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24th ANNUAL GENERAL MEETING

VENUE : "Hall of Quest",
Nehru Planetarium, Nehru Centre,
Dr. Annie Besant Road, Worli,
Mumbai - 400 018.

Day : Friday

Date : 21st September, 2007

Time : 12:00 Noon

BOARD OF DIRECTORS

A. K. BHUWANIA : Chairman

G. D. BHUWANIA : Director

ADITYA BHUWANIA : Director

SAROJ BHUWANIA : Whole-time Director

REGISTERED OFFICE : Ground Floor, Krishna House,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013.

BANKERS : VIJAYA BANK

AUDITORS : M/s. M. L. BHUWANIA & CO.
Chartered Accountants

STOCK EXCHANGES : Delhi, Calcutta and Kanpur

WEBSITE : www.priyagroup.com

NOTICE

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting** of the members of **PRIYA INTERNATIONAL LIMITED** will be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, and Mumbai-400 018 on Friday, the 21st day of September, 2007 at 12:00 noon to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
- 2) To declare dividend for the Financial Year 2006-2007.
- 3) To consider the retirement of Mr. G. D. Bhuvania, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5) Appointment of Whole-time Director

To consider, & if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**

"**RESOLVED THAT** in accordance with the provision of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to the appointment of Mrs. Saroj Bhuvania as a Whole time Director of the Company, for a period of 5 (Five) years with effect from 1st April, 2007 on a remuneration of Rs. 10,000/- per month(all inclusive) with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mrs. Saroj Bhuvania.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mrs. Saroj Bhuvania, the company has no profits or its profits are inadequate, the company will pay minimum remuneration by way of salary,

perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6) Appointment of Relative of Director to Office of Profit

To consider, & if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"**RESOLVED THAT** pursuant to the provisions of section 314 (1B) of the Companies Act, 1956 consent of the company be and is hereby accorded to Mrs. Shruthi Bhuvania, a relative of Mr. Aditya Bhuvania, a Director of the Company, to hold an office or place of profit as General Manager Human Resource and Administration at the head office of the company for a total remuneration of Rs. 18,000(Rupees eighteen Thousand Only) or such other amount as may be decided by the Board of Directors subject to the limits as prescribed by the Central Government with effect from 1st December 2007."

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The proxy form, 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 time of the Meeting.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2007 to 21st September, 2007 (both days inclusive).
- 4) Dividend recommended for the year ended March 31, 2007 if approved by the members will be paid to those eligible members whose names appear:
 - i. As Beneficial Owners, as on 21st September, 2007, as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., in respect of shares held in electronic form; and
 - ii. As Members in the Register of Members of the Company as on 21st September, 2007.
- 5) Members, who have not given the Bank Account Details earlier, are requested to send the same immediately to enable the company to pay dividend accordingly.
- 6) Members are requested to bring their copies of the Annual Report to the Meeting.
- 7) Members/proxies attending the Meeting should

- bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
- 8) (a) Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their Folio number(s) to the company.
 - (b) Members holding shares in the electronic form are requested to advise immediately change in address, if any, quoting their Client ID no., to their respective Depository Participants.
 - 9) Members are hereby informed that Dividends which remain unclaimed/unpaid over a period of 7 years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company, pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, to a fund called the Investor Education & protection Fund established by the Central Government under sub-section (1) of Section 205C of the Companies Act, 1956. Accordingly, the unpaid/unclaimed dividend for the year 2000-01 will become transferable at the end of seventh year to the said Investor Education & Protection Fund. Please note that no claim shall lie against the Fund or the Company in respect of the dividend amount so transferred to the Investor Education & Protection Fund. The shareholders are, therefore, advised to send their request for issue of Duplicate Dividend Warrants/revalidation of un-encashed Dividend Warrants to the company before the amount becomes due for transfer to the above Fund.
 - 10) Members may avail of the facility of dematerialization by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised. The ISIN No. of the company is **INE557E01013**.
 - 11) Members desirous of getting any information in respect of accounts of the company and proposed resolutions, are requested to send their queries in writing to the company at its registered office atleast 7 days before the date of the meeting, so that the required information can be made available at the meeting.

For and on behalf of the Board

G. D. Bhawania
Director

Registered Office :
Krishna House, Ground Floor,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400013.
Place : Mumbai
Dated : 30th June, 2007.

Annexure to Notice

Explanatory Statement as required under provisions of Section 173 (2) of the Companies Act, 1956.

ITEM No. 5

The increased activities of the company warrants the appointment of a whole time Director who is well versed about the intricacies of the business and the industry. Mrs. Saroj Bhawania, Director of the company has rich knowledge and experience of the business of the company and the industry.

The Board considers it desirable that the company should receive the benefit of expertise and guidance of Mrs. Saroj Bhawania and therefore Mrs., Saroj Bhawania was appointed as whole-time Director of the company for a period of 5 (five years) with effect from 1st April 2007 subject to the approval of Shareholders in their Annual General Meeting on a remuneration of Rs 10,000 per mensem (Rupees Ten thousand only).

The Board of Directors recommends the passing of the Resolution contained in item number 5.

Mrs. Saroj Bhawania, Mr. A. K. Bhawania, G.D Bhawania and Mr. Aditya Bhawania, Directors are deemed to be concerned or interested in the resolution

ITEM No. 6

The resolution at item number 6 of the notice seeks to obtain the members' approval for the appointment of Mrs. Shruthi Bhawania wife of Mr. Aditya Bhawania Director of the Company.

As part of company's effort to implement professional standards, the Board of Directors decided to setup a full-fledged Human Resource and Administrative department and wanted an able and qualified person to head the same.

Shruthi Bhawania, a Commerce Graduate from Amravati University, Nagpur, has rich experience and knowledge in Human Resource Management and Administration. The Board considers it desirable that the company should make use of her expertise in the administrative domain. Mrs. Shruthi Bhawania is the wife of Mr. Aditya Bhawania Director of the company.

The Board of Directors in their meeting held on 31st October 2006 has appointed Mrs. Shruthi Bhawania as the General Manager Human Resource and Administration.

Your Directors, therefore recommend the Resolution contained in item number 6 for your approval. None of the Directors except Mr. Aditya Bhawania, is in any way interested or concerned in the said resolution.

For and on behalf of the Board

G. D. Bhawania
Director

Registered Office :
Krishna House, Ground Floor,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400013.
Place : Mumbai
Dated : 30th June, 2007.

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Twenty-Fourth Annual Report along with the audited accounts for the financial year ended 31st March, 2007.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	Year Ended 31-03-2007	Year Ended 31-03-2006
Sales	498.79	418.49
Commission	151.29	—
	650.96	569.78
Other Income	8.78	12.17
	659.74	581.95
Profit before Tax & Extra ordinary items	57.46	65.47
Extra Ordinary Items	—	- 0.53
Profit before Tax	57.46	64.94
Less : Provision for taxation- Current Tax	22.96	24.90
Provision for taxation- Deferred Tax	-4.17	-2.69
Provision for Fringe Benefit Tax	3.10	3.94
Profit After Tax	35.57	38.79
I.T. adjustments of earlier year Deferred Tax	-0.54	—
	35.04	38.79
Add: Balance brought forward	177.42	157.66
Profit available for appropriation	212.46	196.45
APPROPRIATIONS		
Proposed Dividend	14.94	14.94
Corporate Dividend Tax	2.54	2.10
General Reserve	2.00	2.00
Balance carried to Balance sheet	197.98	177.41
	212.46	196.45

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs 1.50 per share (@ 15%) on 9,96,000 Equity shares of Rs.10/-. The dividend will absorb a sum of Rs. 14,94,000/-

OPERATIONS

The turnover of your Company has increased from Rs. 418.49 Lakhs to Rs. 498.79 Lakhs in the year under review. The profit after tax & extra-ordinary items has shown a small decline from Rs.38.79 Lakhs to Rs.35.57 Lakhs during F.Y.2006-07. The indenting business has performed better during the current year.

The company has already initiated the process of setting up an Internal Audit department, and hopeful to do the same during the current financial year.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. G.D. Bhuwania, Director of the company, is liable to retire by rotation at the ensuing Annual general Meeting and being eligible, offer himself for re-appointment.

AUDITORS

M/s. M. L. Bhuwania & Co., Chartered Accountants who are to retire at the conclusion of the forthcoming Annual General meeting, have offered themselves for re-appointment as Auditors of the Company. A written certificate to the effect that their appointment, if made, would be within the prescribed limits under Section-224(1B) of the Companies Act, 1956, has been obtained by the Company from them. The members are requested to consider their reappointment and fix their remuneration.

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

The information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 is given below:

CONSERVATION OF ENERGY :

The scope for conservation of energy is limited in the type of industry in which your company is engaged. However, the company continues to accord high priority to conservation of energy by opting for more power effective replacements of equipment and electrical installations. No specific investment proposals are envisaged.

Form "A" of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not required to be filed as our industry is not included in the Schedule to the said Rules.

TECHNOLOGY ABSORPTION :

Your company continues to utilise the R & D facilities available with it. The company has not imported any technology during the last five years.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

The relevant information in respect of the foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the year ended March 31, 2007.

PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the company has no employees who were in receipt of the remuneration of Rs.24,00,000/- or more per annum during the year ended 31st March, 2007 or Rs.2,00,000/- or more per month during any part of the said year.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, the directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2006-07 and of the Profit or Loss of the company for the year ended 31/03/2007;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of

the Companies 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.

HUMAN RESOURCE :

Your company enjoys cordial relations with its employees. The key focus of your company is to attract, retain and develop talent. The Board wishes to place on record its appreciation of the contribution made by all employees during the year.

LISTING OF SHARES :

Company's shares have been listed with Stock Exchanges- Calcutta, Kanpur and New Delhi. The listing fees for the financial year 2007-2008 were duly paid.

APPRECIATION

Your Directors wish to place on record their grateful thanks to the Bank and various Government Authorities for their valuable assistance and co-operation and for the trust and confidence reposed in the company by the shareholders.

For and on behalf of the Board

G. D. Bhuwania
Director

Registered Office :
Krishna House, Ground Floor,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400013.

Place : Mumbai
Dated : 30th June, 2007.

AUDITOR'S REPORT

To The Members of

M/s. PRIYA INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of **Priya International Limited**, Mumbai as at 31st March 2007, and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors, as on 31st March 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, 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:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2007;

- b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
M. L. Bhuwania & Co.
 Chartered Accountants
 (Ashish Bairagra)

Place : Mumbai
 Date : 30th June, 2007
 Membership No: 109931
Annexure referred to in paragraph 3 of Auditor's report to the members of Priya International Limited for the year ended 31st March 2007.

- (i) (a) The company is maintaining the proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.
- (c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) During the year, the Company has granted unsecured loan to a Company, covered in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company. There are no stipulations with respect to the repayment of the loan and the interest thereon. The details of loan transactions are as under:

No. of parties	Total Amount of loan given	Maximum balance Outstanding during the year	Amount receivable at the end of the year
	Rs.	Rs.	Rs.
1	8,44,09,084	2,64,10,406	1,21,37,877

During the year, the Company has taken loan from parties covered in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company. There are no stipulations with respect to the repayment of the loan and Interest thereon. The details of loan transactions are as under:

No. of parties	Total Amount of loan taken Rs.	Maximum balance Outstanding during the year Rs.	Amount repayable at the end of the year Rs.
2	10,04,612	62,72,114	15,362

- (iv) 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 for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) According to the information and explanation given to us, the 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 lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) The Company does not have a formal internal audit system.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable.

According to the records of the Company, there are no dues of Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty or Cess which have not been deposited on account of any dispute.

- (x) The Company does not have accumulated losses at the end of the financial year March 31, 2007. Further, the

Company has not incurred any cash losses during the financial year ended March 31, 2007 and in the immediately preceding financial year ended March 31, 2006.

- (xi) As per the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks, except in the case of retirement of Letter of Credits (LC's), where in 3 cases a total amount of Rs.10,219,515 was repaid after the due date of L.C. The period of delay ranges between 1 to 27 days. The Company has not borrowed from the financial institutions and does not have any borrowings by way of debentures.
- (xii) Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute application to chit fund and nidhi/mutual benefit fund/ societies. Accordingly, clause 4 (xiii) of the Order is not applicable to the Company.
- (xiv) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion, the Company is not dealing / trading in shares, securities, debentures and other investment. Accordingly, clause 4 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations term loans were applied for the purpose for which the loans were obtained.
- (xvii) 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 by the Company.
- (xviii) 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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) 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 the year ended March 31, 2007.

For and on behalf of
M. L. Bhuwania & Co.
 Chartered Accountants
(Ashish Bairagra)

Place : Mumbai
 Date : 30th June, 2007

Partner
 Membership No: 109931

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	A	9,960,000	9,960,000
RESERVES & SURPLUS	B	26,872,459	25,631,506
LOAN FUNDS			
SECURED LOANS	C	780,018	1,245,970
UNSECURED LOANS	D	15,362	5,972,114
TOTAL		37,627,839	42,809,590
II. APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	E	5,936,417	5,897,763
LESS: ACCUMULATED DEPRECIATION		4,125,600	3,661,241
NET BLOCK		1,810,817	2,236,522
INVESTMENTS	F	4,601,500	4,601,500
DEFERRED TAX ASSETS (NET) (REFER NOTE NO 14 OF SCHEDULE "R")		2,206,559	1,528,089
CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	G	16,196,473	11,683,734
SUNDRY DEBTORS	H	7,446,831	7,949,795
CASH & BANK BALANCE	I	2,617,604	2,059,854
OTHER CURRENT ASSETS	J	1,233,889	1,510,227
LOANS & ADVANCES	K	20,618,901	29,140,937
		48,113,698	52,344,547
LESS : CURRENT LIABILITES & PROVISIONS			
CURRENT LIABILITES	L	5,826,899	5,048,257
PROVISIONS	M	13,277,837	12,852,812
		19,104,736	17,901,069
NET CURRENT ASSETS		29,008,962	34,443,479
TOTAL		37,627,839	42,809,590

NOTES ON ACCOUNTS

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The schedules referred above forms an integral part of the Balance Sheet

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS

ADITYA BHUWANIA Director

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO. 109931

G. D. BHUWANIA Director

PLACE : MUMBAI
DATED : 30th JUNE, 2007PLACE : MUMBAI
DATED : 30th JUNE, 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2007

	SCHEDULE	2006-2007 Rs.	2005-2006 Rs.
INCOME			
SALES		49,879,447	41,849,059
COMMISSION		15,216,082	15,129,001
MISCELLANEOUS INCOME	N	878,207	1,217,054
TOTAL		65,973,736	58,195,114
EXPENDITURE			
COST OF MATERIAL	O	38,441,756	31,251,113
PAYMENTS TO & PROVISION FOR EMPLOYEES	P	8,391,691	6,272,141
OTHER EXPENSES	Q	12,929,683	13,694,849
DEPRECIATION		464,359	430,304
TOTAL		60,227,489	51,648,407
PROFIT BEFORE TAX & EXTRAORDINARY ITEMS		5,746,247	6,546,707
EXTRA ORDINARY ITEM:			
DIMINUTION IN VALUE OF INVESTMENTS		-	(52,955)
PROFIT BEFORE TAX		5,746,247	6,493,752
PROVISION FOR TAX			
- CURRENT TAX		2,296,000	2,490,000
- DEFERRED TAX		(417,093)	(268,523)
- FRINGE BENEFIT TAX		309,766	393,716
PROFIT AFTER TAX		3,557,574	3,878,559
TAX FOR EARLIER YEARS		(53,573)	-
BALANCE BROUGHT FORWARD		17,741,506	15,766,480
PROFIT AVAILABLE FOR APPROPRIATION		21,245,507	19,645,039
APROPRIATIONS :			
PROPOSED DIVIDEND		1,494,000	1,494,000
CORPORATE DIVIDEND TAX		253,905	209,534
TRANSFER TO GENERAL RESERVE		200,000	200,000
BALANCE CARRIED TO BALANCE SHEET		19,297,602	17,741,506
		19,645,039	19,645,039
BASIC & DILUTED EARNING PER SHARE EXCLUDING			
EXTRA ORDINARY ITEMS (Net of Tax)		3.57	3.95
BASIC & DILUTED EARNING PER SHARE INCLUDING EXTRA ORDINARY ITEMS			
(REFER NOTE NO.13 OF SCHEDULE "R" OF NOTES ON ACCOUNTS)		3.57	3.89

NOTES ON ACCOUNTS
R

The schedules referred above forms an integral part of the Profit and Loss Account.

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

 FOR M. L. BHUWANIA & CO.
 CHARTERED ACCOUNTANTS

ADITYA BHUWANIA Director

 ASHISH BAIRAGRA
 PARTNER
 MEMBERSHIP NO. 109931

G. D. BHUWANIA Director

 PLACE : MUMBAI
 DATED : 30th JUNE, 2007

 PLACE : MUMBAI
 DATED : 30th JUNE, 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

	2006 - 2007		2005 - 2006	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX & BEFORE EXTRAORDINARY ITEMS		5,746,247		6,546,707
<u>ADJUSTED FOR</u>				
DEPRECIATION	464,359		430,304	
DIVIDEND RECEIVED	(8,000)		(8,000)	
EXCHANGE RATE DIFFERENCE	(60,951)		10,747	
INTEREST PAID	547,056		650,371	
INTEREST RECEIVED	(1,370,556)		(1,665,533)	
LOSS ON SALE / OBSOLESCENCE OF FIXED ASSETS	—		494,863	
SUNDRY BALANCES WRITTEN OFF / (BACK)	3,077	(425,015)	124,999	37,751
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		5,321,232		6,584,458
<u>WORKING CAPITAL CHANGES</u>				
TRADE AND OTHER RECEIVABLES	498,998		(2,174,224)	
INVENTORIES	(4,512,739)		223,501	
TRADE PAYABLES / OTHER LIABILITIES	2,278,516		(3,544,348)	
LOANS AND ADVANCES AND OTHER CURRENT ASSETS	(2,442,447)	(4,177,672)	782,458	(4,712,613)
CASH GENERATED FROM OPERATIONS		1,143,560		1,871,845
DIRECT TAXES PAID (NET OF REFUND)				
INCLUDING FRINGE BENEFIT TAX		1,562,828		2,620,297
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		(419,269)		(748,452)
EXTRA ORDINARY ITEMS		—		—
NET CASH FROM OPERATION ACTIVITIES (A)		(419,269)		(748,452)
B. CASH FLOW FROM INVESTING ACTIVITIES				
INTEREST RECEIVED	1,759,190		1,574,942	
INTER CORPORATE DEPOSITS	8,275,735		2,592,548	
PURCHASE OF FIXED ASSETS	(38,654)		(1,533,851)	
SALE OF FIXED ASSETS	—		102,222	
DIVIDEND RECEIVED	8,000		8,000	
NET CASH USED IN INVESTING ACTIVITIES (B)		10,004,271		2,743,861
C. CASH FLOW FROM FINANCING ACTIVITIES				
INTEREST PAID	(917,965)		(446,577)	
DIVIDEND PAID (INCLUDING DIVIDEND TAX)	(1,686,584)		(1,688,934)	
PROCEEDS FROM BORROWINGS	(6,422,704)		(198,817)	
NET CASH USED IN FINANCING ACTIVITIES (C)		(9,027,253)		(2,334,328)
NET CHANGES IN CASH AND BANK EQUIVALENTS (A)+(B)-(C)		557,750		(338,919)
CASH AND BANK EQUIVALENTS OPENING BALANCE	2,059,854		2,398,773	
CASH AND BANK EQUIVALENTS CLOSING BALANCE	2,617,604		2,059,854	
NET CHANGES IN CASH AND BANK EQUIVALENTS AS DISCLOSED ABOVE		557,750		(338,919)
Note: a) Cash and bank balance includes:				
Cash in Hand		11,963		10,905
<u>Balance With Scheduled Banks</u>				
In Current Accounts		818,810		461,034
In Foreign Currency Account		51,178		51,390
In Margin Money Account		1,677,195		1,490,630
In Dividend Account		58,458		44,861
Gain / (Loss) on Exchange rate fluctuation		Nil		1,034
		2,617,604		2,059,854

b) Previous year figures have been regrouped and/or rearranged wherever considered necessary to make them comparable with those of the current year.

AS PER OUR REPORT ATTACHED OF EVEN DATE
FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS
ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO. 109931

FOR AND ON BEHALF OF THE BOARD

ADITYA BHUWANIA Director

G. D. BHUWANIA Director

PLACE : MUMBAI
DATED : 30th JUNE, 2007

PLACE : MUMBAI
DATED : 30th JUNE, 2007

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
1,000,000 EQUITY SHARES OF RS 10/- EACH	10,000,000	10,000,000
ISSUED, SUBSCRIBED & PAID UP		
996,000 EQUITY SHARES OF RS 10/- EACH FULLY PAID UP	9,960,000	9,960,000
SCHEDULE - B		
RESERVES & SURPLUS		
GENERAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET	7,890,000	7,690,000
LESS: LEAVE SALARY FOR EARLIER YEARS (NET OF TAX) *	515,143	-
(Refer Note No. 18 of Schedule "R ")		
ADD: TRANSFER FROM PROFIT & LOSS ACCOUNT	200,000	200,000
	7,574,857	7,890,000
PROFIT & LOSS ACCOUNT	19,297,602	17,741,506
	26,872,459	25,631,506
SCHEDULE - C		
SECURED LOANS		
VEHICLE LOAN FROM BANK		
(Secured by Hypothecation of Vehicle)	780,018	1,245,970
	780,018	1,245,970
SCHEDULE - D		
UNSECURED LOANS		
LOAN FROM DIRECTOR		
	15,362	5,972,114
	15,362	5,972,114

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE E

FIXED ASSETS

(FIGURES IN RUPEES)

SL NO	PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK			
		AS AT 1/04/2006 (Rs.)	ADDITIONS (Rs.)	DEDUCTIONS (Rs.)	AS AT 1/04/2005 (Rs.)	FOR THE YEAR (Rs.)	DEDUCTIONS (Rs.)	AS AT 31/03/2007 (Rs.)	AS AT 31/03/2007 (Rs.)	AS AT 31/03/2006 (Rs.)
1	OFFICE PREMISES	1,036,034	-	-	538,953	24,854	-	563,807	472,227	497,081
2	FURNITURE & FIXTURES	16,993	-	-	13,530	627	-	14,157	2,836	3,463
3	OFFICE EQUIPMENT	178,625	-	-	57,049	16,911	-	73,960	104,665	121,576
4	VEHICLES	2,102,675	-	-	499,491	415,065	-	914,556	1,188,119	1,603,184
5	COMPUTERS	2,563,436	38,654	-	2,552,218	6,902	-	2,559,120	42,970	11,218
	TOTALS (Rs.)	5,897,763	38,654	-	3,661,241	464,359	-	4,125,600	1,810,817	2,236,522
	PREVIOUS YEAR (Rs.)	10,295,058	1,533,851	5,931,146	8,564,998	430,303	5,334,060	3,661,241		2,236,522

SCHEDULES FORMING PART OF THE ACCOUNTS
SCHEDULE - F : INVESTMENTS (AT COST) (LONG TERM)
(OTHER THAN TRADE)

SL. NO.	PARTICULARS	FACE VALUE	CURRENT YEAR		PREVIOUS YEAR	
			NOS.	RS.	NOS.	RS.
	<u>QUOTED</u>					
A.	<u>EQUITY SHARES (FULLY PAID UP)</u>					
1	GEOSERVICES (INDIA) LTD	10	5,800	58,000	5,800	58,000
2	ORIENT ORGANICS LTD	10	4,000	28,006	4,000	28,006
3	DHANUKA PESTICIDES LTD	10	2,000	20,000	2,000	20,000
4	ALPS EXPORT LTD	10	9,000	180,000	9,000	180,000
5	PRIYA LIMITED	10	275,800	4,481,500	275,800	4,481,500
6	AKAI IMPEX LTD	10	5,100	43,437	5,100	43,437
7	ALL METAL PROCESS INDUS. LTD	10	16,200	162,324	16,200	162,324
8	ASAHI FIBERS LTD.	10	6,000	18,036	6,000	18,036
9	BAGRI MINERALS & CHEM. LTD.	10	10,300	28,382	10,300	28,382
10	BITS LTD.	10	400	2,305	400	2,305
11	K.J. INTERNATIONAL LTD.	10	2,000	25,551	2,000	25,551
12	KARISHMA FLORICULTURE LTD	10	400	1,202	400	1,202
13	RAJINDER PIPES LTD.	10	6,200	55,912	6,200	55,912
14	SAMRAT ASHOKA EXPORTS LTD	10	600	10,822	600	10,822
15	STERLING GUARANTY & FINANCE LTD	10	15,100	52,956	15,100	52,956
16	VIA MEDIA INDIA LTD.	10	7,500	22,545	7,500	22,545
B.	<u>DEBENTURES</u>					
1	BALAJI HOTELS & ENTERPRISES LTD	1,350	10	13,500	10	13,500
	TOTAL QUOTED (A)			5,204,478		5,204,478
	<u>UNQUOTED</u>					
A	<u>EQUITY SHARES (FULLY PAID UP)</u>					
1	GAURAV CHEMICALS PVT LTD	10	500	100,000	500	100,000
	TOTAL UNQUOTED (B)			100,000		100,000
	TOTAL INVESTMENTS (A) + (B)			5,304,478		5,304,478
	LESS: PROVISION FOR DIMINUTION IN VALUE OF QUOTED INVESTMENTS			702,978		650,023
	NET VALUE OF INVESTMENTS			4,601,500		4,654,455

NOTE: AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS Rs. 4,181,520/- (PREVIOUS YEAR Rs. 5,329,900/-)

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SCHEDULE - G		
INVENTORIES		
(As valued and certified by the Management)		
FINISHED GOODS - CHEMICALS	16,196,473	11,683,734
	<u>16,196,473</u>	<u>11,683,734</u>
SCHEDULE - H		
SUNDRY DEBTORS		
(UNSECURED, CONSIDERED GOOD)		
OUTSTANDING FOR MORE THAN 6 MONTHS	957,225	565,199
OTHER DEBTS	6,489,606	7,384,596
	<u>7,446,831</u>	<u>7,949,795</u>
SCHEDULE - I		
CASH & BANK BALANCES		
CASH IN HAND	11,963	10,905
BALANCE WITH SCHEDULED BANKS		
IN CURRENT ACCOUNTS	818,810	461,034
IN FOREIGN CURRENCY ACCOUNT	51,178	52,424
IN MARGIN MONEY ACCOUNT	1,677,195	1,490,630
IN DIVIDEND ACCOUNT	58,458	44,861
	<u>2,617,604</u>	<u>2,059,854</u>
SCHEDULE - J		
OTHER CURRENT ASSETS		
PREPAID EXPENSES	337,349	238,420
INTEREST RECEIVABLE	883,173	1,271,807
INSURANCE CLAIM/OCTROI REFUND RECEIVABLE	13,367	—
	<u>1,233,889</u>	<u>1,510,227</u>
SCHEDULE - K		
LOANS & ADVANCES		
(UNSECURED, CONSIDERED GOOD)		
INTER CORPORATE LOANS GIVEN	12,137,877	20,413,612
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	3,084,293	728,816
ADVANCE INCOME TAX	4,651,732	7,495,852
ADVANCE FRINGE BENEFIT TAX	635,739	364,994
DEPOSITS	109,260	137,663
	<u>20,618,901</u>	<u>29,140,937</u>
SCHEDULE - L		
CURRENT LIABILITIES		
SUNDRY CREDITORS	3,879,943	3,011,110
(REFER NOTE NO. 9 AND 10 and of SCHEDULE "R")		
ADVANCE FROM CUSTOMERS	28,536	194,493
INVESTOR EDUCATION AND PROTECTION FUND**		
- UNCLAIMED DIVIDEND	95,150	78,200
INTEREST ACCRUED BUT NOT DUE ON LOANS	—	370,908
OTHER LIABILITIES	1,823,270	1,393,546
	<u>5,826,899</u>	<u>5,048,257</u>
** Amounts due and outstanding to be credited to Investor Education and Protection Fund is Rs. NIL (Previous year Rs. NIL)		
SCHEDULE - M		
PROVISIONS		
PROVISION FOR TAX	4,801,613	6,588,574
PROVISION FOR FRINGE BENEFIT TAX	703,813	393,716
PROVISION FOR GRATUITY	5,041,029	4,166,988
PROVISION FOR LEAVE SALARY	983,477	—
PROPOSED DIVIDEND	1,494,000	1,494,000
CORPORATE DIVIDEND TAX	253,905	209,534
	<u>13,277,837</u>	<u>12,852,812</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	2006 - 2007 Rs.	2005 - 2006 Rs.
SCHEDULE - N		
MISCELLANEOUS INCOME		
INTEREST RECEIVED (REFER NOTE 15 OF SCHEDULE "R") (TDS Rs. 264,545/- Previous year Rs.365,303/-)	1,370,556	1,665,533
LESS: INTEREST PAID	547,056	650,371
	<u>823,500</u>	<u>1,015,162</u>
DIVIDEND RECEIVED	8,000	8,000
GAIN ON EXCHANGE RATE DIFFERENCE (NET)	—	122,983
OTHER INCOME	46,707	70,909
	<u>878,207</u>	<u>1,217,054</u>
SCHEDULE - O		
COST OF MATERIAL		
OPENING STOCK	11,683,734	10,886,169
ADD: PURCHASE OF GOODS	42,898,451	33,092,772
LESS: INSURANCE CLAIM RECEIVED	—	1,126,646
	<u>54,582,185</u>	<u>42,852,295</u>
LESS: CLOSING STOCK	16,196,473	11,683,734
	<u>38,385,712</u>	<u>31,168,561</u>
PACKING MATERIAL CONSUMED	56,044	82,552
	<u>38,441,756</u>	<u>31,251,113</u>
SCHEDULE - P		
PAYMENTS TO & PROVISION FOR EMPLOYEES		
SALARIES, BONUS, ALLOWANCES ETC.	7,326,640	5,436,763
CONTRIBUTION TO PROVIDENT FUND AND OTHER FUNDS	525,945	362,301
WELFARE EXPENSES	539,106	473,077
	<u>8,391,691</u>	<u>6,272,141</u>
SCHEDULE - Q		
OTHER EXPENSES		
RENT, SERVICE & WAREHOUSING CHGS	2,665,838	2,455,604
RATES AND TAXES	127,125	99,310
POSTAGE, TELEPHONE, TELEX & FAX CHGS	1,249,463	1,425,803
BANK CHARGES	301,712	274,704
SALES PROMOTION EXPENSES	521,262	187,236
FREIGHT, CLEARING & FORWARDING	1,003,705	750,234
SELLING & ADVERTISEMENT EXPENSES	147,809	113,659
COMMISSION ON SALES	220,635	227,706
LEGAL & PROFESSIONAL EXPENSES	291,104	382,498
ELECTRICITY CHARGES	571,738	465,793
SERVICE CHARGES PAID	336,463	1,569,145
TRAVELLING & CONVEYANCE	2,968,749	2,677,787
REPAIRS & MAINTENANCE - OTHERS	490,982	203,805
INSURANCE CHARGES	236,121	208,277
DIRECTORS REMUNERATION	—	120,000
AUDITORS REMUNERATION	231,918	145,475
LOSS ON EXCHANGE RATE DIFFERENCE (NET)	114,710	—
LOSS ON SALE / OBSOLESCENCE OF FIXED ASSETS	—	494,864
LOSS BY THEFT	—	32,663
SUNDRY BALANCES WRITTEN OFF (NET)	3,077	124,999
MISCELLANEOUS EXPENSES	1,447,272	1,735,287
	<u>12,929,683</u>	<u>13,694,849</u>
	<u>13,694,849</u>	<u>13,225,260</u>

SCHEDULE R : NOTES ON ACCOUNTS
1. SIGNIFICANT ACCOUNTING POLICIES
A. BASIS OF PREPARATION :

The financial statements have been prepared under the historical cost convention on an accrual basis and comply in all material respects with the mandatory Accounting Standards (AS), issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956.

B. FIXED ASSETS

All Fixed Assets are stated at Cost (including all expenses incurred to bring the assets to their present location and condition) less Accumulated Depreciation.

C. DEPRECIATION

Depreciation on Fixed assets are provided on the "Written Down Value" basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

D. INVENTORIES

Inventories are valued at lower of cost and Net Realisable Value. Cost is determined on First In First Out (FIFO) basis.

E. INVESTMENTS

Long term Investments are valued at cost, Diminution in value of such investments is provided for only if it is considered other than temporary in the opinion of the management. Cost of Investment is arrived at on the basis of weighted average cost at the time of sale.

F. RETIREMENT BENEFITS:

- (i) Gratuity is accounted as per the provisions of the Payment of Gratuity Act, 1972 on the assumption that gratuity is payable to employees at the end of the accounting year.
- (ii) Provision for leave entitlement is accrued and provided for, as per policy of the company.
- (iii) Regular payments are made to Provident Fund and charged to the Profit & Loss Account.

G. FOREIGN EXCHANGE TRANSACTION:

- (i) Foreign Exchange transactions are accounted at the rate of exchange prevailing on the date of transaction.
- (ii) At the year end all Foreign Currency assets and liabilities other than for financing fixed assets are recorded at the exchange rate prevailing on that date. All such exchange rate difference on account of such conversion is recognised in the Profit & Loss account. Exchange rate difference on account of changes in liability relating to Fixed assets is adjusted in the cost of the Fixed assets.

H. TAXATION

- (a) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income Tax Act, 1961.
- (b) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.
- (c) Provision for Fringe Benefit Tax is determined at current applicable rates on expenses fallen within the ambit of "Fringe Benefit" as defined under the Income Tax act, 1961.

I. REVENUE RECOGNITION :

Sales are recognised when the significant risks and rewards of ownership of the goods are passed to the customer. Sales are net off sales returns and exclusive of VAT. Commission is accounted as and when it becomes due.

J. IMPAIRMENT OF ASSETS:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

K. PROVISIONS AND CONTINGENT LIABILITIES:

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. Contingent Liabilities not provided for in respect of :

	2006-2007	2005-2006
	Rs.	Rs.
1) Counter Guarantee given to bankers in respect of guarantee given by them.	5,000	5,000

3. QUANTITATIVE DETAILS OF OPENING STOCK, PURCHASES, SALES & CLOSING STOCK.

PRODUCT	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
	QUANTITY UNITS	VALUE RUPEES	QUANTITY UNITS	VALUE RUPEES	QUANTITY UNITS	VALUE RUPEES	QUANTITY UNITS	VALUE RUPEES
Chemicals (KGS)	47,252 (27,773)	11,683,734 (10,886,169)	214,774 (155,810)	42,898,451 (33,092,772)	181,755 (136,331)	49,879,447 (41,849,059)	80,271 (47,252)	16,196,473 (11,683,734)
TOTAL (RS.)	47,252 (27,773)	11,683,734 (10,886,169)	214,774 (155,810)	42,898,451 (33,092,772)	181,755 (136,331)	49,879,447 (41,849,059)	80,271 (47,252)	16,196,473 (11,683,734)

Note:-

- Purchase include chemical 22 kgs (Previous Year 70 kgs) of free samples received.
- Purchase quantity is inclusive of 1215 kgs (Previous year net off 3955 kgs) goods transferred from damaged to saleable location.
- Figures in brackets relate to previous year.

	2006-2007	2005-2006
	Rs.	Rs.
4. Earning in foreign exchange by way of commission	15,166,717	15,118,121
5. Value of Import on CIF Basis		
Traded goods	29,677,132	24,311,253
6. Expenditure in foreign currency		
Travelling	174,066	53,040
Other	6,929	-
7. Managerial Remuneration		
Remuneration to Whole time Directors	-	120,000
8. Payment to Auditors		
a) Audit Fees (Including Limited Review)	84,000	78,000
b) Tax Audit Fees	25,000	22,000
c) Tax Matters	42,500	32,500
d) Other Matters	25,000	1,000
e) Vat Audit fees	30,000	-
f) Towards Service Tax	25,418	11,975
	<u>231,918</u>	<u>145,475</u>
9. There were no amounts due to Small Scale and/or Ancillary industrial suppliers on account of principal and/or interest as at the close of the year. This disclosure is based on the information available with the Company regarding the status of the suppliers as defined under the Interest on Delayed Payments of Small Scale And Ancillary Industrial Undertaking Act, 1993, and relied upon by the Auditors.		
10. In the absence of necessary information with the company, relating to the registration status of supplier under the Micro, Small & Medium Enterprises Development Act 2006, the information required under the said Act could not be compiled and disclosed.		
11. Segment Information For The Year Ended 31st March, 2007		
A. Information about Primary Business Segments		

(Rupees in Lakhs)

	Indenting		Trading Chemicals		Unallocated		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Revenue								
External Customers	152.16	151.29	498.79	418.49	-	-	650.96	569.79
Inter-segment	-	-	-	-	-	-	-	-
Total Revenue	152.16	151.29	498.79	418.49	-	-	650.96	569.79
Result								
Segment Result	96.47	98.89	85.83	72.22	-	-	182.30	171.11
Unallocated expenditure net of unallocated income	-	-	-	-	(133.07)	(115.79)	(133.07)	(115.79)
Interest Income (net)	-	-	(1.90)	0.61	10.14	9.54	8.24	10.15
Dividend Income	-	-	-	-	-	-	-	-
Profit before taxation and exceptional items	96.47	98.89	83.93	72.83	(122.93)	(106.25)	57.46	65.47
Provision for taxation								
- Current Tax	-	-	-	-	22.96	24.90	22.96	24.90
- Deferred Tax	-	-	-	-	(4.17)	(2.69)	(4.17)	(2.69)
- Fringe benefit Tax	-	-	-	-	3.10	3.94	3.10	3.94
Profit after taxation and before exceptional items	96.47	98.89	83.93	72.83	(144.82)	(132.40)	35.58	39.32
Exceptional items (Provision for Diminution in Shares)	-	-	-	-	-	(0.53)	-	(0.53)
Excess/(Short) Provision of Taxation in earlier years.	-	-	-	-	(0.54)	-	(0.54)	-
Net Profit	96.47	98.89	83.93	72.83	(145.36)	(132.93)	35.04	38.79
Other Information								
Segment Assets	28.49	29.38	253.24	193.42	285.60	384.30	567.33	607.11
Segment Liabilities	41.58	36.11	44.58	33.00	112.85	182.09	199.01	251.19
Capital expenditure	-	-	-	-	0.39	15.34	0.39	15.34

B. Information about Secondary Business Segments

(Rupees In Lakhs)

	Within India		Outside India		Total	
	2006 - 07	2005 - 06	2006 - 07	2005 - 06	2006 - 07	2005 - 06
Revenue by geographical market	499.29	418.61	151.67	151.18	650.96	569.79
Total	499.29	418.61	151.67	151.18	650.96	569.79
Carrying amount of segment assets	554.03	587.73	13.29	19.38	567.33	607.11
Additions to fixed assets	0.39	15.34	—	—	0.39	15.34

Notes :-

- (i) The company is into two main business segments, namely:
- Indenting Business
 - Trading Business - Chemicals
- Segments have been identified and reported, taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.
- (ii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
12. Related parties disclosure in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India and effective from April, 1, 2001.

(Amount in Rs.)

	Parties where control exists		Directors of the Company		Total	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Transactions during the year						
Remuneration to Mrs.Saroj Bhuwania	-	-	-	120,000	-	120,000
Remuneration to Mrs.Shruti Bhuwania	-	-	72,000	-	72,000	-
Rendering of services to M/s. Priya Ltd	46,707	30,969	-	-	46,707	30,969
Receiving of services from M/s.Gaurav Chemicals P.Ltd.	180,000	180,000	-	-	180,000	180,000
Receiving of services from M/s. Priya Ltd	336,463	1,569,145	-	-	336,463	1,569,145
Interest paid on Loans to Mrs.Saroj Bhuwania	-	-	147,285	413,038	147,285	413,038
Interest paid on Loans to Mr.A K Bhuwania	-	-	1,442	-	1,442	-
Interest Received on Intercorporate deposits from M/s.Priya Ltd	1,095,183	1,542,099	-	-	1,095,183	1,542,099
Loan received from Mrs.Saroj Bhuwania	-	-	703,170	252,114	703,170	252,114
Loans repaid to Mrs.Saroj Bhuwania	-	-	6,661,364	1,480,000	6,661,364	1,480,000
Loans received from Mr A. K. Bhuwania	-	-	301,442	-	301,442	-
Loans repaid to Mr A. K. Bhuwania	-	-	300,000	-	300,000	-
Inter corporate deposits given during the year to M/s.Priya Ltd	84,409,084	54,851,172	-	-	84,409,084	54,851,172
Inter corporate deposits received back during the year from M/s.Priya Ltd	92,684,819	57,443,720	-	-	92,684,819	57,443,720
Balances at the year end						
Loans outstanding from Directors						
Mrs.Saroj Bhuwania	-	-	13,920	5,972,114	13,920	5,972,114
Mr. A.K.Bhuwania	-	-	1,442	-	1,442	-
Inter corporate deposits at the year end	12,137,877	20,413,612	-	-	12,137,877	20,413,612
Interest Receivable	849,424	1,196,052	-	-	849,424	1,196,052
Outstanding service charges	636,696	497,088	-	-	636,696	497,088

Note:

Names of related parties and description of relationship is as identified by the management and relied upon by the auditors.

- Parties Where control exists
 - Priya Limited
 - Priya Chemicals
 - Gaurav Chemicals Private Ltd.
 - Brent Properties and Investment P. Ltd.
 - Cheshire Properties and Investment P. Ltd.
 - Halifax Properties and Investment P. Ltd.
- Directors of the Company
 - Mrs. Saroj Bhuwania
 - Mr A.K. Bhuwania
 - Mr Aditya Bhuwania
- Relative of Director
 - Mrs. Shruti Bhuwania, wife of Mr. Aditya Bhuwania

13. Earning Per Share (EPS)

(A) Earning Per Share (EPS) excluding extraordinary items (net of tax expenses)- The numerator and denominator used to calculate Basic and Diluted Earnings per Share:

	<u>2006-2007</u>	<u>2005-2006</u>
Profit before extra ordinary items and Taxation (Rs.)	5,746,247	6,546,707
Less : Provision for tax (Net of extra ordinary items) (Rs.)	2,296,000	2,490,000
Less : Provision for Fringe Benefit tax (Net of extra ordinary items) (Rs.)	309,766	393,716
Add : Provision for Deferred tax (Net of extra ordinary items) (Rs.)	<u>(417,093)</u>	<u>(268,523)</u>
Profit and loss after taxation and before Extraordinary items (Net of tax) (Rs.)	3,557,574	3,931,514
Weighted average number of Equity Share outstanding during the year.(nos.)	996,000	996,000
Basic & Diluted earning per share before extra ordinary items (Rs.)	3.57	3.95
Face value of each share (Rs.)	10	10

(B) Earning Per Share (EPS) including extraordinary items. The numerator and denominator used to calculate Basic and Diluted Earnings per Share:

	<u>2006-2007</u>	<u>2005-2006</u>
Profit attributable to the shareholders (Rs.)	3,557,574	3,878,559
Weighted average number of Equity Share outstanding during the year.(nos.)	996,000	996,000
Basic & Diluted earning per share (Rs.)	3.57	3.89
Face value of each share (Rs.)	10	10

14. Break-up of Deferred Tax Assets

	Closing as on 3/31/2007	During the year	Opening as on 4/1/2006
<u>Deferred tax Assets</u>			
- On account of Provision for Gratuity allowable on payment basis under Income Tax Act, 1961.	Rs. 1,713,446	310,838	1,402,608
- On account of Provision for Leave salary allowable * on payment basis under Income Tax Act, 1961.	Rs. 334,284	72,907	261,377
- On account of difference in depreciation as per books and Income Tax Act, 1961	Rs. 158,829	33,348	125,481
	<u>Rs. 2,206,559</u>	<u>417,093</u>	<u>1,789,466</u>

15. Break-up of Interest received

	<u>2006-2007</u>	<u>2005-2006</u>
Interest received on Inter Corporate Deposits Given	1,095,183	1,542,099
Interest received on Fixed Deposits with Banks	68,690	61,094
Interest received on NSC matured	-	-
Interest received on Staff Loans	61,591	62,340
Interest on I.T. Refund	145,092	-
Overdue Interest recovered from parties	-	-
	<u>1,370,556</u>	<u>1,665,533</u>

16. Balances of Sundry Debtors, Creditors and Loans and Advances are subject to confirmation and consequential adjustment, if any.

17. In the opinion of Board of Directors, Current Assets, Loans and advances have value in the ordinary course of business atleast equal to the amount at which they are stated.

18. During the year the company has changed the accounting policy for leave encashment pursuant to the revised Accounting Standard 15, accordingly the opening liability Rs.776520/- has been accounted by debiting Rs.515143/- to General Reserve and Rs.261377/- to Deffered Tax Assets account. Further in addition to the opening liability Rs. 206957/- has been debited to the current year Profit & Loss account in respect of leave entitlement. Consequently the provision are higher by Rs. 983477/- and Reserve are lower by Rs.983477/-.

19. Previous year figures have been regrouped and/or rearranged wherever considered necessary to make them comparable with those of the current year.

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR M. L. BHUWANIA & CO.

CHARTERED ACCOUNTANTS

ASHISH BAIRAGRA

PARTNER

MEMBERSHIP NO. 109931

PLACE : MUMBAI

DATED : 30th JUNE, 2007

FOR AND ON BEHALF OF THE BOARD

ADITYA BHUWANIA

Director

G. D. BHUWANIA

Director

PLACE : MUMBAI

DATED : 30th JUNE, 2007

Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	86840	State Code	11
Balance Sheet Date	31 03 07	Date Month Year	

II Capital raised during the year (Amount in Rs. thousands)

Public issue	NIL	Right issue	NIL
Bonus issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Fund (Amount in Rs. thousands)

Total Liabilities	56,733	Total Assets	56,733
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Sources of Funds

Paid up Capital	9,960	Reserves and Surplus	26,872
Secured Loans	780	Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	1,811	Investments	4,602
Net Current Assets	29,009	Net Deferred Tax Asset	2,207
Misc. Expenditure	—		

IV Performance of Company (Amount in Rs. thousands)

Turnover	65,974	Total Expenditure	60,227
Profit Before Tax	5,746	Profit after Tax	3,558
Earning per share in Rs.	3.57	Dividend Rate %	15

V Generic Name of Three Principal Products/Services of Company

I	Item Code No (ITC Code)	380890.90
	Product description	Kathon
II	Item Code No (ITC Code)	390440.00
	Product description	Vinnapas
III	Item Code No (ITC Code)	340490.90
	Product description	Lanco

FOR AND ON BEHALF OF THE BOARD

ADITYA BHUWANIA Director

PLACE : MUMBAI
DATED : 30th JUNE, 2007

G. D. BHUWANIA Director



PRIYA INTERNATIONAL LIMITED

Regd. Office: Krishna House, Ground Floor,
Raghuvanshi Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai-400013

ATTENDANCE SLIP

(To be presented at the entrance)

Regd. Folio No./Client ID No. _____

No. of shares held _____

DP ID No. _____

I certify that I am a Member/Proxy for the member of the Company.

I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company to be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400018 on Friday, the 21st day of September, 2007 at 12. 00 Noon.

Member's/ Proxy's name in BLOCK Letters

Signature of Member/Proxy

NOTE : Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting.
Members are requested to bring their copies of the Annual Report to the meeting.

----- \$ ----- Tear Here ----- \$ -----



PRIYA INTERNATIONAL LIMITED

Regd. Office: Krishna House, Ground Floor,
Raghuvanshi Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai-400013

PROXY FORM

Reg. Folio No. /Client ID No. _____

DP ID No. _____

I/We..... of
..... being a member/members of the above named Company
hereby appointof.....or failing
him of as my/our proxy
to vote for me/us on my/our behalf at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company to be held on Friday,
the 21ST SEPTEMBER 2007 at 12.00 noon and at any adjournment(s) thereof.

Signed this day of 2007.

Signature.....

Affix 30 Paise Revenue Stamp

NOTE : This proxy form, 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 meeting.