneration

DIRECTORS REPORT

To the Members,

The Directors of your Company have pleasure in presenting the 33rd Annual Report together with the audited statement of accounts for the 9 Months ending 31st March, 2014.

FINALCIAL RESULTS

(Rs. In Lakhs)

	Current year (9 months) Ended 31.03.2014.	previous year(15 Months) Ended 30-06-2013
1. Sales and other Income	3619.13	11873.65
2. Profit before interest and depreciation	376.78	935.75
3. Interest and Finance Charges	435.12	1081.09
4. Depreciation	354.87	754.62
5. Profit/(loss) after interest and Depreciation	(1166.78)	(2773.80)
6. Provision for Taxation		
a) Current Tax	-	-
b) Fringe Benefit Tax	-	-
c) Deferred Tax charge	00	0
7. Prior period item	-	-
8. Net Profit(loss) After tax	(1166.78)	(1100.00)
9. Profit and Loss A/c Balance	(4870.43)	(3873.80)
10. Reserves		1466.13
APPROPRIATIONS		
1. Surplus carried forward to Balance Sheet	(6037.21)	(4870.43)

REVIEW OF OPERATIONS :

During the 9 months period under review, the company has achieved a turnover of Rs. 3619.13 lakhs against Rs.11876.80 in the previous 15 months period and it is not comparable due to different period. The company has incurred a loss of Rs. 1166.78 Lakhs against a loss of Rs. 2401.36 Lakhs in the previous period .

Due to lack of working capital the company carried out the operations on job work basis during the entire period under review.

The Management is taking effective steps to cut the cost and improve production.

TEXTILE INDUSTRY

A textile is the oldest industry in the country and it is the most labor intensive industry. This sector gives direct employment to 35 million people and indirect employment to 45 million people covering mostly women and rural poor. This industry contributes for the growth of the country in terms of job creation in rural areas, export earnings, besides meeting the basic needs of the people.

The capacity of the Industry is much more than the domestic requirements. The fall in exports due to recession in developed countries has resulted in poor price realization from the domestic market. The unprecedented huge price fluctuations of raw materials and demand recession for all Textile products have seriously affected and drove the industry to register huge losses during the year. Nearly 75% to 80% of the textile mills across the country have started incurring losses.

In order to bail out the ailing industry the Spinning Mills Associations have approached the Textile Ministry pleading for reliefs. 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 by 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 and Interest relief.

With the reliefs that are going to be available from the Banks, now the industry is hoping to turn 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 increase in interest rates are the major risk factors presently for the textile industry. Increase in interest rates will affect the profitability. Since the industry is capital intensive.

ADEQUACY OF INTERNAL CONTROLS

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

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

EXPORTS:

During the period under review there were no exports

WIND MILL:

During the year under review, the 1.8 M.W Wind power Mill has generated 1605427 units as against 3171776 units in the previous year.

GAS POWER PROJECT

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

FIXED DEPOSITS:

The fixed Deposits outstanding as on 30.06.2014

amounted to Rs 282.62 Lakhs. The outstanding fixed deposits will be re-paid as per the provisions in the companies Act, 2013.

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed:
- ii) Such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company at the end of the financial year and of the 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.
- v) The directors in case of listed company had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS:

1. Mr. D.Sivayya, appointed as a director on the Board w.e.f. 17.10.2013
2. Mr. V.B.Bajaj appointed as Additional Director w.e.f. 06th April, 2014
3. Mr. Govardhana Naidu, Additional Director resigned from the office of the company 14.02.2014
4. Exim bank withdrawn Mr.David L Sinate, as nominee director on the board of Directors of the company.W.e.f.14.02.2014

All the Independent Directors are appointing for a period of 5 year at the AGM and also proposed to appoint Mr. Kowsalendra Rao Chrukuri as executive vice chairman for a further period of 3 year at the AGM.

STATUTORY AUDITORS:

M/S.P.Srinivasan & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the Conclusion of the ensuing Annual General Meeting and are eligible for re appointment. As per the provisions of companies Act, 2013 they are proposed to be appointed as auditors for a period of 3 years(subject to ratification by the company at every AGM)

CONSERVATION OF ENERGY:

Conservation of energy, Technology Absorption & Foreign exchange and outgo 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 under review the industrial relations continued to be cordial at all the units.

REFERENCETO BIFR:

As required under the Sick industrial companies (special provisions) Act, 1985 has made a reference to BIFR under Section 15(1) of SICA. The same is under process for registration.

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 that have helped in the Company's growth.

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

For and on behalf of the Board of Directors

**Place: Hyderabad
Date: 12.08.2014**

**C.K.Rao
Executive Vice chairman**

**D.Venkata Ratnam
Director**

ANNEXURE TO DIRECTOR'S REPORT

Information pursuant to Section 134(1)(m) of the Companies Act, 2013 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 years 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 below:

- i). Foreign Exchange used : Rs. NIL
- ii). Foreign Exchange Earned : Rs. NIL

FORM - A

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

A. Power and Fuel Consumption:

	2013-14(9 months)	2012-2013(15 Months)	
1. Electricity			
a) Purchased :			
i. Units (in lakhs of KWH)	167.77	228.98	
Total amount (Rs.in lakhs)	1315.95	1381.02	
Average Rate : (Rs./Unit)	7.84	6.03	
ii. IEX			
Units (in lakhs of KWH)	5.12	37.64	
Total amount (Rs.in lakhs)	25.04	286.77	
Average Rate : (Rs./Unit)	4.89	7.62	
b) Own Generation :			
i) Through Diesel Generators			
Units (in lakhs of KWH)	0.00	0.06	
Units per Litre of Diesel Oil	0.00	2.47	
Average Cost: Rs. /Unit	0.00	21.42	
ii) Through Wind Mills			
Units generated (in lakhs KWH)	16.05	31.72	
Value (Rs.lakhs)	125.86	199.72	
Average Rate (Rs./Unit)	7.84	6.29	
2. Coal			
	(Quality : 'B, C & D' Round used in boiler for fiber/yarn dyeing)		
Quantity (Tons)	1232.36	883.46	
Total Amount (Rs. in lakhs)	81.73	61.04	
Average Rate (Rs./Kg)	6.63	6.91	
3. Others			
Electricity tons)	21.901	3689.114	
Toatal amount(Lakhs)	0.576	97.09	
Average Rate(Rs./kgs)	2.63	2.63	
B. Consumption per unit of production :			
	Standard	Current Year	Previous Year
Yarn Production (Kgs. in lakhs)	—	47.26	81.82
Fibre/yarn Dyed (Kgs. in lakhs)	—	5.95	26.35
Electricity(Units/Kg of Yarn)	—	3.55	4.36
Coal(Kgs/Kg of Dyed Fibre/yarn)	—	0.23	0.96

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 under SCORES its drive towards competitive strength and sustained performance. These practices are also powerful tools 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 5(five) Directors Comprising One Executive Directors and 4(Four) Non-Executive Independent Directors including 1(one) nominee 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 during the period under review

Name of the Director	Category of Director	No.of Board Meetings Attended	Whether attended Last AGM	No of Membership of audit Committee Shareholders Grievance Committee of Public Limited Companies
C.K.Rao	Executive Vice Chairman	4	Yes	1
Mr.D.Venkata Ratnam	Independent Director	4	yes	-
Mr.H.N.Vishweshwar	Nominee Director (Syndicate Bank)	-	no	1
Mr.D.Sivayya	Additional Director	3	no	-
Mr.V.B.Bajaj	Additional Director	-	no	1

Notes:

1. Mr.V.B.Bajaj appointed as an additional director w.e.f.06.04.2014
2. Mr. D.Sivayya appointed as an additional director w.e.f. 17.10.2013
3. Mr. David L sinate exim bank Nominee, nomination with drawn by EXIM Bank w.e.f. 14.02.2014
4. Mr.P.Govardhana Naidu resigned as additional director w.e.f. 14.02.2014

B) BOARD MEETING:

The Board of Directors Met 4 times during the 9 months period 2013- 2014 on 26th August, 2013, 17th October, 2013, 13th November, 2013, 14th February, 2014.

BOARD COMMITTEES:

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

Audit Committee:

The Committee comprises of 3(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. D.Venkataratnam Chairman

Mr. D. Sivayya Member

Mr.V.B.Bajaj Member

The Committee Met 3 times during the 9 months period 2013- 2014 on August, 2013, , 13th November, 2013, 14th February, 2014.

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. D.Venkataratnam Chairman
 Mr. D.Sivayya Member
 Mr. V.B.Bajaj Member
 Met one time on 12.08.2014

Directors Remuneration:

i). Executive Directors: since the company has become sick Mr. Kowsalendra Rao cherukuri, Executive Vice Chairman has waived remuneration.

ii) Non-Executive Directors

Non-Executive Directors have 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 9 months period 2013-2014 are given hereunder:

S.No.	Name & Designation	Sitting Fees (Rs.)
1.	Mr.D.Venkata Ratnam	44000
2.	M/s .Syndicate Bank	-
3.	M/s .Exim Bank	18000
4.	Mr. Govardhana Naidu	-
5.	Mr. D.Sivayya	33000

*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. Kowsalendra Rao Member
 Mr.D.Sivayya Member

The Committee Met 4 times during the year 2013-2014 on 26th August, 2013, 17th October, 2013, 13th November, 2013, 14th February, 2014.

Name and Designation of Compliance Officer:

Mr. Ramesh Bandari, Company Secretary
 Corporate office: Satyanarayana Enclave,
 Icon Block, 3rd floor, Madinaguda,
 Hyderabad -500048

Ph.No.040-40153333.
 E-Mail:psmsecl@psmspinning.com

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

There are no outstanding investors grievances pending

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

Mr.D.Venkata Ratnam:

Mr.D.Venkata Ratnam is a Graduate in Commerce and a Member of ICAI he has worked at APSFC for about 32 years in different capacities and retired as an executive Director on 31-12-2010. During his tenure he has gained very good experience in all the departments of the Corporation.

Presently practicing as a chartered Accountant and he has appointed as a director from 02nd September, 2011.

Mr.V.B.BAJAJ:

Mr. V.B.Bajaj is a fellow chartered Accountant of ICAI having an experience of 25 years covering the core areas of audit and taxation besides, having special exposure in internal audit, management audit monitoring and implementations of change management in operational and finance areas. He is also engaged I providing consultancy services in the fields of corporate restructuring, debt syndication, private equity. He is a partner of the chartered accountants firm M/s saraf & Chandra for the last 12 years having their presence in kolkatta, Mumbai, Bangalore, Aziwal. Vishnu bajaj is actively handling the Mumbai branch of the said firm.

Mr.D.SIVAYYA:

Mr. Sivayya studied M.A. Labor and Social welfare M.A. Economics B.Com AICWA, he has got 55 years of experience in his carrier.

Worked with ICI Imperial and has got 18 years experience and he is expertised in the fields of Chemical Industry.

1. NOVO PAN India Ltd, 14 years of experience in Excise, Customs, Sales Tax and General Administration.
2. 10 years in Rahul Poly Products Ltd.,
3. Presently Associated with Priyadarsini Limited as a Independent Director.

1. GENERAL BODY MEETING:

Date and Venue of the last three Annual General Meetings

Date:	Place	Time
30.09.2013	Priyadarsini Limited factory premises Sadasivpet	9.30.A.M.
29.12.2012	Priyadarsini Limited Factory premise Sadasivpet	11.00.A.M.
29.09.2011	Sri Sagi Rama Krishnama Raju Community Hall, Mdhura Nagar, "E" Block, Hyderabad 500038	11.00.A.M.

? No Extra-Ordinary General Meeting of the Members was held during the period under review.

? Special resolutions passed in previous 3 Annual General Meetings.

Date	Brief particulars of the Resolution(s)
FY 2013-14	Nil
29.12.2012	Nil
29.09.2011	for Preferential Allotment of Shares

2. SUBSIDIARIES : There is no Subsidiary Company exist.3

3. RELATED PARTY TRANSACTIONS :

As per AS-18 the related party Transactions are reflected in notes to Accounts.

7. DISCLOSURES:

- a). There were no material significant transactions with the Directors or the management, their subsidiary or relatives that have 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.

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:

a). Date, time and venue of the 33rd Annual General Meeting: 30.09.2013 at 10.00..A.M. at Priyadarsini Limited Factory Premises, 726, 744, Sadasivpet, Sadasivpet Mandal Medak Dist.-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
 - iii). Annual results : audited with in Two Months
- c) BOOK CLOSURE DATE : 26.09.2014 to 29.09.2014 (Both days Inclusively)
- 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-à-vis BSE Sensex during the 9 Months ended 31st march, 2014 is given below:

Month	Share Prices Rupees		BSE Sensex	
	High	Low	High	Low
July, 2013	8.32	5.80	20,351.06	19,126.82
August, 2013	7.61	5.55	19,569.20	17,448.71
September, 2013	6.06	5.28	20,739.69	18,166.17
October, 2013	5.51	3.87	21,205.44	19,264.72
November, 2013	7.96	3.85	21,321.53	20,137.67
December, 2013	7.98	4.35	21,483.74	20,568.70
January, 2014	8.66	3.58	21,409.66	20,343.78
February, 2014	9.09	6.37	21,140.51	19,963.12
March, 2014	6.06	3.62	22,467.21	20,920.98

- g) Listing Fees : Paid to the above Exchange for the year 2013 -2014
- h) Registrars and : Ms. XL Softech Systems Limited
Share transfer agents for Physical : Plot No 3, Sagar Society, Road No.2,
And Electronic Form : 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 30.06.2014 9939711 or 89.70 % 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 later placed before the Board. 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.

I) Shareholding Pattern as on 31.03.2014

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	1942629	17.53%
5. Indian Public	4005279	36.15%
6. NRIs	55127	0.50%
7. Others (Clearing Members)	1814	0.02%
TOTAL	11080000	100%

m) Company's Address for Correspondence : Secretarial Department, Priyadarsini Limited Register office :
Survey No. 744 & 745, Sadasivpet, Sadasivpet Mandadal, Medak Dist 502291 Ph.No.040-40153333

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, Kowsalendra Rao Cherukuri, Executive Vice Chairman of Priyadarsini Limited declare that all Board Members and senior management personnel have affirmed compliance with cod of conduct for the year ending 31st March, 2014.

Place: Hyderabad

Date: 12.08.2014

Kowsalendra Rao Cherukuri
Executive Vice Chairman

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Priyadarsini Limited

Hyderabad.

We have examined the compliance of conditions of Corporate Governance by Priyadarsini Limited, for the 9 months ended 31st march, 2014, 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: 12.08.2014

Independent Auditors' Report

To

The Members of Priyadarsini Limited,
Hyderabad.

Report on the financial statements

We have audited the accompanying financial statements of Priyadarsini Limited ('the company'), which comprise the Balance Sheet as at March 31, 2014, the statement of Profit and loss of the Company and the cash flow Statement of the Company for the 9 months ended 31st March, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Note: 1

Attention of the members is invited to note 2 to notes 2.6 regarding interest on term loan and working capital not debited by banks amounting to Rs.684.02 lakhs by virtue of which loss for the year and debit balance in statement of profit and loss stand reduced to that extent.

Subject to our comments in note 1 above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit and Loss, of the Loss for the 9 months ended March 31, 2014; and
- c. In the case of the Cash Flow Statement, of the cash flows for the 9 months ended on that date. Report on other Legal and Regulatory Requirements

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended ('the Order') issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we give in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

2. As required by Section 227(3) of the Act, we report that:

- a. We have obtained all the information and

- explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books ;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the Directors, as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;

For P.SRINIVASAN & Co.,
Chartered Accountants
Firm's Registration No.004055S

Hyderabad
August 12, 2014

K.RANGANATHAN
Partner
Membership No. 010842

Annexure to the independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
3. As per information and explanation given by the management during the year, the company has not disposed off a substantial part of its fixed assets and going concern assumption of the company is not affected.
4. As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
5. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
6. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
7. According to the information and explanations given to us, the Company has not 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 purchase 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 control.
12. a) Based on the audit procedure 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.
b) In our opinion and according to the information and explanations given to us, the company has not entered into contracts or arrangements and exceeding Rs. Five lakhs in value with companies in which directors are interested as listed in the register maintained under Section 301 of the Companies Act, 1956.
13. In our opinion and according to the information and explanations given to us, the company has not complied with the Provisions of Section 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.

14. In our opinion, the company has an internal audit system commensurate with the size of the Company and the nature of its business.
15. 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. However, we have not carried out any detailed examination of such records.
16. According to the records of the company, the Company is not regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance and CST dues. Provident Fund dues Rs.1,12,38,321-, Employees' State Insurance dues amounting to Rs.65,68,756/- and CST dues amounting to Rs.15,33,907/- are due for more than six months as on 31st March, 2014.
17. The company has accumulated losses which were more than 50% of its net worth and it has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of principal amounting to Rs.83,00,95,137/- and interest amounting to Rs. 4,01,91,243 /- to financial institutions, banks or debenture holders.
19. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
20. The company is not a chit fund or nidhi or mutual fund/society and hence the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
21. 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.
22. As the company has not given any guarantee for loans taken by others from banks or financial institutions, hence the provisions of clause 4(xv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
23. In our opinion the term loans taken by the company have been applied for the purpose for which they were raised.
24. 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 for short-term assets.
25. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
26. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
27. According to the information and explanations given to us, during the year the company has not raised monies by public issue.
28. 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's Registration No.004055S

K.RANGANATHAN
Partner
Membership No. 010842

Hyderabad
August 12, 2014

Balance sheet as at 31 st March,2014

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

	Note	As at 31-03-2014 Rs	As at 30-06-2013 Rs
EQUITY AND LIABILITIES			
Share holders' Funds			
Share Capital	2.1	1108.00	1108.00
Reserves and Surplus	2.2	(6037.21)	(4870.43)
		(4929.21)	-3762.43
Non-Current Liabilities			
Long - term Borrowings	2.3	600.00	601.21
Deferred tax Liabilities	2.4	0.00	0.00
Long - term provisions	2.5	293.61	311.20
		893.61	912.41
Current Liabilities			
Short - term borrowings	2.6	5530.67	5411.34
Trade payables	2.7	1844.77	1694.27
Other current Liabilities	2.8	4533.18	4208.12
Short - term Provisions	2.9	31.90	44.75
		11940.51	11358.48
TOTAL EQUITY AND LIABILITIES		7904.91	8508.46
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	2.10	6935.31	7469.69
Intangible Assets		2.49	4.98
Long - term Loans & Advances	2.11	262.49	265.61
		7200.29	7740.28
Current Assets			
Inventories	2.12	192.56	222.48
Trade receivables	2.13	207.09	193.37
Cash and Cash Equivalents	2.14	94.57	166.50
Short- term Loans and Advances	2.15	210.39	185.83
Deferred tax asset		0.00	0.00
		704.62	768.18
TOTAL-ASSETS		7904.91	8508.46

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

D.VENKATARATNAM
DIRECTOR

C.K.RAO
EXECUTIVE VICE CHAIRMAN

K.RANGANATHAN
Partner
M.NO:010842

RAMESH BANDARI
COMPANY SECRETARY

Place: HYDERABAD
Date: 30-05-2014

Statement of profit and loss for the period ended 31 st March 2014

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

Particulars	Note	For 9 months ended 31-03-2014	For 15 months ended 30-06-2013
		Rs	Rs
REVENUE			
Revenue from Operations (gross)	2.16	3523.51	11503.22
Less : Excise Duty		0.00	0.00
Revenue from Operations (Net)		3523.51	11503.22
Other Income	2.17	95.62	373.58
Total Revenue		3619.13	11876.80
EXPENSES			
Cost of materials consumed	2.18	487.69	5599.71
Change in Inventories of Finished goods and work-in-progress	2.19	6.81	1866.16
Manufacturing expenses	2.20	2290.53	3264.01
Employee Benefit expenses	2.21	962.14	1347.92
Other expenses	2.22	248.72	733.94
Finance costs	2.23	435.12	1081.09
Depreciation	2.10	354.87	754.62
Total expenses		4785.91	14647.45
Profit /(Loss) before tax		(1166.78)	(2770.65)
Tax expense:			
Current tax		0.00	0.00
Deffered tax charge/(credit)		0.00	369.29
Total of tax expenses		0.00	369.29
Profit / (Loss) for the year		(1166.78)	(2401.36)
Basic Earnings per share of Rs 10 each	2.26	(10.53)	(34.96)
Diluted Earnings per share of Rs. 10 each	2.26	(10.53)	(34.96)
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

K.RANGANATHAN
Partner
M.NO:010842

Place: HYDERABAD
Date: 30-05-2014

For and on behalf of the board

D.VENKATARATNAM
DIRECTOR

C.K.RAO
EXECUTIVE VICE CHAIRMAN

RAMESH BANDARI
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	For 9 months ended 31/03/2014	For 15 months ended 30.06.2013
A CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
Net profit before tax & extraordinary items	(1166.78)	(2773.79)
Add: Depreciation	354.87	754.62
Interest	435.12	1081.09
Capital Issue Expenses	2.49	2.49
Loss on sale of Assets	43.81	38.00
	836.29	1876.20
	(330.49)	(897.59)
Less: Profit on sale of Assets	89.12	326.62
Operating profit before working capital changes	(419.61)	(1224.21)
Adjustments for working capital changes		
Sundry debtors	-13.72	381.93
Other Current liabilities	445.11	(933.36)
Inventories	29.91	2245.97
Loans & Advances	-21.44	254.81
	439.86	1949.35
Cash generated from Operations	20.25	725.14
Less: Interest charges	435.12	1081.09
Less: Direct Taxes	0.00	0.00
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(414.87)	(355.95)
Less: Prior Period Item	0.00	0.00
CASH FLOW FROM OPERATING ACTIVITIES	(414.87)	(355.95)
CASH FLOW FROM INVESTING ACTIVITIES		
Inflow: Sale of fixed assets	224.82	363.28
Outflow: Acquisition of fixed assets	0.00	572.42
	224.82	(209.14)
CASH FLOW FROM FINANCING ACTIVITIES		
Inflow: Term Loans received	0.00	0.00
Increase in Bank borrowings	185.38	911.14
Fixed deposits received	0.00	91.23
Unsecured Loans	0.00	(203.66)
Share Capital & Share premium	0.00	0.00
	185.38	798.71
Outflow: Repayment of Term loans	1.21	2.03
Repayment of Fixed deposits	66.05	388.96
Dividends	0.00	0.00
	67.26	390.99
NET CASH FROM FINANCING ACTIVITIES	118.12	407.72
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)	(71.93)	-157.37
ADD:CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	166.50	323.87
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR	94.57	166.50

As per our report attached
for **P.SRINIVASAN & CO.**
Chartered Accountants
Firm Regd.no : 004055S

for and on behalf of the Board

**K.RANGANATHAN
RAO**

Partner
M.No. : 010842

Place: Hyderabad

D.VENKATARATNAM

Director

C.K.

Executive Vice Chairman

RAMESH BANDARI

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 year's provision of gratuity Rs.2350.00 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.

2 Notes to Financial Statements for the year ended 31 st march 2014

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

Note Particulars	31 march 2014	30 June 2013	
		Rs in lakhs	Rs in lakhs
2.1 SHARE CAPITAL			
Authorised			
3,00,00,000 (As on 01-04-2012 - 3,00,00,000) Equity shares of Rs. 10 each		3000.00	3000.00
5,00,000 (As on 01-04-2012 - 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 01-04-2012 - 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

	31 march 2014		30 June 2013	
	No. of Shares	% of holding	No. of Shares	% of holding
1 C.Harish	1697166	15.32	1697166	15.32
2. Koneru Investments Pvt ltd	1812613	16.36	1812613	16.36
3. 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 2014	30 June 2013
	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	(7503.34)	(6336.56)
Total	<u>(6037.21)</u>	<u>(4870.43)</u>

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

NON-CURRENT LIABILITIES

2.3 LONG-TERM BORROWINGS

	31 march 2014	30 June 2013	31 march 2014	30 June 2013
	Non-current portion		Current Maturities	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Secured				
Term Loans from Banks - Indian Rupees				
UBI-WCTL-1	0	0	309.89	309.89
UBI-WCTL-2	0	0	59.29	59.29
Exim Bank	0	285.78	333.66	333.66
Syndicate Bank	0	1231.50	1443.50	1443.50
HDFC Bank	0	34.82	69.88	69.88
State Bank of India	0	480.00	570.00	570.00
Bank of India	0	169.17	280.17	280.17
HDFC Bank	0	0	0	0
Total	<u>0</u>	<u>2201.27</u>	<u>3066.39</u>	<u>3066.39</u>

Other Loans & Advances (Unsecured)

Unsecured loans from Promoters	600.00	600.00		
Total	<u>600.00</u>	<u>600.00</u>		
Hire Purchase Loans (Secured)				
Vehicle Loans from Banks	0	1.21		
Total of Secured & Unsecured	<u>600.00</u>	<u>2802.48</u>	<u>3066.39</u>	<u>3.66.39</u>

1. Term loans from the financial institutions/banks viz Exim bank, Syndicate bank, State bank of india, Bank of india, Union 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 promoter and C.K.Rao Executive Vice Chairman of the company. Specified movable assets are subject to prior charge in favour of the company's bankers for working capital requirements.

2. Term loans from Housing Development Finance corporation Limited are secured by first mortgage of office premises carries interest @ 17.5% and is overdue.

3. SBI, Syndicate bank, Bank of india, Exim bank & UBI issued notices for repayment of term loans under Surface Act.

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

2.4 DEFERRED TAX LIABILITY

	As at march, 2014	As at June, 2013
	Rs in lakhs	Rs in lakhs
Deferred Tax Liabilities	0	0

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

2.5 LONG TERM PROVISIONS

	31 march 2014	30 June 2013	31 march 2014	30 June 2013
	Non-current portion		Current Maturities	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Provision for Employee Benefits				
Provision for Gratuity	293.61	311.20	0	0
Provision for Employee Bonus	0	0	31.90	44.75
Total	293.61	311.20	31.90	44.75

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

CURRENT LIABILITIES**2.6 SHORT TERM BORROWINGS**

	31 march 2014	30 June 2013
	Rs in lakhs	Rs in lakhs
State Bank of India	1871.16	1871.12
Bank of India	1073.57	1132.62
Union Bank of India	257.24	257.51
Andhra Bank	1379.81	1195.68
Syndicate Bank	458.73	398.19
Syndicate Bank L.C	194.06	194.06
Fixed Deposits	296.10	362.15
	<u>5530.67</u>	<u>5411.34</u>

1. 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 promoter 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. The working capital is repayable on demand and carries interest @ 14.75% to 17.50% P.A. SBI, BOI, UBI, Andhra Bank and Syndicate Bank have issued notices for repayment under Surface Act.

2. In order to restructure the secured loans of all banks both term loan and working capital the company has offered OTS. Interest on term loan and working capital outstanding and not debited by banks amounting to Rs 561.30 lakhs. have not been taken in to accounts in view of the OTS proposal

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

2.7 TRADE PAYABLES

	31 march 2014	30 June 2013
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>
Trade payables	1844.76	1694.27

The balance outstanding to Canbank Factors is subject to reconciliation.

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

2.8 OTHER CURRENT LIABILITIES

	31 march 2014	30 June 2013
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>
1. Current Maturities of Long term Borrowings		
UBI-WCTL-1	309.89	309.89
UBI-WCTL-2	59.29	59.29
Exim Bank	333.66	333.66
Syndicate Bank	1443.50	1443.50
HDFC Bank	69.88	69.88
State Bank of India	570.00	570.00
Bank of India	280.17	280.17
HDFC Bank	0	0
Total of current Maturities on Long term Borrowings	3066.39	3066.39
2. Other Liabilities		
Other current Liabilities	938.11	773.91
Value added Tax & Cst Payable	23.35	17.50
TDS Payable	1.39	19.55
Employee related paybles P.F., ESI & Others	94.04	64.78
Unclaimed dividends	7.99	7.99
Interest Accured but not Due	0	0
Interest Accured & Due	401.91	258.01
Total	<u>1466.79</u>	<u>1141.74</u>
	4533.18	4208.12

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

2.9 SHORT TERM PROVISIONS

	31 march 2014	30 June 2013
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>
Provision for Employee Bonus	31.90	44.75
Total	31.90	44.75

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

NON CURRENT ASSETS

2.10 FIXED ASSETS (TANGIBLE)

	31 march 2014	30 June 2013
	<u>Rs in lakhs</u>	<u>Rs in lakhs</u>
Fixed Assets (Tangible)	14549.37	15131.95
Less: Accumulated Dep	7614.06	7662.26
Net Fixed Assets	6935.31	7469.69

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 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
Additions	0	0	532.93	42.98	0	0	0.72	0	0	3.86	0	580.49
Disposals	14.57	0	152.89		0	0	0	0	0	16.48	0	183.94
At 30 th June,2013	146.62	1791.67	11687.61	346.51	77.05	563.70	50.09	145.16	218.85	101.09	3.60	15131.95
Additions	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	582.59		0	0	0	0	0	0	0	582.59
At 31 st march ,2014	146.62	1791.67	11105.02	346.51	77.05	563.70	50.09	145.16	218.85	101.09	3.60	14549.37
Depreciation												
At 1st April 2012	0	691.88	5563.95	85.18	61.01	257.50	44.43	45.91	198.68	65.27	3.12	7016.92
Additions	0	48.10	628.12	19.04	3.00	28.72	0.61	7.90	8.46	10.56	0.13	754.62
Disposals	0	0	98.51	0	0	0	0	0	0	10.77	0	109.28
At 30 th June,2013	0	739.98	6093.55	104.22	64.01	286.22	45.04	53.80	207.14	65.06	3.24	7662.26
Additions	0	27.16	281.16	11.92	1.80	17.18	0.35	5.02	4.69	5.52	0.07	354.87
Disposals	0	0	403.08	0	0	0	0	0	0	0	0	403.08
At 31 st March,2014	0	767.14	5971.63	116.14	65.81	303.40	45.39	58.82	211.83	70.58	3.32	7614.06
Net Block												
At 31 st March,2014	146.62	1051.69	5594.06	242.29	13.04	277.49	5.05	91.35	11.71	36.03	0.36	7469.69
At 30 th June,2013	146.62	1024.53	5133.39	230.37	11.24	260.30	4.70	86.34	7.02	30.51	0.28	6935.31

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 2012	16.46	63.24	1180.77	0	0	0	0.60	0.98	0.38	0	0	1262.44
Additions	0	0	0		0	0	0	0	0	0	0	0
Disposals	0	0	0		0	0	0	0	0	0	0	0
At 30 th June,2013	16.46	63.24	1180.77	0	0	0	0.60	0.98	0.38	0	0	1262.44
Additions	0	0	0		0	0	0	0	0	0	0	0
Disposals	0	0	0		0	0	0	0	0	0	0	0
At 31 st March,2014	16.46	63.24	1180.77	0	0	0	0.60	0.98	0.38	0	0	1262.44
Depreciation												
At 1st April 2012	0	10.45	579.86	0	0	0	0.22	0.22	0.18	0	0	590.93
Charge for the year	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0		0	0	0	0	0	0	0	0
At 30 th June,2013	0	10.45	579.86	0	0	0	0.22	0.22	0.18	0	0	590.93
Charge for the year	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0		0	0	0	0	0	0	0	0
At 31 st March,2014	0	10.45	579.86	0	0	0	0.22	0.22	0.18	0	0	590.93
Net Block												
At 30 th June,2013	16.46	52.79	600.92	0	0	0	0.38	0.76	0.19	0	0	671.50
At 31 st March,2014	16.46	52.79	600.92	0	0	0	0.38	0.76	0.19	0	0	671.50

Capital Work in Progress 0 0

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

2.11 LONG-TERM LOANS & ADVANCES

	31 march 2014	30 June 2013	31 march 2014	30 June 2013
	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	32.02	0	0
	32.02	32.02	0	0
(c) Other Loans & Advances				
Deposit with others	230.47	233.59	0	0
	230.47	233.59	0	0
Total	262.49	265.61	0	0

(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 2014	30 June 2013
	Rs in lakhs	Rs in lakhs
Rawmaterials	44.13	22.10
Work In Progress	4.03	19.12
Finished goods	17.76	9.48
Stores	71.16	112.77
Packing Materials	6.44	4.13
Dyes & Chemicals	49.05	54.87
Total	192.57	222.47

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

2.13 TRADE RECEIVABLES

	31 march 2014	30 June 2013
	Rs in lakhs	Rs in lakhs
Debtors outstanding for a period exceeding six months		
Secured, considered good		
Unsecured, considered good	45.69	39.12
Unsecured, considered doubtful	0	0
Total	45.69	39.12
Debtors outstanding for a period less than six months		
Secured, considered good	0	0
Unsecured, considered good	161.40	154.25
Total	207.09	193.37

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

2.14 CASH & CASH EQUIVALENTS

	31 march 2014	30 June 2013	31 march 2014	30 June 2013
	Non Current		Current	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Cash in Hand	0	0	6.03	14.37
Cash at Banks	0	0	39.07	15.43
Deposits with Banks	0	0	49.47	136.70
Total	0	0	94.57	166.50

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

2.15 SHORTTERM LOANS & ADVANCES	31 march 2014	30 June 2013	31 march 2014	30 June 2013
	Non Current		Current	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Advances to Suppliers	0	0	39.35	44.65
Advances to Others	0	0	171.04	141.18
Total	0	0	210.39	185.83

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

2.16 REVENUE FROM OPERATIONS	31 march 2014	30 June 2013
	Rs in lakhs	Rs in lakhs
Sale of Products	894.83	9014.10
Less: Excise Duty	0	0
Net Sales	894.83	9014.10
Other Operating Income	2628.68	2485.97
Total	3523.51	11500.07

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

2.17 OTHER INCOME	31 march 2014	30 June 2013
	Rs in lakhs	Rs in lakhs
Other income	95.62	373.58
Total	95.62	373.58

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

2.18 COST OF MATERIAL CONSUMED	31 march 2014	30 June 2013
	Rs in lakhs	Rs in lakhs
Rawmaterials Inventory at the Begining of the year	22.10	356.53
Add: Purchases	509.73	5265.28
Total	531.83	5621.81
Less: Inventory at the end of the year	44.13	22.10
Consumption of raw materials	487.70	5599.71
Details of Rawmaterials consumed		
Consumption of R M Viscose - Dyed	.53	370.18
Consumption of R M Viscose- Grey	2.16	1226.53
Consumption of R M Polyester	3.15	2686.81
Consumption of Cotton Yarn	481.85	1316.19
Consumption of R M Cotton	0	0
Consumption of Fabric	0	0
Consumption of R M - Filament yran	0	0
Total	487.69	5599.71
Details of Inventory		
Stock of R M Viscose - Dyed	0	5.53
Stock of R M Viscose- Grey	0	2.16
Stock of R M Polyester	0	3.15
Stock of Cotton	0	0
Stock of Cotton Yarn	42.65	14.78
Stock of Fabric	0	0
Stock of R M - Filament yran	1.48	1.48
Total	44.13	22.10

(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 2014 Rs in lakhs	30 June 2013 Rs in lakhs
Closing stock of Work in Progress	4.03	19.12
Closing stock of Finished goods	17.76	9.48
Total	21.79	28.60
Opening stock of Work in Progress	19.12	1321.68
Opening stock of Finished goods	9.48	573.08
Total	28.60	1894.76
Increase/(Decrease) in stocks	6.81	1866.16

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

2.20 OTHER MANUFACTURING EXPENSES

	31 march 2014 Rs in lakhs	30 June 2013 Rs in lakhs
Coal consumed	82.31	160.51
Power	1475.97	1808.64
Consumption of Dyes & Chemicals	242.92	615.17
Conversion charges	115.33	185.11
Packing Material	84.18	153.61
Stores & spares consumed	236.60	272.94
Rep & Maint Plant & Machinery	37.52	40.32
Rep & Maint Buildings	3.81	10.21
Rep & Maint Others	11.90	17.50
Total	2290.54	3264.01

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

2.21 EMPLOYEE BENEFIT EXPENSES

	31 march 2014 Rs in lakhs	30 June 2013 Rs in lakhs
Salaries, wages, Bonus & Allowances	803.02	1150.72
Contribution to provident Fund & Other Funds	73.78	132.29
Staff welfare expenses	85.34	64.91
Total	962.14	1347.92

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

2.22 OTHER EXPENSES

	31 march 2014 Rs in lakhs	30 June 2013 Rs in lakhs
Administrative expenses		
Payments to auditors (refer details below)	1.25	1.75
Insurance	14.98	23.61
Rent	13.63	24.90
Rates taxes & Licenses	12.49	23.69
Directors travelling expenses	0	0.17
Directors Remuneration	0.50	37.34
General expenses	180.26	356.60
Selling expenses	23.13	263.39
Prior period expenses	0	0
Capital issue expenses - written off	2.49	2.49
Total	248.73	733.94
PAYMENT TO AUDITORS		
Statutory audit	0.75	0.75
Tax audit	0.50	0.50
Certification	0	0.50
Total	1.25	1.75

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

2.23 FINANCE COST	31 march 2014 Rs in lakhs	30 June 2013 Rs in lakhs
Interest		
on Term Loans	147.15	324.12
on Working capital Loans	287.14	727.05
Sub-Total : Interest	434.29	1051.17
Bank charges & Others	0.83	29.92
Total	435.12	1081.09

2.24 Depreciation and amortization expenses

Depreciation of tangible assets	354.87	754.62
---------------------------------	--------	--------

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

2.25 Contingent Liabilities

	31 march 2014 Rs in lakhs	30 June 2013 Rs in lakhs
Letters of credit	0.00	0.00
Bank Guarantees Issued by banks	52.30	52.30
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

	31 march 2014	30 June 2013
Net Profit/(Loss) for the period	(116678047)	
At the beginning of the period	11080000	-387379612.7
No of shares Issued during the period	0	11080000
Outstanding at the end of the period	11080000	0
		11080000
2. Weighted Average No of equity shares for earnings per share computation	11080000	
		11080000
3. Earnings per share - Rs.	Rs.	Rs.
Basic	(10.53)	(34.96)
Diluted	(10.53)	(34.96)

2.27 Related party transactions

The company has transactions with the following related parties.

Name of the partry	Nature of Relationship	Transaction Description	Transaction Amount	Out standing As on 31-03-14	Written off / Written back
1.Padmaja Agencies pvt ltd	Director Interested	Rent paid	5.28	3.12	Nil
2.Arjuna paper cones	Director Interested	Purchase of packing material	36.35	25.94	Nil
3.Key Managent Personnel					
C.K.Rao	Director	Payment of salary	0		
Directors Sittinfg Fee			0.50		

2.28 Consumption of Raw materials

Class of goods	31 march 2014		30 June 2013	
	qty(kgs)	Value(Rs)	qty(kgs)	Value(Rs)
Polyester	2796	3.15	4698442	2686.81
Viscose	1734	2.69	1785462	1596.71
Cotton	0	0	386941	0
Cotton Yarn	203707	481.85	1556581	1316.19
Fabric			17367	1042.00
	208236.82	487.69	8444793	5610.13

2.29 Value of Imports Calculated on CIF Basis	31 march 2014	30 june 2013
Capital Goods	<u>0</u>	<u>0</u>
Stores & Sparets	0.76	<u>10.51</u>

2.30 Imported and Indigenous Raw Materials, Components and Spare Parts

	31 march 2014	30 june 2013	31 march 2014	30 june 2013
	% of Total	Value of	% of Total	Value of
	Consumption	Consumption	Consumption	Consumption
RAWMATERIALS				
Imported	0	0	0	0
Indigenous obtained	100	487.69	100	5599.71
Total	100	487.69	100	5599.71
SPARE PARTS				
Imported	0.44	0.76	4.12	10.51
Indigenous obtained	99.56	170.24	95.88	244.30
Total	100.00	171.00	100.00	254.81

2.31 Expenditure in Foreign Currency	31 march 2014	30 june 2013
Commission	<u>0</u>	<u>20.26</u>

2.32 Earnings in in Foreign Exchange	31 march 2014	30 june 2013
FOB value of exports	<u>0</u>	<u>1081.02</u>

PRIYADARSINI LIMITED

Register office : Survey No. 744 & 745, Sadasivpet, Sadasivpet Mandadal, Medak Dist
Corporate Office: H.No. Satyanarayana Enclave, Icon Block, 3rd floor, Madinaguda, Hyderabad-500048.

ATTENDANCE SLIP
33rd ANNUAL GENERAL MEETING
the 29th day September, 2014

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 33rd Annual General Meeting of the Company to be held on 29th September, 2014 at 10.00..A.M. At the Register office: Priyadarshini Limited Factory premises, survey no: 726 and 744, Sadasivpet, Sadasivped(Mandal) Medak (Dist) -502291.

Signature of the Member / Proxy

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

**Form No. MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L18100TG1981PLC003031
 Name of the Company : PRIYADARSINI LIMITED
 Registered Office : Survey no 726 &744, factory premises, sadasivpet, sadasivpet mandal, Medak Dist-502291
 Name of the member (s) : _____
 Registered address : _____
 E-mail Id : _____
 Folio No/ Client Id : _____
 DP ID : _____

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name			
Address			
E-mail Id		Signature	
	or failing him		
2. Name			
Address			
E-mail Id		Signature	
	or failing him		
1. Name			
Address			
E-mail Id		Signature	
	or failing him		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on 29.09.2014 at 10.00.A.M. at the registered office of the company : survey no 726 & 744 factory premises Sadasivpet, Sadasivpet Mandal Medak dist-502291 Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1	2	3	4
5	6	7	8

Signed this _____ day of _____ 2014.

Affix a Re.1/- Revenue Stamp

Signature of the Member(s)

Notes: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BOOK-POST

Printed Matter

33rd 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.