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PRIYA INTERNATIONAL LIMITED

**32nd ANNUAL REPORT
2014 - 2015**

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32ND Annual General Meeting

| | | |
|-------|---|---|
| Day | : | Thursday |
| Date | : | 20 th August, 2015 |
| Time | : | 10.30 A.M. |
| Place | : | “Hall of Quest”, Nehru Planetarium, 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 ADITYA BHUWANIA | : | Director |
| SHRI ANUJ BHARGAVA | : | Director |
| SHRI P. V. HARIHARAN | : | Whole Time Director |
| SMT SAROJ BHUWANIA | : | Director |
| SHRI GHANSHYAM VYAS | : | Chief Financial Officer |
| SHRI AMIT SURASE | : | Company Secretary |

| | | |
|----------------|---|-------------|
| BANKERS | : | Indian Bank |
| | : | Vijaya Bank |

| | | |
|-----------------|---|---|
| AUDITORS | : | M/s. M. L. Bhuwania & Co. Chartered Accountants, Mumbai. |
|-----------------|---|---|

| | | |
|--------------------------|---|--|
| REGISTERED OFFICE | : | 4 th Floor, Kimatrai Building, 77-79, Maharshi Karve Marg, Marine Lines (E), Mumbai-400002. |
|--------------------------|---|--|

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

| | | |
|------------|---|-----------------------|
| CIN | : | L99999MH1983PLC086840 |
|------------|---|-----------------------|

| | | |
|------------------------------------|---|----------------------------------|
| EQUITY SHARES ARE LISTED AT | : | The Calcutta Stock Exchange Ltd. |
|------------------------------------|---|----------------------------------|

| | | |
|----------------|---|--------------------|
| WEBSITE | : | www.priyagroup.com |
|----------------|---|--------------------|

NOTICE

NOTICE is hereby given that the **Thirty-Second Annual General Meeting** of the members of **PRIYA INTERNATIONAL LIMITED** (CIN:L99999MH1983PLC086840) will be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Thursday, the 20th Day of August, 2015 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited financial statements of the Company for the year ended 31st March, 2015, the Director's Report and Auditor's Report thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Aditya Bhuwania (DIN:00018911), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED that pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013, 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, 2016"

SPECIAL BUSINESS:

5. Appointment of Mr. R. K. Saraswat as Independent Director of the Company

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

"RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies

(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. R. K. Saraswat (DIN 00015095), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years from 18th March, 2015 to 17th March, 2020."

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

6. Appointment of Mr. M. K. Arora as Independent Director of the Company

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

"RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. M. K. Arora (DIN 00031777), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years from 18th March, 2015 to 17th March, 2020."

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

7. Appointment of Mr. Anuj Bhargava as Independent Director of the Company

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

“**RESOLVED** that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anuj Bhargava (DIN 03090652), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years from 18th March, 2015 to 17th March, 2020.”

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

8. Re-appointment of Mr. P. V. Hariharan as Whole Time Director:

To re-appoint Mr. P. V. Hariharan (DIN: 03196975) as a Whole Time Director designated as Executive Director. In this regard to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** that pursuant to Sections 2 (78), 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. P. V. Hariharan (DIN : 03196975) be and is hereby re-appointed as an Executive Director (Whole Time Director) of the Company for a period of (03) three years with effect from 1st June, 2015 to 31st May, 2018 (i.e. from 01.06.2015 to 31.05.2018) on a minimum monthly remuneration Rs.2,50,000/- which board or committee of board can modify in such a manner but which shall not exceed Rs.3,50,000/- per month along with such other perquisites and retirement benefit as per Company policy and expressly allowed under the Companies Act, 2013 and rules made thereunder.

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

For and on behalf of the Board
For **Priya International Limited**

Place: Mumbai
Dated: 26th May, 2015

Aditya Bhuwania
Director

Registered Office:

4th Floor, Kimatrai Building, 77-79,
Maharshi Karve Marg,
Marine Lines (E), Mumbai-400002

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 **13th August, 2015 to 20th August, 2015** (both days inclusive).
4. Dividend recommended for the year ended 31st March, 2015 if approved by the members will be paid to those eligible members whose names appear:
 - I. As Beneficial Owners, as on 13th August, 2015, 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 13th August, 2015.
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. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend.
9. (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.
10. Unclaimed dividend for the year(s) 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 are held in separate Bank accounts and shareholders who have not received the dividend / encashed the demand drafts are advised to write to the Company with complete details.
11. 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 **INE557E01013**.
12. 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.
13. 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.

14. Voting through electronic means

- I. In compliance with provisions of Clause 35B of the Listing Agreement read with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:-

- (i) The voting period begins on **17th August, 2015 at 9.00 a.m. and ends on 19th August, 2015 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **14th August, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <PRIYA INTERNATIONAL LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.
- IV. The Voting Rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on *cut-off date i.e. 14th August, 2015*.
- V. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the *cut-off date* only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through ballot paper.
- VI. Mr. Sanjay Parab, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of Scrutinizer, by use of “ballot paper” or “polling paper” for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
- IX. The Results along with the Scrutinizer’s Report shall be placed on the Company’s website www.priyagroup.com and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchanges.

For and on behalf of the Board
For **Priya International Limited**

Place: Mumbai
Dated: 26th May, 2015

Aditya Bhuwania
Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 5, 6 & 7:

Mr. R. K. Saraswat, Mr. M. K. Arora and Mr. Anuj Bhargava, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

A Brief resume of the Independent Directors to be appointed is given below:

Mr. R. K. Saraswat, aged 77 years, is a Chartered Accountant having rich knowledge and experience in the profession and is an expert in Financial Matters. Proficiency of him in the financial matter has helped company in bringing down operating cost of the Company. It will be advantageous for the Company to continue to avail expertise guidance and directions from him.

Mr. M. K. Arora, aged 74 years, is a Company Secretary having wide knowledge and professional expertise in the field of Corporate Laws, Securities Laws, Income Tax and Finance. It will be advantageous for the Company to continue to avail expertise guidance and directions from him.

Mr. Anuj Bhargava, aged 53 years, is a Cost Accountant, C.M.C, G.C.D and M.M.S (Finance) having wide experience in the field of Finance, Management and IT Consultancy. It will be advantageous for the Company to continue to avail expertise guidance and directions from him.

Mr. R. K. Saraswat, Mr. M. K. Arora and Mr. Anuj Bhargava, respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

Item No. 8:

Mr. P. V. Hariharan, aged 61 years is by qualification B.Sc. (Hons) Graduate from SIES College, Mumbai, University of Mumbai and did a Diploma in Administration conducted by the Indian Merchant Chamber, Mumbai and he has 40 years experience in International trade dealing in a variety of chemicals used by a broad spectrum of industries. He has been with Company right from its formation days in 1976.

The tenure of Mr. P. V. Hariharan expires on 30th June, 2015. Taking into consideration of the valuable services rendered by him during the past 40 years for the growth of the company and based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the members of the Company in General Meeting, the Board of Directors at their meeting held on 26th May, 2015 had re-appointed Mr. P. V. Hariharan as Executive Director (Whole Time Director) of the Company for a period of (03) Three years from 1st June, 2015 to 31st May, 2018.

Remuneration:

- a) Salary : Rs. 2,50,000/- per month
- b) Perquisites and Allowances: In additions to the Salary payable, the Whole Time Director shall also be entitled to perquisites and allowances in accordance with the rules of company or as may be agreed to by the Board of Directors of the Company.

Total Remuneration payable Rs.30 Lacs per annum.

Minimum remuneration as prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

In compliance of provisions contained in schedule V of the Companies Act, 2013, the resolution approving the re-appointment and payment of remuneration is placed before the ensuing annual general meeting of the shareholders for their approval.

Information required under Section II, Part II of Schedule V of the Companies Act, 2013:-

| I. GENERAL INFORMATION | |
|--|---|
| 1) Nature of Industry | Priya International Limited is an agency, distributor and trading company of chemicals. |
| 2) Date or expected date of commencement of commercial production | The Company commenced business from the date of its incorporation on May 5, 1983. |
| 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not applicable |
| 4) Financial performance based on given indicators | The details of financial performance of the Company for the year 2014-15 are provided in the Annual Report. |
| 5) Foreign investments or collaborators, if any | NIL |

II. INFORMATION ABOUT THE APPOINTEE

| 1) Background details | Mr. P. V. Hariharan, aged 61 years is by qualification B.Sc. (Hons.) Graduate from SIES College, Mumbai, University of Mumbai and did a Diploma in Administration conducted by the Indian Merchant Chamber, Mumbai and he has 40 years experience in International trade dealing in a variety of chemicals used by a broad spectrum of industries. He has been with Company right from its formation days in 1976 | | | | | | | | |
|---|---|------|-------------------|---------|----------------|---------|----------------|---------|----------------|
| 2) Past remuneration | <table border="1"> <thead> <tr> <th>Year</th> <th>Remuneration paid</th> </tr> </thead> <tbody> <tr> <td>2012-13</td> <td>Rs.21,38,970/-</td> </tr> <tr> <td>2013-14</td> <td>Rs.20,67,665/-</td> </tr> <tr> <td>2014-15</td> <td>Rs.22,43,503/-</td> </tr> </tbody> </table> | Year | Remuneration paid | 2012-13 | Rs.21,38,970/- | 2013-14 | Rs.20,67,665/- | 2014-15 | Rs.22,43,503/- |
| Year | Remuneration paid | | | | | | | | |
| 2012-13 | Rs.21,38,970/- | | | | | | | | |
| 2013-14 | Rs.20,67,665/- | | | | | | | | |
| 2014-15 | Rs.22,43,503/- | | | | | | | | |
| 3) Recognition or awards | None | | | | | | | | |
| 4) Job profile and his suitability | As Executive Director of the Company, He is responsible for the overall performance of the Company. He has been instrumental in giving direction to the entire team of Company and has been responsible for monitoring their performance on regular basis. | | | | | | | | |
| 5) Remuneration proposed | a) Salary : Rs. 2,50,000/- per month b) Perquisites and Allowances: In additions to the Salary payable, the Whole Time Director shall also be entitled to perquisites and allowances in accordance with the rules of company or as may be agreed to by the Board of Directors of the Company. | | | | | | | | |
| 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | Taking into consideration the size of the Company, the profile of the appointee the responsibilities shouldered by him, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar top/senior level appointee in other companies. | | | | | | | | |
| 7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Mr. P. V. Hariharan is holding 10,000 equity shares in the Company. In addition to above, his relatives are also holding shares in the company. None of the Key managerial personnel or any other senior managerial personnel is related to Mr. Aditya Bhuwania. | | | | | | | | |

III. OTHER INFORMATION:

| | |
|--|--|
| 1) Reasons for loss or inadequate Profits | With the entry of big sized Companies in this segment the margins are squeezed in past years which led to stiff competition in the business segment. |
| 2) Steps taken or proposed to be taken for improvement | Company is continuously upgrading its business to get an edge on big size companies. Efforts are ongoing to improve performance of the company. |
| 3) Expected increase in productivity and profits in measurable terms | Unable to quantify, at this point of time. |

Mr. P. V. Hariharan is concerned or interested in the said resolution, excepting him no other Directors of the Company is in any way concerned or interested in the said resolution.

For and on behalf of the Boards
 For Priya International Limited

Place: Mumbai
 Dated: 26th May, 2015

Aditya Bhuwania
 Director

DIRECTORS' REPORT

Dear Members,

Priya International Limited

Your Directors take great pleasure in presenting the **32nd Annual Report** and Audited Accounts of your Company for the financial year ended 31st March, 2015.

FINANCIAL PERFORMANCE

The financial performance of the Company for the Financial Year 2014-15 in comparison to the previous financial year 2013-14 are summarised as below:

| | (Rs. in Lacs) | |
|---|--------------------------|--------------------------|
| | Year Ended 31/03/2015 | Year Ended 31/03/2014 |
| Revenue from operation | 926.96 | 1060.28 |
| Other Income | 40.99 | 35.63 |
| | 967.95 | 1095.91 |
| Profit/ (Loss) before Tax and | | |
| Extra Ordinary Item | 67.92 | 112.04 |
| Extra ordinary item | -- | -- |
| Profit/ (Loss) before Tax and after Extra Ordinary Items | 67.92 | 112.04 |
| Provision for taxation- Current Tax | 29.37 | 39.25 |
| Provision for taxation- Deferred Tax | (2.48) | (6.09) |
| (Add)/Less: Taxation of earlier years | (3.92) | (1.77) |
| Profit/(Loss) After Tax | 44.95 | 80.65 |
| Add: Balance brought forward | 437.57 | 378.43 |
| Profit available for appropriation | 482.52 | 459.08 |
| Appropriations | | |
| Proposed Dividend | 14.94 | 14.94 |
| Corporate Dividend Tax | 3.04 | 2.54 |
| General Reserve | -- | 4.03 |
| Balance carried to Balance Sheet | 464.54 | 437.57 |

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.1.50 per share (i.e.@ 15%) on 9,96,000 Equity shares of Rs.10/- each for the financial year ended 31st March, 2015 amounting to Rs. 14,94,000/- (exclusive of Tax of Rs.3.04 Lacs).

TRANSFER TO RESERVES

The Company has transferred Rs.Nil to Reserves for the financial year ended 31st March, 2015.

SHARE CAPITAL

The paid up equity capital as on 31st March, 2015 was Rs.99,60,000. During the year under review, the Company has not issued any form/types of securities.

OPERATIONS

During the year under review the aggregate turnover of your Company was Rs.926.96 lacs as compared to Rs.1060.28 Lacs in the previous year. The Company has earned profit after tax and exceptional item of Rs.44.95 lacs in 2014-2015 as compared to Rs.80.65 Lac in the previous year. Your Directors are hopeful of improving upon the last financial year's results for the Company during the current year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors at their meeting held on 26th May, 2015, re-appointed Mr. P. V. Hariharan as Executive Director (Whole Time Director) for a period of (3) three years, with effect from 1st June, 2015 subject to approval of members in the ensuing annual general meeting. Keeping in view his experience and expertise and the increased activities of the Company, a resolution is proposed in the notice convening Annual General Meeting for the re-appointment of Mr. P. V. Hariharan, as Executive Director (Whole Time Director), on terms & conditions detailed in the resolution.

Mr. Aditya Bhuwania, Director, retires by rotation and being eligible has offered himself for re-appointment.

Mr. R. K. Saraswat, Mr. M. K. Arora and Mr. Anuj Bhargava were appointed as an Additional Independent Directors w.e.f. 18th March, 2015. The Board now recommends the appointment of these independent directors under section 149 of the Companies Act, 2013 in the ensuing Annual General Meeting to hold office for a period of (5) five years.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, which came into effect from April 1, 2014, the appointments of Mr. P. V. Hariharan, Whole Time Director, Mr. Ghanshyam Vyas, Chief Financial Officer and Mr. Amit Surase, Company Secretary as key managerial personnel of the Company were formalised. With effect from 5th February, 2015, Mr. Amit Surase appointed as a Company Secretary and Mr. Ghanshyam Vyas was designated from "Dy. Gen. Manager (Accounts & Finance)" to "Chief Financial Officer".

AUDITORS:**1) Statutory Auditors :**

The Auditors, M/s. M. L. Bhuwania & Co., Chartered Accountants, Mumbai retire at this Annual General Meeting and being eligible, offer themselves for reappointment.

Auditors' observations are suitably explained in notes to the Accounts and are self-explanatory. The Auditors' Report does not contain any qualification, reservation or adverse remark.

2) Secretarial Auditors:

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sonal Kothari & Associates, Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as **Annexure A**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CHANGE IN NATURE OF BUSINESS

There being no change in the nature of business of the company during the year.

CORPORATE GOVERNANCE

In pursuant to SEBI Circular No.CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the clause 49 of Listing Agreement effective from 1st October, 2014 is not applicable to your Company.

CORPORATE SOCIAL RESPONSIBILITY

In pursuant to the provisions of section 135 of the Companies Act, 2013, Corporate Social Responsibility is not applicable to your company.

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.

BOARD EVALUATION

Pursuant to the provisions of companies Act, 2013, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit Committee and Nomination & Remuneration committee.

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

MATERIAL CHANGES & COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the report.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

LISTING OF SHARES

The Company's equity shares continue to be listed on The Calcutta Stock Exchange Ltd.(CSE). The listing fee for the financial year 2014-2015 was duly paid to CSE.

SEBI declared Delhi Stock Exchange (DSE) and Uttar Pradesh Stock Exchange (UPSE) as Non functional stock exchanges. Hence, the listing fees of DSE and UPSE has not been paid.

MEETINGS

5 (Five) Board Meetings were held during the financial year 2014-2015 on the following dates:

16th May, 2014, 12th August, 2014, 22nd October, 2014, 5th February, 2015 and 26th March, 2015.

AUDIT COMMITTEE

The company is having an audit committee comprising of the following directors:

| Name | Designation | Category |
|--------------------|-------------|---------------------------------------|
| Mr. R.K. Saraswat | Chairman | Independent / Non- Executive Director |
| Mr. M. K. Arora | Member | Independent / Non-Executive Director |
| Mr. A. K. Bhuwania | Member | Non Executive Chairman |

NOMINATION AND REMUNERATION COMMITTEE

The company is having a Nomination and Remuneration Committee comprising of the following directors:

| Name | Designation | Category |
|--------------------|-------------|---------------------------------------|
| Mr. M. K. Arora | Chairman | Independent / Non- Executive Director |
| Mr. R.K. Saraswat | Member | Independent / Non-Executive Director |
| Mr. A. K. Bhuwania | Member | Non Executive Chairman |
| Mr. Anuj Bhargava | Member | Independent / Non- Executive Director |

EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-B.**

PUBLIC DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

RELATED PARTY TRANSACTIONS

All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Your Directors draw attention of the members to Note No.30 to the financial statement which sets out related party disclosures.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report

genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is already adopted. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:-

- a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and 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 and of the profit of the company for the same period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators or Courts that would

impact the going concern status of the Company and its future operations.

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.

TECHNOLOGY ABSORPTION:

Your Company continues to utilize the R & D facilities available with it. The Company has not imported any technology during year under review.

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 31st March, 2015.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms

of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

APPRECIATION & ACKNOWLEDGEMENTS

Your Directors take place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Directors also take this opportunity to thank all Investors, 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 International Limited

P. V. Hariharan **Aditya Bhuwania**
Whole Time Director Director

Place: Mumbai
Date: 26th May, 2015

ANNEXURE - A
SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

To,
The Members,
Priya International Limited
4th Floor, Kimatrai Building, 77-79,
Maharshi Karve Marg,
Marine Lines (E), Mumbai - 400002

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s. Priya International Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes book, forms and returns filed and other records maintained by Priya International Limited ("the Company") as given in **Annexure I**, for the financial year ended on 31st March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (not applicable to the Company during the Audit Period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (not applicable to the Company during the Audit Period);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(not applicable to the Company during the Audit period);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014(not applicable to the Company during the Audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(not applicable to the Company during the Audit period);
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (not applicable to the Company during the Audit period), and
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and;

We have also examined compliance with the applicable clause of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India. (not notified hence not applicable the Company during the Audit Period); and

b. The Listing Agreements.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure II**.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not under taken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

This report is to be read with our letter of even date which is annexed as **Annexure III** and forms an integral part of this report.

For **Sonal Kothari & Associates**

sd/-

Sonal Kothari

Proprietor

ACS No.24216 CP No.8769

Date:- 26th May, 2015

Place:- Mumbai

ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2014.
3. Minutes of the meetings of the Board of Directors along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
 - Register of Directors & KMP
 - Register of Directors' Shareholding
 - Register of Investments not held in its own name by the Company
 - Register of contracts with related party and contracts and bodies etc. in which directors are interested.
 - Register of loans, guarantees and security and acquisition made by the Company
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013.
8. Intimations received from directors under the prohibition of Insider Trading Code.
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
11. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for Overseas Direct Investments made by the Company.
12. Documents related to payments of dividend made to its shareholders during the financial year under report.
13. Approvals received from Central Government, if any.

ANNEXURE - II

List of applicable laws to the Company under the Major Group and Head

1. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
2. Acts prescribed under Environmental protection;
3. Acts as prescribed under Direct Tax and Indirect Tax
4. Labour Welfare Act of respective States;

For **Sonal Kothari & Associates**

Sd/-

Sonal Kothari

Proprietor

ACS No.24216 CP No.8769

Date:- 26th May, 2015

Place :- Mumbai

Annexure III

To,

The Members,

Priya International Limited

4th Floor, Kimatrai Building, 77-79,

Maharshi Karve Marg,

Marine Lines (E), Mumbai - 400002.

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sonal Kothari & Associates**

sd/-

Sonal Kothari

Proprietor

ACS No.24216 CP No.8769

Date:- 26th May, 2015

Place:- Mumbai

ANNEXURE -B
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
 (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

| | | |
|---|---|---|
| 1 | CIN | L99999MH1983PLC086840 |
| 2 | Registration Date | 05/05/1983 |
| 3 | Name of the Company | PRIYA INTERNATIONAL LIMITED |
| 4 | Category/Sub-category of the Company | Company Limited by shares |
| 5 | Address of the Registered office & contact details | 4 th Floor, Kimatrai Building, 77-79, Maharshi Karve Marg, Marine Lines (E) Mumbai 400002. Tel. 91-22-4220 3100, Fax- 91-22-4220 3197 |
| 6 | Whether listed company | Yes |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072. Tel. 91-22- 4043 0200, Fax- 91-22- 2847 5207 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated.

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/service | %to total turnover of the company |
|---------|--|---------------------------------|-----------------------------------|
| 1 | Chemical | 996117 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SN | Name and Address of the Company | CIN/ GLN | Holding / Subsidiary/ Associate | % of shares held | Applicable Section |
|----|---------------------------------|----------|---------------------------------|------------------|--------------------|
| 1 | Not Applicable | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 8,93,550 | 0 | 8,93,550 | 89.71 | 8,93,550 | 0 | 8,93,550 | 89.71 | 0.00 |
| b) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) | 8,93,550 | 0 | 8,93,550 | 89.71 | 8,93,550 | 0 | 8,93,550 | 89.71 | 0.00 |
| (1):- | | | | | | | | | |
| (2) Foreign | | | | | | | | | |
| a) NRIs- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (2):- | | | | | | | | | |
| Total shareholding of Promoter (A)=(A)(1)+(A)(2) | 8,93,550 | 0 | 8,93,550 | 89.71 | 8,93,550 | 0 | 8,93,550 | 89.71 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (1):- | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 15,350 | 0 | 15,350 | 1.54 | 350 | 0 | 350 | 0.01 | (1.53) |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 9,900 | 77,200 | 87,100 | 8.74 | 9,900 | 77,200 | 87,100 | 8.74 | 0.00 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0 | 0 | 0.00 | 15,000 | 0 | 15,000 | 1.51 | 1.51 |
| c) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B) | 25,250 | 77,200 | 1,02,450 | 10.29 | 25,250 | 77,200 | 1,02,450 | 10.29 | 0.00 |
| (2):- | | | | | | | | | |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 25,250 | 77,200 | 1,02,450 | 10.29 | 25,250 | 77,200 | 1,02,450 | 10.29 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 9,18,800 | 77,200 | 9,96,000 | 100.00 | 9,18,800 | 77,200 | 9,96,000 | 100.00 | 0.00 |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|-------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Ashish Bhuwania | 1,36,100 | 13.66 | 0.00 | 1,36,100 | 13.66 | 0.00 | 0.00 |
| 2 | Aditya Bhuwania | 1,06,350 | 10.68 | 0.00 | 1,06,350 | 10.68 | 0.00 | 0.00 |
| 3 | Arun Kumar Bhuwania | 2,39,300 | 24.03 | 0.00 | 2,39,300 | 24.03 | 0.00 | 0.00 |
| 4 | Mini Bhuwania | 66,200 | 6.65 | 0.00 | 66,200 | 6.65 | 0.00 | 0.00 |
| 5 | Shruti Bhuwania | 60,600 | 6.08 | 0.00 | 60,600 | 6.08 | 0.00 | 0.00 |
| 6 | Saroj Bhuwania | 2,58,200 | 25.93 | 0.00 | 2,58,200 | 25.93 | 0.00 | 0.00 |
| 7 | Arunkumar Bhuwania(HUF) | 26,800 | 2.69 | 0.00 | 26,800 | 2.69 | 0.00 | 0.00 |
| | TOTAL | 8,93,550 | 89.71 | 0.00 | 8,93,550 | 89.71 | 0.00 | 0.00 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | No changes in Promoters shareholding during the year | | | |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | No changes in Promoters shareholding during the year | | | |
| | At the end of the year | No changes in Promoters shareholding during the year | | | |

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Aquarius Financial Consultants Pvt. Ltd. | 15,000 | 1.50 | 0 | 0.00 |
| 2 | Rajratan Babulal Agarwal | 0 | 0.00 | 15,000 | 1.50 |
| 3 | Shanta Hariharan | 4,400 | 0.44 | 4,400 | 0.44 |
| 4 | Hitesh Lodha | 4,150 | 0.41 | 4,150 | 0.41 |
| 5 | Premchand Choudhary | 2,800 | 0.28 | 2,800 | 0.28 |
| 6 | Nainamal Bhati | 2,400 | 0.24 | 2,400 | 0.24 |
| 7 | Madhusudan H. Dalal | 2,000 | 0.20 | 2,000 | 0.20 |
| 8 | N. Gopal | 2,000 | 0.20 | 2,000 | 0.20 |
| 9 | Nita M. Dalal | 2,000 | 0.20 | 2,000 | 0.20 |
| 10 | Rajendra Kumar H. Dalal | 2,000 | 0.20 | 2,000 | 0.20 |
| 11 | Gita R. Dalal | 2,000 | 0.20 | 2,000 | 0.20 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------------------------------------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| A. DIRECTORS | | | | | |
| 1 | Arunkumar Bhuwania - Chairman | 2,39,300 | 24.03 | 2,39,300 | 24.03 |
| 2 | Aditya Bhuwania | 1,06,350 | 10.68 | 1,06,350 | 10.68 |
| 3 | Saroj Bhuwania | 2,58,200 | 25.93 | 2,58,200 | 25.93 |
| 4 | P. V. Hariharan- Whole Time Director | 10,000 | 1.00 | 10,000 | 1.00 |
| 5 | R. K. Saraswat | 0 | 0.00 | 0 | 0.00 |
| 6 | M. K. Arora | 0 | 0.00 | 0 | 0.00 |
| 7 | Anuj Bhargava | 0 | 0.00 | 0 | 0.00 |
| B. KEY MANAGERIAL PERSONNEL | | | | | |
| 1 | Ghanshyam Vyas - Chief Financial Officer | 0 | 0.00 | 0 | 0.00 |
| 2 | Amit Surase - Company Secretary | 0 | 0.00 | 0 | 0.00 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 0 | 0 | 0 | 0 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 0 | 0 | 0 | 0 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 17.86 | 0 | 0 | 17.86 |
| * Reduction | 0 | 0 | 0 | 0 |
| Net Change | 17.86 | 0 | 0 | 17.86 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 17.86 | 0 | 0 | 17.86 |
| ii) Interest due but not paid | 0.11 | 0 | 0 | 0.11 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 17.97 | 0 | 0 | 17.97 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---------|---|-----------------------------|------------------|
| | | P. V. Hariharan- WTD | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 22,43,503 | 22,43,503 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 |
| 2 | Stock Option | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 |
| 4 | Commission -as % of profit -others, specify... | 0 | 0 |
| 5 | Others, please specify | 0 | 0 |
| | Total (A) | 22,43,503 | 22,43,503 |
| | Ceiling as per the Act | | |

B. Remuneration to other directors

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|-----|--|-------------------|----------------|---------------|--------------|
| | | R. K. Saraswat | M. K. Arora | Anuj Bhargava | |
| 1 | Independent Directors | | | | |
| | Fee for attending board committee meetings | 0 | 0 | 0 | 0 |
| | Commission | 0 | 0 | 0 | 0 |
| | Others, please specify | 0 | 0 | 0 | 0 |
| | Total (1) | 0 | 0 | 0 | |
| 2 | Other Non-Executive Directors | A. K. Bhuwania | Saroj Bhuwania | | - |
| | Fee for attending board committee meetings | 0 | 0 | - | 0 |
| | Commission | 0 | 0 | - | 0 |
| | Others, please specify | 0 | 0 | - | 0 |
| | Total (2) | 0 | 0 | - | 0 |
| | Total (B)=(1+2) | 0 | 0 | 0 | 0 |
| | Total Managerial Remuneration | 0 | 0 | 0 | 22,43,503 |
| | Overall Ceiling as per the Act | | | | |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|------|-------|-------|
| | | CEO | CS* | CFO** | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Not Applicable | 0.31 | 6.07 | 6.38 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | 0 | 0.56 | 0.56 |
| 2 | Stock Option | | 0 | 0 | 0 |
| 3 | Sweat Equity | | 0 | 0 | 0 |
| 4 | Commission | | | | |
| | - as % of profit | | 0 | 0 | 0 |
| | others, specify... | | 0 | 0 | 0 |
| 5 | Others, please specify | | 0 | 0 | 0 |
| | Total | | 0.31 | 6.63 | 6.94 |

* W.e.f. 5th February, 2015, Mr. Amit Surase appointed as a Company Secretary.

** W.e.f. 5th February, 2015, Mr. Ghanshyam Vyas was designated from "Dy. Gen. Manager (Accounts & Finance)" to "Chief Financial Officer."

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRIYA INTERNATIONAL LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of PRIYA INTERNATIONAL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In

making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.17 (a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

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

Sd/-
J. P. Bairagra
Partner

Place: Mumbai
 Date: 26th May, 2015

Membership No.12839

Annexure referred to in paragraph titled as "Report on other legal and regulatory requirement" of Auditor's report to the members of Priya International Limited for the year ended on 31st March, 2015.

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.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) During the year, the Company has granted unsecured loan to a Company, covered in register maintained under Section 189 of the Companies Act, 2013. The parties are regular with respect to the repayment of the loan and the interest thereon. The details of loan transactions are as under:

| No. of parties | Total amount of loan given | Maximum balance outstanding during the year. | Amount receivable at the end of the year. |
|----------------|----------------------------|--|---|
| 1 | 45,00,000 | 3,53,32,583 | Nil |

- (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 continuing failure to correct major weakness in such internal controls system has been observed.
- (v) The Company has not accepted any deposits from the public during the year. Accordingly, clause 4 (v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013, for any of the products of the Company. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs 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 as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (c) According to the records of the Company, there are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) 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.
- (ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not taken any loan from banks, financial institutions and has not issued debentures during the period. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
- (x) 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 3 (x) of the order is not applicable to the Company.
- (xi) On the basis of our examination of the documents and records and according to the information and explanations given to us, we are of the opinion that term loans have been applied for the purposes for which they were obtained.
- (xii) 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, 2015.

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

Sd/-
J. P. Bairagra
Partner

Place: Mumbai
Date: 26th May, 2015

Membership No. 12839

BALANCE SHEET AS AT 31ST MARCH, 2015

| Particulars | Note No. | March 31, 2015 Rs. | March 31, 2014 Rs. |
|--|----------|-----------------------|-----------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) Shareholder's funds | | | |
| (a) Share capital | 1 | 9,960,000 | 9,960,000 |
| (b) Reserves & surplus | 2 | 56,817,315 | 54,157,057 |
| (2) Non - current liabilities | | | |
| (a) Long - term borrowings | 3 | 1,127,821 | - |
| (b) Long - term provisions | 4 | 7,107,278 | 5,195,116 |
| (3) Current liabilities | | | |
| (a) Trade payables | 5 | 12,705,747 | 13,047,562 |
| (b) Other current liabilities | 6 | 2,223,208 | 527,772 |
| (c) Short - term provisions | 7 | 8,781,231 | 10,070,356 |
| TOTAL | | 98,722,600 | 92,957,863 |
| II ASSETS | | | |
| (1) Non - current assets | | | |
| (a) <u>Fixed assets</u> | | | |
| (i) Tangible assets | 8 | 3,244,405 | 1,671,513 |
| (b) Non - current investment | 9 | 4,601,500 | 4,601,500 |
| (c) Deferred tax assets | 10 | 4,828,722 | 4,419,124 |
| (d) Long - term loans and advances | 11 | 39,932,344 | 1,464,857 |
| (2) Current assets | | | |
| (a) Inventories | 12 | 22,551,981 | 27,674,126 |
| (b) Trade receivables | 13 | 16,181,613 | 13,315,870 |
| (c) Cash & bank balances | 14 | 6,020,010 | 5,184,479 |
| (d) Short - term loans and advances | 15 | 1,362,025 | 32,040,413 |
| (e) Other current assets | 16 | - | 2,585,981 |
| TOTAL | | 98,722,600 | 92,957,863 |
| Contingent Liabilities and Commitments | 17 | | |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS | 1 TO 38 | | |

The notes 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
 Firm Registration Number : 101484W

FOR AND ON BEHALF OF THE BOARD

Sd/-
J.P. BAIRAGRA
 PARTNER
 MEMBERSHIP NO. 12839

Sd/-
P.V.HARIHARAN
 WHOLE TIME DIRECTOR

Sd/-
ADITYA BHUWANIA
 DIRECTOR

PLACE : MUMBAI
 DATED : 26th May, 2015

Sd/-
GHANSHYAM VYAS
 CHIEF FINANCIAL OFFICER

Sd/-
AMIT SURASE
 COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

| Particulars | Note No. | 2014-15 | 2013-14 |
|--|----------|-------------------|--------------------|
| | | Rs. | Rs. |
| Revenue from operations | 18 | 92,696,364 | 106,028,519 |
| Other income | 19 | 4,098,988 | 3,562,742 |
| Total Revenue | | 96,795,352 | 109,591,261 |
| <u>Expenses:</u> | | | |
| Purchases of stock - in - trade | 20 | 50,114,638 | 77,280,257 |
| Changes in inventories of stock - in - trade | 21 | 5,122,145 | (10,907,300) |
| Employee benefit expenses | 22 | 15,671,964 | 13,145,982 |
| Finance costs | 23 | 398,217 | - |
| Depreciation & amortization expense | 8 | 912,632 | 478,524 |
| Other expenses | 24 | 17,782,894 | 18,389,299 |
| Total Expenses | | 90,002,490 | 98,386,762 |
| Profit before exceptional and extraordinary items & tax | | 6,792,862 | 11,204,499 |
| Exceptional items | | - | - |
| Profit before extraordinary items and tax | | 6,792,862 | 11,204,499 |
| Extraordinary items | | - | - |
| Profit before tax | | 6,792,862 | 11,204,499 |
| Less: Tax expense | | | |
| (1) <u>Current tax</u> | | | |
| of Current year | | 2,937,000 | 3,925,000 |
| of Earlier years | | (247,648) | (176,917) |
| (2) Deferred tax | | (391,848) | (608,754) |
| Profit for the year | | 4,495,358 | 8,065,170 |
| Basic & Diluted Earning Per Share | 25 | 4.51 | 8.10 |
| Face Value Per Equity Share | | 10.00 | 10.00 |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS | 1 TO 38 | | |

The notes 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
Firm Registration Number : 101484W

FOR AND ON BEHALF OF THE BOARD

Sd/-
J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

Sd/-
P.V.HARIHARAN
WHOLE TIME DIRECTOR

Sd/-
ADITYA BHUWANIA
DIRECTOR

PLACE : MUMBAI
DATED : 26th May, 2015

Sd/-
GHANSHYAM VYAS
CHIEF FINANCIAL OFFICER

Sd/-
AMIT SURASE
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | 2014-15 Rs. | 2013-14 Rs. |
|--|--------------------|--------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax & Extraordinary Items | 6,792,862 | 11,204,499 |
| Adjustment for : | | |
| Dividend Received | (295,800) | (308,800) |
| Depreciation | 912,632 | 478,524 |
| Bad Debts Written Off/Allowance for Bad and Doubtful Debts | 649 | 53,915 |
| Interest income | (3,464,976) | (3,253,942) |
| Interest expense | 219,307 | - |
| (Profit)/Loss on Sale of Fixed Assets (Net) | (20,882) | - |
| Sundry balance written off (Net) | (317,330) | 2,060 |
| Exchange Rate Fluctuation (Net) | 33,902 | (90,307) |
| | <u>2,932,498</u> | <u>(90,307)</u> |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 3,860,364 | 8,085,949 |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES : | | |
| Inventories | 5,122,145 | (10,907,300) |
| Trade receivables | (2,864,754) | 674,608 |
| Short-term Loans and Advances | 2,837,095 | (114,116) |
| Long -term Loans and Advances | (469,134) | (152,177) |
| Trade Payable | (62,563) | 6,314,523 |
| Short- term Provision | (328,715) | 948,037 |
| Long- term Provision | 1,912,162 | 184,480 |
| Other Current Liabilities | 1,016,015 | 53,984 |
| | <u>7,162,251</u> | <u>53,984</u> |
| Cash Generated from Operations | 11,022,615 | 5,087,988 |
| Direct Taxes paid (Net of Refund) | 4,309,953 | 2,914,353 |
| NET CASH FROM OPERATING ACTIVITIES | <u>6,712,662</u> | <u>2,173,635</u> |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (2,893,127) | (102,257) |
| Sale of Fixed Assets | 373,778 | - |
| Inter Corporate Deposit | (6,667,417) | (1,425,000) |
| Interest Received | 6,050,957 | 2,764,575 |
| Dividend Received | 295,800 | 308,800 |
| | <u>(2,840,009)</u> | <u>308,800</u> |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(2,840,009)</u> | <u>1,546,118</u> |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest Paid | (96,894) | - |
| Dividend Paid (Including Dividend Tax) | (1,737,556) | (1,748,430) |
| Secured Loans | 1,786,078 | - |
| | <u>(48,372)</u> | <u>(1,748,430)</u> |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(48,372)</u> | <u>(1,748,430)</u> |
| NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C) | <u>3,824,281</u> | <u>1,971,323</u> |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | 2,052,373 | 81,050 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS | <u>5,876,654</u> | <u>2,052,373</u> |
| | <u>3,824,281</u> | <u>1,971,323</u> |

Notes

1 CASH & CASH EQUIVALENTS INCLUDES (Refer Note No. 14) :

| | | |
|--|------------------|------------------|
| Cash in Hand | 18,774 | 22,832 |
| Balance with Scheduled Banks In current account | <u>5,857,880</u> | <u>2,029,541</u> |
| | <u>5,876,654</u> | <u>2,052,373</u> |

2 Previous year figures have been regrouped and 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
Firm Registration Number : 101484W

FOR AND ON BEHALF OF THE BOARD

Sd/-
J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

Sd/-
P.V.HARIHARAN
WHOLE TIME DIRECTOR

Sd/-
ADITYA BHUWANIA
DIRECTOR

PLACE : MUMBAI
DATED : 26th May, 2015

Sd/-
GHANSHYAM VYAS
CHIEF FINANCIAL OFFICER

Sd/-
AMIT SURASE
COMPANY SECRETARY

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
1 SHARE CAPITAL

| Particulars | As at | |
|--|-------------------|-------------------|
| | March 31, 2015 | March 31, 2014 |
| Authorized Shares | | |
| 1,000,000 Equity shares, Rs. 10 /-par value (Previous year : 1,000,000 Equity shares, Rs. 10 /-par value) | 10,000,000 | 10,000,000 |
| | 10,000,000 | 10,000,000 |
| Issued, Subscribed and Fully Paid Up Shares | | |
| 996,000 Equity shares, Rs. 10 /- par value (Previous year : 996,000 Equity shares, Rs. 10 /-par value) | 9,960,000 | 9,960,000 |
| Total Issued, Subscribed and Fully Paid Up Share Capital | 9,960,000 | 9,960,000 |

Note No. 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2015 :

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|------------------------------------|----------------------|------------------|----------------------|--------------|
| | No. of shares | Amount (Rs.) | No. of shares | Amount (Rs.) |
| Number of shares at the beginning | 996,000 | 9,960,000 | 996,000 | 9,960,000 |
| Add: Shares issued during the year | - | - | - | - |
| Less : Shares Bought back | - | - | - | - |
| Number of shares at the end | 996,000 | 9,960,000 | 996,000 | 9,960,000 |

Note No. 1.2 Terms/rights attached to equity shares

- (A) The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note No. 1.3 The details of shareholders holding more than 5% shares in the company:

| Name of the shareholders | No. of shares held | % held as at March 31, 2015 | No. of shares held | % held as at March 31, 2014 |
|--------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Saroj Bhuwania | 258,200 | 25.92 | 258,200 | 25.92 |
| Arun Kumar Bhuwnia | 239,300 | 24.03 | 239,300 | 24.03 |
| Ashish Bhuwania | 136,100 | 13.66 | 136,100 | 13.66 |
| Aditya Bhuwania | 106,350 | 10.68 | 106,350 | 10.68 |
| Mini Bhuwania | 66,200 | 6.65 | 66,200 | 6.65 |
| Shruti Bhuwania | 60,600 | 6.08 | 60,600 | 6.08 |

2 RESERVES & SURPLUS

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|-------------------|----------------------|-------------------|
| General reserve | | | | |
| Opening Balance | | 10,399,512 | | 9,996,254 |
| Add: Transferred from surplus | | - | | 403,258 |
| Less: Adjustment of carrying amount (Net of Deferred tax) as per Schedule II of Companies Act 2013 (Refer Note No. 8.1) | | - | | - |
| Carrying Amount (Net of residual value) | 54,707 | | | - |
| Less : Adjustment of Deferred Tax | 17,750 | 36,957 | 10,362,555 | - |
| Surplus - Opening balance | | 43,757,546 | | 37,843,539 |
| Add: Net profit after tax transferred from statement of profit & loss | | 4,495,358 | | 8,065,170 |
| Amount available for appropriation | | 48,252,903 | | 45,908,709 |
| Less : Appropriations | | | | |
| Proposed Dividend | | 1,494,000 | | 1,494,000 |
| Corporate Dividend Tax | | 304,143 | | 253,906 |
| Amount transferred to general reserve | | - | | 403,258 |
| Surplus Closing Balance | | 46,454,760 | | 43,757,545 |
| Total of Reserves & Surplus | | 56,817,315 | | 54,157,057 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**3 LONG TERM BORROWINGS**

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---|-------------------------|-------------------------|
| Secured Loans | | |
| <u>Term Loan from others</u> | | |
| Loans from Finance Companies (Refer Note No. 3.1) | 1,127,821 | - |
| | 1,127,821 | - |

Note No 3.1

1. Secured by Hypothecation of Vehicle.
2. The above vehicle loan was originally payable in 35 Installments and carries rate of interest @ 10.64% and no default in repayment of Principal & Interest has been made by company as on the balance sheet date.

4 LONG TERM PROVISIONS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---|-------------------------|-------------------------|
| <u>Provisions for Employee Benefits</u> | | |
| Gratuity (Refer Note No. 29) | 6,133,218 | 4,460,986 |
| Leave Encashment (Refer Note No. 29) | 974,060 | 734,130 |
| | 7,107,278 | 5,195,116 |

5 TRADE PAYABLES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---|-------------------------|-------------------------|
| Sundry Creditors For Goods (Refer Note No. 5.1) | 10,743,569 | 11,452,222 |
| Sundry Creditors For Expenses (Refer Note No. 5.1) | 1,962,178 | 1,595,340 |
| | 12,705,747 | 13,047,562 |

Note No. 5.1

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.

6 OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|-------------------------|-------------------------|
| Current Maturities of Long Term Debt (Refer Note No 3.1) | 658,257 | - |
| Interest Accrued but not due on borrowings | 10,814 | - |
| Unpaid Dividends | 132,675 | 122,325 |
| <u>Other Liabilities</u> | | |
| Advance From Customers | 681,667 | 32,855 |
| Statutory Dues Payable | 739,795 | 372,592 |
| | 2,223,208 | 527,772 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)
7 SHORT TERM PROVISIONS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|-------------------------|-------------------------|
| <u>Provision for Employee Benefits</u> | | |
| Gratuity (Refer Note No. 29) | 5,572,640 | 5,632,408 |
| Leave Encashment (Refer Note No. 29) | 910,448 | 879,395 |
| <u>Others</u> | | |
| Provision For Income Tax {Net of Provision for Tax Rs.Nil (Previous year 3,925,000/-)} | - | 1,010,647 |
| Proposed Dividends (Refer Note No. 7.1) | 1,494,000 | 1,494,000 |
| Corporate Dividend Tax (Refer Note No. 7.1) | 304,143 | 253,906 |
| Others Provision (Refer Note No. 31) | 500,000 | 800,000 |
| | 8,781,231 | 10,070,356 |

Note No. 7.1

The amount of per share dividend of Rs. 1.50/- (Previous year Rs. 1.50/-) has been proposed to be distributed to equity shareholders for the year ended 31/03/2015. The total amount of dividend shall be Rs. 1,798,143/- (Including Dividend Distribution Tax Rs. 304,143/-). (Previous year Rs. 1,747,906/- (Including Dividend Distribution Tax Rs. 253,906/-)

8 FIXED ASSETS

| SL. NO. | PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---------|----------------------|-------------------|------------------|---|--------------------|-------------------|---|---|--------------------|--------------------|--------------------|
| | | AS AT 1/4/2014 | ADDITIONS | DEDUCTIONS / ADJUSTMENTS (Refer Note No.8.1) | AS AT 31/3/2015 | AS AT 1/4/2014 | FOR THE YEAR (Refer Note No.8.1) | DEDUCTIONS / ADJUSTMENTS (Refer Note No.8.1) | AS AT 31/3/2015 | AS AT 31/3/2015 | AS AT 31/3/2014 |
| | | (Rs) | (Rs) | (Rs) | (Rs) | (Rs) | (Rs) | (Rs) | (Rs) | (Rs) | (Rs) |
| 1 | OFFICE PREMISES | 1,036,034 | - | - | 1,036,034 | 706,308 | 15,794 | - | 722,102 | 313,932 | 329,726 |
| 2 | FURNITURE & FIXTURES | 22,993 | - | - | 22,993 | 16,665 | 1,473 | - | 18,138 | 4,855 | 6,328 |
| 3 | VEHICLES | 3,684,796 | 2,829,227 | 1,459,347 | 5,054,676 | 2,627,075 | 757,940 | 1,106,451 | 2,278,564 | 2,776,112 | 1,057,721 |
| 4 | OFFICE EQUIPMENT | 319,841 | 5,000 | - | 324,841 | 141,640 | 82,200 | (44,906) | 268,746 | 56,095 | 178,201 |
| 5 | COMPUTERS | 437,452 | 58,900 | - | 496,352 | 337,915 | 55,225 | (9,801) | 402,941 | 93,411 | 99,537 |
| | TOTALS (Rs.) | 5,501,116 | 2,893,127 | 1,459,347 | 6,934,896 | 3,829,603 | 912,632 | 1,051,744 | 3,690,491 | 3,244,405 | 1,671,513 |
| | PREVIOUS YEAR (Rs.) | 5,398,859 | 102,257 | - | 5,501,116 | 3,351,079 | 478,524 | - | 3,829,603 | 1,671,513 | |

Note No. 8.1

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. and due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current year ending 31st March, 2015 and in each period during the remaining useful life of the assets. Accordingly, the Company has re-worked depreciation with reference to the estimated economic lives of Fixed Assets prescribed by Schedule II of the Act during the year ended 31st March, 2015. In case of any asset whose life is completed as at 1st April 2014, the carrying value (Net of residual value) amounting to Rs.0.37 Lakhs has been adjusted to the Retained Earnings (net of deferred tax impact of Rs.0.18 Lakhs) and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets. As a result the charge for depreciation is higher by Rs.2.35 Lacs for the year ended 31st March, 2015.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)
9 NON CURRENT INVESTMENT

| Particulars | As at | | | As at | |
|---|------------|----------------|------------------|----------------|------------------|
| | | March 31, 2015 | | March 31, 2014 | |
| <u>NON TRADE INVESTMENTS (At Cost)</u> | Face Value | Qty | Amount (Rs.) | Qty | Amount (Rs.) |
| <u>Quoted</u> (Refer Note No.9.1) | | | | | |
| <u>In Equity Instruments</u> | | | | | |
| Dhanuka Agritech Ltd. | 2 | 10,000 | 20,000 | 10,000 | 20,000 |
| Priya Limited | 10 | 275,800 | 4,481,500 | 275,800 | 4,481,500 |
| Total Value of Quoted Investments (A) | | | 4,501,500 | | 4,501,500 |
| <u>Unquoted</u> | | | | | |
| <u>In Equity Instruments</u> | | | | | |
| Gaurav Electrochem Pvt. Ltd. | 100 | 500 | 100,000 | 500 | 100,000 |
| Total Value of Unquoted Investment (B) | | | 100,000 | | 100,000 |
| Total of Long Term Investments | | | 4,601,500 | | 4,601,500 |
| Less: Provision For Diminution In Value Of Quoted Investments | | | - | | - |
| Total Value of Long Term Investments (A+B) | | | 4,601,500 | | 4,601,500 |

Note No. 9.1

Aggregate market value of Quoted Investments Rs. 16,122,200/- (Previous year Rs. 9,676,220/-)

10 DEFERRED TAX ASSETS

| Particulars | As at | As at |
|--|------------------|------------------|
| | March 31, 2015 | March 31, 2014 |
| <u>Deferred Tax Assets</u> | | |
| on account of Expenses allowable under income tax on payment basis | 4,439,488 | 4,057,736 |
| on account of Provision for doubtful debts | 8,823 | 9,265 |
| on account of difference in depreciation as per books and income tax | 380,411 | 352,123 |
| | 4,828,722 | 4,419,124 |

11 LONG TERM LOANS & ADVANCES

| Particulars | As at | As at |
|--|-------------------|------------------|
| | March 31, 2015 | March 31, 2014 |
| (Unsecured, Considered Good, unless specified otherwise) | | |
| <u>Loans and Advance to Related Parties</u> | | |
| Deposits - Securities (Refer Note No. 11.1) | 100,000 | 100,000 |
| <u>Other Loans and Advances</u> | | |
| Advances to Staff | 1,468,385 | 999,251 |
| Inter Corporate Deposits (Refer Note No. 11.2) | 37,500,000 | - |
| Deposits - Securities | 129,036 | 129,036 |
| Advance Income Tax And Tax Deducted At Source | 734,923 | 236,570 |
| {Net of Provision for Tax Rs. 8,638,435/- (Previous year Rs. 2,024,083/-)} | | |
| | 39,932,344 | 1,464,857 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

Note No. 11.1

Loan and Advances due by directors or other officers, etc.

| | March 31, 2015 | March 31, 2014 |
|---|----------------|----------------|
| <u>Deposits- Rental</u> | | |
| Company in which directors are interested | 100,000 | 100,000 |
| | <u>100,000</u> | <u>100,000</u> |

Note No.11.2

The company had idle funds and hence given inter corporate deposits to M/s VXL Instruments Ltd (VXL) a listed company, for the period of ten years. The VXL is engage in manufacturing of electronics / computers and has taken loan for their working capital requirements. The rate of interest charged is 9% which is higher than the rate of interest for Govt securities for the same tenur.

12 INVENTORIES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------|-------------------------|-------------------------|
| <u>Stock - In - Trade</u> | | |
| Chemicals | 22,551,981 | 27,674,126 |
| | <u>22,551,981</u> | <u>27,674,126</u> |

13 TRADE RECEIVABLES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|-------------------------|-------------------------|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Outstanding For More Than Six Months from the date they are due for payment | | |
| Considered Doubtful | 28,555 | 28,555 |
| Less : Allowance for bad and doubtful debts | <u>28,555</u> | <u>28,555</u> |
| | - | - |
| Considered Good | <u>77,753</u> | - |
| Others Debts | 16,103,860 | 13,315,870 |
| | <u>16,181,613</u> | <u>13,315,870</u> |

14 CASH & BANK BALANCES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|
| <u>Cash & Cash Equivalents</u> | | |
| <u>Balance with banks in</u> | | |
| Current Account | 5,857,880 | 2,029,541 |
| Cash on Hand | <u>18,774</u> | <u>22,832</u> |
| | 5,876,654 | 2,052,373 |
| Other bank balances in | | |
| Unpaid Dividend Account | 132,675 | 122,325 |
| Margin Money deposits (Refer Note No. 14.1) | <u>10,681</u> | <u>3,009,781</u> |
| | <u>6,020,010</u> | <u>5,184,479</u> |

Note No. 14.1

In Margin Money deposits amounting to Rs. 10,681/- (Previous year Rs. 3,009,781/-) are lying with bank against Bank Guarantees and Letter of Credit.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)
15 SHORT TERM LOANS & ADVANCES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---|-------------------------|-------------------------|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| <u>Loans and Advance to Related Parties</u> | | |
| Inter Corporate Deposits | - | 30,832,583 |
| <u>Other Loans and Advances</u> | | |
| Advance Recoverable in Cash or Kind or for Value to be Received | 344,228 | 294,959 |
| Advance Tax & Tax Deducted at Source | 259,397 | 259,397 |
| Advances to Staff | 758,400 | 653,474 |
| | 1,362,025 | 32,040,413 |

16 OTHER CURRENT ASSETS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|-------------------------|-------------------------|
| Interest Receivable on Loans, Deposits | - | 2,585,981 |
| | - | 2,585,981 |

17 CONTINGENT LIABILITIES AND COMMITMENTS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|----------------------------------|-------------------------|-------------------------|
| a) Contingent Liabilities | | |
| Disputed Income Tax Liability | 138,530 | 134,060 |
| b) Commitments | | |
| | - | - |
| | 138,530 | 134,060 |

18 REVENUE FROM OPERATIONS

| Particulars | 2014-15 | 2013-14 |
|--|-------------------|--------------------|
| Sale of Products (Refer Note No. 18.1) | 72,516,392 | 84,258,609 |
| Sale of Services (Refer Note No. 18.2) | 20,179,972 | 21,769,910 |
| | 92,696,364 | 106,028,519 |

Note No. 18.1 Sale of Products

| Particulars | 2014-15 | 2013-14 |
|--------------------------|-------------------|-------------------|
| Chemical - Kathon | 20,185,346 | 22,055,976 |
| Chemical - Lanco | 19,785,599 | 20,119,773 |
| Chemical - Acetylacetone | 7,096,644 | 4,133,730 |
| Electronics / Software | - | 15,940,882 |
| Other Product | 25,448,803 | 22,008,248 |
| Total | 72,516,392 | 84,258,609 |

Note No. 18.2 Sale of Services

| Particulars | 2014-15 | 2013-14 |
|----------------------|-------------------|-------------------|
| Indenting Commission | 20,179,972 | 21,769,910 |
| Total | 20,179,972 | 21,769,910 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

19 OTHER INCOME

| Particulars | 2014-15 | 2013-14 |
|---|------------------|------------------|
| Interest income (Refer Note No. 19.1) | 3,464,976 | 3,253,942 |
| Dividend Received on Long Term (Non Trade) Investment | 295,800 | 308,800 |
| Profit on Sale of Fixed Assets (Net) | 20,882 | - |
| Sundry Balance Written Back (Net) | 317,330 | - |
| | 4,098,988 | 3,562,742 |

Note No. 19.1

| Break-up of Interest income | 2014-15 | 2013-14 |
|---|------------------|------------------|
| Interest income on Inter Corporate Deposits | 3,256,528 | 2,873,312 |
| Interest income on Deposits with Banks | 104,954 | 271,073 |
| Interest income from party | 358 | - |
| Interest income on Staff Loans | 102,236 | 109,557 |
| | 3,464,076 | 3,253,942 |

20 PURCHASES OF STOCK IN TRADE

| Particulars | 2014-15 | 2013-14 |
|---------------------------------------|-------------------|-------------------|
| Traded Items | | |
| Traded goods (Refer Note No. 20.1) ** | 50,114,638 | 77,280,257 |
| | 50,114,638 | 77,280,257 |

Note No. 20.1 Trade Goods

| Particulars | 2014-15 | 2013-14 |
|--------------------------|-------------------|-------------------|
| Chemical - Kathon | 9,658,318 | 13,448,319 |
| Chemical - Lanco | 12,377,588 | 18,803,255 |
| Chemical - Acetylacetone | 2,740,368 | 2,582,206 |
| Electronics / Software | - | 14,830,507 |
| Other Product | 17,861,098 | 17,010,861 |
| Total | 42,637,372 | 66,675,148 |

** Includes expenses like custom duty, clearing & forwarding etc. amounting to Rs. 7,477,266/- (Previous year Rs. 10,605,109/-)

21 CHANGES IN INVENTORIES OF STOCK IN TRADE

| Particulars | 2014-15 | 2013-14 |
|-----------------------------------|------------------|---------------------|
| Stock In Trade - Chemicals | | |
| Opening Stock of Traded Goods | 27,674,126 | 16,766,826 |
| Closing Stock of Traded Goods | 22,551,981 | 27,674,126 |
| | 5,122,145 | (10,907,300) |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)
22 EMPLOYEE BENEFITS EXPENSES

| Particulars | 2014-15 | 2013-14 |
|--|-------------------|-------------------|
| Salaries, Wages and Bonus | 13,886,109 | 11,637,137 |
| Contribution to Provident and other fund | 940,737 | 886,696 |
| Staff Welfare Expenses | 845,118 | 622,149 |
| | 15,671,964 | 13,145,982 |

23 FINANCE COSTS

| Particulars | 2014-15 | 2013-14 |
|---|----------------|----------------|
| Interest Expenses (Refer Note No. 23.1) | 219,307 | - |
| <u>Other Borrowing Cost</u> | | |
| Other Financial Charges | 178,910 | - |
| | 398,217 | - |

Note No. 23.1
Break-up of Interest Expenses

| | | |
|------------------------------|----------------|----------|
| Interest Paid on Fixed Loans | 107,706 | - |
| Interest Paid on Income Tax | 111,601 | - |
| Total | 219,307 | - |

24 OTHER EXPENSES

| Particulars | 2014-15 | 2013-14 |
|---|-------------------|-------------------|
| Rent, Service & Warehousing Charges | 4,747,781 | 5,665,533 |
| Insurance Charges | 277,647 | 259,274 |
| Rates and Taxes | 1,468,467 | 414,096 |
| Payment to Statutory Auditors (Refer Note No. 24.1) | 379,778 | 329,216 |
| Legal & Professional Fees | 2,028,533 | 1,542,459 |
| Advertisement, Publicity & Sales Promotion | 435,270 | 250,303 |
| Commission & Brokerage | 568,587 | 422,890 |
| Repairs & Maintenance - Others | 40,072 | 79,148 |
| Freight & Forwarding cost | 370,990 | 417,270 |
| Postage, Telephone, Telex & Fax Charges | 945,589 | 1,080,303 |
| Travelling & Conveyance | 2,998,787 | 2,947,813 |
| Electricity Charges | 687,281 | 686,649 |
| Loss on Exchange Rate Fluctuation (Net) | 166,010 | 1,666,068 |
| Bad Debts | 649 | 40,207 |
| Less: Allowance for Bad and doubtful debts written back | - 649 | 38,341 |
| Allowance for Bad and doubtful debts | - | 13,708 |
| Miscellaneous Expenses | 2,667,453 | 2,612,703 |
| | 17,782,894 | 18,389,299 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

Note No. 24.1

Payment to Statutory Auditors

| Particulars | 2014-15 | | 2013-14 | |
|----------------------------|----------------|----------------|----------------|----------------|
| <u>As auditor :</u> | | | | |
| Audit Fee | 120,000 | | 120,000 | |
| Tax Audit Fee | 45,000 | | 45,000 | |
| Limited review | 45,000 | | 45,000 | |
| Vat Audit Fee | 25,000 | | 25,000 | |
| Service Tax | 29,046 | 264,046 | 29,046 | 264,046 |
| <u>In other capacity :</u> | | | | |
| Taxation Matters | 93,000 | | 43,000 | |
| Other Services | 10,000 | | 15,000 | |
| Service Tax | 12,732 | 115,732 | 7,170 | 65,170 |
| Total | | 379,778 | | 329,216 |

25 EARNING PER SHARE

| Particulars | 2014-15 | 2013-14 |
|--|----------------|----------------|
| (A) Profit attributable to Equity Shareholders (Rs.) | 4,495,358 | 8,065,170 |
| (B) No. of Equity Share outstanding during the year. | 996,000 | 996,000 |
| (C) Face Value of each Equity Share (Rs.) | 10 | 10 |
| (D) Basic & Diluted earning per Share (Rs.) | 4.51 | 8.10 |

26 VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS IN RESPECT OF

| Particulars | 2014-15 | 2013-14 |
|--------------------|-------------------|-------------------|
| Traded Goods | 27,124,835 | 51,196,223 |
| | 27,124,835 | 51,196,223 |

27 EXPENDITURE IN FOREIGN CURRENCY

| Particulars | 2014-15 | 2013-14 |
|--------------------------|----------------|----------------|
| Travelling Expenses | 395,538 | 309,841 |
| Sales Promotion Expenses | 4,019 | 39,015 |
| | 399,557 | 348,856 |

28 EARNINGS IN FOREIGN CURRENCY

| Particulars | 2014-15 | 2013-14 |
|-----------------------|-------------------|-------------------|
| Export [On FOB Basis] | - | 10,665,308 |
| Freight | - | 9,082 |
| Indenting Commission | 20,179,972 | 21,769,910 |
| | 20,179,972 | 32,444,300 |

29 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:

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)
A. Defined Contribution Plan

| Particulars | 2014-15 | 2013-14 |
|--|---------|---------|
| (i) Provident Fund | 694,400 | 656,440 |
| (ii) Contribution to Superannuation Fund | 172,935 | 160,845 |

B. Defined Benefit Plans

| Particulars | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
|---|--------------------|--------------------|--------------------|--------------------|
| | Gratuity | Gratuity | Leave Encashment | Leave Encashment |
| (i) Assumptions | | | | |
| Mortality | IALM(2006-08)Ult | IALM(2006-08)Ult | IALM(2006-08)Ult | IALM(2006-08)Ult |
| Discount Rate | 7.85% | 9.16% | 7.85% | 9.16% |
| 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% | Up to Age 30 : 10% | Up to Age 30 : 10% | Up to Age 30 : 10% |
| | 31 to 40 : 5% | 31 to 40 : 5% | 31 to 40 : 5% | 31 to 40 : 5% |
| | 41 and above : 2% | 41 and above : 2% | 41 and above : 2% | 41 and above : 2% |
| (ii) Changes in present value of obligations | | | | |
| PVO at beginning of period | 10,093,394 | 9,071,451 | 1,613,525 | 1,502,951 |
| Interest cost | 891,216 | 725,716 | 144,844 | 120,030 |
| Current Service Cost | 631,555 | 542,346 | 207,735 | 188,685 |
| Liability Transferred In / (out) - Net | - | - | - | - |
| Benefits Paid | (727,918) | - | (64,509) | (5,145) |
| Actuarial (gain)/loss on obligation | 817,611 | (246,119) | (17,087) | (192,996) |
| PVO at end of period | 11,705,858 | 10,093,394 | 1,884,508 | 1,613,525 |
| (iii) Changes in fair value of Plan Assets | | | | |
| Fair Value of Plan assets at beginning of period | - | - | - | - |
| Expected Return on Plan Assets | - | - | - | - |
| Contributions | 727,918 | - | 64,509 | 5,145 |
| Benefit Paid | (727,918) | - | (64,509) | (5,145) |
| Actuarial gain / (loss) on plan assets | - | - | - | - |
| Fair Value of Plan assets at end of period | - | - | - | - |
| (iv) Fair value of Plan Assets | | | | |
| Fair Value of Plan assets at beginning of period | - | - | - | - |
| Actual Return on Plan Assets | - | - | - | - |
| Contributions | 727,918 | - | 64,509 | 5,145 |
| Benefit Paid | (727,918) | - | (64,509) | (5,145) |
| Fair Value of Plan assets at end of period | - | - | - | - |
| Funded Status | (11,705,858) | (10,093,394) | (1,884,508) | (1,613,525) |
| Excess of actual over estimated return on Plan Assets | - | - | - | - |
| (v) Actuarial Gain / (Loss) Recognized | | | | |
| Actuarial Gain / (Loss) for the period (Obligation) | (817,611) | 246,119 | 17,087 | 192,996 |
| Actuarial Gain / (Loss) for the period (Plan Assets) | - | - | - | - |
| Total Gain / (Loss) for the period | (817,611) | 246,119 | 17,087 | 192,996 |
| Actuarial Gain / (Loss) recognized for the period | (817,611) | 246,119 | 17,087 | 192,996 |
| Unrecognized Actuarial Gain / (Loss) at end of period | - | - | - | - |
| (vi) Amounts to be recognized in the Balance Sheet and statement of Profit & Loss | | | | |
| PVO at end of period | 11,705,858 | 10,093,394 | 1,884,508 | 1,613,525 |
| Fair Value of Plan assets at end of period | - | - | - | - |
| Funded Status | (11,705,858) | (10,093,394) | (1,884,508) | (1,613,525) |
| Unrecognized Actuarial Gain / (Loss) | - | - | - | - |
| Net Asset / (Liability) recognized in the Balance Sheet | (11,705,858) | (10,093,394) | (1,884,508) | (1,613,525) |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

| Particulars | 2014-15 | 2013-14 | 2014-15 | 2013-14 |
|---|------------|------------|------------------|------------------|
| | Gratuity | Gratuity | Leave Encashment | Leave Encashment |
| (vii) Expenses recognized the the statement of Profit & Loss | | | | |
| Current Service Cost | 631,555 | 542,346 | 207,735 | 188,685 |
| Interest Cost | 891,216 | 725,716 | 144,844 | 120,030 |
| Expected Return on Plan Assets | - | - | - | - |
| Net Actuarial (Gain) / Loss recognized for the period | 817,611 | (246,119) | (17,087) | (192,996) |
| Expense recognized in the statement of Profit & Loss | 2,340,382 | 1,021,943 | 335,492 | 115,719 |
| (viii) Movements in the Liability recognized in Balance Sheet | | | | |
| Opening Net Liability | 10,093,394 | 9,071,451 | 1,613,525 | 1,502,951 |
| Expenses as above | 2,340,382 | 1,021,943 | 335,492 | 115,719 |
| Contribution paid | (727,918) | - | (64,509) | (5,145) |
| Liability Transferred In / (out) - Net | - | - | - | - |
| Closing Net Liability | 11,705,858 | 10,093,394 | 1,884,508 | 1,613,525 |
| (ix) Experience Analysis - Liabilities | | | | |
| Actuarial (Gain)/Loss due to change in bases | 586,514 | (382,290) | 96,259 | (80,020) |
| Experience (Gain) / Loss due to Change in Experience | 231,097 | 136,171 | (113,346) | (112,976) |
| Total | 817,611 | (246,119) | (17,087) | (192,996) |
| Experience Analysis - Plan Assets | | | | |
| Experience (Gain) / Loss due to Change in Plan Assets | - | - | - | - |
| (x) Schedule III Details | | | | |
| Current Liability | 5,572,640 | 5,632,408 | 910,448 | 879,395 |
| Non-Current Liability | 6,133,218 | 4,460,986 | 974,060 | 734,130 |

30 RELATED PARTY DISCLOSERS
A. Names of related parties and description of relationship:

| Name of Party | Nature of Relationship |
|------------------------------|--|
| Mrs. Saroj Bhuwania | Key Management Personnel |
| Mr. A.K. Bhuwania | Key Management Personnel |
| Mr. Aditya Bhuwania | Key Management Personnel |
| Mr. P. V. Hariharan | Key Management Personnel |
| Mrs. Shruti Bhuwania | Relative of Key Management Personnel |
| Priya Ltd. | Entities where individual having control/significant influence or key management personnel or their relatives are able to exercise significant influence |
| Gaurav Electrochem Pvt. Ltd. | |

B. Transactions that have taken place during the year with related parties by the Company

| Name of Related Parties | Nature of Transaction during the year | 2014-2015 | 2013-2014 |
|------------------------------|---|-----------|------------|
| Priya Ltd | Reimbursement of Services/ Expenses incurred on behalf of Priya Ltd | 57,175 | 13,230 |
| | Reimbursement of Services/ Expenses incurred by Priya Ltd | 5,233,534 | 13,238,402 |
| Gaurav Electrochem Pvt. Ltd. | Warehousing Charges | 120,000 | 120,000 |
| Mrs. Shruti Bhuwania | Salary paid during the Year | 751,000 | 216,000 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

| Name of Related Parties | Nature of Transaction during the year | 2014-2015 | 2013-2014 |
|-------------------------|---------------------------------------|------------|------------|
| Mr. P. V. Hariharan | Director Remuneration | 2,243,503 | 2,067,665 |
| M/s. Priya Ltd. | Interest Received | 2,654,884 | 2,873,312 |
| M/s. Priya Ltd. | Inter Corporate deposit given | 4,500,000 | 34,525,000 |
| M/s. Priya Ltd | Inter Corporate deposit given back | 35,332,583 | 33,100,000 |

C. Balance at the year end

| | | | |
|------------------------------|---|---------|------------|
| M/s. Priya Ltd. | Inter Corporate deposit at the year end | - | 30,832,583 |
| Gaurav Electrochem Pvt. Ltd. | Deposit Warehouse | 100,000 | 100,000 |
| M/s. Priya Ltd. | Interest Receivable | - | 2,585,981 |

31 Disclosure relating to provisions for Incentives to marketing employees :

| Provision Related to | Opening Balance | Additions | Utilisation | Reversal | Closing Balance |
|-----------------------------------|-----------------|-----------|-------------|----------|-----------------|
| Incentives to marketing employees | 800000 | 500000 | 497207 | 302793 | 500000 |

The company gives incentives to its sales employees based on their performance. A provision has been made for the expected liability based on the past experience.

32 Lease

The Company's leasing arrangements are in respect of office premises. These leasing arrangements, which is mostly cancelable, range between 11 months to 3 years and are usually renewable by mutual consent at mutually agreed terms & conditions. The lease payment of Rs. 4,042,222/- (Previous Year Rs.5,133,052/-) has been recognised as expenses in the statement of Profit & Loss under the Note No. 23 "other expenses"

33 Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.
34 SEGMENT REPORTING
Segment Information for the year ended 31st March, 2015

(i) Information about primary business segment :

| Particulars | 2014-15 | | | | 2013-14 | | | | | |
|--|----------------------|-------------------|---------------------|--------------|--------------|----------------------|-------------------|---------------------|--------------|--------------|
| | Segments | | | Unallocated | Total | Segments | | | Unallocated | Total |
| | Indenting Commission | Chemicals Trading | Electronics Trading | | | Indenting Commission | Chemicals Trading | Electronics Trading | | |
| Revenue | | | | | | | | | | |
| External Customers | 20,179,972 | 72,516,392 | - | - | 92,696,364 | 21,769,910 | 68,317,727 | 15,940,882 | - | 106,028,519 |
| Total Revenue | 20,179,972 | 72,516,392 | - | - | 92,696,364 | 21,769,910 | 68,317,727 | 15,940,882 | - | 106,028,519 |
| Result | | | | | | | | | | |
| Segment Results | 9,756,448 | 14,114,536 | - | - | 23,870,984 | 15,238,802 | 16,796,926 | (3,149,228) | - | 28,886,500 |
| Unallocated corporate expenses net of unallocated corporate income | | | | (16,679,905) | (16,679,905) | - | - | - | (17,682,001) | (17,682,001) |
| Finance cost | - | - | - | (398,217) | (398,217) | - | - | - | - | - |
| Profit Before Tax | 9,756,448 | 14,114,536 | - | (17,078,122) | 6,792,862 | 15,238,802 | 16,796,926 | (3,149,228) | (17,682,001) | 11,204,499 |
| Less: Provision for Tax (Net of Deferred Tax) | - | - | - | 2,545,152 | 2,545,152 | - | - | - | 3,316,246 | 3,316,246 |
| Net Profit After Tax & Before Prior Period Adjustments | 9,756,448 | 14,114,536 | - | (19,623,274) | 4,247,710 | 15,238,802 | 16,796,926 | (3,149,228) | (20,998,247) | 7,888,253 |
| Add: Prior Period Tax Adjustments | - | - | - | 247,648 | 247,648 | - | - | - | 176,917 | 176,917 |
| Net Profit After Tax | 9,756,448 | 14,114,536 | - | (19,375,626) | 4,495,358 | 15,238,802 | 16,796,926 | (3,149,228) | (20,821,330) | 8,065,170 |
| Other Information | | | | | | | | | | |
| Segment Assets | 4,091,528 | 38,329,444 | - | 56,301,628 | 98,722,600 | 1,897,485 | 40,134,975 | - | 50,925,403 | 92,957,863 |
| Segment Liabilities | 11,935,952 | 12,128,399 | - | 7,880,934 | 31,945,285 | 8,439,039 | 4,728,858 | 6,970,405 | 8,702,504 | 28,840,806 |
| Capital Expenditure | - | - | - | 2,893,127 | 2,893,127 | - | - | - | 102,257 | 102,257 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

(ii) Information about secondary geographical business segment :

| | 2014 - 15 | | | 2013 - 14 | | |
|---------------------|--------------|---------------|------------|--------------|---------------|-------------|
| | Within India | Outside India | Total | Within India | Outside India | Total |
| Segment Revenue | 72,516,392 | 20,179,972 | 92,696,364 | 73,584,219 | 32,444,300 | 106,028,519 |
| Segment Assets | 97,976,540 | 746,060 | 98,722,600 | 91,784,002 | 1,173,861 | 92,957,863 |
| Capital Expenditure | 2,893,127 | - | 2,893,127 | 102,257 | - | 102,257 |

Notes:-

- (i) The company is into two main business segments, namely;
 (a) Indenting Business
 (b) Trading Business - Chemicals
 (c) Trading Business - Electronics

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.

35 Derivatives:

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

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

| Particulars | As on 31.03.2015 | | As on 31.03.2014 | | Foreign Currency |
|--------------------|------------------|------------------|------------------|------------------|------------------|
| | Amount in | | Amount in | | |
| | Rs. | Foreign Currency | Rs. | Foreign Currency | |
| Receivables | 152,215 | 2,255 | 200,571 | 2,429 | EURO |
| | 111,353 | 1,779 | 944,735 | 15,730 | USD |
| | 47,682 | 91,520 | - | - | YEN |

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

| Particulars | As on 31.03.2015 | | As on 31.03.2014 | | Foreign Currency |
|------------------|------------------|------------------|------------------|------------------|------------------|
| | Amount in | | Amount in | | |
| | Rs. | Foreign Currency | Rs. | Foreign Currency | |
| Creditors | 5,255,890 | 83,866 | 4,481,817 | 74,523 | USD |

36 Significant Accounting Policies :
(A) Basis of Preparation of financial statement

The financial statements have been prepared under the historical cost convention on an accrual basis and comply in all material aspects with the mandatory accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (accounts) Rules 2014.

(B) Use of Estimates

The presentation and preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of revenues and expenses during the reporting year. Difference between the actual result and the estimates are recognized in the year in which the results are known / materialized.

(C) Cash and Cash equivalents

Cash and Cash equivalents for the purpose of cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(D) Valuation of Inventories

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**(E) Revenue Recognition**

- (i) Sales are recognised when the significant risk and reward of ownership of the goods are passed to the customer. Sales are net of sales return, quantity discount and exclusive of value added tax collected. Indenting commission is accounted as and when it becomes due.
- (ii) Interest income is recorded on a time proportion basis taking into account the amounts invested and the rate of interest.
- (iii) Dividend income is recognised when the company's right to receive dividend is established by the reporting date.

(F) Fixed Assets & Depreciation

All Fixed Assets are stated at Cost less Accumulated Depreciation. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is ready for use.

Up to March 31, 2014, the depreciation on Tangible Assets is provided using the Written Down Value method at rates prescribed under Schedule XIV to the Companies Act, 1956 and with effect from April 1, 2014, the depreciation is provided based on useful life prescribed under Schedule II of the Companies Act 2013. In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use. Depreciation on Intangible assets – Software is amortised over a period of 3 years on straight line method.

(G) Foreign Currency Transactions

- (i) Foreign exchange transactions are accounted at the exchange rate prevailing on the date of transaction. Resulted exchange differences arising on payment or conversion of liabilities are recognised as income or expense in the year in which they arise.
- (ii) At the year end all Foreign currency assets & 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 Statement of Profit & Loss.
- (iii) All foreign currency liabilities / assets not covered by forward contracts, are restated at the rates prevailing at the year end and any exchange differences are debited / credited to the Statement of Profit & Loss.

(H) 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. Cost of Investment is arrived at on the basis of weighted average cost at the time of sale.

(I) Employee Benefit

- (i) Short term employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss for 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 Statement of Profit & Loss as and when incurred.
- (iii) Liabilities in respect of defined benefit plans - Gratuity and Leave encashment are determined based on actuarial valuation made by an independent actuary as at the balance sheet date and expenses is recognised based on the actuarial valuation. The actuarial gains or losses are recognised immediately in the Statement of Profit & Loss.

(J) Provision for Current Tax

- (i) 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

- (ii) 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.

(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 Statement of Profit and Loss. 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) Provision & Contingent Liability

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.

(M) Earnings Per Share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares except where the results would be anti-dilutive. The numbers of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential equity shares.

- 37** 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.
- 38** The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per schedule III.

FOR **M. L .BHUWANIA & CO.**
CHARTERED ACCOUNTANTS
Firm Registration Number : 101484W

FOR AND ON BEHALF OF THE BOARD

Sd/-
J.P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

Sd/-
P.V.HARIHARAN
WHOLE TIME DIRECTOR

Sd/-
ADITYA BHUWANIA
DIRECTOR

PLACE : MUMBAI
DATED : 26th May, 2015

Sd/-
GHANSHYAM VYAS
CHIEF FINANCIAL OFFICER

Sd/-
AMIT SURASE
COMPANY SECRETARY



PRIYA INTERNATIONAL LIMITED

CIN:L99999MH1983PLC086840

Regd. Office: 4th Floor, Kimatrai Building, 77-79, Maharshi Karve Marg,
Marine Lines (E), Mumbai-400002. www.priyagroup.com

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 **32ND ANNUAL GENERAL MEETING** of the Company to be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 400 018 on **Thursday, the 20th day of August, 2015 at 10.30 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 INTERNATIONAL LIMITED

CIN:L99999MH1983PLC086840

Regd. Office: 4th Floor, Kimatrai Building, 77-79, Maharshi Karve Marg,
Marine Lines (E), Mumbai-400002. www.priyagroup.com

PROXY FORM - MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

Name of the Member (s) : _____

Registered address: _____

E-mail Id: _____

Folio No./ Client ID No.* _____

DP ID No.* _____

I / We, being the member(s) of _____ Equity Shares of Priya International Limited, hereby appoint

1. Name : _____ Address : _____

E-mail Id : _____ Signature : _____, or failing him / her

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him / her

3. Name: _____

Address: _____

E-mail Id: _____

Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **32nd Annual General Meeting** of the Company, to be held on **Thursday, the 20th day of August, 2015 at 10.30 a.m.** at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Consider and adopt the Audited Financial Statement, Reports of the Board of Directors and Auditors, for the financial year ended 31st March, 2015.
2. Declaration of dividend on Equity Shares for the financial year ended 31st March, 2015.
3. Re-appointment of Mr. Aditya Bhuwania, who retires by rotation.
4. Appointment of Auditors and fixing their remuneration
5. Appointment of Mr. R. K. Saraswat as Independent Director of the Company
6. Appointment of Mr. M. K. Arora as Independent Director of the Company
7. Appointment of Mr. Anuj Bhargava as Independent Director of the Company
8. Re-appointment of Mr. P. V. Hariharan as Whole Time Director

Affix
Rupee 1/-
Revenue
Stamp

Signed this day of..... 2015.

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy 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 commencement of the Meeting.

TEAR HERE

If Undelivered Please return to:

PRIYA INTERNATIONAL LIMITED

4th Floor, Kimatrai Building 77-79, Maharshi Karve Marg,
Marine Lines (E), Mumbai - 400002