



# ANNUAL REPORT

2010-2011



# PRIYA LIMITED



## 24<sup>th</sup> ANNUAL GENERAL MEETING

Date : 18<sup>th</sup> August 2011.  
Time : 11.00 A.M  
Place : "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road,  
Worli, Mumbai-400 018.

### BOARD OF DIRECTORS

**SHRI A. K. BHUWANIA** Chairman  
**SHRI R. K. SARASWAT** Director  
**SHRI M. K. ARORA** Director  
**SHRI ASHISH BHUWANIA** Executive Director  
**SHRI ADITYA BHUWANIA** Executive Director  
**SHRI ANUJ BHARGAVA** Director  
**SHRI P. V. HARIHARAN** Director  
**SHRI GAURAV MUNOLI** Company Secretary  
**SHRI RAKESH JAIN** Chief Financial Officer

### BANKERS

Indian Bank  
Bank of India  
Union Bank of India

### AUDITORS

M/s. M. L. Bhuwania & Co.  
Chartered Accountants  
Mumbai.

### REGISTERED OFFICE

2<sup>nd</sup> Floor 209-210 Kimatrai Building 77-79  
Maharshi Karve Marg, Marine Lines (E),  
Mumbai 400002.

### REGISTRAR AND SHARE TRANSFER AGENT (COMMON AGENCY)

Bigshare Services Pvt. Ltd.,  
E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (East), Mumbai-400 072.  
Tel: 022-4043 0200, 2847 0652

### EQUITY SHARES ARE LISTED AT:

The Bombay Stock Exchange Ltd (BSE)

### WEBSITE

[www.priyagroup.com](http://www.priyagroup.com)

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**NOTICE**

NOTICE is hereby given that the **Twenty-Fourth Annual General Meeting** of the members of **PRIYA LIMITED** will be held at "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Thursday, the 18<sup>th</sup> Day of August, 2011 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 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 2010-2011
3. To appoint a Director in place of Mr. M. K. Arora who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Mr. R. K. Saraswat, who retires by rotation and being eligible, offers himself for re-appointment
5. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**

**ORDINARY RESOLUTION**

**"RESOLVED THAT** pursuant to the provisions of Sections 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. M. L. Bhuwania & Co., Chartered Accountants having Registration No. 101484W issued by the Institute of Chartered Accountants of India, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2012"

**NOTES:**

1. **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 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 commencement of the Meeting.
3. The register of members and the share transfer books of the Company will remain closed from 12<sup>th</sup> August, 2011 to 18<sup>th</sup> August, 2011 (both days inclusive).
4. Dividend recommended for the year ended 31<sup>st</sup> March, 2011 if approved by the members will be paid to those eligible members whose names appear:
  - I. As Beneficial Owners, as on 18<sup>th</sup> August, 2011, 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 18<sup>th</sup> August, 2011.
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 copy 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 Registrar & Share Transfer Agent of the Company.  
(b) Members holding shares in the electronic form are requested to advise immediately change in their 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 have been 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. 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.
10. Members may avail dematerialisation facility 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**.
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.
12. Members, who have not registered their e-mail addresses, are requested to register their e-mail address in respect of electronic holdings with the depository through their concerned Depository Participants and members who hold shares in physical form are requested to send their details to Bigshare Services Pvt. Ltd (Registrar & Transfer agent) in order to enable the company to serve the notice/Documents including Annual Report through e-mail as an initiative in consonance with circular issued by Ministry of Corporate Affairs allowing paperless compliances by the companies. Upon Registration of the email address(es) the Company proposes to send notices, Annual Report and such other documents to those members via electronic mode/e-mail.
13. Details of the Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. R. K. Saraswat	Mr. M. K. Arora
Date of Birth	17.04.1938	05.04.1941
Age	73 years	67 years
Qualification	Chartered Accountant	Company Secretary
Expertise	Finance & Accounts	Secretarial & Legal

For and on behalf of the Board  
For Priya Limited

Place : Mumbai  
Dated : 23<sup>rd</sup> April, 2011

**Gaurav Munoli**  
Company Secretary

**Registered Office:**  
2nd Floor, 209-210 Kimatrai Building, 77-79,  
Maharshi Karve Marg, Marine Lines (E),  
Mumbai-400002



## DIRECTORS' REPORT

To,  
Dear Members,  
**Priya Limited**

Your Directors have immense pleasure in presenting the **24<sup>th</sup> Annual Report** and Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2011.

## FINANCIAL RESULTS

The brief highlights of financial results of the Company for the Financial Year 2010-11 as compared to the previous financial year 2009-10 are as under:

	(Rs. in Lacs)	
	Year Ended 31/03/2011	Year Ended 31/03/2010
<b>Sales</b>		
Export	11873.60	11252.08
Local	10181.32	7963.84
	<u>22054.92</u>	<u>19215.92</u>
Other Income	105.76	149.47
	<u>22160.68</u>	<u>19365.39</u>
Profit/ (Loss) before Tax and Extra Ordinary Item	297.02	187.44
Extra ordinary item	---	---
Profit/ (Loss) before Tax and after Extra Ordinary Items	297.02	187.44
Provision for taxation-Current Tax	106	67.70
Provision for taxation-Deferred Tax	(9.44)	(1.17)
	<u>200.46</u>	<u>120.91</u>
(Add)/Less: Taxation of earlier years	---	9.13
Profit/(Loss) After Tax	200.46	111.78
Add: Balance brought forward	432.52	338.24
Profit available for appropriation	632.98	450.02
Appropriations		
Proposed Dividend	30.02	15.01
Corporate Dividend Tax	4.99	2.49
Balance carried to Balance Sheet	597.97	432.52
	<u>632.98</u>	<u>450.02</u>

## DIVIDEND

Your Directors are pleased to recommend a dividend of Re. 1.00/- per equity share (i.e. @ 10%) on 30,02,300 fully paid equity shares of Rs. 10/- each for the financial year ended 31<sup>st</sup> March 2011. The said dividend will absorb a sum of Rs. 30,02,300/-

## OPERATIONS

During the year under review your Company has achieved aggregate turnover of Rs. 22160.68 lacs as compared to Rs. 19365.39 lacs in the previous year. The Company has earned profit after tax and exceptional item of Rs. 200.46 lacs in 2010-2011 as compared to Rs. 111.78 lacs in the previous year.

Despite of recessionary trends which continued globally, your company achieved better results in comparison to performance of previous year. Although the Company had a slow start,

momentum was picked up progressively which can be experienced from the performance of last three quarters. There is marginal increase in turnover, inspite of economic slowdown in USA & in European countries.

Your Company continued to focus on the hardware business which has been major revenue earner, which mainly includes marketing of VXL thin clients and other computer peripherals such as Notebooks from MSI and Computer peripherals (Keyboard/Mouse, Gaming Cabinets and SMPs), networking products from SMC. The chemical division of the company has also experienced a increase in turnover as compared to the performance of previous year.

As regards to infrastructure, your Company's head office and all the branches are adequately equipped to provide complete support to the customers. Internal control systems have been well established and cost consciousness in branch operations has also led to improved profitability.

Your Directors are confident that the company will strive hard to maintain the performance and improve the same in the current year.

## DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. M. K. Arora and Mr. R.K. Saraswat, Directors of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves 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 re-appointment and fix remuneration.

## AUDITORS REPORT

The observations of the Auditors in their report read together with the Notes to Accounts are self explanatory and therefore, in the opinion of the Directors, do not call for any further explanation. The auditor's report do not contain any reservation, qualification & adverse remark for the financial year under review.

## HUMAN RESOURCE

Maintenance of a cordial and supportive environment is a pre-requisite for the smooth functioning of any organization. This requires the management and the employees to fully understand and respect each other. On an on-going basis the management identifies and implements necessary measures to maintain a positive climate and improve performance levels.

Your Directors also wishes to place on record their appreciation for the dedication and commitment displayed by all executives, officers and staff at all levels of the company.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Directors' Report.

## CORPORATE GOVERNANCE

The Company is committed to uphold the highest standards of Corporate Governance and adhere to the requirements set out by Clause 49 of the Listing Agreement with Stock Exchange.

Report on Corporate Governance along with the Certificate from the Auditors' regarding the compliance of Corporate Governance conditions are made part of this Annual Report.

**INSURANCE**

All insurable assets of the Company including inventories, warehouse, premises etc. are adequately insured.

**BANKS**

Your Directors wish to place on record their appreciation for the support from Company's bankers namely Indian Bank, Bank of India and Union Bank of India.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- ii) 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 2010-2011 and Profit of the Company for that the year ended on 31<sup>st</sup> March, 2011;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis.

**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/dematerialized form. The shareholders' are advised to take benefits of dematerialization.

**LISTING OF SHARES**

Your Company's shares have been listed on The Bombay Stock Exchange Limited (BSE). The Company had applied for de-listing of equity shares from The Calcutta Stock Exchange Ltd. (CSE) and the said de-listing permission is in process and the Company is constantly following up with the Exchange for completion of the process. The listing fee for the financial year 2010-2011 was duly paid to BSE.

**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 equipments 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:**

Every effort is made by the company to update the technological skills of its technical staff in order to ensure that they possess adequate skills to enable them to serve the Company's clients.

**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 on 31<sup>st</sup> March, 2011.

**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. 60,00,000/- or more per annum during the year ended 31<sup>st</sup> March, 2011 or Rs. 5,00,000/- or more per month during any part of the said year.

**ACKNOWLEDGEMENTS**

Your Directors place on record their sincere appreciation for the co-operation and assistance received from the Customers, Bankers, Regulatory bodies, Stakeholders including financial Institutions and other business associates who have extended their valuable sustained support and encouragement during the year under review.

For and on behalf of the Board  
For Priya Limited

**Aditya Bhuwania**      **R. K. Saraswat**  
Executive Director      Director

Place : Mumbai  
Date : 23<sup>rd</sup> April, 2011

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is engaged in the business of international trade of electronic products and export of dyestuffs, bulk pharmaceuticals and intermediates.

### ECONOMY AND INDUSTRY OVERVIEW

The Indian economy has emerged with remarkable rapidity from the slowdown caused by the Global Financial crisis of 2007-09. The growth rate has been 8.6% in 2010-11 and is expected to be around 9% in the next fiscal year. India is a large, vibrant and one of the fastest growing economies in the world. As a result of impressive growth of the economy, steadily increasing buying power of the people and aspirations of the young, the consumption of electronics gadgets in the country is growing fast.

The impact of the global economic recession is now well behind us and the IT hardware industry in India is once again on a revival path. The year 2010-11 has indeed witnessed an excellent comeback by the Indian IT hardware market. Easing of the Economic slowdown and improved sentiments among both the consumer & business segment are the reasons behind the impressive growth of the PC market, especially during the second half of the year 2010- 11. Almost all segments of the IT hardware registered a healthy growth.

#### 1.1 INDUSTRY STRUCTURE AND DEVELOPMENTS

##### Electronics Division:

The Information, Communication Technology and Electronics (ICTE) is the world's largest and fastest growing industry. ICTE is increasingly finding applications in all sectors of the economy and thus is accepted as a key enabler in development. The Government has identified growth of electronics hardware manufacturing sector as a thrust area and has taken a number of steps on an ongoing basis for promotion of this industry in the country. Setting up of a Mission to implement schemes and policies in a focused and targeted manner, incentivization, eco-system development and attracting investment in electronics hardware manufacturing sector are amongst the major initiatives which are under consideration of the Government to take advantage of this opportunity.

PC sales are expected to record a growth of 12 per cent in 2010-11 to touch 9.7 million. The Notebook sales are estimated to be 3.5 million in 2010-11 against 2.5 million in 2009-10, a growth of 40 per cent. This shows that Notebooks have caught the fancy of the consumers. Desktop sales are expected to reach 6.2 million in 2010-11 against 5.5 million in 2009-10, a growth of 12.7 per cent.

India is one of the fastest-growing IT systems and hardware market in the Asia-Pacific region. Most of the prominent global vendors and some locals have strong presence in the Indian market. Most MNC's have their assembly units in India.

##### Chemical Division:

Chemical Industry is one of the oldest industries in India, which contributes significantly towards industrial and economic growth of the nation. The Indian Chemical Industry is an integral component of the country's economy contributing a little under 7 per cent of the Indian GDP. It has developed well over the years in terms of technical capability and capacity. India will become an important source for Chemicals/ Dyestuff/ Pharmaceuticals and pose a strong alternative to China.

#### 1.2 OPPORTUNITIES AND THREATS

##### Electronics Division:

India is one of the World's fastest growing electronics

hardware markets. The domestic demand of electronics hardware is estimated at US\$ 400 billion by 2020. This provides a huge opportunity for India to become an electronics hardware manufacturing hub to meet its domestic requirements as well as the global requirements. The Government has accorded high priority to this sector and in order to promote the industry, action has been taken on a continuing basis to rationalize the tariff structure by making suitable changes in fiscal policy as part of annual budgetary exercise. We are constantly improving our distribution network to meet the opportunities created by the dynamic Global Market, especially thin client market which constitutes significant part of the Company's turnover.

The concept of Thin Client Computing has gained a vital importance because it saves approximately 30 -70% of IT cost of any Company.

##### Chemical Division:

During the current year, the global export market particularly Dyes and Chemicals sectors were on the path of revival and is expected to grow even bigger. The Chinese products are getting more expensive due to the strict pollution control measures being implemented. Also the Chinese currency yuan is becoming stronger which can influence the exports from that country.

The quality products with quick and efficient response by your Company have received good recognition in the overseas market. The thrust on newer product development and consolidation of customer relationship will result into a bright future for the Company. The availability of local raw materials will definitely be challenged owing to overall price increase.

#### 1.3 SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

##### Electronics Division:

The performance of the company was satisfactory during the year in comparison with last year turnover. The segment result, before adjustment for unallocated expenses (net) and provisions for taxation, marginally decreased to Rs. 789.73 Lacs as compared to Rs. 883.56 Lacs in the previous year.

##### Chemical Division:

There is increase in the turnover in comparison to last year's turnover and the margin too has increased in the same period.

Indian dyestuff industry continues to face strong Chinese competition. Judicious mix of product range has enabled us to select and grow business in various markets

#### 1.4 FUTURE OUTLOOK

##### Electronics Division:

As per the Report of the Task Force, constituted by Department of Information Technology, the demand for electronics hardware in the country is projected to increase from the present US\$ 45 billion in 2009 to US\$ 400 billion by 2020. As against this demand projection, electronics hardware production (supply) is projected to grow from US\$ 20 billion in 2009 to US\$ 400 billion by 2020, including exports of US\$ 80 billion.

We are hopeful to tap the increased market share by improving the distribution network and providing strong technical support team. With the advent of Thin Client computing Big corporate houses, banks, educational and healthcare segments are increasingly opting the same in comparison to P.C - Server technology which decreases the IT costs of the Organization significantly.

**Chemical Division:**

New product range coupled with success in newer markets are contributing to our growth. Latin American countries like Brazil and Argentina have shown signs of surge in demand. We are cautiously trying to explore business in these countries

**1.5 RISKS AND CONCERNS****Electronics Division:**

Rapidly changing technology, shift in consumer taste and increasing competition are the matters of main concerns. The depreciation of Rupee against Dollar affects the margins to a great extent and this is an imminent threat to profitability.

The competition between multinationals to capture the market has resulted in the reduction in margins. The talent crunch in research and development affects the introduction of novel products. Quickly vanishing dealers are adding to the bad debt pile for the industry as a whole and is another area of concern.

**Chemical Division:**

As usual there is acute shortage of raw material and price hikes owing to the crude oil price rise. Suppliers are unable to produce dyes within a given time framework. This has resulted in buyers looking for sourcing products from elsewhere.

**1.6 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company is equipped with adequate internal control systems for its business processes which determine the efficiency of its operations, strengthens financial reporting and ensures compliance with applicable laws and regulations.

The internal control systems are supplemented by extensive audits conducted by internal auditors. Moreover, regular internal audit and checks ensure that responsibilities are executed effectively across the organization. The audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and also suggest improvements for strengthening the same.

The Internal control systems/procedures 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. 22054.92 Lacs in the year 2010-11 as compared to Rs. 19,215.92 Lacs in 2009-2010, depicting a strong growth in the electronic local business. The Company has earned a profit (before tax and extra ordinary items) of Rs 297.02 Lacs as compared to a profit (before tax and extra ordinary items) of Rs. 187.44 Lacs in the previous year.

**1.8 MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

**Human Resources:** Employees are our most important assets. At **PRIYA LIMITED**, we value our employees as our "Greatest Assets". The Company therefore strives for continuous learning and development for each and every employee to align the same with the business objective. The Company has initiated various HR strategies to attract, motivate, develop and retain staff in order to make it a productive workplace. Employee training and development, Employee Selection and Recruitment, Employee Engagement and rewards, Performance Appraisal and communication are the critical issues HR targets to accomplish

**Industrial Relations:** Industrial Relations throughout the year continued to remain very cordial and satisfactory.

Statements in "Management Discussion and Analysis" describing the Company's objective, objectives and assessments etc. may be forward looking within the meaning of applicable laws and regulation. Actual results may differ from the statements expressed therein. Important factors that could influence the Company's operations include demand and supply conditions affecting selling prices of finished goods, availability of inputs and their prices, change in Government policy, legislation and tax rates; political defense and economic development within and outside the country and other factors such as litigation and industrial relations.

### CORPORATE GOVERNANCE REPORT

#### 1. COMPANY'S PHILOSOPHY

Good Corporate Governance practices stem from the culture and mindset of the organization. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values.

Your company continues to focus on good Corporate Governance in line with local and global standards. Its primary objective is to observe the highest level of ethics in all its dealings, create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability for efficient and ethical conduct of business for meeting its obligations towards its shareholders and other stakeholders.

#### 2. BOARD OF DIRECTORS

##### Composition of the Board:

The Board of Directors of the Company has an optimum combination of Executive and Non – Executive Directors. The number of Non – Executive Directors is not less than 50% of the Board of the Directors.

The Chairman of Board of Directors is Non – Executive Promoter and more than ½ of the Board consists of Independent Directors.

None of the Directors on the Board is a member of more than 10(ten) committees and Chairman of more than 5 (five) committees as per Clause 49 of listing agreement across all Companies in which they are Directors.

Four Board Meetings were held during the financial year 2010-2011 on the following dates:

27<sup>th</sup> May, 2010, 11<sup>th</sup> August, 2010, 11<sup>th</sup> November, 2010 & 08<sup>th</sup> February, 2011

The gap between two Board meetings is not more than 4 (four) months as per the Clause-49 of the Listing Agreement.

The particulars of Directors, their category, relationship interse, number of shares held, attendance and other directorship, membership/chairmanship of the Board of Directors / Committees are furnished below:

Name of Director	Category	Relationship Interse	Attendance			No. of outside directorships and Committee membership / Chairmanship		
			No. of Shares Held	Board Meeting	Last AGM*	Public Limited Company Directorship	Committee membership **	Chairmanship **
Mr. A. K. Bhuwania	Promoter / Non-Executive Chairman	Father of Ashish Bhuwania and Aditya Bhuwania	569710	2	Yes	2	-	-
Mr. R. K. Saraswat	Independent / Non-Executive Director	—	NIL	4	Yes	3	-	2
Mr. M. K. Arora	Independent / Non-Executive Director	—	NIL	4	No	6	2	0
Mr. Anuj Bhargava	Independent / Non-Executive Director	—	NIL	2	Yes	-	-	-
Mr. P. V. Hariharan	Independent/ Non-Executive Director	—	500	3	Yes	1	-	-
Mr. Ashish Bhuwania	Promoter / Executive Director	Son of A. K. Bhuwania and Brother of Aditya Bhuwania	225200	1	Yes	-	-	-
Mr. Aditya Bhuwania	Promoter / Executive Director	Son of A. K. Bhuwania and Brother of Ashish Bhuwania	140300	4	Yes	1	-	-

##### NOTE:

The above Directorship excludes Directorship in Indian Private Limited Companies, Foreign Companies, Companies under section 25 of the Companies Act, 1956 and membership of Managing Committees of various bodies.

\* Annual General Meeting (AGM) for the financial year 2009-10 was held on 24<sup>th</sup> August, 2010.

\*\*Only Chairmanship / Membership of Audit Committee and Share Holders Grievance Committee have been considered, excluding in Priya Limited.

##### Board procedure

The Board meets atleast once in a quarter to inter alia, to review the quarterly performance and the financial results. The Board meetings are generally scheduled well in advance and the notice of each Board meeting is given in writing to directors of the Company. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in Advance.

The information as specified in annexure IA to clause 49 of the listing Agreement is regularly placed before / made available to the Board wherever applicable.

The Board periodically reviews compliance reports of various laws applicable to the Company.

##### Appointment and re-appointment of directors

As per the provisions of Section 256 of the Companies Act, 1956, Mr. M. K. Arora and R. K. Saraswat, Non Executive Directors of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Details of the same are given in the Notice convening the ensuing Annual General Meeting.

**3. BOARD AND OTHER COMMITTEES:**

The Board of Directors had constituted the following committees:

- I. Audit Committee
- II. Remuneration and Compensation Committee
- III. Share holders Grievance Committee
- IV. Share Transfer Committee.

**I) AUDIT COMMITTEE**

**i. Terms of Reference:**

The Audit Committee of the Board of Directors of the Company, inter alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

**ii. Power of Audit Committee:**

The audit committee shall have powers, which should include the following:

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

**iii. Role of Audit Committee:**

The role of the audit committee shall include the following:

- a) Oversight of 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 to the board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- c) Approval of payment to statutory Auditors for any other services rendered by the statutory auditors.
- d) Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
  - i) Matter required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of related party transactions.
  - vii) Qualifications in draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the board for approval
- f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
- h) Discussion with internal auditors any significant findings and follow up thereon.
- i) 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.
- j) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) 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.
- l) To review the functioning of the Whistle Blower Mechanism,
- m) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- n) Carrying out any other function(s) as is mentioned in the terms of reference of the audit committee.

**iv. Review of information by Audit Committee:**

The audit committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operation.
- 2) Statement of significant related party transaction (as defined by audit committee) submitted by the management.
- 3) Management letters/letters of internal control weaknesses issued by the statutory auditors.
- 4) Internal audit reports relating to internal control weaknesses and

5) The appointment, removal and terms of remuneration of the internal auditors shall be subject to review by the audit committee.

**v. Composition and Attendance at Meeting**

The Audit Committee has three members, all of whom are Non-Executive Directors and financially literate as prescribed in the Listing Agreement. 2/3 of the said members of the Committee are Independent Directors.

The chairman of the committee is an independent director.

The Statutory Auditors & Chief Financial Officer of the Company were invitees to each meeting of the Audit Committee.

The quorum for the Audit Committee meetings is two members, with atleast two Independent Directors to be present at the meeting.

The Company Secretary of the Company has acted as the secretary to the Committee.

The Internal Auditor of the Company reports to the Audit Committee with regards to the audit programme, observations and recommendations in respect of different areas of operations of the Company.

The Audit Committee generally meets once in a quarter to inter-alia, to review the quarterly performance and the financial results.

The Audit Committee met four times during the year.

NAME	CATEGORY	Audit committee meeting held during 2010-2011			
		27.05.10	11.08.10	11.11.10	08.02.11
Mr. R.K. Saraswat	Chairman	Present	Present	Present	Present
Mr. M.K Arora	Member	Present	Present	Present	Present
Mr. A.K Bhuwania	Member	Absent	Present	Absent	Present

The Chairman of the Audit Committee was present in the last Annual General Meeting, and replied to the queries of shareholders of the Company

The minutes of the Audit Committee meeting form part of documents placed before the meeting of the Board of Directors. In addition the Chairman of the Audit Committee appraises the Board members about the significant discussion at Audit Committee meetings.

**II) REMUNERATION COMMITTEE**

**i) Terms of Reference**

The Remuneration and Compensation Committee of the Company, reviews, assesses and recommends the performance of managerial personnel on a periodical basis and also reviews their remuneration package and recommends suitable revision to the Board.

**ii) Composition and Attendance at Meeting**

The Remuneration and Compensation Committee comprises of Four Non-Executive Members out of which Three (3) are Independent Directors.

Mr. M. K. Arora, Non - Executive Independent Director of the Company is the Chairman of the Committee.

The details of the composition, categories and attendance during the year are as under.

Name of Director/ Member	Designation	Category	Committee Meeting held on 27 <sup>th</sup> May, 2010
Mr. M.K Arora	Chairman	Independent / Non- Executive Director	Present
Mr. R.K. Saraswat	Member	Independent / Non-Executive Director	Present
Mr. A.K. Bhuwania	Member	Non Executive Chairman	Absent
Mr. Anuj Bhargava	Member	Independent / Non- Executive Director	Absent

**iii) Remuneration Policy**

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry.

**A. Non Executive Director's Remuneration**

The Non Executive Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Audit Committee Meeting. The Company paid sitting fees of Rs. 7500/- per meeting for attending meeting of the Audit Committee and Rs. 7500/- per meeting for attending meeting of the Board of Directors to Mr. R. K. Saraswat, Mr. M. K. Arora and Mr. Anuj Bhargava (Only Board Meeting). The Company also paid Rs. 250 to Mr. A. K. Bhuwania and Mr. P. V. Hariharan for attending Board Meeting.

The payment of remuneration by way of sitting fees is as under.

Name of Director	Category	Sitting Fees (Rs.)
Mr. A. K. Bhuwania	Promoter/Non-Executive Chairman	500
Mr. R K Saraswat	Independent/ Non Executive Director	60,000
Mr. M K Arora	Independent/ Non Executive director	60,000
Mr. Anuj Bhargava	Independent/ Non Executive director	15000
Mr. P. V. Hariharan	Independent /Non Executive Director	750
Total		1,36,250

**B. Executive Director's Remuneration**

The Whole Time Directors (designated as Executive Directors) are being paid in accordance with and subject to the limits laid down in the Schedule XIII of the Companies Act, 1956. There is no separate service contract entered into by the Company with the Whole time Directors, the appointment and terms of employment are governed by the Articles of Association of the Company and Resolution passed by the shareholders of the Company. The remuneration to the Whole time Directors are approved by the Board of Directors and subsequently ratified by the shareholders in their general meeting.

**iv) Details of remuneration of the Executive Director's of the Company during the year is as follows**

Name of Director	Category	Remuneration (Rs.)
Mr. Aditya Bhuwania	Promoter / Executive Director	7,75,000
Mr. Ashish Bhuwania	Promoter / Executive Director	15,00,000
<b>TOTAL</b>		<b>22,75,000</b>

- The Company does not have policy of paying commission on profits to any of the Directors of the Company.
- Presently, the Company does not have a scheme for grant of stock options either to the whole-time Directors or Employees of the Company.

**III) SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE**
**i) Terms of reference**

The terms of reference of the Committee include redressing Shareholders/ Investors complaints like transfer and transmission of shares, issue of duplicate share certificate, non-receipt of balance sheet, non-receipt of dividend etc. and to ensure expeditious share transfer process.

**ii) Composition of the committee**

The Shareholders/Investors Grievance Committee comprises of three members viz. Mr. M. K. Arora, Mr. A. K. Bhuwania & Mr. R. K. Saraswat

Mr. M. K. Arora, Non- Executive and Independent Director is the Chairman of the Shareholders / Investors Grievance Committee.

Mr. Gaurav Munoli, Company Secretary of the Company is Compliance Officer of the Company

The Company Secretary is the secretary to the Share Holders' Grievances committee. During the year under review, one meeting of Share Holders' Grievances Committee was held on 27th May 2010.

During the year under review no complaint (s) have been received by the Company from Investor (s) & no Complaints were pending at the beginning of the year.

**IV) SHARE TRANSFER COMMITTEE**
**i) Terms of reference**

The terms of reference of the Committee include giving effects to the shares transfer and transmission of shares, issue of duplicate share certificate etc.

Bigshare Services Private Limited is the Registrar and Share Transfer Agent of the Company and the Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

**ii) Composition of the committee**

The Committee comprises of three members and Mr. Aditya Bhuwania, Executive Director of the Company is the Chairman of the Share Transfer Committee.

The Composition of the Share Transfer Committee is as under:

Name of the Director	Executive/ Non-Executive
Mr. Aditya Bhuwania	Executive Director
Mr. A. K. Bhuwania	Non-Executive Chairman
Mr. Guarav Munoli (Present)	Company Secretary & Compliance Officer

During the year under review, thirteen meetings of Share Transfer Committee were held on 07.05.2010, 28.05.2010, 09.07.2010, 03.09.2010, 08.10.2010, 15.10.2010, 29.10.2010, 10.12.2010, 15.12.2010, 24.12.2010, 31.12.2010, 04.02.2011 and 18.02.2011.

No request for share transfer/ transmission etc. received during the financial year was pending for more than two weeks and no transfer / transmissions of shares etc. were pending as on 31<sup>st</sup> March 2011.

**4. GENERAL BODY MEETING**

Details of Annual General Meetings held during the preceding three years are as follows.

AGM reference	Location	Date	Time	No. of Special Resolutions passed
2009-10 23 <sup>rd</sup> AGM	"Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018	24 <sup>th</sup> August 2010	11.00 A.M.	1
2008-09 22 <sup>nd</sup> AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018	23 <sup>rd</sup> September 2009	11.00 A.M.	Nil
2007-08 21 <sup>st</sup> AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018	25 <sup>th</sup> September 2008	11.00 A.M.	Nil

The following Special Resolution passed by the members during the last three General Meetings

Sr. No.	Annual General Meetings	Particular of Resolutions
1.	23 <sup>rd</sup> Annual General Meeting held on 24th August, 2010	To re-appoint Mr. Aditya Bhuwania as a Whole Time Director designated as Executive Director for the period of 5 (five) years with effect from 1 <sup>st</sup> September, 2010 on a remuneration of Rs. 75,000/- per month (all inclusive). The resolution was passed unanimously.

- During the Financial Year 2010-2011, no resolution (s) were passed through Postal Ballot

#### 5. DISCLOSURES:

- There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large during the F.Y. 2010-2011. The details of transaction between the Company and the related parties are given for information under Note No (13) of Schedule 'T' to the financial statement in the Annual report.
- The Company had complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary strictures have been imposed on the Company by any of the above mentioned authorities.
- The Company has already put in place a system for employees to report to the management about concerns relating to unethical behavior, any fraud or violation of Company's Code of Conduct and the access has been provided upto the higher level of supervision including the Audit Committee.
- In the preparation of financial statements the Company follows Accounting Standards as prescribed under section 211 (3C) of the Companies Act, 1956.
- The Company has complied with all the mandatory requirements and has disclosed information relating to extent of compliance with non mandatory requirements.
- During the year under review, the Company did not raise any proceeds through a public issue, right issue and / or preferential issue.
- The details in respect of Directors seeking appointment/re-appointment as the case may be are provided as part of the Notice convening the ensuing Annual General Meeting.
- The Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is being laid down to ensure that executive management controls the identified risks.
- Management Discussion and Analysis Report forms part of the Annual Report.

#### 6. MEANS OF COMMUNICATION

The Un-audited and Audited Financial Results of the Company for each Quarter and for the year ended as the case may be were published in Free Press Journal (English) and Navshakti (Marathi). These are not sent individually to the shareholders.

The said financial results were also displayed on the Company's website i.e. [www.priyagroup.com](http://www.priyagroup.com).

#### 7. GENERAL SHAREHOLDERS INFORMATION

- a. **Date and Time of AGM** : Thursday, 18<sup>th</sup> August, 2011 at 11.00 A. M.
- b. **Venue** : "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
- c. **Financial Year** : 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011
- d. **FINANCIAL CALENDAR (Provisional) for 1<sup>st</sup> April, 2011 – 31<sup>st</sup> March, 2012**
- 1st Quarterly Result : On or before 14<sup>th</sup> August, 2011.
- 2nd Quarterly Result : On or before 14<sup>th</sup> November, 2011.
- 3rd Quarterly Result : On or before 14<sup>th</sup> February, 2012.
- Annual Results : On or before 30<sup>th</sup> May, 2011
- e. **Book Closure dates :** 12<sup>th</sup> August, 2011 to 18<sup>th</sup> August, 2011 (both days inclusive)
- f. **Dividend Payment date** : Within 30 days from the date of declaration
- g. **Listing on Stock Exchanges:**
1. The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 023
  2. The Calcutta Stock Exchange Limited\* (applied for delisting), 7, Lyons Rang, Kolkata – 700 001
- h. **Listing Fees** : i. Listing fees of BSE have been paid.  
ii. Fees of CSE has not been paid\*
- i. **Stock Code (BSE)** : 524580
- j. **ISIN No.** : **INE686C01014** (For dematerialization of shares)
- k. **Registered Office** : 2<sup>nd</sup> Floor, 209-210, Kimatrai Building, 77-79 Maharshi Karve Marg, Marine Lines (E) Mumbai 400002

\*Application for delisting of equity shares of the Company from Calcutta Stock Exchange Ltd. has been made long back but said exchange has not granted in-principle permission of de-listing till date.

**I. Market Price Data:**

The monthly high and low prices of Equity Shares of the Company on The Bombay Stock Exchange Limited (BSE), and BSE Sensex during the year 2010-2011 are as under:

MONTH	RATES (Rs.)		BSE SENSEX (Rs.)	
	HIGH	LOW	HIGH	LOW
APRIL, 10	24.35	19.75	17970.02	17380.08
MAY,10	27.00	20.80	17386.08	16022.48
JUNE,10	28.05	22.00	17876.55	16572.03
JULY,10	30.05	23.65	18130.98	17441.44
AUGUST,10	34.40	23.50	18454.94	17971.12
SEPTEMBER,10	32.90	26.00	20117.38	18205.87
OCTOBER,10	37.80	28.45	20687.88	19872.15
NOVEMBER,10	37.00	22.90	21004.96	19136.61
DECEMBER,10	34.00	20.00	20509.09	19242.36
JANUARY,11	39.50	27.05	20561.05	18327.76
FEBRUARY,11	30.85	25.25	18506.82	17463.04
MARCH,11	33.90	26.05	19445.22	17839.05

**m. Distribution of shareholding: as on 31<sup>st</sup> March, 2011.**

No. of Equity Shares Held	No of Shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 500	2257	93.8462	283351	9.4378
501 to 1000	71	2.9522	54907	1.8288
1001 to 2000	20	0.8316	30293	1.0090
2001 to 3000	18	0.7484	45000	1.4989
3001 to 4000	4	0.1663	15792	0.5260
4001 to 5000	4	0.1663	18794	0.6260
5001 to 10000	7	0.2911	44454	1.4807
10001 & Above	24	0.9979	2509709	83.5929
Total	2405	100.00	3,002,300	100.00

**n. Categories of Shareholding as on 31<sup>st</sup> March, 2011**
**SHAREHOLDING PATTERN**

Category of Shareholders	No. of shares held	%
Promoters and Promoters Group	2235160	74.45
Mutual Funds and UTI	100	00.01
Bodies Corporate	40338	01.34
Indian Public	575939	19.18
NRI/OCB	150120	05.00
Trust	100	00.00
Clearing Members.	543	00.02
<b>TOTAL</b>	<b>3002300</b>	<b>100.00</b>

- o. **Registrar and Share Transfer Agents** (Common agency for Demat and Share Transfer) : Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri(E), Mumbai-400 072.  
Tel: 022-4043 0200  
022-2847 0652  
Fax: 022-2847 5207  
Email: investor@bigshareonline.com
- p. **Dematerialization of Equity shares** : 75.76% of the paid-up capital of the Company has been dematerialized as on 31st March, 2011. The equity shares of the Company are traded on the BSE in the dematerialized form
- q. **Out-standing GDRs/ADRs/Warrants or any Convertible Instruments** : NIL
- r. **Plant Location** : Not applicable as the Company has no Plant.



- s. Address for correspondence : **with the Company**  
 Priya Limited,  
 2<sup>nd</sup> Floor, 209/210, Kimatrai Building, 77/79 Maharshi Karve Marg,  
 Marine Lines (E), Mumbai 400 002  
 Tel. No. 022 4220 3100  
**With the Registrar and Share Transfer Agent:**  
 Bigshare Services Private Limited  
 E-2/3, Ansa Industrial Estate,  
 Sakivihar Road, Saki Naka,  
 Andheri (E), Mumbai-400 072.  
 Tel : 022-4043 0200, 2847 0652
- u. Designated e-mail ID for registering complaints by the investor. : **gaurav.munoli@priyagroup.com**

#### 8. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

The extent of compliance with non mandatory requirements as are under

##### (1) Shareholder Rights

Details of significant event if any are put up on the Company's website.

The Company's annual, half yearly and quarterly results are published in English and Marathi newspapers. The same are also made available on the website of the Company and stock exchanges. Besides, it is also available on [www.corpfilling.co.in](http://www.corpfilling.co.in)

##### (2) Audit qualifications

During the period under review, there is no reservation, qualification and adverse remark in the Auditors Report for the financial year under review. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

##### (3) Training of Board Members

The Directors interact with the management in a very free and open manner on information that may be required by them for orientation with the business of the Company.

##### (4) Whistle Blower Policy

The Company has adopted the Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to the unethical behaviour, actual or suspected fraud, violation of the Company's code of conduct/ethics policy, malpractices or any other activity or event which is against the interest of the Company or Society as a whole.

#### COMPLIANCE WITH CODE OF CONDUCT

As the Chief Financial Officer of the Company and as required by the clause 49 of Listing Agreement, I hereby certify that all the Board Members and Senior Management personnel have affirmed their compliance with the code of conduct as laid down by the Board for the Financial year ended 31<sup>st</sup> March 2011

Place : Mumbai

Date : 23<sup>rd</sup> April, 2011

**Rakesh Jain**  
 Chief Financial Officer

#### CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

#### **PRIYA LIMITED**

We have examined the compliance of conditions of Corporate Governance by **PRIYA LIMITED**, for the year ended on 31<sup>st</sup> March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement. 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 generally complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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: 23<sup>rd</sup> April, 2011

**J. P. Bairagra**  
 Partner  
 Membership No.12839

**Certification by Chief Financial Officer**

As the Chief Financial Officer of the Company and as required by the clause 49 of the Listing Agreement, I hereby certify the following that:

- A) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2011 and that to the best of my knowledge, information and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C) The Company's other officers and I are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify those deficiencies.
- D) I have indicated to the auditors and the Audit Committee that:
  - (i) No significant changes in internal control over financial reporting have taken place during the year.
  - (ii) There have been no significant changes in the accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - (iii) There were no frauds during the year.

Place : Mumbai  
Date : 23<sup>rd</sup> April, 2011

**Rakesh Jain**  
Chief Financial Officer



## AUDITOR'S REPORT TO THE MEMBERS OF PRIYA LIMITED

1. We have audited the attached Balance Sheet of **Priya Limited** as at 31<sup>st</sup> March 2011, 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 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2011 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 31<sup>st</sup> March 2011;
    - 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. Bhunia & Co.**  
Chartered Accountants  
Firm Registration No. 101484W

**J. P. Bairagra**  
Partner  
Membership No: 12839

Place : Mumbai  
Date : April 23<sup>rd</sup>, 2011

**Annexure referred to in paragraph 3 of Auditor's report to the members of Priya Limited for the year ended 31<sup>st</sup> March 2011.**

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, no substantial part of the fixed assets has 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 not granted any loan, secured or unsecured, to Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

During the year, the Company has taken loan from companies and other 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 the interest thereon. The details of loan transactions are as under:

No. of parties	Total amount of loan taken	Maximum balance outstanding during the year	Amount outstanding at the end of the year
5	74,404,088	49,953,974	32,648,022

- (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 has an internal audit system which in our opinion is commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable except sales tax of Rs. 17,383/-. According to the records of the Company, there are no dues of Customs Duty, Wealth Tax, Service Tax, Excise Duty or Cess which have not been deposited on account of any dispute. The following are the disputed amounts in respect of Income Tax, Sales Tax.

Name of Statute	Nature of Dues	Financial Year	Amount (Rs.)	Forum where dispute is pending
Income-tax Act, 1961	Demand for tax liability	1998-99	6,302,717	Income Tax Appellate Tribunal
Income-tax Act, 1961	Demand for tax liability	2000-01	2,984,341	Income Tax Appellate Tribunal
Income-tax Act, 1961	Demand for tax liability	2001-02	148,146	Rectification u/s 154 pending with Assessing Officer
Income-tax Act, 1961	Demand for tax liability	2006-07	1,133,477	Rectification u/s 154 pending with Assessing Officer
Income-tax Act, 1961	Demand for tax liability	2007-08	569,210	Rectification u/s 154 pending with Assessing Officer
Income-tax Act, 1961	Demand for tax liability	2007-08	7,458	Commissioner of Income-tax (Appeal)
Uttar Pradesh Trade Tax Act, 1948	Demand for sales tax	2005-06	94,045	Assistant Commissioner of Trade Tax, Lucknow
State Development Tax Act, 2005	Demand for sales tax	2005-06	25,968	Assistant Commissioner of Trade Tax, Lucknow
Bihar Finance Act, 1981	Demand for sales tax	2002-03	89,285	Deputy Commissioner of Sales tax
Bihar Finance Act, 1981	Demand for sales tax	2003-04	57,495	Deputy Commissioner of Sales tax
Bihar Finance Act, 1981	Demand for sales tax	2004-05	98,402	Deputy Commissioner of Sales tax
Kochi Value Added Tax 2003	Demand for sales tax	2006-07	2,728	The Intilligence officer of Commercial tax
Central Sales Tax Act, 1956	Demand for sales tax	2001-02	624,500	Assistant Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Demand for sales tax	2002-03	1,859,988	Assistant Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Demand for sales tax	2003-04	4,192,303	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2003-04	75,126	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2004-05	19,547	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2005-06	120,175	Deputy Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Demand for sales tax	2005-06	20,480	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2006-07	232,900	Joint Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Demand for sales tax	2006-07	206,280	Joint Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2007-08	228,546	Deputy Commissioner of Sales tax

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) As per the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks. The Company has not borrowed from the financial institutions and does not have any borrowings by way of debentures.
- (xii) Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute application to chit fund and nidhi/mutual benefit fund/societies. Accordingly, clause 4 (xiii) of the order is not applicable to the Company.
- (xiv) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion, the Company is not dealing / trading in shares, securities, debentures and other investment. Accordingly, clause 4 (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the order is not applicable to the Company.
- (xvi) The Company has not taken any term loan during the year. Accordingly clause 4(xvi) is not applicable to the Company.
- (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, 2011.

For and on behalf of  
**M. L. Bhuwania & Co.**  
**Chartered Accountants**  
Firm Registration No. 101484W

Place : Mumbai  
Date : April 23<sup>d</sup>, 2011

**J. P. Bairagra**  
Partner  
Membership No: 12839

BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2011

	SCHEDULE	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
SHARE CAPITAL	A	30,023,000	30,023,000
RESERVES & SURPLUS	B	256,912,088	240,366,814
		<u>286,935,088</u>	<u>270,389,814</u>
<b>LOAN FUNDS</b>			
SECURED LOANS	C	218,395,672	189,825,935
UNSECURED LOANS	D	40,198,022	45,023,758
		<u>258,593,694</u>	<u>234,849,693</u>
<b>TOTAL</b>		<u><b>545,528,782</b></u>	<u><b>505,239,507</b></u>
<b>II. APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	E	50,844,989	56,547,888
LESS: ACCUMULATED DEPRECIATION		<u>24,955,890</u>	<u>30,346,364</u>
NET BLOCK		25,889,099	26,201,524
<b>INVESTMENTS</b>	F	36,049,450	36,175,450
<b>DEFERRED TAX ASSETS (NET)</b> (REFER NOTE NO 15 OF SCHEDULE "T")		3,379,404	2,435,038
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
INVENTORIES	G	70,145,362	43,547,160
SUNDRY DEBTORS	H	463,798,976	461,253,832
CASH & BANK BALANCES	I	46,146,464	58,165,651
OTHER CURRENT ASSETS	J	11,728,599	18,641,867
LOANS & ADVANCES	K	96,468,941	87,870,823
		<u>688,288,342</u>	<u>669,479,333</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISION</b>			
CURRENT LIABILITIES	L	171,693,906	205,880,833
PROVISIONS	M	36,383,607	23,171,005
		<u>208,077,513</u>	<u>229,051,838</u>
<b>NET CURRENT ASSETS</b>		<u>480,210,829</u>	<u>440,427,495</u>
<b>TOTAL</b>		<u><b>545,528,782</b></u>	<u><b>505,239,507</b></u>
<b>NOTES TO ACCOUNTS</b>			
	T		

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 ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA  
PARTNER  
MEMBERSHIP NO. 12839

ADITYA BHUWANIA  
EXECUTIVE DIRECTOR

R. K. SARASWAT  
DIRECTOR

PLACE : MUMBAI  
DATED : 23<sup>rd</sup> APRIL, 2011

PLACE : MUMBAI  
DATED : 23<sup>rd</sup> APRIL, 2011

GAURAV MUNOLI  
COMPANY SECRETARY

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	SCHEDULE	2010-2011 Rs.	2009-2010 Rs.
<b>INCOME</b>			
SALES	N	2,205,491,952	1,921,591,971
OTHER INCOME	O	10,576,568	14,947,098
		<u>2,216,068,520</u>	<u>1,936,539,069</u>
<b>EXPENDITURE</b>			
COST OF MATERIAL	P	2,080,058,407	1,802,657,377
PAYMENTS TO & PROVISION FOR EMPLOYEES	Q	21,793,071	19,009,260
ADMINISTRATIVE, SELLING AND OTHER EXPENSES	R	61,575,751	56,776,676
INTEREST (NET)	S	20,380,398	37,045,290
DEPRECIATION		2,559,040	2,306,673
		<u>2,186,366,667</u>	<u>1,917,795,276</u>
PROFIT BEFORE TAXATION		<b>29,701,853</b>	<b>18,743,793</b>
LESS: PROVISION FOR TAXATION		10,600,000	6,770,000
- CURRENT TAX		(944,366)	(117,151)
- DEFERRED TAX			
		<u>20,046,219</u>	<u>12,090,944</u>
(ADD)/LESS: TAXATION FOR EARLIER YEARS		-	913,202
PROFIT AFTER TAX		<b>20,046,219</b>	<b>11,177,742</b>
BALANCE BROUGHT FORWARD		43,251,812	33,824,542
		<u>63,298,031</u>	<u>45,002,284</u>
<b>APPROPRIATIONS :</b>			
PROPOSED DIVIDEND		3,002,300	1,501,150
CORPORATE DIVIDEND TAX		498,645	249,322
BALANCE CARRIED TO BALANCE SHEET		59,797,086	43,251,812
		<u>63,298,031</u>	<u>45,002,284</u>
BASIC & DILUTED EARNING PER SHARE		<b>6.68</b>	<b>3.72</b>

(REFER NOTE NO.14 OF SCHEDULE "T" OF NOTES TO ACCOUNTS)

**NOTES TO ACCOUNTS**
**T**

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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA  
PARTNER  
MEMBERSHIP NO. 12839

ADITYA BHUWANIA  
EXECUTIVE DIRECTOR

R. K. SARASWAT  
DIRECTOR

PLACE : MUMBAI  
DATED : 23<sup>rd</sup> APRIL, 2011

PLACE : MUMBAI  
DATED : 23<sup>rd</sup> APRIL, 2011

GAURAV MUNOLI  
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011

	2010 - 11		2009 - 10	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
NET PROFIT BEFORE TAX & AND AFTER EXTRA ORDINARY ITEMS		29,701,853		18,743,793
ADJUSTED FOR:				
DEPRECIATION	2,559,040		2,306,673	
INTEREST CHARGED (NET)	20,380,398		37,045,290	
BAD DEBTS WRITTEN OFF	412,934		-	
(PROFIT) / LOSS ON SALE OF FIXED ASSETS (NET)	(3,758)		2,504	
(PROFIT) / LOSS ON SALES OF INVESTMENTS (NET)	(39,442)		2,661	
PROVISION / (REVERSAL) FOR DOUBTFUL DEBTS AND ADVANCES	1,817,832		-	
EXCHANGE RATE DIFFERENCE	(1,966,839)		(2,087,576)	
SUNDRY BALANCES WRITTEN OFF / (BACK)	(410,025)		(270,682)	
LOSS ON OBSOLESCENCE OF FIXED ASSETS	473,466		-	
		<b>23,223,606</b>		<b>36,998,870</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>52,925,459</b>		<b>55,742,663</b>
CHANGES IN				
TRADE RECEIVABLES	(4,362,799)		125,270,987	
LOANS AND ADVANCES	2,483,643		(4,854,215)	
OTHER CURRENT ASSETS	5,919,414		(11,088,129)	
INVENTORIES	(26,598,202)		(2,917,744)	
TRADE PAYABLES/PROVISIONS	(30,983,431)	<b>(53,541,375)</b>	(94,051,079)	<b>12,359,820</b>
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(615,916)</b>		<b>68,102,483</b>
DIRECT TAXES REFUND (NET) INCLUDING FRINGE BENEFIT TAX		<b>(11,050,505)</b>		<b>(9,188,939)</b>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>		<b>(11,666,421)</b>		<b>58,913,544</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
PURCHASE OF FIXED ASSETS	(2,740,037)		(550,508)	
INTEREST RECEIVED	12,890,300		1,506,957	
PROCEEDS FROM SALE OF INVESTMENTS	165,442		7,839	
PROCEEDS FROM SALE OF FIXED ASSETS	23,715		4,692	
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>10,339,420</b>		<b>968,980</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
PROCEEDS FROM BORROWINGS (NET)	23,744,001		3,710,714	
INTEREST PAID	(32,740,848)		(38,238,540)	
DIVIDEND PAID (INCLUDING DIVIDEND TAX)	(1,695,339)		(58,469)	
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>		<b>(10,692,186)</b>		<b>(34,586,295)</b>
<b>NET CHANGES IN CASH AND CHEQUE EQUIVALENTS (A+B+C)</b>		<b>(12,019,187)</b>		<b>25,296,229</b>
CASH AND CASH EQUIVALENTS OPENING BALANCE		58,165,651		32,869,422
CASH AND CASH EQUIVALENTS CLOSING BALANCE		46,146,464		58,165,651
<b>NET CHANGES IN CASH AND CHEQUE EQUIVALENTS AS DISCLOSED ABOVE</b>		<b>(12,019,187)</b>		<b>25,296,229</b>
Note: a) Cash and cash equivalents includes:				
Cash in Hand		220,216		323,681
<u>Balance With Scheduled Banks</u>				
In Current Accounts		25,298,878		1,897,660
In Foreign Currency Account		41,114		126,519
In Dividend Account		55,133		-
In Margin Money Account		20,531,320		55,832,078
Gain / (Loss) on Exchange rate fluctuation		(197)		(14,287)
		<b>46,146,464</b>		<b>58,165,651</b>
b) Previous year's figures have been regrouped / 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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA  
PARTNER  
MEMBERSHIP NO. 12839

ADITYA BHUWANIA  
EXECUTIVE DIRECTOR

R. K. SARASWAT  
DIRECTOR

PLACE : MUMBAI  
DATED : 23<sup>RD</sup> APRIL, 2011

PLACE : MUMBAI  
DATED : 23<sup>RD</sup> APRIL, 2011

GAURAV MUNOLI  
COMPANY SECRETARY

**SCHEDULES FORMING INTEGRAL PART OF THE BALANCE SHEET**

	ASAT 31.03.2011	ASAT 31.03.2010
	Rs.	Rs.
<b>SCHEDULE - A</b>		
<b>SHARE CAPITAL</b>		
<u>AUTHORISED</u>		
6,500,000 EQUITY SHARES OF RS. 10/- EACH.	65,000,000	65,000,000
1,000,000 UNCLASSIFIED SHARES OF RS 10/- EACH	10,000,000	10,000,000
	<u>75,000,000</u>	<u>75,000,000</u>
<u>ISSUED, SUBSCRIBED &amp; PAID UP</u>		
3,002,300 EQUITY SHARES OF RS 10/- EACH FULLY PAID (OF THE ABOVE SHARES, 1,800,000 SHARES ARE ALLOTTED AS FULLY PAID -UP BONUS SHARES BY CAPITALISATION OF GENERAL RESERVES)	<u>30,023,000</u>	<u>30,023,000</u>
<b>SCHEDULE - B</b>		
<b>RESERVES &amp; SURPLUS</b>		
<u>SECURITIES PREMIUM ACCOUNT</u>		
AS PER LAST BALANCE SHEET	40,092,000	40,092,000
<u>GENERAL RESERVE</u>		
AS PER LAST BALANCE SHEET	157,023,002	157,023,002
<u>BALANCE IN PROFIT &amp; LOSS ACCOUNT</u>	59,797,086	43,251,812
	<u>256,912,088</u>	<u>240,366,814</u>
<b>SCHEDULE - C</b>		
<b>SECURED LOANS</b>		
<b>WORKING CAPITAL FACILITIES FROM COMPANY'S BANKERS.</b>		
(SECURED AGAINST HYPOTHECATION OF GOODS & BOOK DEBTS, EQUITABLE MORTGAGE ON SPECIFIC IMMOVABLE PROPERTIES OF THE COMPANY & OF RELATED PARTIES, HYPOTHECATION OF OTHER MOVABLE ASSETS OF THE COMPANY, ALSO PERSONALLY GUARANTEED BY SOME OF THE DIRECTORS AND PLEDGE OF SHARES OF THE COMPANY BY THE PROMOTERS.)		
	218,395,672	189,693,105
<b>VEHICLE LOAN FROM FINANCE COMPANIES</b>	-	132,830
(SECURED BY HYPOTHECATION OF VEHICLE)		
	<u>218,395,672</u>	<u>189,825,935</u>
<b>SCHEDULE - D</b>		
<b>UNSECURED LOANS</b>		
INTER CORPORATE DEPOSITS	39,546,086	37,736,944
LOANS FROM DIRECTORS	651,936	7,286,814
	<u>40,198,022</u>	<u>45,023,758</u>
<b>SCHEDULE - E</b>		
<b>FIXED ASSETS</b>		

(Figure in Rupees)

SR. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Op. Bal. As At 1/4/2010 (Rs.)	Addi- tions (Rs.)	Dedu- ctions (Rs.)	Cl. Bal. ASAT 31/3/2011 (Rs.)	Op. Bal. ASAT 1/4/2010 (Rs.)	For the Year (Rs.)	Dedn./Adj. Dedu- ctions (Rs.)	Cl. Bal. ASAT 31/3/2011 (Rs.)	At Yr. End ASAT 31/3/2011 (Rs.)	ASAT 31/3/2010 (Rs.)
1	OFFICE PREMISES	35,697,605	-	-	35,697,605	12,782,270	1,145,767	-	13,928,037	21,769,568	22,915,335
2	LABORATORY EQUIPMENT	22,566	-	-	22,566	18,721	534	-	19,255	3,311	3,845
3	OFFICE & OTHER EQUIPMENT	3,146,993	226,547	1,464,252	1,909,288	2,038,351	216,295	1,080,256	1,174,390	734,898	1,108,638
4	FURNITURE & FIXTURE	5,295,426	601,044	3,477,727	2,418,743	4,935,915	349,919	3,419,928	1,865,906	552,837	359,511
5	COMPUTER	10,245,895	1,049,920	3,500,957	7,794,858	9,299,915	539,763	3,449,329	6,390,349	1,404,509	945,983
6	VEHICLES	2,139,403	862,526	-	3,001,929	1,271,191	306,762	-	1,577,953	1,423,976	868,212
	<b>TOTAL (Rs.)</b>	<b>56,547,888</b>	<b>2,740,037</b>	<b>8,442,936</b>	<b>50,844,989</b>	<b>30,346,364</b>	<b>2,559,040</b>	<b>7,949,513</b>	<b>24,955,890</b>	<b>25,889,099</b>	<b>26,201,524</b>
	PREVIOUS YEAR (Rs.)	56,054,817	550,508	57,436	56,547,888	28,089,928	2,306,673	50,240	30,346,364	26,201,524	

## SCHEDULES FORMING INTEGRAL PART OF THE BALANCE SHEET

## SCHEDULE - F

## INVESTMENTS

(VALUED AT COST, LONG TERM, OTHER THAN TRADE)

PARTICULARS	Face Value (Rs.)	As At 31.03.2011		As At 31.03.2010	
		Nos.	(Rs.)	Nos.	(Rs.)
<u>QUOTED : (REFER NOTE BELOW)</u>					
VXL INSTRUMENTS LTD	10	900,000	35,100,000	900,000	35,100,000
CEREBRA INTEGRATED TECH. LTD. (6,000 SHARES SOLD DURING THE YEAR)	10	40,450	849,450	46,450	975,450
<b>TOTAL QUOTED</b>			<u>35,949,450</u>		<u>36,075,450</u>
<u>UNQUOTED</u>					
<b>EQUITY SHARES</b>					
GAURAV CHEMICALS PRIVATE LTD.	100	500	100,000	500	100,000
<b>TOTAL UNQUOTED</b>			<u>100,000</u>		<u>100,000</u>
<b>TOTAL (RS.)</b>			<u>36,049,450</u>		<u>36,175,450</u>

## NOTE:

1] MARKET VALUE OF QUOTED INVESTMENT Rs.20,895,690/- (PREVIOUS YEAR Rs.30,027,981/-)

AS AT 31.03.2011	AS AT 31.03.2010
Rs.	Rs.

## SCHEDULE - G

## INVENTORIES

(AS VALUED AND CERTIFIED BY THE MANAGEMENT)

TRADED FINISHED GOODS - ELECTRONICS (Includes Goods in Transit of Rs. 2,561,580/-; P. Y. Rs. 2,955,358/-)	69,520,362	42,488,360
TRADED FINISHED GOODS - CHEMICALS	625,000	1,058,800
<b>TOTAL</b>	<u>70,145,362</u>	<u>43,547,160</u>

## SCHEDULE - H

## SUNDRY DEBTORS

(UNSECURED, CONSIDERED GOOD, UNLESS SPECIFIED OTHERWISE)

OUTSTANDING FOR MORE THAN 6 MONTHS			
CONSIDERED DOUBTFUL	1,817,832		-
LESS : PROVISION FOR DOUBTFUL DEBTS	1,817,832		-
	-		-
CONSIDERED GOOD	2,217,809	2,217,809	6,675,044
OTHER DEBTS		461,581,167	454,578,788
		<u>463,798,976</u>	<u>461,253,832</u>

## SCHEDULE - I

## CASH &amp; BANK BALANCES

CASH IN HAND (INCLUDING STAMPS)		220,216	323,681
<u>BALANCE WITH SCHEDULED BANKS</u>			
IN CURRENT ACCOUNT	25,298,878		1,897,660
IN FOREIGN CURRENCY ACCOUNT	40,917		112,232
IN UNPAID DIVIDEND ACCOUNT	55,133		-
IN MARGIN MONEY ACCOUNT	20,531,320		55,832,078
		45,926,248	57,841,970
		<u>46,146,464</u>	<u>58,165,651</u>

## SCHEDULE - J

## OTHER CURRENT ASSETS

EXPORT INCENTIVES RECEIVABLE	3,352,921	3,044,618
INCENTIVE / CLAIM / EXPENSES RECEIVABLE	3,623,676	11,117,171
SPL.ADDITIONAL DUTY R/CBLE(4%)	3,698,269	3,268,838
INTEREST RECEIVABLE	255,594	1,163,141
OTHER ASSETS	798,139	48,099
	<u>11,728,599</u>	<u>18,641,867</u>

**SCHEDULES FORMING INTEGRAL PART OF THE BALANCE SHEET**

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<b>SCHEDULE - K</b>		
<b>LOANS &amp; ADVANCES</b>		
(UNSECURED, CONSIDERED GOOD, UNLESS SPECIFIED OTHERWISE)		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	8,540,686	10,153,444
LOANS TO EMPLOYEES	1,872,528	1,596,757
ADVANCE TAX & TAX DEDUCTED AT SOURCE	37,530,230	26,479,725
ADVANCE FRINGE BENEFIT TAX	1,014,590	1,014,590
DEPOSITS OTHERS	47,324,607	47,398,991
ADVANCES TO SUPPLIERS	186,300	1,227,316
	<u>96,468,941</u>	<u>87,870,823</u>
<b>SCHEDULE - L</b>		
<b>CURRENT LIABILITIES</b>		
SUNDRY CREDITORS (REFER NOTE 10 OF SCHEDULE "T")	154,916,034	186,865,908
<b>INVESTOR EDUCATION &amp; PROTECTION FUND: *</b>		
UNPAID DIVIDEND	55,133	-
BANK BALANCES (TEMPORARY OVERDRAFT)	216,884	3,325,004
ADVANCE FROM CUSTOMERS	1,055,460	619,633
RENT DEPOSIT	4,639,659	1,559,659
INTEREST ACCRUED BUT NOT DUE ON LOANS	2,087,383	2,402,040
OTHER LIABILITIES	8,723,353	11,108,589
	<u>171,693,906</u>	<u>205,880,833</u>
* Amounts due and outstanding to be credited to Investor Education and Protection Fund Rs. NIL (Previous year Rs. NIL)		
<b>SCHEDULE - M</b>		
<b>PROVISIONS</b>		
PROPOSED DIVIDEND	3,002,300	1,501,150
CORPORATE DIVIDEND TAX	498,645	249,322
PROVISION FOR TAXATION	26,372,126	15,772,126
PROVISION FOR FRINGE BENEFIT TAX	920,037	920,037
PROVISION FOR GRATUITY	4,061,211	3,487,743
PROVISION FOR LEAVE SALARY	1,186,381	1,013,327
PROVISION FOR WARRANTY (REFER NOTE 17 OF SCHEDULE "T")	342,907	227,300
	<u>36,383,607</u>	<u>23,171,005</u>
<b>SCHEDULES FORMING INTEGRAL PART OF THE PROFIT &amp; LOSS ACCOUNT</b>		
	<b>2010-2011</b>	<b>2009-2010</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>SCHEDULE - N</b>		
<b>SALES</b>		
LOCAL	1,018,132,324	796,384,467
EXPORTS	1,187,359,628	1,125,207,504
	<u>2,205,491,952</u>	<u>1,921,591,971</u>
<b>SCHEDULE - O</b>		
<b>OTHER INCOME</b>		
PROFIT ON SALE OF LONG TERM (NON TRADE) INVESTMENTS	39,442	-
EXPORT INCENTIVES	472,303	239,387
RENT INCOME (GROSS TDS RS.847,576/-, PREVIOUS YEAR RS.1,473,193/-)	8,055,460	6,773,229
GAIN ON EXCHANGE RATE DIFFERENCE (NET)	-	7,654,731
PROFIT ON SALE OF FIXED ASSETS (NET)	3,758	-
DEPOSIT RECOVERED	2,000,000	-
MISCELLANEOUS INCOME	5,605	279,751
	<u>10,576,568</u>	<u>14,947,098</u>



SCHEDULES FORMING INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT		2010-2011	2009-2010
		Rs.	Rs.
<b>SCHEDULE - P</b>			
<b>COST OF MATERIAL</b>			
PURCHASE FOR RESALE		2,103,977,087	1,808,527,111
PACKING MATERIAL CONSUMED		117,942	3,368
<u>(INCREASE) / DECREASE IN FINISHED GOODS</u>			
OPENING STOCK	43,547,160		37,674,058
CLOSING STOCK	67,583,782		43,547,160
		(24,036,622)	(5,873,102)
		<b>2,080,058,407</b>	<b>1,802,657,377</b>
<b>SCHEDULE - Q</b>			
<b>PAYMENTS TO &amp; PROVISION FOR EMPLOYEES</b>			
SALARIES, BONUS, ALLOWANCES ETC.		19,188,919	16,856,632
CONTRIBUTION TO P F AND OTHER FUNDS		1,530,090	1,353,310
WELFARE EXPENSES		1,074,062	799,318
		<b>21,793,071</b>	<b>19,009,260</b>
<b>SCHEDULE - R</b>			
<b>ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>			
FREIGHT OUTWARD		3,094,585	2,017,971
INSURANCE AND ECGC PREMIUM		6,355,376	5,761,830
ELECTRICITY		860,099	977,900
BANK CHARGES		14,377,149	15,401,919
TRAVELLING & CONVEYANCE		4,891,331	4,834,767
ADVERTISEMENT, PUBLICITY & SALES PROMOTION		1,909,610	1,020,836
WAREHOUSING / DEMMURAGE CHARGES		120,000	120,000
REPAIRS & MAINTENANCE - BUILDING		600,000	714,585
- OTHERS		950,576	1,415,169
DIRECTORS FEES		136,250	120,750
DIRECTORS REMUNERATION		2,275,000	2,100,000
RENT PAID		9,887,807	9,368,871
RATES AND TAXES		217,910	229,117
COMMISSION AND BROKERAGE		1,181,578	1,271,755
INCENTIVES AND DISCOUNT ON SALES		1,697,609	1,524,008
BAD DEBTS WRITTEN OFF		412,934	-
PROVISION FOR DOUBTFUL DEBTS		1,817,832	-
LOSS ON EXCHANGE RATE FLUCTUATION (NET)		1,542,948	-
LOSS ON SALE OF INVESTMENTS (NET)		-	2,661
OBSOLESCENCE OF FIXED ASSETS		473,466	2,504
MISCELLANEOUS EXPENSES		8,773,691	9,892,033
		<b>61,575,751</b>	<b>56,776,676</b>
<b>SCHEDULE - S</b>			
<b>INTEREST (NET)</b>			
INTEREST ON FIXED LOANS	8,668		39,581
INTEREST ON OTHER LOANS	32,354,483		39,203,698
		32,363,151	39,243,279
LESS : INTEREST RECEIVED (REFER NOTE 16 OF SCHEDULE 'T')	11,982,753		2,197,989
(Gross, TDS Rs.153,679/- Previous year Rs. 209,043/-)		20,380,398	37,045,290
		<b>20,380,398</b>	<b>37,045,290</b>

**SCHEDULE - T**
**NOTES TO ACCOUNTS**
**SIGNIFICANT ACCOUNTING POLICIES**
**1. A. BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention on accrual basis and comply in all material respects with the mandatory Accounting Standards (AS), 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 conditions) 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. Depreciation on immovable Furniture & Fixtures affixed in the leasehold premises are depreciated over the period of the lease.

**D. FOREIGN EXCHANGE TRANSACTIONS:**

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

**E. INVESTMENTS:**

Long term Investments are stated at cost. Provision for diminution in value of long term investments is made only if such decline is other than temporary in the opinion of the management. Dividends are accounted for as and when received.

**F. INVENTORIES:**

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

**G. 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 Provident Fund and Superannuation Scheme which is Defined Contribution Scheme is charged to Profit and Loss account as and when incurred.

(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.

**H. 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, quantity discount and exclusive of value added tax collected.

**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) 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.

**J. LEASE**

Lease rentals in respect of assets acquired under operating leases are charged off to the Profit & Loss account as incurred. Lease rentals in respect of assets given under operating leases are credited to the Profit & Loss account.

**K. 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 or the recoverable amount of the cash generating unit to which the assets belongs 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.

**L. 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. A disclosure for 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:

		2010-2011 Rs.	2009-2010 Rs.
i)	Disputed Income Tax liability	11,145,349	20,347,317
ii)	Disputed Sales tax liability	8,374,904	10,260,882
iii)	Disputed Rent liability	12,459,661	-

## 3. i) Particulars in respect of opening and closing stocks, purchases and sales of finished goods

Product	Opening Stock			Purchases		Sales		Closing Stock	
	Unit	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.
Chemical	Kg.	4,000 (1,000)	1,058,800 (232,000)	62,800 (47,690)	18,063,250 (11,681,550)	66,300 (44,690)	21,203,410 (13,187,089)	500 (4,000)	625,000 (1,058,800)
Computer Sub systems Parts Peripherals & Mother Boards	Nos	45,386 (52,063)	42,488,360 (37,442,058)	1,123,381 (824,837)	2,085,913,837 (1,796,845,561)	1,117,823 (831,514)	2,184,288,542 (1,908,404,882)	50,944 (45,386)	69,520,362 (42,488,360)
TOTAL:		49,386 (53,063)	43,547,160 (37,674,058)	1,186,181 (872,527)	2,103,977,087 (1,808,527,111)	1,184,123 (876,204)	2,205,491,952 (1,921,591,971)	51,444 (49,386)	70,145,362 (43,547,160)

## Notes

	2010-2011	2009-2010
a) (i) Sales of Computer parts, peripherals etc. includes		
- Used for Self consumption	239	146
- Issued as free Distribution/Schemes (net of free receipts)	48	1,313
(ii) Sales of Computer system includes		
- Used for Self consumption	50	28
b) Purchases of Computer parts and peripherals includes		
- Received for replacement	5,048	2,661
- Issued as replacement	5,021	2,611
c) Figures in bracket are in respect of Previous Year.		

## 4. VALUE OF IMPORTS ON CIF BASIS

	2010-2011 Rs.	2009-2010 Rs.
Traded goods	1,098,890,409	1,015,420,046
	<b>1,098,890,409</b>	<b>1,015,420,046</b>

## 5. EXPENDITURE IN FOREIGN CURRENCY

Commission on Exports	254,908	467,368
Remuneration to Executive Director	1,500,000	1,500,000
Travelling Expenses	137,128	390,756
Sales Promotion Expenses	71,704	45,599
Interest Paid	131,148	10,657
Others	-	12,826
	<b>2,094,888</b>	<b>2,427,206</b>

## 6. EARNINGS IN FOREIGN CURRENCY

Export [On FOB Basis]	1,135,360,839	1,095,435,339
Insurance	995,734	913,336
Freight	51,003,055	14,660,766
Interest Received on Trade Debtors	10,225,746	468,339

## 7. MANAGERIAL REMUNERATION

Remuneration to Executive Directors	2,275,000	2,100,000
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	2010-2011 Rs.	2009-2010 Rs.
<b>8. PAYMENT TO AUDITORS.</b>		
a) Audit Fees (Including Limited Review)	366,000	308,000
b) Tax Audit Fees	134,000	66,000
c) Tax Matters	367,500	32,500
d) Vat Audit Fees	40,000	35,000
e) Others Matters	147,500	121,500
f) Towards Service Tax	75,193	57,992
	<b>1,130,193</b>	<b>620,992</b>

**9. Lease Disclosures for Operating Leases:**
**Assets taken on Lease**

	2010-2011 Rs.	2009-2010 Rs.
a) The total of Future minimum Lease payments under Non-cancelable operating leases for:		
(i) Not later than one year	-	-
(ii) Later than one year and not later than five years	-	-
b) Lease payment recognized in the statement of Profit & Loss for the period under the schedule " Other Expenses"	9,887,807	9,368,871
c) Sub lease income recognized in the statement of Profit and Loss for the period	-	3,118,500

d) There is no Contingent Rent.

e) The Company's major leasing arrangements are in respect of godowns/office premises (including furniture & fittings therein wherever applicable taken on leave and licence basis).

These leasing arrangements, which are mostly cancelable, range between 11 months to 5 years and are usually renewable by mutual consent at mutually agreed terms and conditions.

**Assets given on Lease**

a) The details of Premises given on lease are as following:

	2010-2011 Rs.	2009-2010 Rs.
Original Cost	35,697,605	35,697,605
Accumulated Depreciation	13,928,037	12,782,270
Written Down Value	21,769,568	22,915,335
Depreciation for the period recognized in the statement of Profit and Loss	1,145,767	1,206,070

b) Future minimum lease rentals receivables as on 31.03.2011 is NIL. (Previous Year NIL )

c) There is no Contingent Rent.

d) The company has given office premises on lease for a period ranging between 11 months to 7 years. The aggregate lease rent income of Rs.8,055,460/-

(Previous Year Rs.3,654,729/- ) has been recognized as income in the Profit and Loss for the period under the schedule " Other Income".

10. 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.

**11. 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:

<b>A. Defined Contribution Plan</b>	2010-2011 Rs.	2009-2010 Rs.
(i) Provident Fund	1,114,252	1,045,112
(ii) Contribution to Superannuation Fund	23,280	43,680

B. Defined Benefit Plans	Gratuity		Leave Encashment Benefit	
	2010-2011	2009-2010	2010-2011	2009-2010
(i) <u>Assumptions</u>				
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.30%	8.00%	8.30%	8.00%
Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%
Rate of return (expected) on plan assets				
Withdrawal rates	Up to Age 30 : 10% 31 to 40 : 5% 41 and above : 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 and above : 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 and above : 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 and above : 2%
(ii) <u>Changes in present value of obligations</u>				
PVO at beginning of period	3,487,743	3,335,562	1,013,327	917,230
Interest cost	279,019	220,437	79,199	68,729
Current Service Cost	487,230	711,314	301,635	265,215
Benefits Paid	-	(1,160,193)	(46,680)	(116,225)
Actuarial (gain) / loss on obligation	(192,781)	380,623	(161,100)	(121,622)
PVO at end of period	4,061,211	3,487,743	1,186,381	1,013,327
(iii) <u>Changes in fair value of Plan Assets</u>				
Fair Value of Plan assets at beginning of period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	-	1,160,193	46,680	116,225
Benefit Paid	-	(1,160,193)	(46,680)	(116,225)
Actuarial gain / (loss) on plan assets	-	-	-	-
Fair Value of Plan assets at end of period	-	-	-	-
(iv) <u>Fair value of Plan Assets</u>				
Fair Value of Plan assets at beginning of period	-	-	-	-
Actual Return on Plan Assets	-	-	-	-
Contributions	-	1,160,193	46,680	116,225
Benefit Paid	-	(1,160,193)	(46,680)	(116,225)
Fair Value of Plan assets at end of period	-	-	-	-
Funded Status	(4,061,211)	(3,487,743)	(1,186,381)	(1,013,327)
Excess of actual over estimated return on Plan Assets	-	-	-	-
(v) <u>Actuarial Gain / (Loss) Recognized</u>				
Actuarial Gain / (Loss) for the period (Obligation)	192,781	(380,623)	161,100	121,622
Actuarial Gain / (Loss) for the period (Plan Assets)	-	-	-	-
Total Gain / (Loss) for the period	192,781	(380,623)	161,100	121,622
Actuarial Gain / (Loss) recognized for the period	192,781	(380,623)	161,100	121,622
Unrecognized Actuarial Gain / (Loss) at end of period	-	-	-	-
(vi) <u>Amounts to be recognized in the Balance Sheet and statement of Profit &amp; Loss Account</u>				
PVO at end of period	4,061,211	3,487,743	1,186,381	1,013,327
Fair Value of Plan assets at end of period	-	-	-	-
Funded Status	(4,061,211)	(3,487,743)	(1,186,381)	(1,013,327)
Unrecognized Actuarial Gain / (Loss)	-	-	-	-
Net Asset / (Liability) recognized in the Balance Sheet	(4,061,211)	(3,487,743)	(1,186,381)	(1,013,327)

<u>(vii) Expenses recognized the statement of P &amp; L A/c.</u>				
Current Service Cost	487,230	711,314	301,635	294,000
Interest Cost	279,019	220,437	79,199	57,360
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss recognized for the period	(192,781)	380,623	(161,100)	(59,406)
Expense recognized in the statement of P & L A/C.	573,468	1,312,374	219,734	291,954
<u>(viii) Movements in the Liability recognized in Balance Sheet</u>				
Opening Net Liability	3,487,743	3,335,562	1,013,327	808,714
Expenses as above	573,468	1,312,374	219,734	291,954
Contribution paid	-	(1,160,193)	(46,680)	(183,438)
Closing Net Liability	4,061,211	3,487,743	1,186,381	917,230

**12. Segment Information For The Year Ended 31<sup>st</sup> March, 2011**
**A. Information about Primary Business Segments** (Rupees in Lakhs)

	Electronics		Chemicals		Unallocated		Total	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
<b>Revenue</b>								
External Customers	21,842.89	19,084.05	212.03	131.87	-	-	22,054.92	19,215.92
Inter-segment	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>21,842.89</b>	<b>19,084.05</b>	<b>212.03</b>	<b>131.87</b>	<b>-</b>	<b>-</b>	<b>22,054.92</b>	<b>19,215.92</b>
<b>Result</b>								
Segment Result	789.73	883.56	15.22	6.59	-	-	804.95	890.15
Unallocated expenditure net of unallocated income					(304.13)	(332.26)	(304.13)	(332.26)
Interest Expense (net)					203.80	370.45	203.80	370.45
Dividend Income					-	-	-	-
<b>Profit before taxation and exceptional items</b>	<b>789.73</b>	<b>883.56</b>	<b>15.22</b>	<b>6.59</b>	<b>(507.93)</b>	<b>(702.71)</b>	<b>297.02</b>	<b>187.44</b>
Exceptional items								
Provision for taxation							106.00	67.70
Current Tax							-	-
Wealth Tax							(9.44)	(1.17)
Deffered Tax							-	-
Fringe Benefit Tax							-	-
<b>Profit after taxation and exceptional items</b>	<b>789.73</b>	<b>883.56</b>	<b>15.22</b>	<b>6.59</b>	<b>(507.93)</b>	<b>(702.71)</b>	<b>200.46</b>	<b>120.91</b>
Excess/(Short) Provision for Income tax							-	9.13
<b>Net Profit</b>	<b>789.73</b>	<b>883.56</b>	<b>15.22</b>	<b>6.59</b>	<b>(507.93)</b>	<b>(702.71)</b>	<b>200.46</b>	<b>111.78</b>
<b>Other Information</b>								
Segment Assets	5,651.02	5,804.89	68.15	48.96	1,801.28	1,464.71	7,520.45	7,318.56
Segment Liabilities	1,571.17	1,868.30	21.30	17.93	506.49	404.28	2,098.95	2,290.51
Capital expenditure	-	-	-	-	27.40	5.51	27.40	5.51

**B. Information about Secondary Business Segments** Rs. In Lakhs

	Within India		Outside India		Total	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
<b>Revenue by geographical market</b>						
Total	10,181.32	7,963.84	11,873.60	11,252.08	22,054.92	19,215.92
Carrying amount of segment assets	4,073.48	4,105.12	3,446.97	3,213.44	7,520.45	7,318.56
Additions to fixed assets	27.40	5.51	-	-	27.40	5.51

**Notes:-**

- (i) The company is into two main business segments, namely:  
 Electronics - Computer peripherals and systems  
 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.

**13. 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		Key Management Personnel		Relative of Key Management Personnel		TOTAL	
	2010-2011 Rs.	2009-2010 Rs.	2010-2011 Rs.	2009-2010 Rs.	2010-2011 Rs.	2009-2010 Rs.	2010-2011 Rs.	2009-2010 Rs.
<b>Transactions during the year.</b>								
Remuneration	-	-	2,275,000	2,100,000	38,400	38,400	2,313,400	2,138,400
Receiving of services	1,920,000	1,620,000	-	-	-	-	1,920,000	1,620,000
Inter corporate deposits repaid to Priya International Ltd.	62,129,825	61,331,614	-	-	-	-	62,129,825	61,331,614
Interest paid on Loans to Mr. Ashish Bhawania	-	-	291,471	539,888	-	-	291,471	539,888
Interest paid on Loans to Mr. Aditya Bhawania	-	-	8,301	47,951	-	-	8,301	47,951
Interest paid on Loans to Mr. A K Bhawania	-	-	41,030	40,075	-	-	41,030	40,075
Inter corporate deposits repaid to M/s. Brent Properties Investments Pvt Ltd.	1,750,000	700,000	-	-	-	-	1,750,000	700,000
Inter corporate deposits repaid to M/s. Cheshire Properties Investments Pvt Ltd.	1,650,000	700,000	-	-	-	-	1,650,000	700,000
Inter corporate deposits taken from M/s. Brent Properties Investments Pvt Ltd.	1,500,000	100,000	-	-	-	-	1,500,000	100,000
Inter corporate deposits taken from M/s. Cheshire Properties Investments Pvt Ltd.	-	100,000	-	-	-	-	-	100,000
Inter corporate deposits taken from M/s. Priya International Ltd.	65,838,966	67,909,234	-	-	-	-	65,838,966	67,909,234
Interest expense on Inter corporate deposits received from M/s. Priya International Ltd.	1,978,512	2,041,020	-	-	-	-	1,978,512	2,041,020
Sales of goods	49,307	118,636	-	-	-	-	49,307	118,636
Loans received from Directors	-	-	7,065,122	9,380,791	-	-	7,065,122	9,380,791
Loans repaid to Directors	-	-	13,700,000	8,770,030	-	-	13,700,000	8,770,030
<b>Balances at the year end.</b>								
Deposit against receiving of services	37,400,000	37,400,000	-	-	-	-	37,400,000	37,400,000
Outstanding against Loans received from Directors	-	-	651,936	7,286,814	-	-	651,936	7,286,814
Outstanding payable against receiving of services	1,620,000	147,810	-	-	-	-	1,620,000	147,810
Outstanding on Inter corporate deposits taken	39,546,086	37,736,944	-	-	-	-	39,546,086	37,736,944
Interest Payable	1,780,661	1,836,918	306,722	565,122	-	-	2,087,383	2,402,040

**Disclosure of Related Party Transactions, the amount of which is in excess of 10% of total related party transactions of the same type.**

(Amount in Rs.)

Nature of transaction	Name of the related party	2010-2011	2009-2010
		Rs.	Rs.
<b>Transactions during the year.</b>			
Remuneration to Directors	Mr. Ashish Bhawania	1,500,000	1,500,000
	Mr. Aditya Bhawania	775,000	600,000
Receiving of Services	M/s. Brent Properties Investment Pvt. Ltd	900,000	750,000
	M/s. Cheshire Properties Investment Pvt. Ltd	900,000	750,000
Sales of goods	M/s. Priya International Ltd	49,307	118,636
Loans received from Directors	Mr. A.K. Bhawania	36,067	1,370,418
	Mr. Ashish Bhawania	6,985,899	6,024,460
	Mr. Aditya Bhawania	43,156	1,985,913
Loans repaid to Directors	Mr. A.K. Bhawania	-	1,270,030
	Mr. Ashish Bhawania	12,700,000	6,500,000
	Mr. Aditya Bhawania	1,000,000	1,000,000

**Note:**

Names of related parties and description of relationship:

## 1. Parties where control exists

- Priya International Ltd.
- Priya Chemicals
- Gaurav Electrochem Pvt. Ltd.
- Brent Properties Investment Pvt. Ltd.

## 2. Key Management Personnel

- Mr. A. K. Bhawania
- Mr. Ashish Bhawania
- Mr. Aditya Bhawania



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

Particulars	As on 31.03.2011			As on 31.03.2010		
	Rs.	Amount in Foreign Currency	Foreign Currency	Rs.	Amount in Foreign Currency	Foreign Currency
Creditors	150,915,293	3,375,048	USD	181,458,577	4,017,237	USD
Other Payables	53,953	1,207	USD	109,000	2,413	USD

19. Balances of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation and consequential adjustment, if any.
20. 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.
21. Figures in brackets relates to previous year. 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  
MEMBERSHIP NO. 12839

ADITYA BHUWANIA  
EXECUTIVE DIRECTOR

R. K. SARASWAT  
DIRECTOR

PLACE : MUMBAI  
DATED : 23<sup>rd</sup> APRIL, 2011

PLACE : MUMBAI  
DATED : 23<sup>rd</sup> APRIL, 2011

GAURAV MUNOLI  
COMPANY SECRETARY

**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 2011			
		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	753,606	Total Assets	753,606
		(Net of current liabilities & provisions)	

**Sources of Funds**

Paid up Capital	30,023	Reserves and Surplus	256,912
Secured Loans	218,396	Unsecured Loans	40,198

**Application of Funds**

Net Fixed Assets & W.I.P.	25,889	Investments	36,049
Net Current Assets	480,211	Net Deferred Tax Assets	3,379
Misc. Expenditure	NIL	Accumulated Losses	NIL

**IV Performance of Company (Amount in Rs. thousands)**

Turnover	2,216,069	Total Expenditure	2,186,367
Profit/Loss Before Tax (+) (-)	29,702	Profit/Loss after Tax (+) (-)	20,046
Earning per share in Rs.	6.68	Dividend Rate %	10

**V Generic Name of Three Principal Products/Services of Company**

i	Item Code No (ITC Code)	847130.10
	Product description	Laptop
ii	Item Code No (ITC Code)	852851.00
	Product description	Monitors
iii	Item Code No (ITC Code)	903289.90
	Product description	Thin Client Itona

FOR AND ON BEHALF OF THE BOARD

ADITYA BHUWANIA EXECUTIVE DIRECTOR	R. K. SARASWAT DIRECTOR
---------------------------------------	----------------------------

PLACE : MUMBAI	GAURAV MUNOLI
DATED : 23 <sup>rd</sup> APRIL, 2011	COMPANY SECRETARY

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**PRIYA LIMITED**

**Regd. Office:** 2<sup>nd</sup> Floor, 209-210 Kimatrai Building, 77-79,  
Maharshi Karve Marg, Marine Lines (E),  
Mumbai-400002

**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 24<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 on Thursday, the 18<sup>th</sup> day of August, 2011 at 11.00 A.M.

\_\_\_\_\_  
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 copy of the Annual Report to the meeting.

----- ✂ ----- Tear Here ----- ✂ -----



**PRIYA LIMITED**

**Regd. Office:** 2<sup>nd</sup> Floor, 209-210 Kimatrai Building, 77-79,  
Maharshi Karve Marg, Marine Lines (E),  
Mumbai-400002

**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 24<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on  
Thursday, the 18<sup>th</sup> day of August, 2011 at 11.00 A.M. and at any adjournment(s) thereof.

Signed this ..... day of ..... 2011.

Signature.....  

Affix Re. 1/- 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.





BOOK-POST

If underlivered, Please return to :

**PRIYA LIMITED**

Regd. Office :

2nd Floor, 209-210, Kimatrai Building, 77-79, Maharshi Karve Marg,  
Marine Lines (E), Mumbai - 400 002.

Tel. : 91-22-4220 3100 (30 Lines), Fax : 91-22-4220 3197.

E-mail : [priyabom@priyagroup.com](mailto:priyabom@priyagroup.com)

[www.priyagroup.com](http://www.priyagroup.com)

Branches :

Ahmedabad: 079-2741 1484, Bengaluru: 080-2242 6144, Chandigarh: 0172 - 503  
9689, Chennai: 044 - 4214 6105, Delhi: 011 - 2643 8555, Hyderabad: 040 - 6638  
2237, Indore: 0731 - 242 2964, Kochi: 0484 - 231 1397, Kolkata: 033 - 3057 1000,  
Lucknow: 0522 - 220 5315, Mumbai: 022 - 4220 3100.