

16TH ANNUAL GENERAL MEETING

Date : 30th August, 2003
Time : 11.A.M
Place : "Hall of Quest", Nehru Planetarium,
Nehru Centre, Dr. Annie Besant Road,
Worli, Mumbai-400018.

BOARD OF DIRECTORS

SHRI A. K. BHUWANIA *Chairman*
SHRI D. J. KAKALIA *Director*
SHRI R. K. SARASWAT *Director*
SHRI M. H. DALAL *Director*
SHRI M. K. ARORA *Director*
SHRI ASHISH BHUWANIA *Executive Director*
SHRI ADITYA BHUWANIA *Executive Director*

Company Secretary : MISS SWETA GARG

BANKERS : Indian Bank
Bank of India
Union Bank of India

Auditors : **M/s. M. L. Bhwania & Co.**
Chartered Accountants
Mumbai

REGISTERED OFFICE
Krishna House, Ground Floor,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400013.

REGISTRAR AND SHARE TRANSFER AGENT
Bigshare Services Pvt. Ltd., E-2,
Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East), Mumbai-400 072.
Tel: 022-852 3474, 856 0652

EQUITY SHARES ARE LISTED AT:
Mumbai, Ahmedabad, Calcutta & New Delhi Stock Exchanges

WEBSITE
www.priyagroup.com

NOTICE

NOTICE is hereby given that the **Sixteenth Annual General Meeting** of the members of **PRIYA LIMITED** will be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400018 on Saturday, the 30th day of August, 2003 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
- 2) To appoint a Director in place of **Mr. Aditya Bhuwania**, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of **Mr. M. H. Dalal**, 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 Mr. M. K. Arora**

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

"RESOLVED THAT Mr. M. K. Arora, whose term of office as an additional Director of the Company expires at this Annual General Meeting, and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 in writing proposing his candidature for the office as a Director, be and is hereby appointed as Director of the Company."

6) Appointment of Mr. R. K. Saraswat

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

"RESOLVED THAT Mr. R. K. Saraswat, whose term of office as an additional Director of the Company expires at this Annual General Meeting, and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956 in writing proposing his candidature for the office as a Director, be and is hereby appointed as Director of the Company."

Special Resolution:**7) Delisting of Equity Shares**

This item requires the approval of the shareholders through postal ballot. Please find enclosed a notice along with a postal ballot form and notes to it for your consideration.

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 1956, and Clause 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as "Delisting of Securities") and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approval, permission and sanction, which may be agreed to by the Board of Directors of the Company (The Board which term shall be deemed to be "the Board") to delist 3002300 equity shares of the Company from the stock exchange at Ahmedabad, Delhi and Calcutta Stock exchange with effect from 1st April, 2003.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to settle all the questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution.

RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the Delisting Guidelines) and subject to the provisions of the Companies Act, 1956, (including any statutory modification (s) or re-enactment thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the rules framed there under, Listing Agreement, and all other applicable rules, regulations, and guidelines and subject to the approval, consent, permission or sanction of the Securities and Exchange Board of India, Stock Exchanges where the share of the Company are listed and any other authorities, institutions or regulators as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as " the Board", which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board or to any Committee of the Board to delist the Equity Shares of the Company from all or any of the Stock Exchanges at Ahmedabad, Calcutta, and New Delhi Stock Exchanges at such time or times as the Board may decide".

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, must 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 Explanatory Statement made pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the item No. 2, 3, 5, 6 and 7 of the Notice is annexed herewith.
- 4) The Register of Members and the Share Transfer Books of the Company will remain closed from 25th August, 2003 to 30th August, 2003 (both days inclusive).
- 5) Members are requested to bring their copies of the Annual Report to the Meeting.
- 6) Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.

- 7) (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.
- 8) 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 1995-96 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 unencashed Dividend Warrants to the company before the amount becomes due for transfer to the above Fund.
- 9) Members may avail of the facility of dematerialisation 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 **INE686C01014**.
- 10) 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.
- 11) Item No 7 of the Notice requires a postal ballot of the Companies Act, 1956. Please find enclosed a notice along with a postal ballot form and notes to it for your consideration.

For and on behalf of the Board

A. K. Bhuwania
Chairman

Registered Office:

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

Place: Mumbai
Dated: 22nd July, 2003.

Explanatory statement as required under section 173 (2) of the Companies Act, 1956.

Item No.2

Mr. Aditya Bhuwania, born on 13/2/1973, holds a B. Sc. degree. He is a graduate and is an expert in Exports and Imports. He has been on the Advisory Board of PRIYA LTD for several years. It will be advantageous for the Company to continue to avail his expert advice in the field of Exports and Imports. He is a Director in Brent Investment Properties Pvt Ltd, Chesire Investment Properties Pvt Ltd, Halifax Investment Properties Pvt Ltd and is a Executive Director in PRIYA LTD

Item No. 3

Mr. M. H. Dalal, born on 30/1/1956, holds an I. Com degree. He is an Exporter by profession and is an expert in Export Business. It will be advantageous for the Company to continue to avail his expert advice in the field of Exports and Imports. He is a Director in Harison Pvt Ltd.

Item no. 5

In order to increase the strength of the Board, the Director at its meeting held on 31/10/2002 appointed Mr. M. K. Arora as an additional Director, pursuant to article 91 of the articles of association of the company and section 260 of the Companies Act, 1956 who holds office as Director up to the date of this Annual General Meeting. In the same meeting, Mr. M K Arora was appointed as an additional Director of the Company with effect from 31/10/2002.

As required under section 257 of the Companies Act, 1956 notice has been received from a member signifying his intention to propose Mr. M. K. Arora as candidate for the office of Director of the Company.

Mr. M. K. Arora, born on 21/09/1943, is a Company Secretary by Profession. Mr. M. K. Arora has rich knowledge and experience in the area of Corporate Laws. At present Mr. M. K. Arora is a Director of Alcon Finance & Investments Ltd, Vibhuti Investments Co Pvt Ltd, DGP Capital Management Ltd, DGP Enterprises Pvt Ltd and Smart Manager Media Pvt Ltd. The Board considers it desirable that the Company should receive the benefits of his expertise and guidance as a Director of the Company and therefore it is recommended that Mr. M. K. Arora be appointed as a Director of the Company.

The above explanation may also be regarded as an abstract under section 302 of the Companies Act, 1956. The Board of Directors recommends the passing of the Resolution contained in item no. 5 of the notice Mr. M. K. Arora is deemed to be concerned or interested in the Resolution as it pertains to his appointment.

Item no. 6

In order to further strengthen the existing strength of the Board, the Director at its meeting held on 31/10/2002 appointed Mr. R. K. Saraswat as an additional Director, pursuant to article 91 of the articles of association of the company and section 260 of the Companies Act, 1956 who holds office as Director up to the date of this Annual General Meeting. In the same meeting, Mr. R. K. Saraswat was appointed as an additional Director of the Company with effect from 31/10/2002.

As required under section 257 of the Companies Act, 1956 notice has been received from a member signifying his intention to propose Mr. R. K. Saraswat as candidate for the office of Director of the Company.

Mr. R. K. Saraswat, born on 17/04/1938, is a Chartered Accountant having rich knowledge and experience in the profession and is an expert in Financial Matters. At present he is a Director in Datamatics Technology Ltd, Datamatics Direct Marketing Pvt Ltd, Zedtech Software designs [India] Limited. The Board considers it desirable that the Company should receive the benefits of his expertise and guidance as a Director of the Company and therefore it is recommended that Mr. R. K. Saraswat be appointed as a Director of the Company.

The above explanation may also be regarded as an abstract under section 302 of the Companies Act, 1956. The Board of Directors recommends the passing of the Resolution contained in item no 6 of the notice Mr. R. K. Saraswat is deemed to be concerned or interested in the Resolution as it pertains to his appointment.

Item No. 7

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the Delisting Guidelines) incorporating , among others, provisions for delisting of Securities of a body corporate voluntarily by a promoter or an acquirer or any person other than the Stock Exchange.

The Equity Shares of the Company are currently listed on the following 4 Stock Exchanges in India:

1. The Stock Exchange, Mumbai (The Regional Stock Exchange)
2. The Ahmedabad Stock Exchange
3. The Calcutta Stock Exchange
4. The Delhi Stock Exchange

With the extensive networking of the Stock Exchanges, Mumbai (BSE) as also the extension of BSE terminals to other cities as well, investors have access to online dealings in Equity Shares of the Company across the Country. The bulk of the trading in the Company's equity shares in any case takes place on the BSE and the depth and liquidity of trading in the Company's Equity Shares on all the other Stock Exchanges are not significant. It is also observed that the listing fee paid to the other Stock Exchanges (other than BSE) is disproportionately higher, compared to the extremely low trading volumes of the Company's securities on those Stock Exchanges.

The Company has proposed this Resolution, as part of its cost reduction measures, which will enable it to delist its Equity Shares from all or any of the following Stock Exchanges:

1. The Ahmedabad Stock Exchange
2. The Calcutta Stock Exchange
3. The Delhi Stock Exchange

In line with SEBI regulations and approvals, if any, required of any authorities, Member's approval is being sought by a Special Resolution for enabling voluntary delisting of its securities from the said Stock Exchanges. The proposed delisting of the Company's Equity Shares from the said Stock Exchanges, as and when it takes place, will not affect the investors adversely. The Company's Shares will continue to be listed on BSE as the regional Stock Exchange. The delisting will take effect after all approval, permissions, and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your Directors, therefore, recommend the Resolution for your approval. None of the Directors of the Company are, in any way, concerned or interested in this said Resolution.

For and on behalf of the Board

A. K. Bhwania
Chairman

Registered Office:

Krishna House, Ground Floor,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400013
Place: Mumbai
Dated: 22nd July, 2003.

DIRECTORS' REPORT

To
The Members,
Your Directors hereby present the **16th Annual Report** along with the audited accounts for the financial year ended 31st March, 2003.

FINANCIAL RESULTS

	Year Ended 31-03-2003	(Rs. in Lakhs) Year Ended 31-03-2002
Sales		
Export	1404.30	2106.18
Local	12431.33	19265.89
	<u>13835.63</u>	<u>21372.07</u>
Other Income	111.70	76.27
	<u>13947.33</u>	<u>21448.34</u>
Profit/ (Loss) before Tax and Extra Ordinary Item	(174.49)	(374.04)
Provision for Doubtful Deposits	50.22	0.00
Profit (Loss) before Tax and after Extra Ordinary Items	(224.71)	374.04
Provision for taxation-Current Tax	4.50	1.70
Provision for taxation-Deferred Tax	(64.00)	(104.99)
	<u>(165.20)</u>	<u>(270.75)</u>
Profit / (Loss) after tax	9.11	0.14
Taxation of earlier years	9.45	280.06
Balance brought forward Transferred from Export Reserves	5.80	0.00
Transferred from General Reserve	140.84	0.00
Balance carried to Balance Sheet	0.00	9.45

DIVIDEND

In view of the loss incurred by the company during the year, your directors do not recommend any dividend for the financial year 2002-03.

OPERATIONS

The aggregate turnover of your Company was Rs. 13835 Lacs in the year 2002-03 as compared to Rs. 21372 Lacs in the year 2001-02. The company has incurred a loss before tax and extra ordinary items of Rs. 174.49 Lacs in 2002-03 as compared to a loss before tax and extra ordinary items of Rs. 374.04 Lacs in 2001-02.

The Company has been able to contain the loss and earned profit in the 4th Quarter of 2002-03 on account of restructuring and competency mapping exercise undertaken by the Management during the year including various cost control measures. Various financial parameters have started improving during the first quarter of current year. The collection strategy has also been reviewed resulting in improved collection.

Your Company's export business of dyestuffs, bulk pharmaceuticals and intermediates have shown reduction in turnover to Rs. 1404 lacs in 2002-03 from Rs. 2106 lacs in 2001-02. The reduction is mainly on account of global competition and its cheaper availability in International market. We are exploring the possibility of exporting in other European countries.

Your Company's local business of Electronic Division has also shown reduction in turnover from Rs. 19265 Lacs in 2001-02 to Rs. 12431 Lacs in 2002-03 mainly because of discontinuance of distribution of LG Monitors as LG Electronics Limited has started marketing through its own subsidiary and due to concentration by your Company on its Krypton range of Products. In order to increase the business activities, your company has planned to capture greater market share in the key areas of Computer peripherals such

as CPUs, Mother Boards, Hard Disk Drives, CD-ROM drives and Floppy Disk Drives etc. In this direction, brand building exercise has been undertaken by the company and the market has now accepted the Company's Krypton brand range of products. Due to reported substantial growth prospects in PC market, the Company is also planning to enter into manufacture of Personal Computer Systems under its Krypton brand.

To strengthen the network of the company, two more Branch Offices have been established during the year at Parwanoo in Himachal Pradesh and Ludhiana in Punjab. All the branches are adequately equipped to provide complete support to the customers. It has also been decided to strengthen the Branch performance review for improving the branch profitability. Your Directors are hopeful of better results for the Company in the current year.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. Aditya Bhuwania and Mr. M. H. Dalal, Directors will retire by rotation at the ensuing Annual General Meeting and they, being eligible, offer themselves for re-appointment. Mr. M. K. Arora and Mr. R. K. Saraswat were appointed as additional directors as per the provisions of Section 260 of the Companies Act, 1956 at the meeting of the Board held on 31/10/2002 and hold the office till the conclusion of the Annual General Meeting.

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.

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.

REPORT ON CORPORATE GOVERNANCE

The company has, pursuant to Clause 49 of the Stock Exchange Listing Agreement, complied with the requirements of Corporate Governance. A Management Discussion and Analysis Report, a detailed report on Corporate Governance and a Certificate from the Auditors' regarding the compliance of Corporate Governance conditions are made part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and have applied them consistently and made judgments 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 2002-03 and of the Loss of the company for that the year ended on 31st March, 2003;
- 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;
- The annual accounts have been prepared on a going concern basis.

DEMATERIALIZATION

Your company has tied up with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable the shareholders to trade and hold shares in an electronic form. The shareholders' are advised to take benefit of dematerialization.

LISTING OF SHARES

Your company's shares have been listed with Stock Exchanges at Mumbai, New Delhi, Calcutta and Ahmedabad. The listing fees for the financial year 2002-2003 were paid up to 31-03-2003

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**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 applicable as our industry is not included in the Schedule to the said Rules.

Technology Absorption:

Your company continues to utilize 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 31st, 2003.

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, 2003 or Rs.2,00,000/- or more per month during any part of the said year.

APPRECIATION

Your Directors wish to place on record their grateful thanks to the Banks 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

A. K. Bhuwania
Chairman

Registered Office:

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

Place: Mumbai
Dated: 30th June, 2003.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The company is engaged in the business of import/trade of electronic products and export of dyestuffs, bulk pharmaceuticals and intermediates.

1.1 Industry Structure and developments

Electronics Division: The structure in the electronics is based on five tier system, mainly consists of Manufacturer, Distributor, Prime Dealer, System Integrator/Resellers and Actual Users.

As per International Data Corporation (IDC) Report, the IT market has seen a growth of about 10% in 2002-03; this growth is reflected in the last quarter where we made a turn around. The overstocking done last year due to the market decline is now over, and things are looking brighter for the next fiscal year.

Chemical Division: The Latin American consumption of dyes and intermediates continues to be depressed due to Argentinian economic woes still continuing. The demand in Europe shows signs of some growth and is expected to improve during the course of coming periods. The Asian markets also seem to be picking up over the last quarter.

1.2 Opportunities and Threats

Electronics Division: We have started promoting many products under our own brand - 'Krypton'. There has been widespread use of different media (IT trade Magazines, Local Newspapers) over the last two and a half years to create and increase the awareness of this brand and now 'Krypton' is well accepted and respected in the market as a high quality brand. We would be introducing more products in our brand to leverage our brand equity. We are planning to foray into the systems arena under our own brand; however this will be limited to the large institutes and corporates initially.

The technology is changing fast and the obsolescence period is also getting shorter, therefore, we need to get the right products at the right time and then move them fast enough to avoid adverse impacts of obsolete inventory.

Chemical Division: We have reduced our portfolio of the very low return products. Certain products for the specialized and high-end applications have been established and work continues to further enlarge the business on these ranges. The chemicals and dyes industry is seeing a geographic shift in consumption - with the 'Western' markets of Europe and Americas losing at the expense of emerging countries in Asia and East Europe. Competition continues to be intense both from Indian and other South East Asian companies.

1.3 Segment-wise or product-wise Performance

Electronics Division: There was a growth of 10% compared to last year in the Industry. Our profitability has improved as a result of this in the last quarter (Jan, 2003-March, 2003).

Chemical Division: The turnover has come down by 33%, but the margin on the dyes & chemicals' exports has marginally increased in the same period.

1.4 Future Outlook

Electronics Division: The future trend, in the IT industry is looking brighter. As per Manufacturers' Association for Information Technology (MAIT) / International Data Corporation (IDC), a growth of 20% is expected in the next fiscal year. We

are very buoyant on hearing this, and are working aggressively towards surpassing this growth figure.

Chemical Division: We will continue to improve our revenues and returns as one of the premier dye exporters. With the diverse range of products, we are confident of improving volumes and income during 2003-2004.

1.5 Risk and concerns

Electronics Division: One of the biggest risk factors is the currency movement. Moreover, the policies of different state governments towards IT are also uncertain. Quite a few state governments are increasing taxation on the IT products. Value added tax (VAT) implementation has been postponed; this could slow down growth in the segment and encourage 'Unfair Business Practices.'

The Channel trade is poorly organized and the risk of defaults has been high. This has caused us to restrict business to only those organizations with better financial background.

Chemical Division: There is a stiff competition in the international market which shows no signs of easing. Supply continues to be greater than demand forcing unrealistic price competition in many cases. Our company will continue in its plan - which is to expand volumes for existing products into new markets and new products for existing markets.

1.6 Internal control systems and their adequacy

The company has adequate internal control systems/procedures in place covering all facets of business. The internal control systems/procedures are reviewed periodically and updated/modified on need basis. The company has an effective information technology system support in various important operational and financial areas to facilitate control systems.

The Internal control systems/procedures are commensurate with the size and nature of the business of the company.

1.7 Discussion on financial performance with respect to operational performance

The company has achieved a sales turnover of Rs 13,835 Lacs in the year 2002-03 as compared to Rs. 21372 Lacs in 2001-2002, reflecting a decrease of 35%. The company has incurred a loss (before tax and extra ordinary items) of Rs 174.49 Lacs as compared to a loss of Rs. 374.04 Lacs in the previous year.

1.8 Material Developments in Human Resources/Industrial Relations front, including number of people employed

Human Resources: Human Resources Development activities predominantly comprised of training and development of employees. Modification of certain HR Policies is done for optimum utilization of human resources to make it more objective and focused.

There is a system in place for the development of Human Resource in the company. The Developmental activities are taken up by the company from time to time, comprising of Training and Development of all of its employees and are commensurate with the size and nature of the business of the company.

Industrial Relations: Industrial Relations through out the year continued to remain very cordial and satisfactory.

CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY**

Corporate Governance is increasingly being stressed in today's competitive business scenario Your company always believed that good corporate governance leads to efficiency and excellence in the operations of the company. Your company endeavors to fulfill its various obligations towards the customers, shareholders, employees and society at large in a manner acceptable to various interest groups as well as the corporate philosophy. The company has been sharing with you from time to time various information's through newspaper notices and its website and through this report.

In addition, we give below the information on areas covered under Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors consists of 7 Directors as on March 31, 2003.

The particulars of Directors, their category, attendance and other directorship, membership/chairmanship of the Committees are as under:

Name of Director	Category	Attendance		No. of outside directorships and Committee membership / Chairmanship		
		Board Meeting*	AGM**	Public Limited Company	Committee membership	Chairmanship
Mr. A. K. Bhuwania	Promoter/Non-Executive Chairman	7	Yes	1	-	-
Mr. R. Laxminarayan \$	Promoter/Non-Executive director	2	No	-	--	-
Mr. R. K. Saraswat #	Independent /Non-executive Director	2	N.A	2	1	1
Mr. M. K. Arora #	Independent/Non-Executive Director	2	N.A	2	--	-
Mr. D. J. Kakalia	Independent/Non-Executive Director	-	No	2	1	-
Mr. M. H. Dalal	Independent/Non-Executive Director	7	Yes	-	-	-
Mr. Ashish Bhuwania	Promoter/Executive Director	2	No	-	-	-
Mr. Aditya Bhuwania	Promoter/Executive Director	6	Yes	-	-	-

* 7 Board Meetings were held during the financial year 2002-03 at the Registered Office of the company on the following dates: , May 13th , 2002, July 26th, 2002, Sept 13th 2002, Sept 17th, 2002, Oct 31st 2002, Jan 27th ,2003, Mar 22nd , 2003,

** Annual General Meeting (AGM) was held on September 25th, 2002.

Mr. M. K Arora and Mr. R. K .Saraswat were appointed as additional directors at the meeting of the Board held on Oct 31st, 2002

\$ Mr. R Laxminarayan resigned from the services of the Board with effect from Nov 30th, 2002.

3. AUDIT COMMITTEE**A) Terms of Reference:**

The Audit Committee has the powers, which includes the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Role of Audit Committee includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the board.
- d) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function.
- f) Discussion with internal auditors on any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h) Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i) Reviewing the company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

B) Composition of Audit Committee

The committee was duly comprising the following Non-Executive Directors:

- (1) Mr. M. H. Dalal – Chairman
- (2) Mr. D. J. Kakalia
- (3) Mr. R K Saraswat**
- (4) Mr. M K Arora**
- (5) Mr. R. Laxminarayan*

The Company Secretary of the company is the secretary of the Committee.

**Mr. M. K Arora and Mr. R. K. Saraswat were appointed as members of the committee on Oct 31st,2002.

*Mr. R Laxminarayan resigned from the services of the board with effect from Nov 30th, 2002

C) Attendance during the year

Three Meetings of the Committee were held during the year on May 3rd, 2002, Oct 31st, 2002, and on Jan 27th, 2003.

Name of the committee member	Number of meeting attended
1. Mr. M.H. Dalal	3
2. Mr. D.J. Kakalia	1
3. Mr. R. Laxminarayan	1
4. Mr. R.K. Saraswat	1
5. Mr. M.K. Arora	1

4. REMUNERATION COMMITTEE

A) Terms of Reference

The Remuneration Committee shall have the powers to determine the Company's Policy on specific remuneration packages for Directors and issues within the framework of the provisions and enactment governing the same.

B) Composition of the Committee

The remuneration Committee duly comprised of the following non-executive Directors namely:

- (1) Mr. M. H. Dalal - Chairman
- (2) Mr. D. J. Kakalia
- (3) Mr. R K Saraswat**
- (4) Mr. M K Arora**
- (5) Mr. R. Laxminarayan*

**Mr. M. K Arora and Mr. R. K. Saraswat were appointed as members of the committee on Oct 31st,2002.

*Mr. R Laxminarayan resigned from the committee with effect from Nov 30th, 2002

C) Attendance during the year

The Committee meeting was held on May 3rd, 2002 in which the details of the remuneration/sitting fees paid to all directors during the year 2001-2002 was submitted and the committee took note of it. The committee also discussed at length the proposal for payment of remuneration to Mr. Ashish Bhuvania as a whole time Director and recommended the same to Board for consideration. All the members of the committee attended the said meeting.

D) Remuneration Policy

To compensate the whole time directors of the Company for the efforts put in by them.

E) Details of Remuneration paid to all Directors

Name of Director	Category	Salary(in Rs.)	Sitting Fees(in Rs.)
Mr. A. K. Bhuwania	Promoter/Non-Executive Chairman	NIL	1,250/-
Mr R K Saraswat	Independent/ Non Executive Director	NIL	3,000/-
Mr M K Arora	Independent/ Non Executive director	NIL	3,000/-
Mr. R Laxminarayan**	Promoter/Non Executive Director	NIL	500/-
Mr. D. J. Kakalia	Independent/Non-Executive Director	NIL	NIL
Mr. M. H. Dalal	Independent/Non-Executive Director	NIL	1,250/-
Mr. Aditya Bhuwania	Promoter/Executive Director	6,09,120/-	NIL
Mr. Ashish Bhuwania*	Promoter/Executive Director	13,26,612/-	NIL
	TOTAL	19,35,732	9,000/-

Notes: (a) The company does not have policy of paying commission on profits to any of the Directors of the company.
(b) Presently, the company does not have a scheme for grant of stock options either to the whole-time Directors or employees.

* Mr. Ashish Bhuwania has been appointed as a whole time director as per the approval of the Central Government dated April 4th, 2003 for a period of 5 years with effect from May 13th 2002.

**Mr. R Laxminarayan resigned from the services of the Board with effect from Nov 30th, 2002.

5. SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE**A) Terms of Reference**

The Company has formed an Investor's / Shareholder's Grievance Committee with the following terms of reference:

- (1) Ensure redressal of the shareholders and investors complaints relating to transfer of shares, non-receipt of balance sheet etc.
- (2) Redressal of investor's complaints in respect of non-receipt of dividends.

B) Composition of the Committee

The committee duly comprised of the following non-executive Directors, namely:

- (1) Mr. A. K. Bhuwania - Chairman
- (2) Mr. M. H. Dalal
- (3) Mr. R K Saraswat
- (4) Mr. M K Arora
- (5) Mr. R. Laxminarayan

The Company Secretary of the company is the compliance officer.

**Mr. M. K Arora and Mr. R. K. Saraswat were appointed as members of the committee on Oct 31st, 2002.

*Mr. R Laxminarayan resigned from the committee with effect from Nov 30th, 2002

C) During the year under review, no complaints were received from investors and only 2 queries for dividends were received for the last year but the Company had not paid any dividend at all for the last year therefore they were attended and replied accordingly. There was no request pending for transfer of shares as on 31st March, 2003.

6. GENERAL BODY MEETING**1. Details on Annual General Meetings****1.1 Location and time, where last four Annual General Meetings were held:**

Year	Location	Date & Year	Time
2001-02	Bombay YMCA Seminar Room, Central Branch, 12, N. Parekh Marg, Colaba, Mumbai-400 039	September 25th, 2002	3:00 p.m.
2000-01	Bombay YMCA Seminar Room, Central Branch, 12, N. Parekh Marg, Colaba, Mumbai-400 039	September 25th, 2001	3:00 p.m.
1999-00	Bombay YMCA Seminar Room, Central Branch, 12, N. Parekh Marg, Colaba, Mumbai-400 039	August 31st, 2000	3:00 p.m.
1998-99	Bombay YMCA Seminar Room, Central Branch, 12, N. Parekh Marg, Colaba, Mumbai-400 039	September 28th, 1999	3:00 p.m.

1.2 Whether Special resolutions were put through postal ballot last year? No

1.3 Are votes proposed to be conducted through postal ballot this year? Yes

2. Disclosures:

2.1 The Company has related party transactions and its disclosure are made at appropriate places in the Notes to the Accounts forming part of the Annual Report.

2.2 No penalty, stricture has been imposed on company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last 3 years.

3. Means of communication

The Unaudited Financial Results of the company for each Quarter were published in Free Press Journal and Navshakti in English and Marathi language respectively. The Quarterly Financial Results were also displayed on the company's website.

As the Company's first half yearly results were published in English newspapers and in Marathi newspapers having wide circulation, the same were not sent to the shareholders of the Company. The same were also displayed on the company's website www.priyagroup.com. The unaudited results for the last quarter were not published as the audited results for the financial year 2002-2003 are being published in the newspapers and the same are being circulated to the shareholders through this report.

4. GENERAL SHAREHOLDERS INFORMATION

16th Annual General Meeting

Time : 11.A. M

Date : 30th August, 2003

Place: "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400018.

Book Closure date: 25th August, 2003 to 30th August, 2003.

Financial Calendar (Provisional)

(April 1, 2003-March 31, 2004)

: 1st Quarterly Result- Last week of July, 2003.

2nd Quarterly Result- Last week of October, 2003.

3rd Quarterly Result- Last week of January, 2004.

Annual Results - Last week of June, 2004.

Listing on Stock Exchanges

: Equity Shares are listed on the

The Stock Exchange, Mumbai,

Calcutta Stock Exchange,

Ahmedabad Stock Exchange and Delhi Stock Exchange.

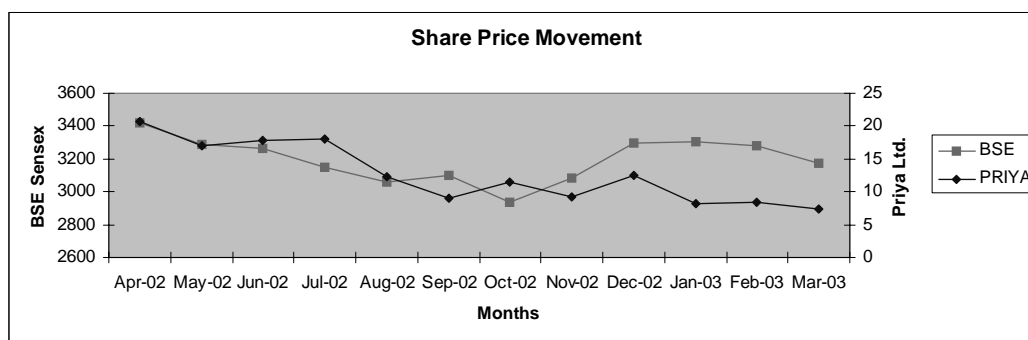
ISIN No.

: **INE686C01014** (For dematerialisation of shares)

Market Price Data

: The monthly high and low prices of Equity Shares of the Company on The Stock Exchange, Mumbai and BSE Sensex during the year 2002-2003 are as under:

MONTH	RATES (Rs.)		BSE SENSEX (Rs.)	
	HIGHEST	LOWEST	HIGHEST	LOWEST
APRIL	20.75	15.00	3538.49	3296.88
MAY	16.95	10.10	3478.02	3097.73
JUNE	17.80	11.70	3377.88	3148.57
JULY	18.00	13.00	3366.74	2932.35
AUGUST	12.25	9.80	3185.08	2931.78
SEPTEMBER	9.05	8.05	3227.62	2973.97
OCTOBER	11.50	9.70	3038.92	2828.48
NOVEMBER	9.30	7.25	3245.98	2928.63
DECEMBER	12.50	8.00	3413.83	3186.62
JANUARY	8.10	6.45	3416.92	3199.18
FEBRUARY	8.35	6.50	3341.61	3218.37
MARCH	7.35	6.20	3311.57	3039.83

**Registrar and Transfer**

: Bigshare Services Pvt. Ltd.

Agents (For Demat and Share Transfer)

E-2, Ansa Industrial Estate,

Sakivihar Road, Saki Naka,

Andheri (East), Mumbai-400 072.

Tel: 022-852 3474, 022-856 0652

Fax: 022-852 5207 Email: bigshare@bom7.vsnl.net.in**Share Transfer System**

Share Transfer requests received in physical form is registered within an average period of 15 days. A duly authorised officer of the R & T looks after share transfer related work.

Request for dematerialization (demat) received from the shareholders are effected within an average period of 15 days by the R & T only.

The Company has, as per SEBI guidelines with effect from March 24, 2000, offered the facility of transfer-cum-demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him, in case he wishes to dematerialize the shares, to approach a Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the Shareholder along with the option letter issued by the DP. On receipt of the same, the R & T dematerialise the shares. In case the transferee does not wish to dematerialise the shares, he need not exercise the option and the R & T will despatch the share certificates after 30 days from the date of such option letter. These activities have been now regularly been undertaken by the R & T Agent of the Company.

Distribution of shareholding:**CATEGORIES OF SHAREHOLDING AS ON 31-03-2003**

	Category	No. of shares held	Percentage of shareholding(%)
A	Promoters' Holding		
	INDIAN PROMOTERS	935910	31.17
2	Persons acting in Concert:		
a	Relatives	1039050	34.61
b	Associate companies	275800	9.19
	Sub-total (a)	2250760	74.97
B	Non-promoters' Holding		
3	Institutional/Investors:		
a	Mutual Funds & UTI		
b	Banks, FIs, Govt., others	1400	0.05
c	FIs	Nil	Nil
	Sub- Total (b)	1400	0.05
4	Private Corporate Bodies	26570	0.88
5	Indian Public	562570	18.74
6	NRIs/OCBs	161000	5.36
7	Others	Nil	Nil
	Sub-total (c)	750140	24.99
	TOTAL (a+b+c)	3002300	100.00

Dematerialization of shares : 1640020 equity shares which is 54.63% of the paid-up capital
As on March 31, 2003 have been dematerialized.

Plant Location : The Company has no plants.

Address for correspondence :
1) With the **Company**
Krishna House, Ground Floor,
Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai-400013

2) With the **Registrar and Transfer Agent**
(For Demat purpose and Share Department):
Bigshare Services Pvt. Ltd.E-2,
Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai-400 072.
Tel : 022-852 3474, 856 0652

CERTIFICATE

To the Members of
Priya Limited

We have examined the compliance of conditions of corporate governance by Priya Limited, for the year ended on 31st March, 2003, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange (s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **M. L. Bhuwania & Co.**
Chartered Accountants

Place: Mumbai
Date: 30th June, 2003

(J. P. Bairagra)
Partner

AUDITOR'S REPORT

To the Members of **PRIYA LTD.**

1. We have audited the attached Balance Sheet of **PRIYA LTD.** as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date annexed thereto and also the cash flow for the year ended on that date. 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 conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 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 appears from our examination of the books.
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with 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, 2003, and taken on record by the Board of Directors, none of the directors of the company is disqualified as on 31st March 2003 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 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, 2003;
 - (b) In the case of the Profit and Loss Account, of the loss 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 M.L. BHUWANIA & CO.
Chartered Accountants

(J. P. BAIRAGRA)
PARTNER

Place : Mumbai
Date : 30th June, 2003

**Annexure Referred to in Paragraph 3 of the Auditor's Report of Even
Date for the Year Ended 31st March, 2003.**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. These assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
2. None of the fixed assets has been revalued during the year.
3. The stock of traded goods has been physically verified by the management at reasonable intervals.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No material discrepancies were noticed on physical verification of stocks as compared to book records.
6. In our opinion and on the basis of our examination of stock records, the valuation of stock is fair and proper, and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has taken unsecured loan from a company listed in the Register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions on such loans are *prima facie* not prejudicial to the interest of the company. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of Section 370 (1B) are not applicable to companies on or after the commencement of the Companies (Amendment) Act, 1999.
8. The Company had granted unsecured loan to a company listed in the Register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions on such loans are *prima facie* not prejudicial to the interest of the company. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of Section 370 (1B) are not applicable to companies on or after the commencement of the Companies (Amendment) Act, 1999.
9. The parties to whom the loans have been given by the company are the employees of the company, and the same are being repaid as stipulated along with the interest. In respect of inter corporate deposits aggregating to Rs. 24.98 lakhs (previous year Rs.75.21 lakhs) (including interest provided for earlier years) the recovery is not as stipulated and no interest has been provided since 1.4.95. In our opinion, the management has taken reasonable steps for recovery of the deposits and interest due thereon.
10. In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchases of goods and assets, and for the sale of goods.
 1. According to the information and explanations given to us, there are no transactions of purchase of goods and sale of services with the parties entered in the Register maintained under Section 301 of the Companies Act, 1956. In respect of transactions of sale of goods with such parties, aggregating during the year to Rs.50000 or more have been made at prices which are reasonable having regard to prevailing market prices for such goods.
 2. Since the Company is engaged only in trading activities, clause (xii) of Part A of paragraph 4 of the aforesaid order relating to unserviceable goods is not applicable to the Company.
 3. As explained to us, the Company has not accepted any deposits from the public.
 4. Since the Company does not have any scrap or by-products, clause (xiv) of paragraph 4A of the aforesaid order is not applicable to the Company.
 5. The Company has an internal audit system commensurate with its size and nature of its business.
 6. 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.
 7. According to the records examined by us, the Company is generally regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
 8. As explained to us, no undisputed amount payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs duty and Excise duty were outstanding as at 31st March, 2003 for a period of more than six months from the date they became payable.
 9. According to the information and explanations given to us, no personal expenses of the employees or directors have been charged to the revenue account other than those payable under contractual obligations or in accordance with generally accepted accounting practices.
 10. The Company is not a sick industrial company within the meaning of clause (O) of sub-section (1) of section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985.
 11. In respect of trading activities, adequate provision, though not significant, has been made for the loss arising out of goods determined as damaged during the year.

For M.L. BHUWANIA & CO.

Chartered Accountants

(J. P. BAIRAGRA)

PARTNER

Place : Mumbai
Date : 30th June, 2003

BALANCE SHEET AS AT 31ST MARCH, 2003

	SCH.	AS AT 31.3.2003 Rs.	AS AT 31.3.2002 Rs.
SOURCES OF FUND			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	A	30,023,000	30,023,000
RESERVES & SURPLUS	B	182,976,321	198,585,425
		<u>212,999,321</u>	<u>228,608,425</u>
LOAN FUNDS			
SECURED LOANS	C	36,934,031	74,668,859
UNSECURED LOANS	D	10,957,833	0
		<u>47,891,864</u>	<u>74,668,859</u>
TOTAL		<u>260,891,185</u>	<u>303,277,284</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	E	61,717,342	61,313,857
LESS: DEPRECIATION		18,910,185	13,673,110
NET BLOCK		<u>42,807,157</u>	<u>47,640,747</u>
INVESTMENTS	F	637,800	602,000
CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	G	148,251,782	287,702,956
SUNDRY DEBTORS	H	102,640,990	140,006,757
CASH & BANK BALANCE	I	26,313,338	27,752,116
OTHER CURRENT ASSETS	J	18,573,642	17,160,673
LOANS & ADVANCES	K	51,608,714	57,268,045
		<u>347,388,466</u>	<u>529,890,547</u>
LESS : CURRENT LIABILITIES & PROVISION			
CURRENT LIABILITIES	L	145,135,877	281,305,527
PROVISION	M	4,924,474	7,062,651
		<u>150,060,351</u>	<u>288,368,178</u>
NET CURRENT ASSETS		197,328,115	241,522,369
DEFERRED TAX ASSETS	N	20,459,181	13,891,089
LESS: DEFERRED TAX LIABILITY		865,633	1,423,860
		<u>19,593,548</u>	<u>12,467,229</u>
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		524,565	1,044,939
TOTAL		<u>260,891,185</u>	<u>303,277,284</u>
NOTES ON ACCOUNTS			
AS PER OUR REPORT ATTACHED OF EVEN DATE			

FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS

(J.P. BAIRAGRA)
PARTNER

PLACE : MUMBAI

DATED: 30TH JUNE, 2003

FOR AND ON BEHALF OF THE BOARD

A. K. BHUWANIA CHAIRMAN

ADITYA BHUWANIA EXECUTIVE DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2003

	SCH.	2002-2003 Rs.	2001-2002 Rs.
INCOME			
SALES	O	1,383,563,116	2,137,206,582
OTHER INCOME	P	11,170,566	7,627,551
		<u>1,394,733,682</u>	<u>2,144,834,133</u>
EXPENDITURE			
COST OF GOODS SOLD	Q	1,283,512,571	2,004,825,648
PAYMENTS TO & PROVISION FOR EMPLOYEES	R	28,074,207	29,246,984
OTHER EXPENSES	S	90,821,491	135,111,378
INTEREST (NET)	T	4,073,203	8,397,500
DEPRECIATION		5,700,892	4,656,266
		<u>1,412,182,363</u>	<u>2,182,237,776</u>
PROFIT / (-) LOSS BEFORE EXTRAORDINARY ITEM		(17,448,681)	(37,403,643)
LESS : EXTRAORDINARY ITEM PROVISION FOR DOUBTFUL DEPOSITS GIVEN		5,022,450	-
PROFIT / (-) LOSS BEFORE TAX		<u>(22,471,131)</u>	<u>(37,403,643)</u>
LESS: PROVISION FOR TAXATION - CURRENT TAX (Includes Rs. 450000 towards Wealth Tax, Previous year Rs.170000)		450,000	170,000
- DEFERRED TAX		(6,400,845)	(10,499,051)
PROFIT / (-)LOSS AFTER TAX		<u>(16,520,287)</u>	<u>(27,074,592)</u>
TAXATION OF EARLIER YEARS		911,183	13,554
BALANCE BROUGHT FORWARD		945,247	28,006,285
TRANSFERRED FROM EXPORT RESERVE		580,000	0
		<u>(14,083,857)</u>	<u>945,247</u>
APROPRIATIONS :			
GENERAL RESERVE		(14,083,857)	0
BALANCE CARRIED TO BALANCE SHEET		0	945,247
		<u>(14,083,857)</u>	<u>945,247</u>
BASIC AND DILUTED EARNINGS PER SHARE (Rs.) (REFER NOTE NO.13 OF SCHEDULE "U" OF NOTES ON ACCOUNTS)		-5.50	-9.02

NOTES ON ACCOUNTS

U

AS PER OUR REPORT ATTACHED OF EVEN DATE
FOR M. L. BHUWANIA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(J.P.BAIRAGRA)
PARTNER

A. K. BHUWANIA CHAIRMAN

ADITYA BHUWANIA EXECUTIVE DIRECTOR

PLACE : MUMBAI

DATED: 30TH JUNE, 2003

SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.3.2003 Rs.	AS AT 31.3.2002 Rs.
SCHEDULE - A		
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
6500000 EQUITY SHARES OF RS. 10/- EACH.	65,000,000	65,000,000
1000000 UNCLASSIFIED SHARES OF RS 10/- EACH	<u>10,000,000</u>	<u>10,000,000</u>
	75,000,000	75,000,000
ISSUED, SUBSCRIBED & PAID UP		
3002300 EQUITY SHARES OF RS 10/- EACH FULLY PAID (OF THE ABOVE SHARES, 1800000 SHARES ARE ALLOTTED AS FULLY PAID -UP BY WAY OF BONUS SHARES BY CAPITALISATION OF GENERAL RESERVES)	<u>30,023,000</u>	<u>30,023,000</u>
SCHEDULE - B		
RESERVES & SURPLUS		
GENERAL RESERVE		
AS PER LAST BALANCE SHEET	156,968,178	155,000,000
ADD: DEFERRED TAX LIABILITY (NET OF ASSETS)	<u>0</u>	<u>1,968,178</u>
	156,968,178	156,968,178
ADD/(LESS): TRANSFER FROM/(TO) PROFIT & LOSS A/C	<u>(14,083,857)</u>	<u>0</u>
	142,884,321	156,968,178
SHARE PREMIUM	40,092,000	40,092,000
EXPORT RESERVE	580,000	580,000
LESS: TRANSFER TO PROFIT & LOSS A/C	<u>580,000</u>	<u>0</u>
	0	580,000
PROFIT & LOSS ACCOUNT	<u>0</u>	<u>945,247</u>
	182,976,321	198,585,425
SCHEDULE - C		
SECURED LOANS		
WORKING CAPITAL FACILITIES FROM COMPANY'S BANKERS.		
(SECURED AGAINST HYPOTHECATION OF STOCK OF GOODS, BOOK DEBTS , RECEIVABLES , INVESTMENTS AND OTHER MOVEABLE ASSETS OF THE COMPANY AND EQUITABLE MORTGAGE ON IMMOVABLE PROPERTIES OF THE COMPANY AND OF RELATED PARTIES AND ALSO PERSONALLY GUARANTEED BY SOME OF THE DIRECTORS.)		
	36,474,684	73,701,502
VEHICLE LOAN FROM FINANCE COMPANIES	459,347	967,357
(Secured under Hire Purchase agreement of Vehicles)	<u>36,934,031</u>	<u>74,668,859</u>
SCHEDULE - D		
UNSECURED LOANS		
FROM COMPANY	<u>10,957,833</u>	<u>0</u>
	10,957,833	0

SCHEDULES FORMING PART OF THE ACCOUNTS

**SCHEDULE - E
FIXED ASSETS**

FIGURES IN RUPEES

SL NO	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 1/4/2002 (Rs)	ADDITIONS (Rs)	DEDUCTIONS (Rs)	AS AT 31/3/2003 (Rs)	AS AT 1/4/2002 (Rs)	FOR THE YEAR (Rs)	DEDUCTIONS (Rs)	AS AT 31/03/2003 (Rs)	AS AT 31/03/2003 (Rs)	AS AT 31/03/2002 (Rs)
1	OFFICE PREMISES	35697605	0	0	35697605	1156407	1727060	0	2883467	32814138	34541198
2	FLATS	1475280	0	498260	977020	143840	55238	59730	139348	837672	1331440
3	PLANT & MACHINERY	437975	0	0	437975	309142	17921	0	327063	110912	128833
4	LABORATORY EQUIPMENT	1140620	0	0	1140620	831706	42969	0	874675	265945	308914
5	OFFICE & OTHER EQUIPMENTS	3467144	146738	83622	3530260	1597032	301025	30826	1867231	1663029	1870112
6	FURNITURE & FIXTURES	4160300	55889	0	4216189	2419207	415143	0	2834350	1381839	1741093
7	COMPUTERS	12081974	986635	6441	13062168	6200425	2588415	4112	8784728	4277440	5881549
8	VEHICLES	2852959	464510	661964	2655505	1015351	553121	369149	1199323	1456182	1837608
	TOTAL (Rs.)	61313857	1653772	1250287	61717342	13673110	5700892	463817	18910185	42807157	47640747
	PREVIOUS YEAR (Rs.)	57510896	5094440	1291479	61313857	9660825	4656266	643981	13673110	47640747	

16th Annual Report 2002-2003

	FACE VALUE RS.	AS AT 31.3.2003 (NOS.) Rs.	AS AT 31.3.2002 (NOS.) Rs.
SCHEDULE - F			
INVESTMENTS			
(AT COST, LONG TERM, OTHER THAN TRADE)			
PARTICULARS			
QUOTED :			
A EQUITY SHARES			
PUDUMJEE AGRO INDUSTRIES	10	3900 390000	3900 390000
MIDPOINT SOFTWARE & ELECTRO SYSTEMS LTD.	-	0 0	100 1000
BANK OF INDIA	10	1800 81000	1800 81000
UNION BANK OF INDIA	10	2300 36800	0 0
B OTHERS			
VIA MEDIA IND (DEBENTURES)	40	750 30000	750 30000
TOTAL QUOTED		<u>537800</u>	<u>502000</u>
UNQUOTED			
GAURAV CHEMICALS P. LTD.	100	500 100000	500 100000
TOTAL UNQUOTED		<u>100000</u>	<u>100000</u>
TOTAL (RS)		<u>637800</u>	<u>602000</u>
AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS Rs.97,470/- (PREVIOUS YEAR - Rs. 84,290/-)			
SCHEDULE - G			
INVENTORIES			
(As valued and certified by the management)			
(Valued at lower of Cost and Net Realisable Value)			
ELECTRONICS		143,740,813	283,925,529
CHEMICALS		3,005,500	1,419,100
SPARE PARTS		1,505,469	1,546,816
STOCK-IN-TRANSIT		0	811,511
		<u>148,251,782</u>	<u>287,702,956</u>
SCHEDULE - H			
SUNDRY DEBTORS			
(UNSECURED, CONSIDERED GOOD, UNLESS SPECIFIED)			
OUTSTANDING FOR MORE THAN 6 MONTHS			
DOUBTFUL	5,171,810		5,047,446
LESS : PROVISION FOR DOUBTFUL	<u>5,171,810</u>		<u>5,047,446</u>
	0		0
OTHERS	<u>17,393,230</u>	17,393,230	17,651,696
OTHER DEBTS		85,247,760	122,355,061
		<u>102,640,990</u>	<u>140,006,757</u>
SCHEDULE - I			
CASH & BANK BALANCES			
CASH IN HAND		1,478,039	755,060
BALANCE WITH SCHEDULE BANK			
IN CURRENT ACCOUNT		7,852,723	10,656,859
IN DIVIDEND PAYABLE ACCOUNT		113,538	145,366
IN FIXED DEPOSIT		<u>16,869,038</u>	<u>16,194,831</u>
		<u>24,835,299</u>	<u>26,997,056</u>
		<u>26,313,338</u>	<u>27,752,116</u>
SCHEDULE - J			
OTHER CURRENT ASSETS			
EXPORT INCENTIVES RECEIVABLE		5,387,987	7,197,451

16th Annual Report 2002-2003

	AS AT 31.3.2003	AS AT 31.3.2002
	Rs.	Rs.
INSURANCE CLAIM RECEIVABLE	564,216	613,576
INCENTIVE / CLAIM RECEIVABLE FROM SUPPLIERS	11,093,680	8,886,227
RENT RECEIVABLE	1,384,474	18,177
OTHER CURRENT ASSETS	143,285	445,242
	<u>18,573,642</u>	<u>17,160,673</u>
SCHEDULE - K		
LOANS & ADVANCES		
(UNSECURED, CONSIDERED GOOD)		
ADVANCES RECOVERABLE IN CASH OR IN KIND		
OR FOR VALUE TO BE RECEIVED	11,417,602	12,715,850
ADVANCE TAX	11,060,079	11,295,995
DEPOSITS	26,632,746	23,577,354
ADVANCES TO SUPPLIERS	0	2,158,110
DEPOSITS WITH CORPORATE BODIES	7,520,736	7,520,736
LESS : PROVISION FOR DOUBTFUL DEPOSITS GIVEN	5,022,450	0
	<u>2,498,286</u>	<u>7,520,736</u>
	<u>51,608,714</u>	<u>57,268,045</u>
SCHEDULE - L		
CURRENT LIABILITIES		
SUNDRY CREDITORS (REFER NOTE 11 OF SCHEDULE "U")	105,349,796	222,487,481
UNCLAIMED DIVIDEND	98,089	130,219
COMMISSION EXPORT PAYABLE	8,758,396	14,789,045
BANK BALANCES (TEMPORARY OVERDRAFT)	9,331,526	6,881,930
ADVANCE FROM CUSTOMERS	5,638,127	21,380,988
RENT DEPOSIT RECEIVED	4,725,860	4,497,500
OTHER LIABILITIES	11,234,082	11,138,364
	<u>145,135,877</u>	<u>281,305,527</u>
Note:- There is no amount due to be credited to Investor Education and Protection Fund		
SCHEDULE - M		
PROVISIONS		
PROVISION FOR TAXATION	2,120,000	3,620,000
PROVISION FOR GRATUITY	2,804,474	3,442,651
	<u>4,924,474</u>	<u>7,062,651</u>
SCHEDULE - N		
DEFERRED TAX ASSETS		
EXPENSES ALLOWABLE UNDER INCOME TAX WHEN PAID	2,935,838	2,173,334
CARRY FORWARD LOSSES	17,523,343	11,717,755
LESS: DEFERRED TAX LIABILITY		
ON ACCOUNT OF DEPRECIATION	865,633	1,423,860
	<u>19,593,548</u>	<u>12,467,229</u>
SCHEDULE - O		
SALES		
LOCAL - ELECTRONICS	1,243,133,113	1,926,588,643
EXPORTS	140,430,004	210,617,939
	<u>1,383,563,116</u>	<u>2,137,206,582</u>
SCHEDULE - P		
OTHER INCOME		
PROFIT ON SALE OF FIXED ASSETS (NET)	0	0
EXPORT INCENTIVES	1,247,972	1,975,214
RENT INCOME (GROSS, TDS RS.1625275, PREVIOUS YEAR RS.929509)	8,469,492	3,029,670
MISCELLANEOUS INCOME	1,453,102	2,622,667
	<u>11,170,566</u>	<u>7,627,551</u>

16th Annual Report 2002-2003

	AS AT 31.3.2003 Rs.	AS AT 31.3.2002 Rs.
SCHEDULE - Q		
COST OF GOODS SOLD		
OPENING STOCK	286,891,445	294,206,827
ADD : PURCHASES	1,124,755,257	1,977,388,734
ADD : FREIGHT INWARD	20,117,650	20,121,532
LESS : CLOSING STOCK	148,251,782	286,891,445
	<u>1,283,512,571</u>	<u>2,004,825,648</u>
SCHEDULE - R		
PAYMENTS TO & PROVISION FOR EMPLOYEES		
SALARIES, BONUS, ALLOWANCES ETC.	24,120,721	25,120,308
CONTRIBUTION TO P F AND OTHER FUNDS	1,922,540	2,163,438
WELFARE EXPENSES	2,030,946	1,963,238
	<u>28,074,207</u>	<u>29,246,984</u>
SCHEDULE - S		
OTHER EXPENSES		
FREIGHT OUTWARD	12,830,971	16,746,923
INCENTIVES / DISCOUNT ON SALES	23,480,480	24,467,688
INSURANCE AND ECGG PREMIUM	2,123,029	2,681,961
BANK CHARGES	6,753,487	13,548,810
TRAVELLING & CONVEYANCE	5,497,730	6,943,392
ADVERTISEMENT & PUBLICITY	7,328,431	3,279,509
WAREHOUSING / DEMMURAGE CHARGES	413,308	1,164,262
REPAIRS & MAINTENANCE :- BUILDING	758,655	620,659
OTHERS	1,004,426	1,425,099
DIRECTORS FEES	9,000	3,250
DIRECTORS REMUNERATION	1,935,733	1,009,320
RENT, RATES AND TAXES	5,639,221	5,223,150
COMMISSION & BROKERAGE	14,043,763	21,261,306
PRELIMINARY EXPENSES WRITTEN OFF	13,822	13,822
PUBLIC ISSUE EXPENSES WRITTEN OFF	506,552	506,552
SUNDRY BALANCES W/OFF / W/BACK (NET) / BAD DEBTS	178,619	8,929,412
PROVISION FOR DOUBTFUL DEBTS	124,364	5,047,446
LOSS ON SALE OF ASSETS (NET)	57,769	62,401
MISCELLANEOUS EXPENSES	8,122,131	22,176,416
	<u>90,821,491</u>	<u>135,111,378</u>
SCHEDULE - T		
INTEREST (NET)		
BANK INTEREST	5,601,006	9,098,047
LESS : INTEREST RECEIVED	1,527,803	700,547
(Gross, TDS Rs.76359 /- Previous year Rs. 251,357/-)	<u>4,073,203</u>	<u>8,397,500</u>
SCHEDULE - U		

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICY

A) RECOGNITION OF INCOME AND EXPENDITURE:

Income and Expenditure are accounted on accrual basis

B) FIXED ASSETS:

Fixed Assets are stated at Cost less 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) FOREIGN EXCHANGE TRANSACTION:

i) Foreign exchange transactions are accounted at the rate of exchange prevailing at the date of transaction.

ii) All Foreign currency assets and liabilities other than for financing fixed assets at the end of the year are recorded at the exchange rate prevailing on that date and those covered by foreign exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract. All exchange rate difference on account of such conversion is recognised in the profit and loss account.

iii) The amount of exchange difference in respect of forward exchange contracts to be recognised in the profit of next year is Rs. 1,36,403/- (Previous year Rs. 5,70,699/-)

E) INVESTMENTS:

Long term Investments are valued at cost, diminution in value of such investments (other than temporary decline) is provided for. Cost of Investment is arrived at on the basis of average cost at the time of sale.

F) INVENTORIES:

Inventories are valued at lower of Cost and Net Realisable Value. Cost is arrived at on FIFO basis.

G) RETIREMENT BENEFITS :

- i) Gratuity is provided as per the Scheme of the company applicable to all employees with a minimum amount being provided 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) As per the policy of the Company, leave encashment is not a retirement benefit and thus not provided for.
- iii) Payments made to Provident Fund etc. are charged to the profit and loss account.

H) SALES

Sales are accounted net of quantity discount.

I) 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) Deferred tax resulting from timing differences between book and tax profits is accounted at the current rate of tax, to the extent that the timing differences are expected to crystallise.

2. Contingent Liabilities not provided for :

- i) Guarantee given by bankers on behalf of the company Rs.1,50,000/- to Custom Authorities, Rs.1,00,000/- to Office of Trade Tax, Rs.1,30,000/- to Excise Department (Previous year Rs.150,000/- to Custom Authorities, Rs.100,000/- to Office of Trade Tax, Rs.130,000/- to Excise Department)
- ii) Appeal Lying before the Calcutta Municipal Corporation : Rs. 48314/- (previous year Rs. 48314/-)
- iii) Disputed Income tax liability Rs.3071686/- (Previous Year Rs. 16,74,288/-) against which appeals are pending.

3. PARTICULARS IN RESPECT OF OPENING AND CLOSING STOCKS, PURCHASES AND SALES OF FINISHED GOODS [INCLUDING MANUFACTURED] & TRADED GOODS.

PRODUCT	UNITS	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
		QUANTITY UNITS	VALUE RUPEES	QUANTITY UNITS	VALUE RUPEES	QUANTITY UNITS	VALUE RUPEES	QUANTITY UNITS	VALUE RUPEES
Chemicals	Kg.	6900 (38030)	1419100 (6992040)	795960 (1144940)	113255596 (156104598)	782860 (1176070)	140430004 (210496026)	20000 (6900)	3005500 (1419100)
Software Exports	Nos	0 0	0 0	0 0	0 0	0 (1)	0 (121913)	0 0	0 0
Computer Systems, Sub-Systems, Peripherals & Mother Boards	Nos Parts	773849 (956103)	283925529 (287214787)	1786990 (1537022)	1011499661 (1821284137)	2338256 (1713910)	1243133113 (1926588643)	222583 (773849)	143740813 (285344631)
TOTAL:		780749 (994133)	285344631 (294206827)	2582950 (2681962)	1124755257 (1977388735)	3121116 (2889981)	1383563116 (2137206582)	242583 (780749)	146746313 (285344629)

- NOTES: 1. Purchases of Computer parts and peripherals is net off of self consumption of 2822 nos.(Previous year 3313)
 2. Purchases of Computer parts and peripherals includes 5297 nos. (previous year 47206) received for replacement and net off 6616 nos (previous year NIL) issued for replacement.
 3. Figures in Brackets are in respect of Previous Year.

	2002-2003 Rs.	2001-2002 Rs.
4. VALUE OF IMPORTS ON CIF BASIS		
Traded goods	812,902,604	972,261,373
	<u>812,902,604</u>	<u>972,261,373</u>
5. EXPENDITURE IN FOREIGN CURRENCY		
Commission on Exports	17,937,575	29,492,345
Remuneration of Executive Director	1,326,612	409,320
Travelling expenses	39,735	24,350
	<u>19,303,922</u>	<u>29,926,015</u>
6. EARNINGS IN FOREIGN CURRENCY		
Export [On FOB Basis]	137,590,123	205,611,556
7. MANAGERIAL REMUNERATION		
Salary	1,935,733	1,009,320
8. PAYMENT TO AUDITORS.		
a) Audit Fees	141,000	116,000
b) Tax Audit Fees	50,000	40,000
c) Tax Matters	20,000	20,000
d) Other Matters	2,500	10,000
e) Towards Service Tax	15,280	7,800
	<u>228,780</u>	<u>193,800</u>
9. PAYMENT OF DIVIDEND (In Foreign Currency)		
a) Amount	Not applicable	322000
b) No. of Non-Resident Share holders	Not applicable	4
c) No of Shares	Not applicable	161000
d) Year	Not applicable	2001-02

10. Hire Purchase installments payable

No asset has been acquired under the hire purchase agreement during the year. (Previous Year Rs. 8,13,688)

The written down value of these assets is Rs. 5,92,758 (Previous Year Rs. 7,99,836)

i) Total minimum lease payments as at 31/03/2003 Rs. 4,66,210 (Previous Year Rs. 7,09,450)

ii) Present value of minimum lease payments as on 31/03/2003 Rs. 4,26,882 (Previous Year Rs. 6,31,148)

iii) The total of minimum lease payments as at 31/03/2003 and their present value for each of the following periods

	2002-03 Present value Rs.	2002-03 Minimum lease Payments Rs.	2001-02 Present value Rs.	2001-02 Minimum lease Payments Rs.
Not later than one year	229093	243240	229093	243240
Later than one year and not later than five years	197789	222970	402055	466210
Later than five years	0	0	0	0

11. Sundry creditors includes outstanding due to Small Scale Industrial Undertakings of Rs. 4152500 (Previous year Rs. 9034280) and due to other than Small Scale Industrial Undertakings of Rs. 101197296 (Previous year Rs. 212653201).

There are no Small Scale Industrial Undertaking to whom the amount are due from more than 30 days.

Note: The Small Scale Industrial Undertakings have been determined based on the information available with the company.

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

13. In the opinion of the Board, current Assets, Loans and Advances have value in the ordinary course of business at least equal to the amount at which they are stated.

16th Annual Report 2002-2003

14. Segment Information For The Year Ended 31st March, 2003

1. Information about Primary Business Segments

Rupees in Lakhs

	Electronics		Chemicals		Unallocated		Total	
	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
Revenue								
External Customers	12431.33	19265.89	1404.30	2106.18	0.00	0.00	13835.63	21372.07
Inter-segment	-	-	-	-	-	-	-	-
Total Revenue	12431.33	19265.89	1404.30	2106.18	0.00	0.00	13835.63	21372.07
Result								
Segment Result	(47.45)	(199.12)	130.34	238.81			82.89	39.69
Unallocated expenditure net of unallocated income					(216.80)	(329.78)	(216.80)	(329.78)
Interest Expense (net)	0.00	(9.95)	0.00	82.65	40.73	11.28	40.73	83.98
Dividend Income	0.00	0.00	0.00	0.00	0.16	0.03	0.16	0.03
Profit before taxation and exceptional items	(47.45)	(189.17)	130.34	156.16	(257.38)	(341.03)	(174.49)	(374.04)
Exceptional items							50.22	0.00
Provision for taxation							4.50	1.70
Current Tax								
Deffered Tax							(64.01)	(104.99)
Profit ater taxation and exceptional items	(47.45)	(189.17)	130.34	156.16	(257.38)	(341.03)	(165.20)	(270.75)
Income tax for earlier years							9.11	0.14
Net Profit	(47.45)	(189.17)	130.34	156.16	(257.38)	(341.03)	(156.09)	(270.61)
Other Information								
Segment Assets	2645.03	3975.02	447.87	848.46	1027.61	929.91	4120.51	5753.39
Segment Liabilities	325.09	218.90	440.13	1195.03	3532.42	2176.35	4297.64	3590.28
Capital expenditure	0.00	0.00	0.00	0.00	16.54	50.94	16.54	50.94
Depreciation	15.50	17.40	0.00	0.00	41.50	29.16	57.01	46.56
Non-cash expenses other than depreciation							41.81	48.64

2. Information about Secondary Business Segments

Rs. In Lakhs

	India		Outside India		Total	
	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
Revenue by geographical market						
	12431.33	19265.89	1404.30	2106.18	13835.63	21372.07
Total	12431.33	19265.89	1404.30	2106.18	13835.63	21372.07
Carrying amount of segment assets	3706.87	5753.39	413.64	0.00	4120.51	5753.39
Additions to fixed assets	16.54	50.94	0.00	0.00	16.54	50.94

Notes:-

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

Electronics - Computer peripherals

Chemicals - Export of Textile Dyes and Intermediates

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.

15. Related parties disclosure in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

(Amount in Rs.)

	Parties Where Control exists	Directors of the Company	Relative of Directors	TOTAL
Remuneration		1935733 (1009320)	79200 (66000)	2014933 (1075320)
Receiving of services	1516253 (2356294)			1516253 (2356294)
Outstanding against receiving of services	133111 (120000)			133111 (120000)
Advance against receiving of services	660000 (NIL)			660000 (NIL)
Deposit against receiving of services	13059830 (12262630)			13059830 (12262630)
Inter corporate deposits taken during the year	15870465 (26131875)			15870465 (26131875)
Inter corporate deposits given during the year	2357000 (9346645)			2357000 (9346645)
Outstanding on Inter corporate deposits	10957833 (NIL)			10957833 (NIL)
Interest expense on Intercorporate deposits	298544 (329479)			0 (329479)
Sale of Asset	5000 (NIL)			5000 (NIL)
Sale of License	721503 (NIL)			721503 (NIL)

(Figures in brackets indicate previous year figures)

Note:

Names of related parties and description of relationship:

1. Parties where control exists

(a) Priya International Ltd.

(b) Priya Chemicals

(c) Gaurav Chemicals P.Ltd.

(d) Brent Properties & Investment P.Ltd.

(e) Chesire Properties & Investment P.Ltd.

(f) Norman Properties & Investment P.Ltd.

(g) Halifax Properties & Investment P.Ltd.

(h) Priya Infotech P.Ltd.

2. Directors of the Company

(a) Mr. Aditya Bhuwania

(b) Mr. Ashish Bhuwania

3. Relative of Director

(a) Mrs. Saroj Bhuwania, wife of Mr.A.K.Bhuwania

16th Annual Report 2002-2003

16. EARNINGS PER SHARE	2002-03	2001-02
a. Net Profit/(Loss) available for equity share holders (Rs.) (Numerator used for calculation)	(16520287)	(27074592)
b. Weighted average number of equity shares (Denominator used for calculation)	3002300	3002300
c. Basic and diluted earnings per share of Rs.10/- each (Rs.):	-5.50	-9.02

17. The Loss incurred can be set off against profit in subsequent year upto eight years as per the recognised as deferred provisions of Income Tax Act 1961. The Company has made good profits in the past. The loss incurred during the year has been recognised as deferred tax asset as the Company is virtually certain that sufficient future taxable income will be available against such deferred tax asset in view of restructuring and cost reduction measures been taken by the company and introduction of new product lines.

18. Previous year's figures have been Regrouped/Rearranged wherever 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

FOR AND ON BEHALF OF THE BOARD

(J.P.BAIRAGRA)
PARTNER
PLACE : MUMBAI
DATED: 30TH JUNE, 2003

A. K. BHUWANIA CHAIRMAN
ADITYA BHUWANIA EXECUTIVE 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.	40713	State Code	11
Balance Sheet Date	31 03 2003		
	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	410952	Total Assets (Net of current liabilities & provisions)	410952
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Sources of Funds

Paid up Capital	30023	Reserves and Surplus	182976
Secured Loans	36934	Unsecured Loans	10958

Application of Funds

Net Fixed Assets & W.I.P.	42807	Investments	638
Net Current Assets	197328	Misc. Expenditure	525
Accumulated Losses	NIL		

IV Performance of Company (Amount in Rs. thousands)

Turnover	1394734	Total Expenditure	1412182
Profit/Loss Before Tax	-22471	Profit/Loss after Tax	-16520
+ -		+ -	
Earning per share in Rs.	-5.50	Dividend Rate %	NIL

V Generic Name of Three Principal Products/Services of Company

i	Item Code No (ITC Code)	300490.17
	Product description	SulphaMethoxazole
ii	Item Code No (ITC Code)	320412.08
	Product description	Acid Black (AZO)
iii	Item Code No (ITC Code)	847330
	Product description	Computer Mother Boards

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

A.K.BHUWANIA CHAIRMAN

ADITYA BHUWANIA DIRECTOR

PLACE : MUMBAI

DATED : 30TH JUNE, 2003

CASH FLOW STATEMENT

	2002-2003	2001-2002
Rs.	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & AND AFTER EXTRA ORDINARY ITEMS	-22,471,131	-37,403,643
ADJUSTED FOR:		
DEPRECIATION	5,700,892	4,656,266
INVESTMENT INCOME	-15,527	-2,700
INTEREST CHARGED (NET)	4,073,203	8,397,500
LOSS ON SALES OF ASSETS	57,769	62,401
PROVISION FOR GRATUITY	394,960	956,481
PROVISION FOR DOUBTFUL DEBTS	124,364	5,047,446
SUNDRY BALANCES W/OFF / BACK (NET)	178,619	0
PROVISION FOR DOUBTFUL DEPOSITS	5,022,450	0
EXCHANGE RATE DIFFERENCE (REVALUATION)	-1,539,276	-1,660,358
MISC EXPENSES WRITTEN OFF	0	520,374
	13,997,454	17,977,410
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-8,473,677	-19,426,233
CHANGES IN		
TRADE RECEIVABLES	37,433,401	61,900,694
LOANS AND ADVANCES	505,906	6,218,224
OTHER CURRENT ASSETS	-1,675,814	1,558,377
INVENTORIES	139,451,174	6,503,871
TRADE PAYABLES	-134,952,817	-34,480,735
PROVISIONS	-1,033,137	-51,692
CASH GENERATED FROM OPERATIONS	39,728,713	41,648,739
DIRECT TAXES REFUND (NET)	-999,793	-1,359,819
NET CASH FROM OPERATING ACTIVITIES (A)	30,255,242	20,862,687
B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	-1,778,772	-5,042,621
PURCHASE OF INVESTMENTS	-36,800	0
INTEREST RECEIVED	1,790,648	826,919
DIVIDEND RECEIVED	15,527	2,700
SALE OF FIXED ASSETS	728,701	585,097
NET CASH USED IN INVESTING ACTIVITIES (B)	719,304	-3,627,905
C) CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM BORROWINGS	10,957,833	-4,012,282
REPAYMENT FROM BORROWINGS	-37,734,828	0
INTEREST PAID	-5,601,006	-9,508,324
DIVIDEND PAID	-32,130	-6,534,000
NET CASH USED IN FINANCING ACTIVITIES (C)	-32,410,132	-20,054,606
NET CHANGES IN CASH AND CHEQUE EQUIVALENTS (A+B+C)	-1,435,585	-2,819,824
CASH AND CASH EQUIVALENTS OPENING BALANCE	27,752,116	30,571,940
CASH AND CASH EQUIVALENTS CLOSING BALANCE	26,316,531	-1,435,585

Note: Closing cash and bank balance includes effect of loss on exchange rate difference of Rs. 3,193/- (Previous year Profit of Rs. 9,482/-)

AS PER OUR REPORT ATTACHED OF EVEN DATE
FOR **M.L.BHUWANIA & CO.**
CHARTERED ACCOUNTANTS

(J.P.BAIRAGRA)
PARTNER

PLACE : MUMBAI
DATED : 30TH JUNE, 2003

FOR AND ON BEHALF OF THE BOARD

A.K.BHUWANIA CHAIRMAN
ADITYA BHUWANIA DIRECTOR

PRIYA 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. _____

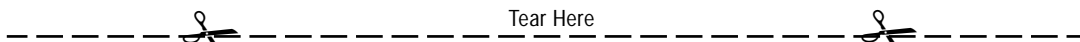
DP ID No. _____

I/We..... of
..... being a member/members of the above named
Company hereby appoint
of.....or failing him of
..... as my/our proxy to vote for me/us on my/our behalf at the Sixteenth 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 30th August, 2003, and at any adjournment(s) thereof.

Signed this day of 2003.

Signature.....(Affix 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.



Tear Here

PRIYA LIMITED

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

ATTENDANCE SLIP

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 Sixteenth ANNUAL GENERAL MEETING of the Company at "Hall of Quest", Nehru
Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai -400018 at 11a.m. on 30th August, 2003

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.