

PRIYADARSHINI THREAD LIMITED

**26th ANNUAL REPORT
2009-2010**

BOARD OF DIRECTORS

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

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

Regd. Office : 32A, IDA, Gandhi Nagar
Kukatpally
Hyderabad - 500072.

NOTICE TO SHARE HOLDERS

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Thursday, September 30, 2010 at 11:30 AM at the registered office, 32A, IDA, Gandhi Nagar, Kukatpally, Hyderabad – 500072 to transact the following business.

Ordinary business:

1. To receive consider and adopt the Profit and loss Account for the year ended March 31, 2010 and the Balance sheet as on that date and the report of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. G.B.K. Reddy who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

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

Sd/-
B. V. Ratnam
Director

Place: Hyderabad
Date: September 3, 2010

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on a poll instead of himself / herself and the Proxy need not be a member of the Company.
2. Proxies, in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from September 27, 2010 to September 30, 2010 (both days inclusive).
4. Members are requested to kindly bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the AGM.

DIRECTORS REPORT

To,
The Members,
Priyadarshini Thread Limited

Your Directors have pleasure in presenting the 26th Annual Report and the Audited Accounts for the financial year ended March 31, 2010.

The working results of the Company are:

(Rs. in lakhs)

Particulars	Year Ended March 31	
	2010	2009
Sales	12.70	11.89
Profit Before Interest and Depreciation	0.24	0.19
Interest & Finance Charges	0.00	0.00
Profit /(loss) After Interest But Before Depreciation	0.24	0.19
Depreciation	0.00	0.00
Profit/(Loss) for the Year	0.24	0.19
Other Income	0.00	0.00
Net Profit/(Loss)	0.17	0.13
Production	0.00	0.00
Sales (Quantity)	0.00	0.00

REVIEW OF OPERATIONS:

During the year under review, the company made a turnover of Rs.12.70 lakhs and net profit of Rs.0.17 lakhs against a turnover of Rs.11.89 net profit of Rs.0.13 lakhs during the previous year.

FUTURE OUTLOOK:

The company is in the process of exploiting its opportunities in textile market and currently in trading of cotton thread business.

DIVIDEND:

Your directors express their inability to recommend any dividend for the financial year 2009-2010.

DIRECTORS:

Mr. G.B.K. Reddy 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.

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.

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.

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, 2010;
- 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:

Particulars of Employees as required under section 217(2a) of the Companies act, 1956 during the year under review is NIL.

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
PRIYADARSHINI THREAD LIMITED

Place: Hyderabad
Date: September 3, 2010

Sd/-
B. V. Ratnam
Director

Sd/-
E. Manoj Kumar Reddy
Director

ANNEXURE – I

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

a) Due to unmanageable huge cash loss the operations of the plant were stopped since 1999. As such there was no consumption of energy during financial year 2009-10.

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.

FORM 'A'

	Current Year 2009-2010	Previous Year 2008-2009
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, 2010, 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 on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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, 2010 and taken on record by the Board of Directors, We report that none of the Directors are disqualified as on 31st March, 2010 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, 2010
- (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/-
M. Madhusudhana Reddy
Proprietor
Membership No.213077

Place: Hyderabad
Date: September 3, 2010

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, 2010)

1. The Company does not have any fixed assets during the year under review.
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 from companies, firms or other parties amounting to Rs. 7,21,31,018/- 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 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, 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 (Rs.)
1	Asst. Commissioner of Income Tax, Circle - 2(3)	Penalty order U/S.271(1)(c)	41,80,872

10. The company having Rs. 10,41,96,621/- accumulated losses as at the end of the 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 31.03.2010, 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/-
M. Madhusudhana Reddy
Proprietor
Membership No.213077

Place: Hyderabad
Date: September 3, 2010

Balance Sheet as at			
Particulars	Sch	Mar 31, 2010	Mar 31, 2009
<u>SOURCES OF FUNDS</u>			
Shareholder's funds			
Share capital	1	2 56 58 500	2 56 58 500
Reserves & Surplus	2	23 42 250	23 42 250
Loan Funds			
Unsecured Loans	3	7 21 31 018	7 21 31 018
		10 01 31 768	10 01 31 768
<u>APPLICATION OF FUNDS</u>			
Fixed assets		-	-
Less: Accumulated depreciation		-	-
Net block		-	-
Current assets, loans & advances:			
Inventories		-	-
Sundry Debtors		-	-
Cash & bank balances	4	1 26 579	1 40 023
Loans & advances	5	3 09 716	2 51 816
		4 36 295	3 91 839
Less: Current liabilities & provisions	6	45 01 148	44 73 591
Net current assets		-40 64 853	-40 81 752
Profit & Loss account (Loss)		10 41 96 621	10 42 13 520
		10 01 31 768	10 01 31 768
Accounting Polices & Notes to Accounts	9		

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

As per our report of even date attached.

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

Sd/-
M. Madhusudhana Reddy
Proprietor
Membership No. 213077

Date: September 3, 2010
Place: Hyderabad

For and on behalf of the board of directors
PRIYADARSHINI THREAD LIMITED

Sd/-
B. V. Ratnam
Director

Sd/-
E. Manoj Kumar Reddy
Director

Profit and loss account for the year ended			
Particulars	Sch	Mar 31, 2010	Mar 31, 2009
<u>INCOME</u>			
Gross sales			
Gross sale receipts		12 69 705	11 89 000
Job Work Charges		-	-
Increase / (decrease) in stocks		-	-
		12 69 705	11 89 000
<u>EXPENDITURE</u>			
Personnel costs	7	50 790	50 790
Direct & Administration and selling expenses	8	11 94 459	11 19 459
		12 45 249	11 70 249
Operating profit before Interest & depreciation		24,456	18,751
Interest and finance charges		-	-
Operating profit before depreciation		24,456	18,751
Depreciation		-	-
Operating profit after depreciation		24,456	18,751
Other Income		-	-
Net profit before tax		24,456	18 751
Provision for tax		7 557	5 794
Net profit transferred to balance sheet		16,899	12,957
Profit brought forward from last year		(104,213,520)	(104,226,477)
Net profit transferred to balance sheet		(104,196,621)	(104,213,520)
Accounting Polices & Notes to Accounts	9		

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

As per our report of even date attached.

For M M REDDY & CO.,

Chartered Accountants

Firm Reg. No. 010371S

For and on behalf of the board of directors

PRIYADARSHINI THREAD LIMITED

Sd/-

M. Madhusudhana Reddy

Proprietor

Membership No. 213077

Sd/-

B. V. Ratnam

Director

Sd/-

E. Manoj Kumar Reddy

Director

Date: September 3, 2010

Place: Hyderabad

Schedules to the balance sheet and profit and loss account as at

Particulars	Mar 31, 2010	Mar 31, 2009
<u>SCHEDULE :1</u>		
SHARE CAPITAL		
<i>Authorised</i>		
30,00,000 Equity Shares of Rs. 10/- each	3 00 00 000	3 00 00 000
Issued, Subscribed Capital		
26,70,300 EQUITY SHARES OF Rs. 10/- each	2 67 03 000	2 67 03 000
TOTAL	2 67 03 000	2 67 03 000
Paid-up Capital		
25,65,850 Equity Shares of Rs. 10/- each fully paid	2 56 58 500	2 56 58 500
TOTAL	2 56 58 500	2 56 58 500
<u>SCHEDULE : 2</u>		
Reserves & Surplus		
Reserves & Surplus (Subsidy)	23 42 250	23 42 250
Profit & Loss Account		
	-	-
TOTAL	23 42 250	23 42 250
<u>SCHEDULE : 3</u>		
Unsecured Loans		
Loan from directors	7 17 79 915	7 17 79 915
Dealers Deposits	3 51 103	3 51 103
TOTAL	7 21 31 018	7 21 31 018
<u>SCHEDULE : 4</u>		
CASH & BANK BALANCES		
Cash on hand	55 738	69 182
With scheduled banks:		
in current accounts	70 841	70 841
in margin money deposit accounts	-	-
TOTAL	1 26 579	1 40 023

SCHEDULE : 5**LOANS & ADVANCES**

(Unsecured and considered good)

(Advances recoverable in cash or kind or for value to be received)

Advances for purchases / rendering services	-	-
EMD and other deposits	2 11 680	2 11 680
Other advances	62 400	4 500
Interest Receivable	-	-
TDS Receivable	35 636	35 636
TOTAL	3 09 716	2 51 816

SCHEDULE : 6**CURRENT LIABILITIES & PROVISIONS****Current Liabilities:**

Sundry creditors for services and expenses

Duties & Taxes	-	-
Dues to others	-	-
Other liabilities	44 83 242	44 63 242

Provisions:

Provision for income tax	17 906	10 349
	17 906	10 349
TOTAL	45 01 148	44 73 591

SCHEDULE : 7**PERSONNEL COSTS**

Salaries, allowances, wages and bonus	50 790	50 790
Directors remuneration	-	-
Staff welfare expenses	-	-
TOTAL	50 790	50,790

SCHEDULE : 8**DIRECT, ADMN AND SELLING EXPENSES**

Consumption of raw materials	11 74 459	10 99 459
Auditors remuneration	20 000	20 000
Miscellaneous expenses	-	-
TOTAL	11 94 459	11 19 459

Cash Flow Statement For The Year Ended March 31, 2010

(In Rupees)

	31.03.2010	31.03.2009
<u>I. Cash From Operating Activities</u>		
Profit before taxes	24,456	18,751
Adjustments to reconcile net income to cash from operations:		-
a) Depreciation	-	-
b) Interest / Other Income	-	-
c) Interest & Finance Charges	-	-
Operating Cash Flows before Working Capital Changes	24,456	18,751
(Increase)/Decrease in Sundry Debtors	-	-
(Increase)/Decrease in Sundry Inventory	-	-
(Increase)/Decrease in Loans & Advances	(57,900)	(4,500)
Increase/(Decrease) in Current Liabilities	27,557	25,794
Cash Generated from operations	(5,887)	40,045
Less: Income Tax Paid	7,557	5,794
Net Cash Flow from operating activities	(13,444)	34,251
<u>II. Cash Flows from Investing Activities</u>		
(Purchase)/Sale of Fixed Assets	-	-
Investments	-	-
Net Cash Used for Investing Activities	-	-
<u>III. Cash Flow from Financing Activities</u>		
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)	(13,444)	34,251
Cash and Cash equivalents at the beginning of the year	140,023	105,772
Cash and Cash equivalents at the end of the year	126,579	140,023

As per our report of even date.

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

For and on behalf of the board of directors
PRIYADARSHINI THREAD LIMITED

Sd/-
M. Madhusudhana Reddy
Proprietor
Membership No. 213077
Date: September 3, 2010
Place: Hyderabad

Sd/-
B. V. Ratnam
Director

Sd/-
E. Manoj Kumar Reddy
Director

SCHEDULE: 9**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 collect ability 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 straight-line 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.

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. 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.
11. During the year the Company has not written off preliminary expenses.
12. 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.
13. 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.
14. 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 Reg. No. 010371S

Sd/-
(M Madhusudhana Reddy)
Proprietor
Membership No. 213077

Date: 03.09.2010
Place: Hyderabad

For and on behalf of the board of directors

Sd/-
Director

Sd/-
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

1	Registration Details		
	Registration No.	:	4380
	State Code	:	01
	Balance Sheet Date	:	31.03.2010
2	Capital Raised during the year		
	Public Issue	:	Nil
	Right Issue	:	Nil
	Bonus Issue	:	Nil
	Private Placement	:	Nil
3	Position of Mobilization and Deployment of Funds		
	Total Liabilities	:	100131.77
	Total Assets	:	100131.77
	Source of Funds		
	Paid-up Capital	:	25,658.50
	Warrants	:	Nil
	Reserves & Surplus	:	2,342.25
	Unsecured Loans	:	72131.02
	Deferred tax liability	:	Nil
	Application of Funds		
	Net Fixed Assets	:	-
	Investments	:	-
	Net Current Assets	:	(4064.85)
	Miscellaneous Expenditure	:	Nil
	Accumulated Losses	:	104,196.62
	Deferred tax Asset	:	-
4	Performance of the Company		
	Turnover including other income	:	1,269.71
	Total Expenditure	:	1,245.25
	Profit Before Tax	:	24.456
	Profit After Tax	:	16.90
	Earnings per Share in Rs.	:	
	Basic & Diluted	:	0.00
	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

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

Place: Hyderabad
Date: September 3, 2010

Sd/-
B. V. Ratnam
Director

Sd/-
E. Manoj Kumar Reddy
Director

PRIYADARSHINI THREAD LIMITED

Regd. Office: 32A, IDA, Gandhinagar, Kukatpally, Hyderabad.

PROXY FORM

Regd. Folio No.		DP ID*	
No. of equity shares held		Client ID*	

I/We of being a member(s) of **Priyadarshini Thread Limited** hereby appoint of or failing him As my/our proxy to attend and vote for me/us and on my/our behalf at the 26th Annual General Meeting of the Members of the Company to be held on Thursday, September 30, 2010 at 11:30 AM at the Registered Office of the Company.

Signed thisday of 2010.

Please affix Re.1 revenue
stamp and sign across

Note:

- 1) The Proxy need not be a member of the Company.
- 2) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

PRIYADARSHINI THREAD LIMITED

Regd. Off: 32A, IDA, Gandhinagar, Kukatpally, Hyderabad.

ATTENDEANCE SLIP

Regd. Folio No.		DP ID*	
No. of equity shares held		Client ID*	

Name of the Shareholder	
Name of Proxy	

I/We hereby record my/our presence at the 26th Annual General Meeting of Priyadarshini Thread Limited at Register Office. IDA, Gandhinagar, Kukatpally, Hyderabad on Thursday, September 30, 2010 at 11.30 AM.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING.

If Member, Please sign here

If Proxy, Please sign here

Note: This form should be signed and handed over at the Meeting Venue.

*Applicable for investors holding shares in electronic form.

Book-Post

If undelivered please return to:

PRIYADARSHINI THREAD LIMITED
REGD. 32A, IDA, Gandhi Nagar
Kukatpally
Hyderabad.