

**27th
ANNUAL REPORT
2010-2011**

PRIYADARSHINI THREAD LIMITED

BOARD OF DIRECTORS

Directors : Mr. G. B. K. Reddy
Mr. B. V. Ratnam
Mr. E. Manoj Kumar Reddy
Mr. A. Ramesh Babu

Auditors : M/s. M M REDDY & CO.,
Chartered Accountants
Rajbhavan Road,
Somajiguda, Hyderabad.

Regd. Office : G-8, Amrutha Ville
RAJBHAVAN ROAD,
SOMAJIGUDA
Hyderabad - 500082.

Registrar and Share Transfer Agents :
M/s. Aarthi Consultants Private Limited
1-2-285, Domalguda
Hyderabad-500029

NOTICE TO SHARE HOLDERS

Notice is hereby given that the Twenty seventh Annual General Meeting of the Company will be held on 30.09.2011 at 4.30 P.M. at the registered office, G-8, Amrutha Ville, Rajbhavan Road, Somajiguda, Hyderabad-500082 to transact the following business.

ORDINARY BUSINESS:

1. To receive consider and adopt the Profit and loss Account for the year ended March 31, 2011 and the Balance sheet as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. E. Manoj Kumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s M M REDDY & CO., Chartered Accountants as auditors of the Company and to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Allam Ramesh Babu who was appointed as additional director of the Company pursuant to the provisions of section 260 of the Companies Act, 1956 by the Board of Directors w.e.f. 12.02.2011 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation."

**For and on behalf of Board of Directors of
M/s. PRIYADARSHINI THREAD LIMITED**

Sd/-

Place Hyderabad
Date:15.07.2011

B. V. Ratnam
Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The instrument appointing the Proxy should however be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
3. Members/Proxies should bring the attendance slip sent here with duly filled in for attending the meeting.
4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M on any working day prior to the date of the meeting and also at the meeting.
5. Member intending to require information about Accounts to be explained at the meeting are requested to write the company at least ten days in advance of the Annual General Meeting.
6. Register of Members and share Transfer Books remain closed from 27.09.2011 to 30.09.2011 (Both days inclusive).

EXPLANATORY STATEMENT**(Pursuant To Section 173(2) of the Companies Act, 1956)****Item Nos. 4:**

The members may note that Mr. A. Ramesh Babu was inducted into Board as Additional Director of the Company with effect from 12.02.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. A. Ramesh Babu may be deemed to be concerned or interested in the resolution.

**For and on behalf of Board of Directors of
M/s. PRIYADARSHINI THREAD LIMITED**

Sd/-

Place Hyderabad

Date:15.07.2011

B. V. Ratnam

Director

DIRECTORS REPORT

To,
The Members,
Priyadarshini Thread Limited

Your Directors, present the Annual Report and the Audited Accounts for the financial year ended March 31, 2011.

FINANCIAL RESULTS:

(Rs. in lakhs)

Particulars	Year Ended March 31	
	2011	2010
Sales	25.80	12.70
Profit Before Interest and Depreciation	7.08	0.24
Interest & Finance Charges	0.00	0.00
Profit/(loss) After Interest But Before Depreciation	7.08	0.24
Depreciation	1.16	0.00
Profit/(Loss) for the Year	5.91	0.24
Other Income	0.00	0.00
Net Profit/(Loss)	5.91	0.17

REVIEW OF OPERATIONS:

During the year under review, the company made a turnover of Rs.25.80 lakhs and net profit of Rs. 5.91 lakhs against a turnover of Rs. 12.70 and Net profit of Rs. 0.17 lakhs during the previous year.

DIVIDEND:

Your directors express their inability to recommend any dividend for the financial year 2010-2011.

DIRECTORS:

Mr. E.Manoj Kumar retires by rotation and being eligible offers himself for reappointment. Your Board recommends the re-appointment of the Director above in the best interests of the company.

During the year Mr. A. Ramesh Babu inducted into the board on 12.02.2011 as additional director.

BRIEF PROFILE:**Mr. E. Manoj Kumar:**

E. Manoj Kumar Reddy, aged 39 years, is a post graduate in M.Sc.. He has an experience of more than 14 years in procurement of materials, machinery and human resources. He has vast experience in carrying out the commercial operations of companies

Mr. A. Ramesh Babu:

Mr. Ramesh Babu, aged 36 years is a Graduate in Commerce. He has more than 10 years of experience in management and finance, accounts and taxation fields

AUDITORS:

M/s. M M. Reddy & Co., Chartered Accountants, the Company's Auditors hold office till the conclusion of the ensuing Annual General Meeting. The Auditors have furnished the certificate under section 224(1) of the Companies Act, 1956, of their eligibility for re appointment.

PAID UP CAPITAL OF THE COMPANY:

The paid up Capital of the Company stands at Rs 25,678,000 consisting 25,67,800 fully paid up Equity shares of Rs. 10/- each

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

LISTING:

The equity shares of your company are listed on The Bombay Stock Exchange and suspended due to penal reasons. and the Company has applied for revocation of suspension.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed by the Board that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed

- ii) Appropriate accounting policies have been selected and applied consistently and judgment and estimates that are reasonable and prudent have been made 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 loss of the company for the financial year ended 31st March, 2011;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the annual accounts on a going concern basis;

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

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

PARTICULARS OF EMPLOYEES:

There is no employee who is falling under section 217(2A). Therefore, the disclosures required to be made under section 217(2A) of the Companies Act, 1956 and the rules made there under are not applicable.

CORPORATE GOVERNANCE:

The provisions relating to Clause 49 on corporate governance are not applicable to the Company since the paid up capital of the Company is below Rs. 3 crores.

ACKNOWLEDGEMENTS:

Your Directors are pleased to place on records their sincere appreciation to the Company's Bankers, employees, customers, suppliers and shareholders for their valuable support and co-operation.

**For and on behalf of Board of Directors of
M/s. PRIYADARSHINI THREAD LIMITED**

Sd/-

Place: Hyderabad
Date:15.07.2011

B. V. Ratnam
Director

ANNEXURE - I

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

- a)
- b) Due to unmanageable huge cash loss, the operations of the plant were stopped since 1999. As such there was no major consumption of energy during the financial year 2010-11.
- b) Energy conservation measures taken: None, since there was no major consumption of energy during the financial year
- c) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. None, since there was no major consumption of energy during the financial year
- d) impacts of the measures at (a) and (b) above for reduction of energy consumption and subsequent impact on the cost of production of goods are shown in item (b) of Form 'A'
- e) Total energy consumption per unit of production nil as there were no production operations.

For and on behalf of Board of Directors of
M/s. PRIYADARSHINI THREAD LIMITED

Sd/-

Place Hyderabad
Date:15.07.2011

B. V. Ratnam
Director

FORM 'A'

	Current Year 2010-2011	Previous Year 2009-2010
A) POWER AND FUEL CONSUMPTION:		
Electricity		
a. Purchased Units	----	----
Total Amount (Rs.)	----	----
Rate/Unit (Rs.)	----	----
b. Own Generation	----	----
Through Diesel General Sets (Units)-	----	----
Units/L.tr. of Diesel Oil	----	----
Cost/Unit (Rs.)	----	----
Through Steam Turbine	----	----
Gen. Units	----	----
Units/Ltrs. Of Fuel Oil	----	----
Gas	----	----
Cost/Units (Rs.)	----	----
Coal (Specify quantity and where used) Average CV 3000 Cal/ .Kg. and ash 30% average and used for burning to produce steam.		
Quantity (Tonnes)	----	----
Total Cost (Rs.)	----	----
Average Rate (Rs.)	----	----
Furnace Oil		
Quantity (Tonnes)	----	----
Total Cost (Rs.)	----	----
(Please give details)	----	----
Quantity Bagasse / Husk	----	----
Total Cost (Rs.)	----	----
Average Rate (Rs.)	----	----

B) Consumption per unit of production:

Product – Sewing and industrial thread	NIL	NIL
Thread	NIL	NIL
Furnace oil	NIL	NIL
Coal including Other	NIL	NIL

FORM 'B'**1. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R&D).**

No Research and Development carried out and no expenses were incurred on Research & Development.

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

No new technology has been absorbed or adapted during the year.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO.

i) Total foreign Exchange used during the current financial year is NIL.

ii) Foreign Exchange earnings during the year is NIL.

AUDITOR'S REPORT

To
The Members of
Priyadarshini Thread Limited
Hyderabad.

We have audited the attached Balance Sheet of Priyadarshini Thread Limited as at March 31, 2011, the Profit and Loss Account and 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 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 misstatement. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies Auditors' Report order (CARO) 2003 as amended by the Companies (Auditors report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, We enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, 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 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 those books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

- d) In our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) On the basis of information and explanations given to us and representations received from the Directors of the company as on 31st March, 2011 and taken on record by the Board of Directors, We report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as Director of the company under Section 274 (1) (g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereto, 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - ii) in the case of the Profit and Loss Account, of the Profit 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 M M REDDY & CO.,
Chartered Accountants
Firm Reg. No. 010371S

Sd/-

CA M. Madhusudhana Reddy
Partner
Membership No.213077

Place: Hyderabad
Date: 15.07.2011

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

(Annexure to the Auditors' Report (referred to in paragraph 3 of our Report of even date to the Members of Priyadarshini Thread Limited for the year ended March 31, 2011))

1. (a). The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b). According to the information and explanations given to us, fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
(c). In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
2. In our opinion and according to the information and explanations given to us, the Company is not having any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.
3. (a) The Company has taken unsecured loans amounting to Rs.7,21,31,018/- from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) The Company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and the terms and conditions of the loans are reasonable.
4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to 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, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning 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.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the Companies Act, 1956 in respect of the Company's nature of business.
9. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Wealth Tax, Customs Duty, Excise duty, cess and other material statutory dues applicable at the end of the year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are some disputes and pending tax payments with Income tax department. Except the given below there were no dues on account of cess under 441A of the Companies Act 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

S.No.	Particulars	Situation	Amount
1.	Asst. Commissioner of Income Tax, Circle - 2(3)	Penalty order U/S.271(1)(c)	Rs.41,80,872

10. The company having amount Rs.103,604,654 /- accumulated losses as at the end of the financial year and it has not incurred any cash losses during the current financial year covered by our audit and has not incurred any cash losses in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial Institutions, Banks or Debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not taken term loans from banks.
17. Based on our examination of the balance sheet of the company as at 31.03.2011, since there is no loans availed by the company, the utilization of funds does not arise.
18. 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.
19. During the year covered by our audit report, the Company does not have any outstanding debentures during the year.
20. During the year the company has not raised money through the Public Issue, the utilization of funds does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For M M REDDY & CO.,
Chartered Accountants
Firm Reg. No. 010371S
Sd/-

CA M. Madhusudhana Reddy
Partner
Membership No.213077

Place: Hyderabad
Date: 15.07.2011

Balance Sheet As at 31st March, 2011

PARTICULARS	SCHEDULES	AS AT	AS AT
		31.03.2011 Rs.	31.03.2010 Rs.
SOURCES OF FUNDS			
Shareholder's funds			
Share capital	1	25,678,000	25,678,000
Reserves & Surplus	2	2,342,250	2,342,250
Loan Funds			
Unsecured Loans	3	72,131,018	72,131,018
		<u>100,151,268</u>	<u>100,151,268</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross Block	4	454,320	-
Less: Accumulated depreciation		<u>116,229</u>	-
Net block		338,091	-
Current assets, loans & advances:			
Inventories		-	-
Sundry Debtors	5	149,372	-
Cash & bank balances	6	215,743	146,079
Loans & advances	7	364,556	309,716
		<u>729,671</u>	<u>455,795</u>
Less: Current liabilities & provisions	8	4,521,148	4,501,148
Net current assets		<u>(3,791,477)</u>	<u>(4,045,353)</u>
Profit & Loss account (Loss)		103,604,654	104,196,621
		<u>100,151,268</u>	<u>100,151,268</u>

Accounting Policies & Notes to Accounts 11

The schedules referred to above form an integral part of the balance sheet

As per our report of even date attached

For and on behalf of the Board of Directors
PRIYADARSHINI THREAD LIMITEDFor M M REDDY & CO.,
Chartered Accountants
Firm Registration No.010371S

Director

CA M. Madhusudhana Reddy
Partner
Membership No.213077
Place: Hyderabad
Date : 15.07.2011

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

PARTICULARS	SCHEDULES	AS AT	AS AT
		31.03.2011	31.03.2010
		Rs.	Rs.
INCOME			
Gross sales			
Gross sale receipts		2,580,951	1,269,705
Job Work Charges		-	-
Increase / (decrease) in stocks		-	-
		<u>2,580,951</u>	<u>1,269,705</u>
EXPENDITURE			
Personnel costs	9	403,830	50,790
Direct & Administration and selling expenses	10	1,468,925	1,194,459
		<u>1,872,755</u>	<u>1,245,249</u>
Operating profit before Interest & depreciation		708,196	24,456
Interest and finance charges		-	-
Operating profit before depreciation		708,196	24,456
Depreciation		116,229	-
Operating profit after depreciation		591,967	24,456
Other Income		-	-
Net profit before tax		591,967	24,456
Provision for tax		-	7,557
Net profit transferred to balance sheet		<u>591,967</u>	<u>16,899</u>
Profit brought forward from last year		(104,196,621)	(104,213,520)
Net profit transferred to balance sheet		<u>(103,604,654)</u>	<u>(104,196,621)</u>

Accounting Policies & Notes to Accounts 11

The schedules referred to above form an integral part of the profit and loss account.

As per our report of even date attached

For and on behalf of the Board of Directors
PRIYADARSHINI THREAD LIMITEDFor **M M REDDY & CO.,**
Chartered Accountants
Firm Registration No.010371S

Director

CA M. Madhusudhana Reddy
Partner
Membership No.213077
Place: Hyderabad
Date : 15.07.2011

Director

Cash Flow Statement For The Year Ended 31st March, 2011

Particulars Amounts in Rupees	Mar 31, 2011 Amounts in Rupees	Mar 31, 2010
I. Cash From Operating Activities		
Profit before taxes	591967	24456
Adjustments to reconcile net income to cash from operations:		
a) Depreciation	116229	-
b) Interest / Other Income	-	-
c) Interest & Finance Charges	-	-
Operating Cash Flows before Working Capital Changes	708196	24456
(Increase)/Decrease in Sundry Debtors	(149372)	-
(Increase)/Decrease in Sundry Inventory	-	-
(Increase)/Decrease in Loans & Advances	(54840)	(57900)
Increase/(Decrease) in Current Liabilities	20000	27557
Cash Generated from operations	523984	(5887)
Less: Income Tax Paid	-	7557
Net Cash Flow from operating activities	523984	(13444)
II. Cash Flows from Investing Activities		
(Purchase)/Sale of Fixed Assets	(454320)	-
Investments	-	-
Net Cash Used for Investing Activities	(454320)	-
III. Cash Flow from Financing Activities		
Dividend (including dividend tax)	-	-
Calls in arrears / increase in paid up capital	-	-
Secured Loans (net)	-	-
Interest / Other Income	-	-
Interest and Finance Charges	-	-
Net Cash Flow from financing activities	-	-
Net Decrease/Increase in Cash Equivalents during the Year (I+II+III)	69664	(13444)
Cash and Cash equivalents at the beginning of the year	126579	159523
Cash and Cash equivalents at the end of the year	196243	146079

As per our report of even date attached

For and on behalf of the Board of Directors
PRIYADARSHINI THREAD LIMITEDFor M M REDDY & CO.,
Chartered Accountants
Firm Registration No.010371S

Director

CA M. Madhusudhana Reddy
Partner
Membership No.213077
Place: Hyderabad
Date : 15.07.2011

Director

Schedules to the Balance Sheet and Profit and Loss account as at

Particulars	Mar 31, 2011 Amounts in Rupees	Mar 31, 2010 Amounts in Rupees
SCHEDULE :1		
SHARE CAPITAL		
Authorised		
30,00,000 Equity Shares of Rs. 10/- each	30000000	30000000
Issued, Subscribed Capital		
26,70,300 EQUITY SHARES OF Rs. 10/- each	26703000	26703000
TOTAL	26703000	26703000
Paid-up Capital		
25,67,800 Equity Shares of Rs. 10/- each fully paid	25678000	25678000
TOTAL	25678000	25678000
SCHEDULE : 2		
Reserves & Surplus		
Reserves & Surplus (Subsidy)	2342250	2342250
TOTAL	2342250	2342250
SCHEDULE : 3		
Unsecured Loans		
Loan from directors	71779915	71779915
Dealers Deposits	351103	351103
TOTAL	72131018	72131018

SCHEDULE - 4 : FIXED ASSETS

(Amounts in Rupees)

Description	GROSS BLOCK		Depreciation		Net Block	
	As on 01.04.2010	Additions 31.03.2011	Up to 31.03.2010	For the Period 31.03.2011	As on 31.03.2011	As on 31.03.2010
1. Computers	-	155,240	-	62,096	93,144	-
2. Furniture and Fixtures	-	172,540	-	31,230	141,310	-
3. Office Equipments	-	126,540	-	22,904	103,636	-
Total	-	454,320	-	116,229	338,091	-

Particulars	Mar 31, 2011 Amounts in Rupees	Mar 31, 2010 Amounts in Rupees
SCHEDULE : 5		
Sundry Debtors		
Debts outstanding more than six months	-	-
Other debts	149372	-
TOTAL	149372	-
SCHEDULE : 6		
CASH & BANK BALANCES		
Cash on hand	144902	75238
With scheduled banks:		
in current accounts	70841	70841
in margin money deposit accounts	-	-
TOTAL	215743	146079
SCHEDULE : 7		
LOANS & ADVANCES		
(Unsecured and considered good)		
(Advances recoverable in cash or kind or for value to be received)		
Advances for purchases / rendering services	54840	-
EMD and other deposits	211680	211680
Other advances	62400	62400
TDS Receivable	35636	35636
TOTAL	364556	309716

Particulars	Mar 31, 2011 Amounts in Rupees	Mar 31, 2010 Amounts in Rupees
SCHEDULE : 8		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Sundry creditors for services and expenses	12485	-
Other liabilities	4503242	4483242
	<u>4503242</u>	<u>4483242</u>
Provisions:		
Provision for income tax	17906	17906
	<u>17906</u>	<u>17906</u>
TOTAL	<u>4521148</u>	<u>4501148</u>

SCHEDULE : 9**PERSONNEL COSTS**

Salaries, allowances, wages and bonus	403830	50790
Directors remuneration	-	-
Staff welfare expenses	-	-
TOTAL	<u>403830</u>	<u>50790</u>

SCHEDULE : 10**DIRECT, ADMN AND SELLING EXPENSES**

Consumption of rawmaterials	1245875	1174459
Auditors remuneration	20000	20000
office expenditure	45407	-
avelling Expenditure	45841	-
Transportation Chargers	35845	-
Communication Expenses	25481	-
Books and periodicals	2546	-
Electricity Charges	35480	-
Printing and stationary	12450	-
TOTAL	<u>1468925</u>	<u>1194459</u>

SCHEDULE: 11**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:****I. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of preparation of Financial Statements**

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the basis of a going concern basis, while revenue, expenses, assets and Liabilities accounted/recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956. Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are prepared under the historical cost convention. Recognition of income and expenses, accrual basis of accounting is followed.

2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

Management periodically assessed using external and internal sources whether there is an indication that an asset may be impaired. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

3. Revenue Recognition

During the year the company has generated Revenue from operating activities of selling and trading of cotton threads and cotton materials.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty, sales returns and sales tax. Where there is no uncertainty as to measurement of collectability has been recognized.

4. Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

5. Depreciation and amortization

Depreciation on fixed assets is applied on written down value method, pro-rata for the period of usage, in accordance with the rates prescribed under schedule XIV of the Companies Act, 1956.

6. Income tax

Income taxes are computed using the tax effect accounting method, in accordance with the Accounting Standard (AS 22) "Accounting for Taxes on Income" which includes current taxes and deferred taxes. Deferred income taxes reflect the impact if current year timing differences between taxable income and accounting income for the year and the relevant of timing difference of earlier years. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

7. Earnings per Share

In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per share is the weighted average shares outstanding during the period.

8. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

II. NOTES ON ACCOUNTS:

1. Contingent Liabilities: Income tax due Rs.41,80,872/-
2. The Company has no Subsidiaries.
3. Directors Remuneration: Nil
4. The Company's Loans and Advance are other than Hire Purchase Advances.
5. Auditors Remuneration : Rs.20,000/-
6. No outstanding amounts payable to micro, small and medium enterprises.
7. Segment information:
Revenue of the Company comes from a single segment of operating activities, as also economic environment in the whole of country is one, Segment Reporting as required under Accounting Standard – 17 has not been given.
8. CIF value of import in respect of capital goods: Nil.
Expenditure and Earnings in Foreign Currency: Nil (Previous Year: Nil)
9. Retirement benefits / Gratuity will be considered in accounts on payment basis. However no employee qualifies for the same.
10. Earnings per share:
In determining earnings per share, the company considers the net profit after tax and includes the past tax effect of any extraordinary/ exceptional item.

Particulars	Amounts in Rs.	
	31.03.2011	31.03.2010
Weighted average number of shares outstanding	25,67,800	25,67,800
Face value of equity shares	10	10
Net Profit after tax	591,967	16,899
Earnings per share	0.23	0.01

11. Related party transactions:

As per AS-18 issued by The Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are NIL.

12. During the year the Company has not written off preliminary expenses.

13. There were no employees in respect of remuneration of Rs. 24 00 000/- or more per annum or Rs. 2 00 000/- or more per month, if employed for part of the year.

14. Additional information pursuant paragraphs 3, 4C and 4D of part II of schedule of VI of the companies Act, 1956 is not applicable to the Company.

15. Figures for the previous year are regrouped and rearranged, wherever necessary.

As per our report of even date attached
For **M M REDDY & CO.,**
Chartered Accountants
Firm Registration No.010371S

Sd/-
CA M. Madhusudhana Reddy
Partner
Membership No.213077
Place: Hyderabad
Date : 15.07.2011

For and on behalf of the Board of Directors
PRIYADARSHINI THREAD LIMITED

Sd/-
B.V. Ratnam
Director

Sd/-
E. Manoj Kumar Reddy
Director

Balance Sheet Abstract

c. Information pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile	Amounts in Rs.
1. Registration Details	
Registration No.	4,380
State Code	01
Balance Sheet Date	31.03.2011
2 Capital Raised during the year	
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
3 Position of Mobilisation and Deployment of Funds	
Total Liabilities	10,01,51,268
Total Assets	10,01,51,268
Source of Funds	
Paid-up Capital	2,56,78,000
Warrants	Nil
Reserves & Surplus	23,42,250
Un Secured Loans	7,21,31,018
Deferred tax liability	Nil
Application of Funds	
Net Fixed Assets	3,38,091
Investments	
Net Current Assets	(38,10,977)
Miscellaneous Expenditure	Nil
Accumulated Losses	10,36,04,654
Deferred tax Asset	
4 Performance of the Company	
Turnover including other income	25,80,951
Total Expenditure	19,88,984
Profit Before Tax	5,91,967
Profit After Tax	5,91,967
Earnings per Share in Rs.	0.23
Basic & Diluted	0.23
Dividend Rate %	Nil
5 Generic Names of three principal products/services of the company (As per monetary terms)	
Item Code No. (ITC code)	
Product Description	Loose Cotton

As per our report of even date attached
For **M M REDDY & CO.,**
Chartered Accountants
Firm Registration No.010371S

Sd/-
CA M. Madhusudhana Reddy
Partner
Membership No.213077
Place: Hyderabad
Date : 15.07.2011

For and on behalf of the Board of Directors
PRIYADARSHINI THREAD LIMITED
Sd/-
B.V. Ratnam
Director
Sd/-
E. Manoj Kumar Reddy
Director

PRIYADARSHINI THREAD LIMITED

G-8, Amrutha Ville, Opp. Yashodha Hospital, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082

PROXY FORM

I/We _____ of _____ being a Member(s) of
above named company, hereby appoint _____ of
_____ or failing him/her _____ of _____ as
my/our proxy to attend and vote for me/us, on my/our behalf at the 27th
Annual General Meeting of the Company to be held on Friday, 30th
September 2011 at 4.30 P.M at G-8, Amrutha Ville, Opp. Yashodha Hospital,
Rajbhavan Road, Somajiguda, Hyderabad - 500 082, and at any adjourned
meeting thereof.

As Witnessed Signed this _____ day of August 2011

Signed by the said _____

Folio No./Client ID _____

No. of shares held _____

Affix
Re.1/-
Revenue
Stamp.

Note: The proxy in order to be effective should be duly stamped, completed,
signed and must be deposited at the Registered Office of the Company not
less than 48 hours before the time for holding the meeting.

PRIYADARSHINI THREAD LIMITED

G-8, Amrutha Ville, Opp. Yashodha Hospital, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the 27th Annual General Meeting of the
members of the company to be held on Friday, 30th day September 2011
at 4.30 P.M

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____

(In block letters)

Folio No./ Client ID _____

No. of shares held _____

Note: Shareholders attending the meeting in person or by proxy are required
to complete the attendance slip and hand it over at the entrance of the
meeting hall.

PRINTED MATTER
BOOK-POST

If undelivered, please return to :

PRIYADARSHINI THREAD LIMITED

G-8, Amrutha Ville, Rajbhavan Road,

Somajiguda, Hyderabad - 500082.

Phone : 040 - 23418836