

Priya International Limited

25th
Annual Report
2007 - 2008



www.priyagroup.com

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25th ANNUAL GENERAL MEETING

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

Day : Thursday

Date : 25th September, 2008

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

**REGISTRAR & SHARE TRANSFER
AGENT (COMMON AGENCY)** : Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri(East), Mumbai - 400 072.
Tel.: 022-2847 3474, 2847 0652

WEBSITE : www.priyagroup.com

NOTICE

NOTICE is hereby given that the **Twenty Fifth 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 Thursday, the 25th day of September, 2008 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 2008 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 2007-2008.
- 3) To consider the retirement of Mr. ArunKumar Bhuwania, who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

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 18th September, 2008 to 25th September, 2008 (both days inclusive).
- 4) Dividend recommended for the year ended March 31, 2008 if approved by the members will be paid to those eligible members whose names appear:
 - i. As Beneficial Owners, as on 25th September, 2008, 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 25th September, 2008.
- 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 2001-02 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. Bhuwania
Director

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

DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in presenting the Twenty-Fifth Annual Report along with the audited accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	Year Ended 31-03-2008	Year Ended 31-03-2007
Sales	564.39	498.79
Commission	195.90	152.17
	<u>760.29</u>	<u>650.96</u>
Other Income	10.16	8.78
	<u>770.45</u>	<u>659.74</u>
Profit before Tax & Extra ordinary items	72.06	57.46
Extra Ordinary Items	—	—
Profit before Tax	72.06	57.46
Less : Provision for taxation- Current Tax	23.72	22.96
Provision for taxation- Deferred Tax	0.17	-4.17
Provision for Fringe Benefit Tax	2.72	3.10
Profit After Tax	45.45	35.57
I.T. adjustments of earlier year – Deferred Tax	45.45	35.04
Add: Balance brought forward	192.97	177.42
Profit available for appropriation	238.42	212.46
APPROPRIATIONS		
Proposed Dividend	14.94	14.94
Corporate Dividend Tax	2.54	2.54
General Reserve	2.30	2.00
Balance carried to Balance sheet	218.64	197.98
	<u>238.42</u>	<u>212.46</u>

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 to Rs. 564.39 Lakhs from Rs. 498.79 Lakhs in the year under review. The profit after tax & extra-ordinary items increased to Rs. 45.45 Lakhs from Rs. 35.57 Lakhs under the financial year 2007-08.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. ArunKumar 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, 2008.

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, 2008 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

COMPLIANCE CERTIFICATE

To,
The Members
PRIYA INTERNATIONAL LIMITED
Mumbai

We have examined the necessary registers, records, books and papers of **PRIYA INTERNATIONAL LIMITED** ('the Company') required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2008. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of Act and the rules made there under and entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Maharashtra or such other authorities as required under the Act and the rules made there under.
3. The company being public limited company, hence no comments are required.
4. The Board of Directors duly met 7 (Seven) times on 07.05.2007, 30.06.2007, 31.07.2007, 06.09.2007, 31.10.2007, 28.01.2008 and 28.02.2008 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company has closed the Register of members from 14.09.2007 to 21.09.2007 (both days inclusive) and has complied with the provisions of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2007 was held on 21st September 2007 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year ended 31st March, 2008.
8. The company has not advanced any loan to its director and or persons or firms or companies referred in the Section 295 of the Act, save otherwise than exemptions specified by the Act.
9. The company has complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. During the period under review, the Board had appointed relatives of director to the Office of Place of Profit, an instance falling within the purview of Section 314 of the Act and further said appointment was approved/ ratified by the members of the company at forthcoming General Meeting. However terms of appointment, remuneration thereof etc., were no the instances requiring any approvals from the Central Government.
12. The company has not issued any duplicate certificates during the financial year under review.
13. The Company has:
 - (i) not issued or allotted any new shares during the year. The company has delivered all the certificates on lodgment there of for transfer / transmission or for any other purpose in accordance with the provisions of the Act.
 - (ii) deposited the amount of final dividend in a separate Bank Account in respect of the dividend declared on 21st September 2007 within five days from the date of declaration of such dividend.
 - (iii) paid / posted warrants/ demand draft for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that subsequently all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with UTI Bank, opened for the purpose of dividend disbursement.
 - (iv) has transferred the balance standing in the "Unpaid Dividend Account" towards the Investor Education and Protection Fund (IEPF). However, there is no application money due for refund, or matured deposits, or matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - (v) Save and except replying observations of the auditor in respect of internal audit system the company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was appointment/ re- appointment of whole time director during the year under review and subsequently was ratified by the members at Annual General Meeting. However, their was no appointment of any alternate director(s) and director(s) to fill casual vacancies was effected during the financial year under review.
15. The company has regularized the appointment of Whole Time Director at the Annual General Meeting. However their was no other appointment of any Managing Director / Whole-time Director / Manager during the financial year under review.
16. The company has not appointed any sole-selling agents during the financial year under review.
17. As informed, the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued and allotted any shares debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year ending 31st March, 2008.
21. Since the company have no preference shares / debentures, comment is not required.
22. There were no transactions necessitating the company

- to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A and 58AA read with companies (Acceptance of Deposit) Rules, 1975 during the financial year under review.
 24. The amount borrowed by the company during the financial period ending 31st March, 2008 are within the borrowing limits of the company and the company were not required to pass any resolution in terms of the provisions of Section 293 (1)(d) of the Act.
 25. The company has made loans and retained investments and complied with the provisions of the Act by making necessary entries in the register kept for the purpose. The company has not given guarantees or provided securities to other bodies corporate during the year under review.
 26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
 27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under review.
 28. The company has not altered the provisions of the memorandum with respect to name of the company during the financial year under review.
 29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year under review.
 30. The company has not altered any provisions of its Articles of Association during the financial year under review.
 31. There was no prosecution initiated against or show cause notices received by the company for alleged offenses under the Act and no fines and penalties or any other punishment was imposed on the company during the financial year.
 32. The company has not received any money as security from its employees during the financial year under review.
 33. The company has deposited both employee's and employer's contribution to provident fund with prescribed authorities.

Place : Mumbai
Date: 30/06/2008

SANJAY PARAB
Company Secretaries
ACS No. 16708 C.P.No.: 7093

Annexure: A

Sr. No.	Registers maintained by the Company	Under Section
01	Register of Charges	143
02.	Register of Members (In the Form of Index)	150 / 151
03.	Minutes Books of Proceedings of:	
	A. General Meetings:	
	B. Meetings of Board of Directors:	193
04.	Register of Contracts, Companies and firms in which Directors are interested.	301(3)
05.	Register of Directors	303
06.	Register of Directors' Shareholding	307
07.	Register of Investment / Loan etc.	372A
08.	Register of Transfer	Voluntary
09.	Attendance Book for Board Meetings	Voluntary
10.	Register of Share Application & Allotment	Voluntary

ANNEXURE: B

Sr.	Form No.	Under Section	Purpose	When Filed
01.	Annual Return (Dated 21.09.2007)	159	As per Requirement.	16.10.2007
02.	Balance Sheet (As on 31.03.2007)	210	As per Requirement.	16.10.2007
03.	Compliance Certificate (Form 66)	383A	As required under the (Issuance of Compliance Certificate Rules, 2001).	16.10.2007
04	Form 32	269, 303 (2)	Appointment of Whole time director	22.10.2007
05	Form 23	192	Appointment of Whole time Director and relative of Director	22.10.2007
06	Form 25C	269 (2)	Return of appointment of Whole time Director	22.10.2007

Place : Mumbai
Date: 30/06/2008

SANJAY PARAB
Company Secretaries
ACS No. 16708 C.P.No.: 7093

AUDITOR'S REPORT

To,
The Members
PRIYA INTERNATIONAL LIMITED
Mumbai

1. We have audited the attached Balance Sheet of **Priya International Limited**, Mumbai as at 31st March 2008, 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 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 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 2008;
 - 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, 2008

Partner
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 2008.

On the Basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

- (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
1	7,39,56,586	2,48,93,990	1,52,42,075

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 given	Maximum balance Outstanding during the year	Amount receivable at the end of the year
3	55,69,893	31,29,807	26,69,893

- (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 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. Accordingly, clause 4 (viii) of the Order is not applicable to 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,

2008. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2008 and in the immediately preceding financial year March 31, 2007.

- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loans from financial institutions and has not issued debentures during the year.
- (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, 2008.

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

Place : Mumbai
Date : 30th June, 2008

Partner
Membership No: 109931

BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	A	9,960,000	9,960,000
RESERVES & SURPLUS	B	30,560,051	26,872,459
LOAN FUNDS			
SECURED LOANS	C	698,767	780,018
UNSECURED LOANS	D	2,669,893	15,362
TOTAL		43,888,711	37,627,839
II. APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	E	6,044,254	5,936,417
LESS: ACCUMULATED DEPRECIATION		4,184,055	4,125,600
NET BLOCK		1,860,199	1,810,817
INVESTMENTS			
DEFERRED TAX ASSETS (NET) (REFER NOTE NO. 14 OF SCHEDULE "R")	F	4,601,500	4,601,500
CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	G	12,866,321	16,196,473
SUNDRY DEBTORS	H	14,947,502	7,446,831
CASH & BANK BALANCE	I	2,479,945	2,617,604
OTHER CURRENT ASSETS	J	1,248,964	1,233,889
LOANS & ADVANCES	K	28,313,720	20,618,901
		59,856,452	48,113,698
LESS : CURRENT LIABILITES & PROVISIONS			
CURRENT LIABILITES	L	9,290,443	5,826,899
PROVISIONS	M	14,869,920	13,277,837
		24,160,363	19,104,736
NET CURRENT ASSETS		35,696,089	29,008,962
TOTAL		43,888,711	37,627,839
NOTES ON ACCOUNTS			
	R		
The schedules referred above form an integral part of the Balance Sheet.			

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTSASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO. 109931PLACE : MUMBAI
DATED : 30th JUNE, 2008

FOR AND ON BEHALF OF THE BOARD

A. K. BHUWANIA Director

G. D. BHUWANIA Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULE	2007-2008 Rs.	2006-2007 Rs.
INCOME			
SALES		56,439,960	49,879,447
COMMISSION		19,590,484	15,216,082
MISCELLANEOUS INCOME	N	1,014,710	878,207
TOTAL		77,045,154	65,973,736
EXPENDITURE			
COST OF MATERIAL	O	42,715,872	38,441,756
PAYMENTS TO & PROVISION FOR EMPLOYEES	P	8,995,996	8,391,691
OTHER EXPENSES	Q	17,630,895	12,929,683
DEPRECIATION		495,551	464,359
TOTAL		69,838,314	60,227,489
PROFIT BEFORE TAX		7,206,840	5,746,247
LESS : PROVISION FOR TAX - CURRENT TAX		2,372,000	2,296,000
- DEFERRED TAX		17,540	(417,093)
- FRINGE BENEFIT TAX		272,000	309,766
PROFIT AFTER TAX		4,545,300	3,557,574
ADD / (LESS) : TAX FOR EARLIER YEARS		557	(53,573)
BALANCE BROUGHT FORWARD		19,297,602	17,741,506
PROFIT AVAILABLE FOR APPROPRIATION		23,843,459	21,245,507
APROPRIATIONS :			
PROPOSED DIVIDEND		1,494,000	1,494,000
CORPORATE DIVIDEND TAX		253,905	253,905
TRANSFER TO GENERAL RESERVE		230,000	200,000
BALANCE CARRIED TO BALANCE SHEET		21,865,554	19,297,602
		23,843,459	21,245,507
BASIC & DILUTED EARNING PER SHARE		4.56	3.57

(REFER NOTE NO.13 OF SCHEDULE "R" OF NOTES ON ACCOUNTS)

NOTES ON ACCOUNTS
R

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

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, 2008

FOR AND ON BEHALF OF THE BOARD

A. K. BHUWANIA Director

G. D. BHUWANIA Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	2007 - 2008		2006 - 2007	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX & BEFORE EXTRAORDINARY ITEMS		7,206,840		5,746,247
ADJUSTED FOR				
DEPRECIATION	495,551		464,359	
DIVIDEND RECEIVED	(8,000)		(8,000)	
EXCHANGE RATE DIFFERENCE	9,291		(60,951)	
INTEREST PAID	545,965		547,056	
INTEREST RECEIVED	(1,457,586)		(1,370,556)	
LOSS ON SALE / OBSOLESCENCE OF FIXED ASSETS	72,470		-	
SUNDRY BALANCES WRITTEN OFF / (BACK)	126,379		3,077	
		<u>(215,930)</u>		<u>(425,015)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		6,990,910		5,321,232
WORKING CAPITAL CHANGES				
TRADE AND OTHER RECEIVABLES	(7,670,406)		498,998	
INVENTORIES	3,330,152		(4,512,739)	
TRADE PAYABLES / OTHER LIABILITIES	3,778,636		2,278,516	
LOANS AND ADVANCES AND OTHER CURRENT ASSETS	(1,433,466)	<u>(1,995,084)</u>	<u>(2,442,447)</u>	<u>(4,177,672)</u>
CASH GENERATED FROM OPERATIONS		4,995,826		1,143,560
DIRECT TAXES PAID (NET OF REFUND)				
INCLUDING FRINGE BENEFIT TAX		<u>3,070,059</u>		<u>1,562,828</u>
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		1,925,767		(419,269)
EXTRA ORDINARY ITEMS		-		-
NET CASH FROM OPERATION ACTIVITIES (A)		1,925,767		(419,269)
B. CASH FLOW FROM INVESTING ACTIVITIES				
INTEREST RECEIVED	1,355,416		1,759,190	
INTER CORPORATE DEPOSITS	(3,104,199)		8,275,735	
PURCHASE OF FIXED ASSETS	(807,022)		(38,654)	
SALE OF FIXED ASSETS	189,619		-	
DIVIDEND RECEIVED	8,000		8,000	
NET CASH USED IN INVESTING ACTIVITIES (B)		(2,358,186)		10,004,271
C. CASH FLOW FROM FINANCING ACTIVITIES				
INTEREST PAID	(545,965)		(917,965)	
DIVIDEND PAID (INCLUDING DIVIDEND TAX)	(1,732,555)		(1,686,584)	
PROCEEDS FROM BORROWINGS	2,573,280		(6,422,704)	
NET CASH USED IN FINANCING ACTIVITIES (C)		294,760		(9,027,253)
NET CHANGES IN CASH AND BANK EQUIVALENTS (A)+(B)-(C)		(137,659)		557,750
CASH AND BANK EQUIVALENTS OPENING BALANCE	2,617,604		2,059,854	
CASH AND BANK EQUIVALENTS CLOSING BALANCE	<u>2,479,945</u>		<u>2,617,604</u>	
NET CHANGES IN CASH AND BANK EQUIVALENTS AS DISCLOSED ABOVE		(137,659)		557,750

Note: a) Cash and bank balance includes:

Cash in Hand	39103	11963
Balance With Scheduled Banks		
In Current Accounts	753314	818810
In Foreign Currency Account	51178	51178
In Margin Money Account	1567787	1677195
In Dividend Account	72818	58458
Gain / (Loss) on Exchange rate fluctuation	(4255)	-
	<u>2479945</u>	<u>2617604</u>

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
PLACE
DATED : 30th JUNE, 2008

FOR AND ON BEHALF OF THE BOARD

A. K. BHUWANIA Director**G. D. BHUWANIA** Director
MUMBAI

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED 1,000,000 EQUITY SHARES OF RS 10/- EACH	<u>10,000,000</u>	<u>10,000,000</u>
ISSUED, SUBSCRIBED & PAID UP 996,000 EQUITY SHARES OF RS 10/- EACH FULLY PAID	<u>9,960,000</u>	<u>9,960,000</u>
SCHEDULE - B		
RESERVES & SURPLUS		
GENERAL RESERVE		
BALANCE AS PER LAST BALANCE SHEET	7,574,857	7,890,000
LESS: ADJUSTMENT ON ACCOUNT OF AS 15 ON "EMPLOYEE BENEFITS" (NET OF DEFFERED TAX)	889,640	515,143
ADD: TRANSFER FROM PROFIT & LOSS ACCOUNT	<u>230,000</u>	<u>200,000</u>
	8,694,497	7,574,857
PROFIT & LOSS ACCOUNT	<u>21,865,554</u>	<u>19,297,602</u>
	30,560,051	26,872,459
SCHEDULE - C		
SECURED LOANS		
VEHICLE LOAN FROM BANK (Secured by Hypothecation of Vehicle)	<u>698,767</u>	<u>780,018</u>
	698,767	780,018
SCHEDULE - D		
UNSECURED LOANS		
LOAN FROM DIRECTOR	<u>2,669,893</u>	<u>15,362</u>
	2,669,893	15,362

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE E
FIXED ASSETS

(FIGURES IN RUPEES)

SL NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 1/04/2007 (Rs.)	ADDITIONS (Rs.)	DEDUCTIONS (Rs.)	AS AT 31/03/2008 (Rs.)	AS AT 1/04/2007 (Rs.)	FOR THE YEAR (Rs.)	DEDUCTIONS (Rs.)	AS AT 31/03/2008 (Rs.)	AS AT 31/03/2008 (Rs.)	AS AT 31/03/2007 (Rs.)
1	OFFICE PREMISES	1,036,034	-	-	1,036,034	563,807	23,676	-	587,483	448,551	472,227
2	FURNITURE & FIXTURES	16,993	-	-	16,993	14,157	515	-	14,672	2,321	2,836
3	OFFICE EQUIPMENT	178,625	146,190	155,775	169,040	73,960	19,806	70,068	23,698	145,342	104,665
4	VEHICLES	2,102,675	660,832	543,410	2,220,097	914,556	434,319	367,028	981,847	1,238,250	1,188,119
5	COMPUTERS	2,602,090	-	-	2,602,090	2,559,120	17,235	-	2,576,355	25,735	42,970
	TOTALS (Rs.)	5,936,417	807,022	699,185	6,044,254	4,125,600	495,551	437,096	4,184,055	1,860,199	1,810,817
	PREVIOUS YEAR (Rs.)	5,897,763	38,654	-	5,936,417	3,661,241	464,359	-	4,125,600	1,810,817	

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.
	QUOTED					
A.	EQUITY SHARES (FULLY PAID UP)					
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 AGRITECH 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. DEBENTURES					
1	BALAJI HOTELS & ENTERPRISES LTD	1,350	10	13,500	10	13,500
	TOTAL QUOTED (A)			5,204,478		5,204,478
	UNQUOTED					
A	EQUITY SHARES (FULLY PAID UP)					
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		702,978
	NET VALUE OF INVESTMENTS			4,601,500		4,601,500

NOTE: AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS Rs. 5,559,540/- (PREVIOUS YEAR Rs. 4,181,520/-)

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE - G		
INVENTORIES		
(As valued and certified by the Management)		
FINISHED GOODS - CHEMICALS	12,866,321	16,196,473
	<u>12,866,321</u>	<u>16,196,473</u>
SCHEDULE - H		
SUNDRY DEBTORS		
(UNSECURED, CONSIDERED GOOD)		
OUTSTANDING FOR MORE THAN 6 MONTHS	956,441	957,225
OTHER DEBTS	13,991,061	6,489,606
	<u>14,947,502</u>	<u>7,446,831</u>
SCHEDULE - I		
CASH & BANK BALANCES		
CASH IN HAND	39,103	11,963
BALANCE WITH SCHEDULED BANKS		
IN CURRENT ACCOUNTS	753,314	818,810
IN FOREIGN CURRENCY ACCOUNT	46,923	51,178
IN MARGIN MONEY ACCOUNT	1,567,787	1,677,195
IN DIVIDEND ACCOUNT	72,818	58,458
	<u>2,479,945</u>	<u>2,617,604</u>
SCHEDULE - J		
OTHER CURRENT ASSETS		
PREPAID EXPENSES	263,621	337,349
INTEREST RECEIVABLE	985,343	883,173
INSURANCE CLAIM / OCTROI REFUND RECEIVABLE	-	13,367
	<u>1,248,964</u>	<u>1,233,889</u>
SCHEDULE - K		
LOANS & ADVANCES		
(UNSECURED, CONSIDERED GOOD)		
INTER CORPORATE LOANS GIVEN	15,242,076	12,137,877
ADVANCES RECOVERABLE IN CASH OR IN KIND		
OR FOR VALUE TO BE RECEIVED	4,604,854	3,084,293
ADVANCE INCOME TAX	7,399,364	4,651,732
ADVANCE FRINGE BENEFIT TAX	958,166	635,739
DEPOSITS	109,260	109,260
	<u>28,313,720</u>	<u>20,618,901</u>
SCHEDULE - L		
CURRENT LIABILITIES		
SUNDRY CREDITORS	7,210,694	3,879,943
(REFER NOTE NO. 9 of SCHEDULE "R")		
ADVANCE FROM CUSTOMERS	59,589	28,536
INVESTOR EDUCATION AND PROTECTION FUND**		
- UNCLAIMED DIVIDEND	110,500	95,150
OTHER LIABILITIES	1,909,660	1,823,270
	<u>9,290,443</u>	<u>5,826,899</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	7,173,056	4,801,613
PROVISION FOR FRINGE BENEFIT TAX	975,813	703,813
PROVISION FOR GRATUITY	4,173,181	5,041,029
PROVISION FOR LEAVE SALARY	799,965	983,477
PROPOSED DIVIDEND	1,494,000	1,494,000
CORPORATE DIVIDEND TAX	253,905	253,905
	<u>14,869,920</u>	<u>13,277,837</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SCHEDULE - N		
MISCELLANEOUS INCOME		
INTEREST RECEIVED (REFER NOTE 15 OF SCHEDULE "R") (TDS Rs. 295,965/- Previous year Rs.264,545/-)	1,457,586	1,370,556
LESS: INTEREST PAID	<u>545,965</u>	<u>547,056</u>
	911,621	823,500
DIVIDEND RECEIVED	8,000	8,000
GAIN ON EXCHANGE RATE DIFFERENCE (NET)	64,980	-
OTHER INCOME	<u>30,109</u>	<u>46,707</u>
	<u>1,014,710</u>	<u>878,207</u>
SCHEDULE - O		
COST OF MATERIAL (Refer Note No. 18 of Schedule R)		
OPENING STOCK	16,196,473	11,683,734
ADD: PURCHASE OF GOODS	<u>39,346,287</u>	<u>42,898,451</u>
	55,542,760	54,582,185
LESS: CLOSING STOCK	<u>12,866,321</u>	<u>16,196,473</u>
	42,676,439	38,385,712
PACKING MATERIAL CONSUMED	<u>39,433</u>	<u>56,044</u>
	<u>42,715,872</u>	<u>38,441,756</u>
SCHEDULE - P		
PAYMENTS TO & PROVISION FOR EMPLOYEES		
SALARIES, BONUS, ALLOWANCES ETC.	7,804,964	7,326,640
CONTRIBUTION TO PROVIDENT FUND AND OTHER FUNDS	563,852	525,945
WELFARE EXPENSES	<u>627,180</u>	<u>539,106</u>
	<u>8,995,996</u>	<u>8,391,691</u>
SCHEDULE - Q		
OTHER EXPENSES		
RENT, SERVICE & WAREHOUSING CHGS	4,473,999	2,665,838
RATES AND TAXES	378,343	127,125
POSTAGE, TELEPHONE, TELEX & FAX CHGS	1,916,950	1,249,463
BANK CHARGES	239,908	301,712
SALES PROMOTION EXPENSES	183,206	521,262
FREIGHT, CLEARING & FORWARDING	944,608	1,003,705
SELLING & ADVERTISEMENT EXPENSES	71,077	147,809
COMMISSION ON SALES	158,080	220,635
LEGAL & PROFESSIONAL EXPENSES	897,519	291,104
ELECTRICITY CHARGES	1,097,014	571,738
SERVICE CHARGES PAID	400,000	336,463
TRAVELLING & CONVEYANCE	3,095,047	2,968,749
REPAIRS & MAINTENANCE - OTHERS	1,066,037	490,982
INSURANCE CHARGES	250,581	236,121
DIRECTORS REMUNERATION	120,000	-
AUDITORS REMUNERATION	179,551	231,918
LOSS ON EXCHANGE RATE DIFFERENCE (NET)	-	114,710
LOSS ON SALE / OBSOLESCENCE OF FIXED ASSETS	72,470	-
SUNDRY BALANCES WRITTEN OFF (NET)	125,198	3,077
MISCELLANEOUS EXPENSES	<u>1,961,307</u>	<u>1,447,272</u>
	<u>17,630,895</u>	<u>12,929,683</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. EMPLOYEE BENEFITS :

- (i) Short term employee benefits are recognised as an expense at the undiscounted amounts in the Profit and Loss account of the year in which the related service is rendered.
- (ii) Contribution payable to the recommended Provident Fund and Superannuation Scheme which is Defined Contribution Scheme is charged to Profit and Loss account.
- (iii) Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the Profit and Loss account.

G. FOREIGN EXCHANGE TRANSACTION:

- (i) Foreign Exchange transactions are accounted at the rate of exchange prevailing on the date of transaction. Resulted exchange differences arising on payment or conversion of liabilities are recognised as income or expenses in the year in which they arise.
- (ii) At the year end all Foreign Currency assets and liabilities 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.

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 falling within the ambit of "Fringe Benefits" 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 :	2007-2008	2006-2007
	Rs.	Rs.
Counter Guarantee given to bankers in respect of guarantee given by them.	-	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)	-	-	180,895	39,346,287	205,496	56,439,960	(24,601)	12,866,321
	(47,252)	(11,683,734)	(214,774)	(42,898,451)	(181,755)	(49,879,447)	(80,271)	(16,196,473)
TOTAL (RS.)	-	-	180,895	39,346,287	205,496	56,439,960	(24,601)	12,866,321
	(47,252)	(11,683,734)	(214,774)	(42,898,451)	(181,755)	(49,879,447)	(80,271)	(16,196,473)

Note:-

- a) Sales quantity is inclusive of 372 kgs goods transferred from saleable location to damaged location.
b) Figures in brackets relate to previous year.

4. Earning in foreign exchange by way of commission	2007-2008	2006-2007
	Rs.	Rs.
4. Earning in foreign exchange by way of commission	19,590,484	15,166,717
5. Value of Import on CIF Basis		
Traded goods	29,741,092	29,677,132
6. Expenditure in foreign currency		
Travelling	155,355	174,066
Sales Promotion exp.	6,575	6,92
7. Managerial Remuneration		
Remuneration to Whole time Directors.	120,000	-
8. Payment to Auditors		
a) Audit Fees (Including Limited Review)	85,800	84,00
b) Tax Audit Fees	25,000	25,000
c) Tax Matters	32,500	42,500
d) Other Matters	1,500	25,000
e) Vat Audit fees	15,000	30,000
f) Towards Service Tax	19,751	25,418
	179,551	231,918

9. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given. The same has been relied upon by the Auditors.

10. Employee Benefits :

The Company's defined benefit plan includes Gratuity/ Leave Encashment. The liability in respect of Gratuity/ Leave Encashment has been determined using Projected Unit Credit Method by an independent actuary. The company's defined contribution plan includes Provident Fund and Superannuation Fund. The related disclosure are as under:

A. Defined Contribution Plan	Rs.	
(i) Provident Fund	403,110	
(ii) Contribution to Superannuation Fund	115,305	
B. Defined Benefit Plans	Gratuity	Leave Encashment Benefit
(i) Assumptions		
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.00%	8.00%
Rate of increase in compensation	5.00%	5.00%
Rate of return (expected) on plan assets		

Withdrawal rates	Up to Age 30 : 10% 31 to 40 : 5% 41 to 58 : 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 to 58 : 2%
(ii) Changes in present value of obligations		
PVO at beginning of period	3,904,990	771,781
Interest cost	306,584	50,062
Current Service Cost	454,920	127,830
Benefits Paid	(145,385)	(292,009)
Actuarial (gain) / loss on obligation	(347,928)	142,300
PVO at end of period	4,173,181	799,964
(iii) Changes in fair value of Plan Assets		
Fair Value of Plan assets at beginning of period	-	-
Expected Return on Plan Assets	-	-
Contributions	145,385	292,009
Benefit Paid	(145,385)	(292,009)
Actuarial gain / (loss) on plan assets	-	-
Fair Value of Plan assets at end of period	-	-
(iv) Fair value of Plan Assets		
Fair Value of Plan assets at beginning of period	-	-
Actual Return on Plan Assets	-	-
Contributions	145,385	292,009
Benefit Paid	(145,385)	(292,009)
Fair Value of Plan assets at end of period	-	-
Funded Status	(4,173,181)	(799,964)
Excess of actual over estimated return on Plan Assets	-	-
(v) Actuarial Gain / (Loss) Recognized		
Actuarial Gain / (Loss) for the period (Obligation)	347,928	(142,300)
Actuarial Gain / (Loss) for the period (Plan Assets)	-	-
Total Gain / (Loss) for the period	347,928	(142,300)
Actuarial Gain / (Loss) recognized for the period	347,928	(142,300)
Unrecognized Actuarial Gain / (Loss) at end of period	-	-
(vi) Amounts to be recognized in the Balance Sheet and statement of Profit & Loss Account		
PVO at end of period	4,173,181	799,964
Fair Value of Plan assets at end of period	-	-
Funded Status	(4,173,181)	(799,964)
Unrecognized Actuarial Gain / (Loss)	-	-
Net Asset / (Liability) recognized in the Balance Sheet	(4,173,181)	(799,964)
(vii) Expenses recognized the the statement of P & L A/c.		
Current Service Cost	454,920	127,830
Interest Cost	306,584	50,062
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognized for the period	(347,928)	142,300
Expense recognized in the statement of P & L A/c.	413,576	320,192
(viii) Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	3,904,990	771,781
Expenses as above	413,576	320,192
Contribution paid	(145,385)	(292,009)
Closing Net Liability.	4,173,181	799,964

Note:

During the year the Company has adopted Accounting Standard 15 (AS 15) (Revised 2005) for "Employees

Benefits^o issued by the Institute of Chartered Accountants of India. Accordingly, the Company has adjusted Rs.8,89,640 (Net of Deferred Tax of Rs.4,58,095) in respect of additional liability pertaining to Employee benefits upto 31/03/2007 against the opening balance of General reserve in accordance with the transitional provision referred to in the said standard.

11. Segment Information For The Year Ended 31st March, 2008
A. Information about Primary Business Segments

Rupees in Lakhs

	Indenting		Trading Chemicals		Unallocated		Total	
	2007 - 08	2006 - 07	2007 - 08	2006 - 07	2007 - 08	2006 - 07	2007 - 08	2006 - 07
Revenue								
External Customers	195.90	152.16	564.40	498.79	-	-	760.30	650.95
Total Revenue	195.90	152.16	564.40	498.79	-	-	760.30	650.95
Result								
Segment Result	137.94	96.47	106.19	85.83	-	-	244.13	182.30
Unallocated expenditure net of unallocated income	-	-	-	-	(181.20)	(133.07)	(181.20)	(133.07)
Interest Income (net)	-	-	(0.17)	(1.90)	9.29	10.14	9.12	8.24
Dividend Income	-	-	-	-	-	-	-	-
Profit before taxation and exceptional items	137.94	96.47	106.03	83.93	(171.91)	(122.93)	72.05	57.47
Provision for taxation								
- Current Tax	-	-	-	-	23.72	22.96	23.72	22.96
- Deferred Tax	-	-	-	-	0.18	(4.17)	0.18	(4.17)
- Fringe Benefit Tax	-	-	-	-	2.72	3.10	2.72	3.10
Profit after taxation and before exceptional items	137.94	96.47	106.03	83.93	(198.51)	(144.82)	45.45	35.58
Exceptional items (Provision for Diminution in Shares)	-	-	-	-	-	0.00	-	0.00
Excess/(Short) Provision of Taxation in earlier years.	-	-	-	-	0.01	(0.54)	0.01	(0.54)
Net Profit	137.94	96.47	106.03	83.93	(198.51)	(145.36)	45.46	35.04
Other Information								
Segment Assets	55.76	28.49	274.59	253.24	350.14	285.60	680.49	567.33
Segment Liabilities	41.06	41.58	78.48	44.58	155.75	112.85	275.29	199.01
Capital expenditure	-	-	-	-	8.07	0.39	8.07	0.39

B. Information about Secondary Business Segments

(Rupees In Lakhs)

	Within India		Outside India		Total	
	2007 - 08	2006 - 07	2007 - 08	2006 - 07	2007 - 08	2006 - 07
Revenue by geographical market	564.40	499.29	195.90	151.66	760.30	650.96
Total	564.40	499.29	195.90	151.66	760.30	650.96
Carrying amount of segment assets	647.75	554.03	32.74	13.29	680.49	567.32
Additions to fixed assets	8.07	0.39	-	-	8.07	0.39

Notes:-

(i) The company is into two main business segments, namely;

- (a) Indenting Business
- (b) 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 :

(Amount in Rs.)

	Parties where control exists		Key Management Personnel		Relative of Key Management Personnel		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Transactions during the year.								
Remuneration to Mrs.Saroj Bhuwania	120,000	-	-	-	-	-	120,000	-
Remuneration to Mrs.Shruti Bhuwania	-	-	-	-	216,000	72,000	216,000	72,000
Rendering of services to M/s. Priya Ltd	30,109	46,707	-	-	-	-	30,109	46,707
Receiving of services from M/s.Gaurav Electrochem P.Ltd.	180,000	180,000	-	-	-	-	180,000	180,000
Receiving of services from M/s. Priya Ltd	400,000	336,463	-	-	-	-	400,000	336,463
Interest paid on Loans to Mrs.Saroj Bhuwania	-	-	117,296	147,285	-	-	117,296	147,285
Interest paid on Loans to Mr.A K Bhuwania	-	-	4,538	1,442	-	-	4,538	1,442
Interest paid on Loans to Mr.G D Bhuwania	-	-	40,994	-	-	-	40,994	-
Interest Received on Intercorporate deposits from M/s.Priya Ltd	1,213,408	1,095,183	-	-	-	-	1,213,408	1,095,183
Loan received from Mrs.Saroj Bhuwania	-	-	3,804,006	703,170	-	-	3,804,006	703,170
Loans repaid to Mrs.Saroj Bhuwania	2,313,920	6,661,364	-	-	-	-	2,313,920	6,661,364
Loans received from Mr A. K. Bhuwania	-	-	104,538	301,442	-	-	104,538	301,442
Loans repaid to Mr A. K. Bhuwania	-	-	1,442	300,000	-	-	1,442	300,000
Loans received from Mr G D Bhuwania	-	-	1,661,349	-	-	-	1,661,349	-
Loans repaid to Mr G D Bhuwania	-	-	600,000	-	-	-	600,000	-
Inter corporate deposits given during the year to M/s.Priya Ltd	73,956,586	84,409,084	-	-	-	-	73,956,586	84,409,084
Inter corporate deposits received back during the year from M/s.Priya Ltd	70,852,388	92,684,819	-	-	-	-	70,852,388	92,684,819
Balances at the year end								
Loans outstanding from Directors								
Mrs.Saroj Bhuwania	-	-	1,490,086	13,920	-	-	1,490,086	13,920
Mr. A.K.Bhuwania	-	-	103,096	1,442	-	-	103,096	1,442
Mr. G.D.Bhuwania	-	-	1,061,349	-	-	-	1,061,349	-
Inter corporate deposits at the year end	15,242,075	12,137,877	-	-	-	-	15,242,075	12,137,877
Interest Receivable	938,450	849,424	-	-	-	-	938,450	849,424
Outstanding service charges	215,908	636,696	-	-	-	-	215,908	636,696

Note:

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

- | | |
|--|---|
| 1. Parties Where control exists | 2. Key Management Personnel of the Company |
| (a) Priya Limited | (a) Mrs. Saroj Bhuwania |
| (b) Priya Chemicals | (b) Mr. A.K. Bhuwania |
| (c) Gaurav Electrochem Private Ltd. | (c) Mr. Aditya Bhuwania |
| (d) Brent Properties Investment P.Ltd. | 3. Relative of Key Management Personnel |
| (e) Chesire Properties Investment P.Ltd. | (a) Mrs. Shruti Bhuwania, wife of Mr. Aditya Bhuwania |
| (f) Halifax Properties Investment P.Ltd. | |

13. Earning Per Share (EPS)

		2007-08	2006-07
Profit attributable to the shareholders	(Rs.)	4,545,300	3,557,574
Weighted average number of Equity Share outstanding during the year.	(nos.)	996,000	996,000
Basic & Diluted earning per share	(Rs.)	4.56	3.57
Face value of each share	(Rs.)	10	10

14. Break-up of Deferred Tax Assets (Net)

Deferred tax Assets			
-	On account of Provision for Gratuity allowable on payment basis under Income Tax Act, 1961.	Rs.	1,289,513
-	On account of Provision for Leave salary allowable on payment basis under Income Tax Act, 1961.	Rs.	247,189
-	On account of difference in depreciation as per books and Income Tax Act, 1961	Rs.	194,221
		Rs.	<u>1,730,923</u>
			<u>2,206,559</u>

15. Break-up of Interest received

Interest received on Inter Corporate Deposits Given	1,213,408	1,095,183
Interest received on Fixed Deposits with Banks	74,893	68,690
Interest received on Staff Loans	169,285	61,591
Interest on I.T.refund	-	145,092
	<u>1,457,586</u>	<u>1,370,556</u>

16. Derivatives:

UNHEDGED: The year end Foreign Currency Exposures that have not been hedged by a derivative instrument are as under:

a. Amount receivable in foreign currency on account of the following :

Particulars	As on 31.03.2008		As on 31.03.2007		Foreign Currency
	Amount in Foreign Currency	Rs.	Rs.	Amount in Foreign Currency	
Receivables	321,493	5,106	373,281	6,431	EUR
	3,094,317	77,513	1,131,298	26,007	USD

b. Amount payable in foreign currency on account of the following :

Particulars	As on 31.03.2008		As on 31.03.2007		Foreign Currency
	Amount in Foreign Currency	Rs.	Rs.	Amount in Foreign Currency	
Creditors	7,099,600	177,490	3,133,358	71,899	USD
	-	-	22,055	379	EUR

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. Cost of material includes Rs. 12,93,984 being cost of obsolete stock written off during the year.

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 AND ON BEHALF OF THE BOARD

FOR **M. L. BHUWANIA & CO.**
CHARTERED ACCOUNTANTS

A. K. BHUWANIA Director

ASHISH BAIRAGRA

PARTNER
MEMBERSHIP NO. 109931
PLACE : MUMBAI
DATED : 30th JUNE, 2008

G. D. BHUWANIA Director

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 08	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	68,049	Total Assets	68,049
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Sources of Funds

Paid up Capital	9,960	Reserves and Surplus	30,560
Secured Loans	699	Unsecured Loans	2,670

Application of Funds

Net Fixed Assets	1,860	Investments	4,602
Net Current Assets	35,696	Net Deferred Tax Asset	1,731
Misc. Expenditure	—		

IV Performance of Company (Amount in Rs. thousands)

Turnover	77,045	Total Expenditure	69,838
Profit Before Tax	7,207	Profit after Tax	4,545
Earning per share in Rs.	4.56	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)	390440.90
	Product description	Lanco
III	Item Code No (ITC Code)	293369.90
	Product description	Tepic-G

FOR AND ON BEHALF OF THE BOARD

A. K. BHUWANIA Chairmna

PLACE : MUMBAI
DATED : 30th JUNE, 2008

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 FIFTH 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 Thursday, the 25th day of September, 2008 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

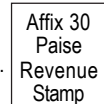
Reg. Folio No. /Client ID No. _____

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 FIFTH ANNUAL GENERAL MEETING of the Company to be held on
Thursday, the 25th day of September, 2008 at 12:00 noon and at any adjournment(s) thereof.

Signed this day of 2008.

Signature.....



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.

BOOK-POST

If Undelivered Please return to:

Priya International Limited

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

Tel.: 91 - 22 - 66663100 [30 Lines], Fax: 91 - 22 - 66663197 / 99

Crystal (022) 23823151 / 52