



PRIYA LIMITED



25th ANNUAL GENERAL MEETING

Day	:	Thursday
Date	:	23 rd August, 2012
Time	:	11.00 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 ASHISH BHUWANIA	Executive Director
SHRI ADITYA BHUWANIA	Executive Director
SHRI ANUJ BHARGAVA	Director
SHRI P. V. HARIHARAN	Director
SHRI GAURAV MUNOLI	Company Secretary
SHRI RAKESH JAIN	Chief Financial Officer

BANKERS

Indian Bank
Bank of India
Union Bank of India

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT (COMMON AGENCY)

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

EQUITY SHARES ARE LISTED AT:

The Bombay Stock Exchange Ltd (BSE)

WEBSITE

www.priyagroup.com

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NOTICE

NOTICE is hereby given that the **Twenty-Fifth** Annual General Meeting of the members of **PRIYA LIMITED** will be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Thursday, the 23rd Day of August, 2012 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend for the Financial Year 2011-2012.
3. To appoint a Director in place of Mr. A. K. Bhuwania who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anuj Bhargava, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. M. L. Bhuwania & Co., Chartered Accountants having Registration No. 101484W issued by the Institute of Chartered Accountants of India, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2013".

SPECIAL BUSINESS:

6. Re-appointment of Mr. Ashish Bhuwania as Executive Director

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956

(including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government if applicable, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Ashish Bhuwania as a Whole time Director, designated as 'Executive Director' of the Company, for a period of 5 (five) years with effect from 13th May, 2012 on a remuneration of ₹ 1,25,000/- per month (all inclusive) with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Ashish Bhuwania.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Ashish Bhuwania, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT the Board/any Director (s) of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient including but not limited to filing of e-form/form (s) with Registrar of Companies, Central Government or such other authorities as the case may be, to give effect to this resolution."

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 17th August, 2012 to 23rd August, 2012 (both days inclusive).

4. Dividend recommended for the year ended 31st March, 2012 if approved by the members will be paid to those eligible members whose names appear:
 - I. As Beneficial Owners, as on 23rd August, 2012, 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 23rd August, 2012.
5. Members, who have not given the Bank Account Details earlier, are requested to send the same immediately to enable the Company to pay dividend accordingly.
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
8. (a) Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.
 - (b) Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID no., to their respective Depository Participants.
9. Members are hereby informed that Dividends which remain unclaimed/unpaid over a period of 7 years from the date of transfer to the Unpaid Dividend Account have been transferred by the Company, pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, to a fund called the Investor Education & Protection Fund established by the Central Government under sub-section (1) of Section 205C of the Companies Act, 1956. Please note that no claim shall lie against the Fund or the Company in respect of the dividend amount so transferred to the Investor Education & Protection Fund.
10. Members may avail dematerialisation facility by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised. The ISIN No. of the Company is **INE686C01014**.
11. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office atleast 7 days before the date of the meeting, so that the required information can be made available at the meeting.
12. Members, who have not registered their e-mail addresses, are requested to register their e-mail address in respect of electronic holdings with the depository through their concerned Depository Participants and members who hold shares in physical form are requested to send their details to Bigshare Services Pvt. Ltd (Registrar & Transfer agent) in order to enable the company to serve the notice/Documents including Annual Report through e-mail as an initiative in consonance with circular issued by Ministry of Corporate Affairs allowing paperless compliances by the companies.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) of COMPANIES ACT, 1956

Item No. 6

At the meeting of the members held on 21st Day of September, 2007, Mr. Ashish Bhuwania was appointed as Whole time Director designated as Executive Director of the Company for period of five years with effect from 13th May, 2007 which was approved by the central Government and the same expired on 12th May, 2012.

Mr. Ashish Bhuwania, aged 40 years is a graduate in Management Science from London School of Economics and has over 18 years of experience in the field of Management and computer hardware.

Mr. Ashish Bhuwania is based in London and has developed good contact with reputed multinational firms and organisation. He spearheads the international operations of the company and is shouldering major responsibilities of Electronics Division. His contacts and vast experience has helped the company to understand the international market trend and potential for company's products. He is also the Director of Halifax Properties Investments Private Limited.

The Remuneration Committee of the Board at its meeting held on 10th May, 2012 has recommended the re-appointment and payment of remuneration in compliance with Section 269 and 309 of the Act. The Board of Director vide their resolution dated 10th May 2012 re-appointed Mr. Ashish Bhuwania as the Whole Time Director, designated as Executive Director for the period of five years with effect from 13th May, 2012, subject to consent of members and approval of Central Government.

In view of the increased activities and contribution of Mr. Ashish Bhuwania to the Company, his re-appointment as Executive Director is considered

essential. Mr. Ashish Bhuwania is well aware of the intricacies of the Company's business and is expected to duly discharge the functions of Executive Director. He is agreeable to continue to serve the Company on the same terms & condition, if re-appointed. The Board of Directors has recommended his re-appointment as Executive Director for a further period of 5 years with effect from 13th May, 2012 (i.e. from 13.05.2012 to 12.05.2017). The re-appointment has to be approved by a resolution of the shareholders in forthcoming annual general meeting. The approval is being sought by proposing resolution in item no. 6.

In compliance of provisions contained in schedule XIII of the Companies Act, 1956, the resolution approving the appointment and payment of remuneration is placed before the ensuing annual general meeting of the shareholders for their approval.

This statement should be treated as an abstract of the terms & conditions of the contract with Mr. Ashish Bhuwania for the purpose of section 302 of the Companies Act, 1956.

Mr. Ashish Bhuwania, Mr. A. K. Bhuwania & Mr. Aditya Bhuwania, Directors of the Company are deemed to be concerned or interested in the resolution.

For and on behalf of the Board
For Priya Limited

Sd/-

Place: Mumbai
Date: 10th May, 2012

Gaurav Munoli
Company Secretary

Registered Office:

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

Details of the Directors seeking appointment / re – appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Particulars	Mr. A. K. Bhuwania	Mr. Anuj Bhargava	Mr. Ashish Bhuwania
Date of Birth	30.08.1947	24.09.1962	14.10.1971
Age	64 years	49 years	40 years
Qualification	B.Sc in Maths	CMC, CWA.	Graduate in Management Science
Expertise	Hardware Industry	Management & IT Consultancy	Electronics & Chemical Industry

DIRECTORS' REPORT

To,
Dear Members,
Priya Limited

Your Directors are pleased to present the **25th Annual Report** and Audited Accounts of your Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

The financial performance of the Company for the year ended March, 2012 in comparison to the previous financial year 2010-11 are summarised as below:

	(₹ in Lacs)	
	Year Ended 31/03/2012	Year Ended 31/03/2011
Revenue from operation	19246.60	22059.70
Other Income	157.75	220.81
	19404.35	22280.51
Profit/(Loss) before Tax and Extra Ordinary Item	175.83	297.02
Extra ordinary item	----	----
Profit/(Loss) before Tax and after Extra Ordinary Items	175.83	297.02
Provision for taxation Current Tax	54.19	106
Deferred Tax	(0.48)	(9.44)
(Add)/Less: Taxation of earlier years	40.49	----
Profit/(Loss) After Tax	81.63	200.46
Add: Balance brought forward	597.97	432.52
	679.60	632.98
Profit available for appropriation	679.60	632.98
Appropriations		
Proposed Dividend	30.02	30.02
Corporate Dividend Tax	4.87	4.99
Balance carried to Balance Sheet	644.70	597.97
	679.60	632.98
	=====	=====

DIVIDEND

Your Directors have recommended a dividend of Re. 1.00/- per equity share (i.e.@ 10%) on 30,02,300 fully paid equity shares of ₹ 10/- each for the financial year ended 31st March 2012, amounting to ₹ 30,02,300/- (exclusive of Tax of ₹ 4.87 Lac).

OPERATIONS

During the year under review the aggregate turnover of your Company was ₹ 19246.60 lac as compared to ₹ 22059.70 lac in the previous year. The Company has earned profit after tax and exceptional item of ₹ 81.63 lac in 2011-2012 as compared to ₹ 200.46 lac in the previous year.

Due to recessionary trends which continued globally,

your company's turnover decreased to ₹ 19246.60 lac in comparison to performance of previous year. The aforesaid decrease in turnover was a result of economic slowdown globally and not restricted to USA & European countries.

Your Company is focused to concentrate on the hardware business which has been major revenue earner, which mainly includes marketing of VXL thin clients and other computer peripherals such as Keyboard and Mouse. The financial year 2011-12 was a challenging year, as the company had to shrink its import activities in response to high volatility in foreign currency and devaluation of rupee. The chemical segment of the company has also witnessed fall in revenue, as a consequence of global economy being in throes of recession.

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

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

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. A. K. Bhuwania and Mr. Anuj Bhargava, Directors of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The tenure of Mr. Ashish Bhuwania is due for re-appointment w.e.f. 13/05/2012 as Executive Director of the Company. Keeping in view his experiences and expertise, a resolution is proposed in the notice of Annual General Meeting for the aforesaid re-appointment of Mr. Ashish Bhuwania as per terms detailed in the resolution. The proposed tenure of appointment is for 5 years w.e.f. 13/05/2012.

AUDITORS

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

AUDITORS REPORT

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

HUMAN RESOURCE

Maintenance of a cordial and supportive environment is a pre-requisite for the smooth functioning of any organization. This requires the management and

the employees to fully understand and respect each other. On an ongoing basis the management identifies and implements necessary measures to maintain a positive climate and improve performance levels.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report which form an integral part of this report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is set out in a separate section to this report.

CORPORATE GOVERNANCE

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

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

INSURANCE

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

BANKS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- ii) Appropriate accounting policies have been selected and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2011-2012 and Profit of the Company for that the year ended on 31st March, 2012;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis.

DEMATERIALIZATION

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

LISTING OF SHARES

The Company's equity shares continue to be listed on The Bombay Stock Exchange Limited (BSE). The Company had applied for de-listing of equity shares from The Calcutta Stock Exchange Ltd. (CSE) and the said de-listing permission is in process and the Company is constantly following up with the Exchange for completion of the process. The listing fee for the financial year 2011-2012 was duly paid to BSE.

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

CONSERVATION OF ENERGY:

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

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

TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The relevant information in respect of the foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the year ended on 31st March, 2012.

PARTICULARS OF EMPLOYEES:

The Company is not required to make any disclosure under section 217(2A) of the Companies Act, 1956 as none of its employees is drawing remuneration in excess of ₹ 60 Lacs per annum or ₹ 5 Lacs per month.

APPRECIATION & ACKNOWLEDGEMENTS

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

For and on behalf of the Board
For Priya Limited

Aditya Bhawania R. K. Saraswat
Executive Director Director

Place: Mumbai
Date: 10th May, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMY AND INDUSTRY OVERVIEW

The year 2011-12 was marked by growing global uncertainties. Global recovery has stalled, growth prospects have dimmed and downside risks have escalated. Growth of Indian economy has slowed down and was recorded approximately near 6.9% in 2011-12 and is expected to be around 7% in the next fiscal year. This fiscal, IT Hardware companies were adversely affected due to devaluation of rupee against US dollar, depressed demand and supply chain disruption because of floods in Thailand. Despite several odds, production of computer hardware is estimated to increase by 10 per cent in 2011-12 to touch ₹ 16,500 Crore as against ₹ 14,970 Crore during 2010-11.

1.1 INDUSTRY STRUCTURE AND DEVELOPMENTS

Electronics Division:

The Information, Communication Technology and Electronics (ICTE) have been contributing significantly to the economic growth of the country. Electronics is increasingly finding applications in all sectors of the economy and thus is accepted as a key enabler in development. Government of India recognizes that the development of domestic capabilities in Electronics System Design and Manufacturing (ESDM) is crucial for both economic and strategic reasons. The vision is to create a globally competitive ESDM sector to meet the country's needs and serve the international markets. It is with this vision that the Government has come out with the draft National Policy on Electronics, 2011.

The Electronics & IT-ITeS industry continued to exhibit remarkable resilience during the year 2011-12. The total production of Electronics & IT-ITeS Industry is estimated to grow by 19.2 per cent in 2011-12 as against 14.6 percent in 2010-11. This increase in growth is attributed mainly to the accelerated growth of software and services industry which is export driven and continues to dominate the electronics and IT industry.

Chemical Division:

Chemical Industry is an important constituent of the Indian economy. Its size is estimated at around US\$ 35 billion approx., which is equivalent to about 3% of India's GDP. The total investment in Indian Chemical Sector is approx. US\$ 60 billion and total employment generated is about 1 million. The Indian Chemical sector accounts for 13-14% of total exports and 8-9% of total imports of the country. In terms of volume, it is 12th largest in the world and 3rd largest in Asia. Currently, per capita consumption of products of chemical industry in India is about 1/10th of the world average.

1.2 OPPORTUNITIES AND THREATS

Electronics Division:

IT hardware market in India continue to expand rapidly with the significant IT adoption plans by the key drivers, such as, Telecom, BFSI (Banking, Financial Services and Insurance), ITeS (Information Technology enabled Services), Education, Small

Office / Home Office (SOHO), manufacturing verticals, Small & Medium Enterprises (SMEs), e-Governance and households. Production of computer hardware is estimated to increase by 10 per cent in 2011-12 to touch ₹ 16,500 Crore as against ₹ 14,970 Crore during 2010-11. At a recent conference on IT SME's titled: "IndiaSoft 2012" held in Hyderabad, India's IT secretary Mr. J Satyanarayana informed that the electronic hardware industry had taken a backstage in the last one decade because an increased focus was given to the software industry. This trend will be reversed now and a greater importance will be given to the electronic hardware manufacturing segment of the country.

Chemical Division:

The Dyestuff sector is one of the important segments of the chemical industry in India, having forward and backward linkages with a variety of sectors like textiles, leather, paper, plastics, printing inks and foodstuffs. The textile industry accounts for the largest consumption of dyestuffs at nearly 70 percent. From being importers and distributors in the 1950s, it has now emerged as a very strong industry and a major foreign exchange earner. India has emerged as a global supplier of dyestuffs and dye intermediates, particularly for reactive, acid, vat and direct dyes. India accounts for approximately 7 percent of the world production.

Developed countries are looking at outsourcing dye production to developing countries, as production facilities shift base to Asian countries like India and China.

China, with higher scale of production and lower power tariff has globally competitive production cost compared to India and poses threat to the Indian business. The industry needs to significantly strengthen its technical capabilities and marketing acumen to be globally competitive. Spending on research & development (R&D) is the lowest by India's colorant industry. For a nation aspiring to be a major manufacturing centre for colorants, there is an urgent need to increase R&D activities. Per capita consumption of colorants is only a meager 50 gm vis-à-vis the world average of 250 gm.

1.3 SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Electronics Division:

The performance of the company was relatively less satisfactory during the year in comparison to last year turnover. The segment result, before adjustment for unallocated expenses (net) and provisions for taxation, marginally decreased to ₹ 748.86 Lacs as compared to ₹ 789.73 Lacs in the previous year.

Chemical Division:

In spite of decrease in turnover in comparison to last year's turnover the company has managed to escalate the margin for the period under review. With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide.

1.4 FUTURE OUTLOOK

Electronics Division:

As per the Report issued by Department of Information Technology, the demand for electronics hardware in the country is projected to increase upto US\$ 400 billion by 2020. The concept of Thin Client computing is in vogue due to several advantages which interalia include significant decrease in IT cost of the Organisation. We have set up a strong technical support team to provide total network solutions which in the long run will enhance competitiveness and enable us to maintain profitability.

Chemical Division:

Dye has an inherent element of value addition to a wide variety of products like textiles, leather, paper, food products, cosmetics, plastics, paints, inks and high-tech applications like optical data storage (CDs, DVDs), solar cells, medical diagnostics (CT Scan, angiography), security inks, lasers, photo dynamics etc. The textile industry accounts for the largest consumption of dyestuffs at nearly 70 percent. From being importers and distributors in the 1950s, it has now emerged as a very strong industry and a major foreign exchange earner. Europe and USA, the two major economies for dyestuff are riding high on debt and fiscal unease. The chemical industry experts have also indicated that 2012 will be a litmus test for growth and sustainability.

1.5 RISKS AND CONCERNS

Electronics Division:

General economic slowdown may compel our clients to postpone their decisions to acquire newer technology and reduce their IT operations cost. In turn such scenario may affect our revenue and profitability. The exchange rate between the Indian rupee and US dollar has fluctuated significantly in recent past and the same may continue fluctuating in future. Currency fluctuation some time may turn out highly unfavorable to us and may adversely affect our revenue and gross margins. Highly competitive scenario creates pricing pressure on the Company, which may affect its gross margin in the long run.

Chemical Division:

While chemical industry addresses growing need for materials required by different sectors, the industry employs highly complex manufacturing processes that involve handling of often toxic and hazardous chemicals. The process being energy intensive, the importance of safety, security and environmental protection can not be underestimated. Europe and other countries are making imports into their region stricter and that makes it tougher for Indians to export.

1.6 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's appropriate internal control systems for business processes, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations ensure that all assets are protected against losses and unauthorised use.

It also has an adequate system, commensurate with its size and nature of operations. All operating parameters are complied with and controlled. Regular internal audits and checks ensure that responsibilities are executed efficiently. No significant internal control lapses were identified.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them from time to time. The Audit Committee of the Board met four times during the period under review.

1.7 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has achieved a sales turnover of ₹ 19246.60 Lacs in the year 2010-11 as compared to ₹ 22059.70 Lac in 2010-2011, depicting a fall in the electronic export business. The Company has earned a profit (before tax and extra ordinary items) of ₹ 175.83 Lac as compared to a profit (before tax and extra ordinary items) of ₹ 297.02 Lac in the previous year.

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

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

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

Forward Looking Statement

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance is the mechanism by which the values, principles, policies and procedures of companies are manifested. Effective Corporate Governance is indispensable to resilient and vibrant capital markets and investor protection rests on this foundation. The core value of corporate governance lies in the principles of the integrity, fairness, quality, transparency and accountability.

The Company's philosophy on corporate governance is to provide transparent disclosures in all its dealings with all the stakeholders, viz., customers, suppliers, lenders, employees etc. and to provide an environment friendly atmosphere. Priya Limited aims at enhancing the value of all its stakeholders and strives hard to achieve the same.

2. BOARD OF DIRECTORS

Composition of the Board:

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

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

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

Four Board Meetings were held during the financial year 2011-2012 on the following dates:

23rd April, 2011, 10th August, 2011, 11th November, 2011 and 9th February, 2012

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

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

Name of Director	Category	Relationship Inter-se	No. of Shares held	Attendance		No. of outside directorships and Committee membership / Chairmanship		
				BM	Last AGM*	Public Ltd Company Directorship	Committee membership**	Chairmanship**
Mr. A. K. Bhuwania	Promoter / Non-Executive Chairman	Father of Ashish Bhuwania and Aditya Bhuwania	751210	2	No	2	-	-
Mr. R. K. Saraswat	Independent / Non- Executive Director	--	NIL	4	Yes	3	3	2
Mr. M. K. Arora	Independent/Non-Executive Director	--	NIL	4	Yes	7	2	0
Mr. Anuj Bhargava	Independent/Non-Executive Director	--	NIL	4	Yes	-	-	-
Mr. P. V. Hariharan	Independent/ Non-Executive Director	--	500	3	Yes	1	-	-
Mr. Ashish Bhuwania	Promoter / Executive Director	Son of A. K. Bhuwania and Brother of Aditya Bhuwania	210200	1	Yes	-	-	-
Mr. Aditya Bhuwania	Promoter / Executive Director	Son of A. K. Bhuwania and Brother of Ashish Bhuwania	140300	4	Yes	1	-	-

NOTE:

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

* Annual General Meeting (AGM) for the financial year 2010-11 was held on 18th August, 2011.

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

Board procedure

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

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

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

Appointment and re-appointment of directors

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

The Board of Directors at their meeting held on 10th May, 2012 re-appointed Mr. Ashish Bhuwania as Whole Time Director and re-designated as Executive Director for a period of 5 years, with effect from 13th May, 2012 subject to the approval by special resolution of the shareholders in the forthcoming Annual General Meeting

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

3. BOARD AND OTHER COMMITTEES:

The Board of Directors had constituted the following committees:

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

I) AUDIT COMMITTEE

i. Terms of Reference:

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

ii. Power of Audit Committee:

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

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

iii. Role of Audit Committee:

The role of the audit committee shall include the following:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- c) Approval of payment to statutory Auditors for any other services rendered by the statutory auditors.
- d) Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
 - i) Matter required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management.

- iv) Significant adjustments made in the financial statements arising out of audit findings.
- v) Compliance with listing and other legal requirements relating to financial statements.
- vi) Disclosure of related party transactions.
- vii) Qualifications in draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the board for approval
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- h) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.
- i) Discussion with internal auditors any significant findings and follow up thereon.
- j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- k) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- m) To review the functioning of the Whistle Blower Mechanism,
- n) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- o) Carrying out any other function(s) as is mentioned in the terms of reference of the audit committee.

iv. Review of information by Audit Committee:

The audit committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operation.
- 2) Statement of significant related party transaction (as defined by audit committee) submitted by the management.
- 3) Management letters/letters of internal control weaknesses issued by the statutory auditors.
- 4) Internal audit reports relating to internal control weaknesses and
- 5) The appointment, removal and terms of remuneration of the internal auditors shall be subject to review by the audit committee.

v. Composition and Attendance at Meeting

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

The chairman of the committee is an independent director.

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

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

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

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

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

The Audit Committee met four times during the year.

NAME	CATEGORY	Audit committee meeting held during 2011-2012			
		23.04.11	10.08.11	11.11.11	09.02.12
Mr. R.K. Saraswat	Chairman	Present	Present	Present	Present
Mr. M.K Arora	Member	Present	Present	Present	Present
Mr. A.K Bhuwania	Member	Present	Present	Absent	Absent

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

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

II) REMUNERATION COMMITTEE

i) Terms of Reference

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

ii) Composition and Attendance at Meeting

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

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

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

Name of Director/ Member	Designation	Category	Committee Meeting held on 23 rd April, 2011
Mr. M.K. Arora	Chairman	Independent / Non-Executive Director	Present
Mr. R.K. Saraswat	Member	Independent / Non-Executive Director	Present
Mr. A.K. Bhuwania	Member	Non Executive Chairman	Present
Mr. Anuj Bhargava	Member	Independent / Non-Executive Director	Present

iii) Remuneration Policy

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

A. Non Executive Director's Remuneration

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

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

Name of Director	Category	Sitting Fees(₹)
Mr. A. K. Bhuwania	Promoter/Non-Executive Chairman	500
Mr. R K Saraswat	Independent/ Non Executive Director	60,000
Mr. M K Arora	Independent/ Non Executive director	60,000
Mr. Anuj Bhargava	Independent/ Non Executive director	30000
Mr. P. V. Hariharan	Independent /Non Executive Director	750
Total		1,51,250

B. Executive Director's Remuneration

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

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

Name of Director	Category	Remuneration (₹)
Mr. Aditya Bhuwania	Promoter / Executive Director	9,00,000
Mr. Ashish Bhuwania	Promoter / Executive Director	15,00,000
TOTAL		24,00,000

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

III) SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

i) Terms of reference

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

ii) Composition of the committee

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

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

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

The Company Secretary is the secretary to the Share Holders' Grievances committee. During the year under review, one meeting of Share Holders' Grievances Committee was held on 23rd April 2011.

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

IV) SHARE TRANSFER COMMITTEE

i) Terms of reference

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

Bigshare Services Private Limited is the Registrar and Share Transfer Agent of the Company

and the Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

ii) **Composition of the committee**

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

The Composition of the Share Transfer Committee is as under:

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

During the year under review, the Committee met eight times on 8.4.2011, 20.5.2011, 15.7.2011, 12.8.2011, 16.8.2011, 23.09.2011, 2.12.2011, 17.12.2011.

No request for share transfer/ transmission etc. received during the financial year was pending for more than two weeks and no transfer / transmissions of shares etc. were pending as on 31st March 2012.

4. **GENERAL BODY MEETING**

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

AGM reference	Location	Date	Time	No. of Special Resolutions passed
2010-11 24 th AGM	"Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	18 th August 2011	11.00 A.M.	Nil
2009-10 23 rd AGM	"Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	24 th August 2010	11.00 A.M.	1
2008-09 22 nd AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	23 rd September 2009	11.00 A.M.	Nil

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

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

- During the Financial Year 2011-2012, no resolution (s) were passed through Postal Ballot and non of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

5. **DISCLOSURES:**

- There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large during the F.Y. 2011-2012. The details of transaction between the Company and the related parties are given for information under point No. 32 of notes to the financial statement in the Annual report.
- The Company had complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary strictures have been imposed on the Company by any of the above mentioned authorities.

- The Company has already put in place a system for employees to report to the management about concerns relating to unethical behavior, any fraud or violation of Company's Code of Conduct and the access has been provided upto the higher level of supervision including the Audit Committee.
- In the preparation of financial statements the Company follows Accounting Standards as prescribed under section 211 (3C) of the Companies Act, 1956.
- The Company has complied with all the mandatory requirements and has disclosed information relating to extend of compliance with non mandatory requirements.
- During the year under review, the Company did not raise any proceeds through a public issue, right issue and / or preferential issue.
- The details in respect of Directors seeking appointment/re-appointment as the case may be are provided as part of the Notice convening the ensuing Annual General Meeting.
- The Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is being laid down to ensure that executive management controls the identified risks.
- Management Discussion and Analysis Report forms part of the Annual Report.

6. MEANS OF COMMUNICATION

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

The said financial results were also displayed on the Company's website i.e. www.priyagroup.com.

7. GENERAL SHAREHOLDERS INFORMATION

- | | | |
|---------------------------------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Date and Time of AGM | : | Thursday, 23 rd August, 2012 at 11.00 A.M. |
| b. Venue | : | Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 |
| c. Financial Year | : | 1 st April 2011 to 31 st March 2012 |
| d. FINANCIAL CALENDAR (Provisional) for 1st April, 2012 – 31st March, 2013 | | |
| 1 st Quarterly Result | : | On or before 14 th August, 2012. |
| 2 nd Quarterly Result | : | On or before 14 th November, 2012. |
| 3 rd Quarterly Result | : | On or before 14 th February, 2013. |
| Annual Results | : | On or before 30 th May, 2013 |
| e. Book Closure dates | : | 17 th August, 2012 to 23 rd August, 2012 (both days inclusive) |
| f. Dividend Payment date | : | Within 30 days from the date of declaration |
| g. Listing on Stock Exchanges | : | 1. The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 023
2. The Calcutta Stock Exchange Limited* (applied for delisting), 7, Lyons Range, Kolkata-700 001 |
| h. Listing Fees | : | i. Listing fees of BSE have been paid.
ii. Fees of CSE has not been paid* |
| i. Stock Code (BSE) | : | 524580 |
| j. ISIN No. | : | INE686C01014 (For dematerialization of shares) |
| k. Registered Office | : | 4 TH Floor, Kimatrai Building, 77-79 Maharshi Karve Marg, Marine Lines (E) Mumbai 400002 |

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

I. Market Price Data:

The monthly high and low prices of Equity Shares of the Company on The Bombay Stock Exchange Limited (BSE), and BSE Sensex during the year 2011-2012 are as under:

MONTH	RATES (₹)		BSE SENSEX (₹)	
	HIGH	LOW	HIGH	LOW
APRIL, 11	43.65	30.10	19811.14	18976.19
MAY,11	39.70	32.80	19253.87	17786.13
JUNE,11	38.90	33.15	18873.39	17314.38
JULY,11	36.75	32.80	19131.70	18131.86
AUGUST,11	33.25	22.25	18440.07	15765.53
SEPTEMBER,11	30.10	24.00	17211.80	15801.01
OCTOBER,11	28.30	25.50	17908.13	15745.43
NOVEMBER,11	28.30	26.90	17702.26	15478.69
DECEMBER,11	30.00	24.85	17003.71	15135.86
JANUARY,12	27.40	22.35	17258.97	15358.02
FEBRUARY,12	31.30	21.50	18523.78	17061.55
MARCH,12	30.00	21.45	18040.69	16920.61

m. Distribution of shareholding: as on 31st March, 2012

Distribution range of Shares	No of Shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 500	2237	94.2291	2768220	9.2203
501 to 1000	66	2.7801	508040	1.6922
1001 to 2000	21	0.8846	315810	1.0519
2001 to 3000	14	0.5897	358380	1.1937
3001 to 4000	5	0.2106	188670	0.6284
4001 to 5000	4	0.1685	188040	0.6263
5001 to 10000	7	0.2949	444570	1.4808
10001 & Above	20	0.8425	25251270	84.1064
Total	2374	100.00	3,002,300	100.00

n. Categories of Shareholding as on 31st March, 2012

SHAREHOLDING PATTERN		
Category of Shareholders	No. of shares held	%
Promoters and Promoters Group	2235160	74.45
Mutual Funds and UTI	100	00.0033
Bodies Corporate	44612	1.4859
Indian Public	569550	18.9705
NRI/OCB	150222	05.00
Trust	100	00.0033
Clearing Members.	2556	0.0851
TOTAL	3002300	100.00

- o. Registrar and Share Transfer Agents** (Common agency for Demat and Share Transfer) : Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E), Mumbai-400 072.
Tel: 022 - 40430200
022-2847 0652
Fax: 022-2847 5207
Email: info@bigshareonline.com
- p. Dematerialization of Equity shares** : 93.22% of the paid-up capital of the Company has been dematerialized as on 31st March, 2012. The equity shares of the Company are traded on the BSE in the dematerialized form
- q. Out-standing GDRs/ADRs/ Warrants or any Convertible Instruments** : NIL
- r. Plant Location** : Not applicable as the Company has no Plant.
- s. Address for correspondence** : **With the Company**
Priya Limited,
4TH Floor, Kimatrai Building, 77/79 Maharshi Karve Marg, Marine Lines (E), Mumbai 400 002
Tel. No. 022 4220 3100
With the Registrar and Share Transfer Agent:
Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072.
Tel : 022 - 40430200, 2847 0652
- u. Designated e-mail ID for registering complaints by the investor.** : **gaurav.munoli@priyagroup.com**

8. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

The extent of compliance with non mandatory requirements as are under

(1) Shareholder Rights

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

The Company's annual, half yearly and quarterly results are published in English and Marathi newspapers. The same are also made available on the website of the Company and stock exchanges. Besides, it is also available on www.corpfilng.co.in

(2) Audit qualifications

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

(3) Training of Board Members

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

(4) Whistle Blower Policy

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

Compliance with Code of Conduct

As the Chief Financial Officer of the Company and as required by the clause 49 of Listing Agreement, I hereby certify that all the Board Members and Senior Management personnel have affirmed their compliance with the code of conduct as laid down by the Board for the Financial year ended 31st March 2012

Place: Mumbai
Date: 10th May, 2012

Rakesh Jain
Chief Financial Officer

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of PRIYA LIMITED

We have examined the compliance of conditions of Corporate Governance by PRIYA LIMITED, for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For M. L. Bhuwania & Co.
Chartered Accountants
Firm Registration No. 101484W

Sd/-
J. P. Bairagra
Partner
Membership No.12839

Place: Mumbai
Date: 10th May, 2012

Certification by Chief Financial Officer

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

- A) I have reviewed financial statements and the cash flow statement for the year ended 31st March 2012 and that to the best of my knowledge, information and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C) The Company's other officers and I are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify those deficiencies.
- D) I have indicated to the auditors and the Audit Committee that:
 - (i) No significant changes in internal control over financial reporting have taken place during the year.
 - (ii) There have been no significant changes in the accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (iii) There were no frauds during the year.

Place: Mumbai
Date: 10th May, 2012

Rakesh Jain
Chief Financial Officer

AUDITOR'S REPORT TO THE MEMBERS OF PRIYA LIMITED

1. We have audited the attached Balance Sheet of Priya Limited as at 31st March 2012, and the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

J. P. Bairagra
Partner
Membership No: 12839

Place: Mumbai
Date: May 10th, 2012

Annexure referred to in paragraph 3 of Auditor's report to the members of Priya Limited for the year ended 31st March 2012.

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

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

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

No. of parties	Total amount of loan taken	Maximum balance outstanding during the year.	Amount outstanding at the end of the year.
4	53,263,183	30,026,577	27,419,098

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no weakness has been noticed in the internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) The Company has an internal audit system which in our opinion is commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed

statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Financial year	Amount (₹)	Forum where dispute is pending
Income-tax Act, 1961	Demand for tax liability	2007-08	7,458	Income Tax Appellate Tribunal
Income-tax Act, 1961	Demand for tax liability	2008-09	311,278	Commissioner of Income-tax (Appeal)
Bihar Finance Act, 1981	Demand for sales tax	2002-03	89,285	Deputy Commissioner of Sales tax
Bihar Finance Act, 1981	Demand for sales tax	2003-04	57,495	Deputy Commissioner of Sales tax
Bihar Finance Act, 1981	Demand for sales tax	2004-05	98,402	Deputy Commissioner of Sales tax
Kochi Value Added Tax 2003	Demand for sales tax	2006-07	2,728	The Intelligence officer of Commercial tax
Central Sales Tax Act, 1956	Demand for sales tax	2001-02	624,500	Assistant Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Demand for sales tax	2002-03	1,859,988	Assistant Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Demand for sales tax	2003-04	4,192,303	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2003-04	75,126	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2004-05	19,547	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2005-06	120,175	Deputy Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Demand for sales tax	2005-06	20,480	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2006-07	232,900	Joint Commissioner of Commercial Taxes
Central Sales Tax Act, 1956	Demand for sales tax	2006-07	206,280	Joint Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994	Demand for sales tax	2007-08	228,546	Deputy Commissioner of Sales tax

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) As per the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks. The Company has not borrowed from the financial institutions and does not have any borrowings by way of debentures.
- (xii) Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Accordingly, clause 4 (xii) of the order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute application to chit fund and nidhi/mutual benefit fund/societies. Accordingly, clause 4 (xiii) of the order is not applicable to the Company.
- (xiv) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion, the Company is not dealing / trading in shares, securities, debentures and other investment. Accordingly, clause 4 (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the order is not applicable to the Company.
- (xvi) The Company has not taken any term loan during the year. Accordingly clause 4(xvi) is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2012.

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

J. P. Bairagra
Partner
Membership No: 12839

Place: Mumbai

Date: May 10th, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	March 31, 2012 ₹	March 31, 2011 ₹
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	1	30,023,000	30,023,000
(b) Reserve & Surplus	2	261,585,459	256,912,088
(2) Non Current Liabilities			
(a) Other Long - term liabilities	3	4,639,659	4,639,659
(b) Long - term provisions	4	4,468,989	4,656,136
(3) Current liabilities			
(a) Short-term borrowings	5	228,726,232	258,593,694
(b) Trade payables	6	216,353,590	158,842,381
(c) Other current liabilities	7	8,159,892	8,211,866
(d) Short - term provisions	8	3,924,776	4,972,567
TOTAL		757,881,597	726,851,391
II ASSETS			
(1) Non - current Assets			
(a) Fixed assets			
Tangible Assets	9	24,213,806	25,889,099
(b) Non - current Investment	10	36,049,450	36,049,450
(c) Deferred tax assets	11	3,427,436	3,379,404
(d) Long - term loans and advances	12	12,745,043	11,442,055
(2) Current Assets			
(a) Inventories	13	25,412,281	70,145,362
(b) Trade receivables	14	596,071,243	463,798,976
(c) Cash & cash equivalents	15	28,098,836	46,137,412
(d) Short- term loans and advnces	16	28,795,493	58,271,982
(e) Other current assets	17	3,068,009	11,737,651
TOTAL		757,881,597	726,851,391
Contingent Liabilities and commitments	18		
NOTES ON FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES	1 to 40		

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

J. P. BAIRAGRA

PARTNER

MEMBERSHIP NO.12839

ADITYA BHUWANIA

EXECUTIVE DIRECTOR

R.K.SARASWAT

DIRECTOR

PLACE : MUMBAI

DATED : 10th May, 2012

GAURAV MUNOLI

COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	2011-12 ₹	2010-11 ₹
Revenue from operation	19	1,924,660,380	2,205,969,860
Other income	20	15,775,480	22,081,413
		1,940,435,860	2,228,051,273
Expenses			
Purchases of Stock - in - Trade	21	1,760,483,656	2,103,977,087
Changes in inventories of Stock-in-Trade	22	42,171,501	(24,036,622)
Employee benefit expenses	23	21,476,339	21,793,071
Finance Cost	24	38,881,364	34,074,726
Depreciation & amortization expenses	9	2,428,114	2,559,040
Other Expenses	25	57,412,183	59,982,118
		1,922,853,157	2,198,349,420
Profit before exceptional and extraordinary items & tax		17,582,703	29,701,853
Exceptional Items		-	-
Profit before extraordinary items and tax		17,582,703	29,701,853
Extraordinary Items		-	-
Profit before tax		17,582,703	29,701,853
Tax expenses:			
(1) Current tax			
of Current years		5,419,000	10,600,000
of Earlier years		4,049,014	-
(2) Deferred tax		(48,032)	(944,366)
Profit /(Loss) for the period from continuing operations		8,162,721	20,046,219
Profit /(Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operation		-	-
Profit /(Loss) from discontinuing operations (after tax)		-	-
Profit / (Loss) for the period		8,162,721	20,046,219
Basic & Diluted Earning Per Share	26	2.72	6.68

NOTES ON FINANCIAL STATEMENTS & SIGNIFICANT ACCOUNTING POLICIES

1 to 40

The notes referred above form an integral part of the Statement of Profit and Loss.

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

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO.12839

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

PLACE : MUMBAI
DATED : 10th May, 2012

GAURAV MUNOLI
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	2011-12 ₹	2010-11 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary Items	17,582,703	29,701,853
Adjustment for:		
Depreciation	2,428,114	2,559,040
Bad Debts Written Off (Net)	-	412,934
Interest income	(1,987,429)	(1,757,007)
Interest Paid	36,479,752	32,116,920
Allowance for Bad and doubtful debts	1,085,552	1,817,832
(Profit)/Loss on Sale of Investments (Net)	-	(39,442)
(Profit)/Loss on Sale of Assets (Net)	1,462	(3,758)
Sundry balance written off (Net)	171,397	(410,025)
Exchange Rate Fluctuation (Net)	(927,030)	(1,966,839)
Loss on Obsolescence of Fixed Assets	-	473,466
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	37,251,818	33,203,121
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :	54,834,521	62,904,974
Inventories	44,733,081	(26,598,202)
Trade receivables	(126,567,874)	(4,362,799)
Short- term Loans and Advances	22,848,663	(33,788,012)
Long - term Loans and Advances	(426,190)	36,271,655
Other Current Assets	8,683,638	5,910,362
Trade Payable	51,561,963	(30,307,028)
Short - term Provision	(498,936)	660,383
Long - term Provision	(187,147)	201,746
Other Current Liabilities	(130,838)	(4,618,532)
Other Long - term Current Liabilities	-	3,080,000
Cash Generated from Operations	54,850,881	9,354,547
Direct Taxes Refund (Net) Including F B T	(4,245,545)	(11,050,505)
NET CASH FROM OPERATING ACTIVITIES	50,605,336	(1,695,958)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(791,909)	(2,740,037)
Sale of Fixed Assets	37,625	23,715
Sale of Non Current Investment	-	165,442
Interest Received	1,973,433	2,664,554
NET CASH USED IN INVESTING ACTIVITY	1,219,149	113,674
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net (Decrease)/ Increase in Short - term Borrowings	(29,867,462)	23,744,001
Interest Paid	(36,566,404)	(32,494,617)
Dividend Paid (Including Dividend Tax)	(3,429,195)	(1,695,339)
NET CASH USED IN FINANCING ACTIVITY	(69,863,061)	(10,445,955)
NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	(18,038,576)	(12,028,239)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	46,137,412	58,165,651
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	28,098,836	46,137,412
	(18,038,576)	(12,028,239)

Notes
Closing Balance of Cash & Cash Equivalents

1	Cash and Cash Equivalents Includes:		
	CASH IN HAND	86,837	211,164
	BALANCE WITH SCHEDULED BANKS		
	- IN CURRENT ACCOUNT	7,318,950	25,339,795
	- IN UNPAID DIVIDEND ACCOUNT	126,883	55,133
	- IN MARGIN MONEY ACCOUNT	20,566,166	20,531,320
		28,098,836	46,137,412

2 Interest Received excludes interest received on account of Income tax refund of ₹ 3,217,249/- (Previous Year ₹ Nil) and on account from parties ₹ 11,028/- (Previous Year ₹ 10,225,746/-), which has been considered from operational activities of the company.

3 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

J. P. BAIRAGRA
PARTNER
 MEMBERSHIP NO.12839

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R.K.SARASWAT
DIRECTOR

PLACE : MUMBAI
 DATED : 10th May, 2012

GAURAV MUNOLI
COMPANY SECRETARY

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. SHARE CAPITAL

Particulars	As at March 31,2012	As at March 31,2011
Authorized Shares		
6,500,000 Equity shares, ₹ 10 /-par value (Previous Year : 6,500,000 Equity shares, ₹ 10 /- par value)	65,000,000	65,000,000
1,000,000 Unclassified Shares of ₹ 10/- par value (Previous Year : 1,000,000 Unclassified shares of ₹ 10 /- par value)	10,000,000	10,000,000
	75,000,000	75,000,000
Issued, Subscribed and Fully Paid Up Shares		
3,002,300 Equity shares, ₹ 10 /- par value fully paid up (Previous Year : 3,002,300 Equity shares, ₹ 10 /-par value fully paid up)	30,023,000	30,023,000
Total Issued, Subscribed and Fully Paid Up Share Capital	30,023,000	30,023,000

Note No 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2012 :

Particulars	As at March 31,2012	As at March 31,2011
Number of shares at the beginning	3,002,300	3,002,300
Add: Shares issued during the year	-	-
Less : Shares Bought back (if any)	-	-
Number of shares at the end	3,002,300	3,002,300

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 ₹ 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) The amount of per share dividend of Re. 1.00 (Previous Year Re. 1.00) has been proposed to be distributed to equity shareholders for the year ended 31/03/2012. The total amount of dividend shall be ₹ 3,489,349/- (Including Dividend Distribution Tax ₹ 487,049/-).
- (C) 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, 2012	No. of shares held	% held as at March 31, 2011
Arun Kumar Bhuwania	751,210	25.02	569,710	18.98
Binay Kumar Bhuwania	-	-	195,500	6.51
Saroj Bhuwania	541,750	18.04	-	-
Priya International Limited	275,800	9.19	275,800	9.19
Ashish Bhuwania	210,200	7.00	225,200	7.50

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)
2. RESERVE & SURPLUS

Particulars	As at March 31, 2012	As at March 31, 2011
Securities Premium		
As per Last Year	40,092,000	40,092,000
General reserve		
As per Last Year	157,023,002	157,023,002
Surplus - Opening balance	59,797,085	43,251,812
Add: Net profit after tax transferred from statement of profit & loss	8,162,721	20,046,219
Amount available for appropriation	67,959,806	63,298,031
Less : Appropriations		
Proposed Dividend	3,002,300	3,002,300
Dividend Tax	487,049	498,645
Surplus Closing Balance	64,470,457	59,797,086
Total of Reserve & Surplus	261,585,459	256,912,088

3. OTHER LONG TERM LIABILITY

Particulars	As at March 31, 2012	As at March 31, 2011
Others		
Securities Deposits	4,639,659	4,639,659
	4,639,659	4,639,659

4. LONG TERM PROVISIONS

Particulars	As at March 31, 2012	As at March 31, 2011
Provisions for Employee Benefits		
Leave Encashment (Refer Note No 31)	1,133,040	1,124,664
Gratuity (Refer Note No 31)	3,169,758	3,384,022
Others		
Warranty (Refer Note No. 35)	166,191	147,450
	4,468,989	4,656,136

5. SHORT TERM BORROWING

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured Loans		
Loans and Advance from Related Parties		
Inter Corporate Deposits	26,873,513	39,546,086
Loans from Directors	545,585	651,936
Secured Loans		
Other Loans and Advances From Banks		
Working Capital Facilities From Company's Bankers (Refer Note No. 5.1 given Below)	201,307,134	218,395,672
	228,726,232	258,593,694

Note No. 5.1

Secured against Hypothecation of Goods & Book Debts, Equitable mortgage on specific immovable properties of the company & related parties, Hypothecation of other Movable Assets of the company, personal guarantee of some directors of the company for the balance outstanding at the year end and Pledge of shares of the company by the Promoters.

6. TRADE PAYABLES

Particulars	As at March 31, 2012	As at March 31, 2011
Sundry Creditors For Goods (Refer Note No. 6.1 given Below)	211,524,779	152,307,137
Sundry Creditors For Expenses (Refer Note No. 6.1 given Below)	4,828,811	6,535,244
	216,353,590	158,842,381

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)
Note No. 6.1

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. The same has been relied upon by the Auditors.

7. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2012	As at March 31, 2011
Interest Accrued but not due on borrowings	2,094,497	2,087,383
Income received in Advance	680,000	680,000
Unpaid Dividends	126,883	55,133
<u>Other Payable</u>		
Bank Balances (Temporary Overdraft)	-	216,884
Advances From Customers	1,229,889	1,055,460
<u>Other Liabilities</u>		
Employee Benefits Payable	1,726,678	1,622,389
Statutory Dues Payable	2,301,945	2,494,617
	8,159,892	8,211,866

8. SHORT TERM PROVISIONS

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for Employee Benefits		
Leave Encashment (Refer Note No 31)	66,910	61,717
Gratuity (Refer Note No 31)	148,217	677,189
Others		
Provision For Income Tax {Net Of Advance Tax ₹ NIL (Previous Year ₹ 16,832,741/-)}	-	537,259
Proposed Dividends	3,002,300	3,002,300
Corporate Dividend Tax	487,049	498,645
Warranty (Refer Note No. 35)	220,300	195,457
	3,924,776	4,972,567

9. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2011	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2012	AS ON 01.04.2011	FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
TANGIBLES										
ASSETS :										
Office Premises	35,697,605	-	-	35,697,605	13,928,037	1,088,478	-	15,016,515	20,681,090	21,769,568
Laboratory Equipment	22,566	-	-	22,566	19,255	460	-	19,715	2,851	3,311
Office Equipment	1,909,288	102,788	110,940	1,901,136	1,174,390	111,727	88,325	1,197,792	703,344	734,898
Furniture & Fixture	2,418,743	-	68,790	2,349,953	1,865,906	123,758	67,507	1,922,157	427,796	552,837
Computer	7,794,858	632,378	194,541	8,232,695	6,390,349	722,700	179,352	6,933,697	1,298,998	1,404,509
Vehicles	3,001,929	56,743	-	3,058,672	1,577,953	380,991	-	1,958,944	1,099,728	1,423,976
TOTAL	50,844,989	791,909	374,271	51,262,627	24,955,890	2,428,114	335,184	27,048,820	24,213,806	25,889,099
PREVIOUS YEAR	56,547,888	2,740,037	8,442,936	50,844,989	30,346,364	2,559,040	7,949,513	24,955,890	25,889,099	

Fixed Assets & Depreciation

- All Fixed assets are stated at cost (including all expenses incurred to bring the assets to bring the assets to their present location and conditions) less Accumulated Depreciation.
- Depreciation on Fixed Assets are provided on the Written Down Value basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- Depreciation on immovable Furniture & Fixtures affixed in the leasehold premises are depreciated over the period of the lease.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)
10. NON CURRENT INVESTMENT

Particulars			As at March			As at March
	Face Value	Qty	31, 2012	Qty	31, 2011	Amount (₹)
Quoted			Amount (₹)			Amount (₹)
In Equity Instruments						
VXL Instrument Ltd.	10	900,000	35,100,000	900,000		35,100,000
Cerebra Integrated Tech. Ltd.	10	40,450	849,450	40,450		849,450
Total Value of Quoted Investments			35,949,450			35,949,450
Unquoted						
In Equity Instruments						
Gaurav Electrochem Private Ltd.	100	500	100,000	500		100,000
Total Value of Unquoted Investments			100,000			100,000
Total of Long Term Investments			36,049,450			36,049,450
Less : Provision for Diminution in the value of Investment			-			-
Net Value of Investment			36,049,450			36,049,450

Note No 10.1

Aggregate market value of Quoted Investments ₹ 15,625,635/- (previous year ₹ 20,895,690/-)

Note No 10.2
Accounting Policy of Investments

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

11. DEFERRED TAX ASSETS

Particulars	As at March	As at March
	31, 2012	31, 2011
Deferred tax assets		
on account of Expenses allowable under income tax on payment basis	1,465,841	1,702,581
on account of Provision for doubtful debts	942,003	589,796
on account of Provision for warranty	125,397	111,256
on account of difference in depreciation as per books and income tax	894,195	975,771
Deferred Tax Assets	3,427,436	3,379,404

Note No 11.1
Accounting Policy of Deferred Tax

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.

12. LONG TERM LOANS & ADVANCES

Particulars	As at March	As at March
	31, 2012	31, 2011
(Unsecured, Considered Good, unless specified otherwise)		
Deposits (Refer Note No. 12.1 given Below)	10,571,738	10,486,123
Other Loans and Advances		
Advance Recoverable in Cash or Kind or for Value to be Received	-	6,750
Advances to Staff	1,211,554	864,229
Advance Income Tax And Tax Deducted At Source	961,751	84,953
{Net Of Provision for Tax ₹ 11,880,954/- (Previous Year ₹ 7,684,777/-)}		
	12,745,043	11,442,055
Note No. 12.1		
Loan and Advances due by directors or other officers, etc.		
Deposits- Rental		
Company in which directors are interested	4,000,000	4,000,000
	4,000,000	4,000,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

13. INVENTORIES

Particulars	As at March 31, 2012	As at March 31, 2011
Traded goods		
Electronics (Includes Goods in Transit of ₹ Nil (Previous Year ₹ 2,561,580/-))	25,412,281	69,520,362
Chemicals	-	625,000
	25,412,281	70,145,362

Note No 13.1**Accounting Policy of Inventories Valuation**

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

14. TRADE RECEIVABLES

Particulars	As at March 31, 2012	As at March 31, 2011
(Unsecured, Considered Good, unless specified otherwise)		
Outstanding For More Than Six Months		
Considered Doubtful	2,903,384	1,817,832
Less : Allowance for Bad and doubtful debts	<u>2,903,384</u>	<u>1,817,832</u>
	-	-
Considered Good	<u>39,457</u>	<u>1,618,829</u>
Others Debts	596,031,786	462,180,147
	596,071,243	463,798,976

15. CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2012	As at March 31, 2011
Balances With Banks		
In Current Account	7,318,950	25,339,795
In Unpaid Dividend Account	126,883	55,133
In Margin money deposits (Refer Note No. 15.1 given Below)	20,566,166	20,531,320
Cash on Hand	86,837	211,164
	28,098,836	46,137,412

Note No. 15.1

Margin money deposits amounting to ₹ 20,566,166/- (Previous Year ₹ 20,531,320/-) are lying with bank against Bank Guarantees and Letter of Credit.

16. SHORT TERM LOANS & ADVANCES

Particulars	As at March 31, 2012	As at March 31, 2011
(Unsecured, Considered Good, unless specified otherwise)		
Deposits (Refer Note No. 16.1 given Below)	12,492,484	36,838,484
Other Loans and Advances		
Advance Recoverable in Cash or Kind or for Value to be Received	6,846,127	8,533,936
Advance Tax & Tax Deducted at Source	5,162,203	11,704,963
{Net Of Provision for Tax ₹ 9,922,163/- (Previous Year ₹ 2,237,386/-)}		
Advances to Staff	626,219	1,008,299
Advance to supplier	<u>3,668,460</u>	<u>186,300</u>
	28,795,493	58,271,982

Note No. 16.1

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

Deposits- Rental

Company in which directors are interested	9,080,000	33,400,000
	9,080,000	33,400,000

17. OTHER CURRENT ASSETS

Particulars	As at March 31, 2012	As at March 31, 2011
Export Incentive Receivable	466,870	3,352,921
Special Additional Duty Refund Receivable	175,246	3,698,269
Incentive/ Claim Receivable	594,262	3,623,676
Interest Receivable	269,590	255,594
Other Assets	<u>1,562,041</u>	<u>807,191</u>
	3,068,009	11,737,651

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)
18. CONTINGENT LIABILITY

Particulars	As at March 31, 2012	As at March 31, 2011
1) Disputed Rent Liability	12,459,661	12,459,661
2) Disputed Income Tax Liability	1,470,644	11,145,349
3) Disputed Sales Tax Liability	<u>8,227,470</u>	<u>8,374,904</u>
	<u>22,157,775</u>	<u>31,979,914</u>

19. REVENUE FROM OPERATIONS

Particulars	2011-12	2010-11
Sale of Products (Refer Note No 19.2 given Below)	1,921,874,110	2,205,209,502
Sale of Services (Refer Note No 19.3 given Below)	2,495,873	282,450
Other Operating Revenue		
Sale of Scrap	5,275	5,605
Export Incentives	285,122	472,303
	<u>1,924,660,380</u>	<u>2,205,969,860</u>

Note No 19.1

Accounting Policy of Revenue Recognition

Sales are recognised when the significant risk and reward of ownership of the goods are passed to the customer. Sales are net off sales return, quantity discount and exclusive of value added tax collected.

Note No 19.2 Sale of Products

Particulars	2011 - 12	2010-11
Thin Client Itona	1,475,882,105	1,739,903,361
Monitors	128,938,885	75,404,833
Laptop	21,850,505	87,187,750
Software	237,459,428	225,710,065
Chemical	18,313,094	21,203,410
Others Products	39,430,094	55,800,082
Total	<u>1,921,874,110</u>	<u>2,205,209,502</u>

Note No 19.3 Sale of Services

Particulars	2011-2012	2010-2011
AMC & Installation Charges	2,495,873	282,450
Total	<u>2,495,873</u>	<u>282,450</u>

20. OTHER INCOME

Particulars	2011-12	2010-11
Interest Income (Refer note No 20.1 given Below)	5,215,706	11,982,753
Profit on Sale of Long Term (Non Trade) Investments	-	39,442
Rent Income	8,759,435	8,055,460
Foreign Exchange Gain (Net)	1,611,310	-
Profit on Sale of Fixed Assets (Net)	-	3,758
Deposit Recovered	-	2,000,000
Insurance Claim Received	189,029	-
	<u>15,775,480</u>	<u>22,081,413</u>

Note No 20.1
Break-up of Interest income

Particulars	2011-2012	2010-2011
Interest income on Fixed Deposits with Banks	1,870,765	1,641,052
Interest income on Staff Loans	116,664	115,955
Interest income on Income Tax refund	3,217,249	-
Interest income from parties	11,028	10,225,746
Total	<u>5,215,706</u>	<u>11,982,753</u>

21. PURCHASES OF STOCK IN TRADE

Particulars	2011-12	2010-11
Traded Items		
Traded Goods (Refer Note No 21.1 as per given Below)**	1,760,483,656	2,103,977,087
	<u>1,760,483,656</u>	<u>2,103,977,087</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)**Note No 21.1 Traded Goods**

Particulars	2011-2012	2010-2011
Thin Client Itona	1,346,044,473	1,609,825,532
Monitors	106,054,897	74,969,466
Laptop	8,054,511	84,537,263
Software	221,515,684	215,448,685
Chemical	14,641,950	18,063,250
Others Products	25,027,920	50,695,431
Total	1,721,339,434	2,053,539,627

** Includes expenses like customs duty, freight etc. amounting to ₹ 39,144,222/- (Previous Year ₹ 50,437,460/-)

22. CHANGES IN INVENTORIES

Particulars	2011-2012	2010-2011
STOCK IN TRADE - Electronics		
Opening Stock of Traded Goods	66,958,782	42,488,360
Closing Stock of Traded Goods	25,412,281	66,958,782
Change in Stock of Traded Goods- Electronics	41,546,501	(24,470,422)
STOCK IN TRADE - Chemicals		
Opening Stock of Traded Goods	625,000	1,058,800
Closing Stock of Traded Goods	--	625,000
Change in Stock of Traded Goods- Chemicals	625,000	433,800
	42,171,501	(24,036,622)

23. EMPLOYEE BENEFIT EXPENSES

Particulars	2011-2012	2010-2011
Salaries, Wages and Bonus	18,819,755	19,165,639
Contribution to Provident and other fund	1,522,690	1,553,370
Staff Welfare Expenses	1,133,894	1,074,062
	21,476,339	21,793,071

Note No 23.1**Accounting Policy of Employee Benefit**

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

24. FINANCE COST

Particulars	2011-2012	2010-2011
Interest Expenses (Refer Note No 24.1 given Below)	36,479,752	32,116,920
Other Borrowing Cost		
Other Financial Charges	2,401,612	1,957,806
	38,881,364	34,074,726

Note No 24.1**Break-up of Interest paid**

Interest Paid on Fixed Loans	-	8,668
Interest Paid to Bank	33,763,605	29,657,789
Interest Paid on Income Tax Payment	93,766	-
Interest Paid on Inter Corporate Deposits	2,268,276	1,978,512
Interest Paid to Parties	295,521	131,149
Interest Paid on Loan from Directors	58,585	340,802
Total	36,479,752	32,116,920

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)
25. OTHER EXPENSES

Particulars	2011-2012		2010-2011	
Rent	9,352,781		9,887,807	
Warehousing/ Demmorage Charges	120,000		120,000	
Insurance and ECGC Premium	5,257,797		6,355,376	
Rates and Taxes	212,010		217,910	
Payment to statutory auditors (Refer Note No 25.1 given Below)	966,124		1,130,193	
Legal & Professional Fees	3,957,450		2,368,809	
Advertisement, Publicity & Sales Promotion	1,353,181		1,909,610	
Commission & Brokerage	1,335,183		1,181,578	
Directors Remuneration	2,400,000		2,275,000	
Directors Fees	151,250		136,250	
Repairs & Maintenance				
Building	621,587	600,000		
Others	1,140,180	1,761,767	950,576	1,550,576
Freight & Forwarding cost		2,961,233		3,094,585
Travelling & Conveyance		5,583,862		4,891,331
Electricity Chareges		903,767		860,099
Bank Charges		10,707,408		12,419,343
Incentives and Discount on Sales		1,149,455		1,697,609
Bad Debts Written Off	16,560	412,934		
Less: Allowance for Bad and doubtful debts W/off	-	16,560	-	412,934
Allowance for Bad and doubtful debts		1,085,552		1,817,832
Loss on Exchange Rate Fluctuation (Net)		-		1,542,948
Obsolescence of Fixed Assets		-		473,466
Loss on Sale of Fixed Assets(Net)		1,462		-
Miscellaneous Expenses		8,135,341		5,638,862
		57,412,183		59,982,118

Note No 25.1

Payment to statutory auditors	2011-2012		2010-2011	
As auditor :				
Audit Fee	300,000	300,000		
Tax Audit Fee	100,000	134,000		
Limited review	66,000	66,000		
Vat Audit Fee	35,000	40,000		
Service Tax	60,564	561,564	55,620	595,620
In other capacity :				
Taxation Matters	242,500	367,500		
Company Law Matter	50,000	98,000		
Other Services	74,000	49,500		
Service Tax	38,060	404,560	19,573	534,573
Total		966,124		1,130,193

26. EARNING PER SHARE

Particulars	2011-2012	2010-2011
(A) Profit attributable to Equity Shareholders (₹)	8,162,721	20,046,219
(B) No. of Equity Share outstanding during the year.	3,002,300	3,002,300
(C) Face Value of each Equity Share (₹)	10	10
(D) Basic & Diluted earning per Share (₹)	2.72	6.68

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)
**27. INFORMATION TO PARA VIII OF PART II OF REVISED SCHEDULE VI OF COMPANIES ACT, 1956.
VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS IN RESPECT OF**

PARTICULARS	2011-12	2010-11
Traded Goods	934,285,374	1,098,890,409
	934,285,374	1,098,890,409

28. DETAILS OF DIVIDEND REMITTED OUTSIDE INDIA IN FOREIGN CURRENCIES AS FOLLOWS :

PARTICULARS	2011-2012	2010-2011
Total No. of Non Resident Shareholders	1	1
Total No. of Shares held by Non Resident Shareholders	125,000	125,000
Dividend Paid	125,000	62,500
Year in respect of Dividend paid	2010-11	2009-10
Nature of Dividend	Annual	Annual

29. EXPENDITURE IN FOREIGN CURRENCY

PARTICULARS	2011-2012	2010-2011
Commission on Exports	183,293	254,908
Remuneration to Executive Director	1,500,000	1,500,000
Travelling Expenses	482,184	137,128
Sales Promotion Expenses	228,463	71,704
Interest Paid	295,521	131,149
	2,689,461	2,094,889

30. EARNINGS IN FOREIGN CURRENCY

PARTICULARS	2011-2012	2010-2011
Export [On FOB Basis]	992,727,047	1,135,360,839
Insurance	793,466	995,734
Freight	36,218,753	51,003,055
Interest Received on Trade Debtors	-	10,225,746
	1,029,739,266	1,197,585,374

31. Employee Benefits :

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

A. Defined Contribution Plan

Particulars	2011-12	2010-11
(i) Provident Fund	1,123,160	1,114,252
(ii) Contribution to Superannuation Fund	2,000	23,280

B. Defined Benefit Plans

Particulars	2011-12 Gratuity	2010-11 Gratuity	2011-12 Leave Encashment	2010-11 Leave Encashment
(i) Assumptions				
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.60%	8.30%	8.60%	8.30%
Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%
Rate of return (expected) on plan assets				
Withdrawal rates	Up to Age 30 : 10% 31 to 40 : 5% 41 and above: 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 and above: 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 and above: 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 and above: 2%
(ii) Changes in present value of obligations				
PVO at beginning of period	4,061,211	3,487,743	1,186,381	1,013,327
Interest cost	301,720	279,019	91,088	79,199
Current Service Cost	437,734	487,230	284,175	301,635
Benefits Paid	(852,058)	-	(177,873)	(46,680)
Actuarial (gain) / loss on obligation	(630,632)	(192,781)	(183,821)	(161,100)
PVO at end of period	3,317,975	4,061,211	1,199,950	1,186,381

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

(iii) Changes in fair value of Plan Assets				
Fair Value of Plan assets at beginning of period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	852,058	-	177,873	46,680
Benefit Paid	(852,058)	-	(177,873)	(46,680)
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	852,058	-	177,873	46,680
Benefit Paid	(852,058)	-	(177,873)	(46,680)
Fair Value of Plan assets at end of period	-	-	-	-
Funded Status	(3,317,975)	(4,061,211)	(1,199,950)	(1,186,381)
Excess of actual over estimated return on Plan Assets	-	-	-	-
(v) Actuarial Gain / (Loss) Recognized				
Actuarial Gain / (Loss) for the period (Obligation)	630,632	192,781	183,821	161,100
Actuarial Gain / (Loss) for the period (Plan Assets)	-	-	-	-
Total Gain / (Loss) for the period	630,632	192,781	183,821	161,100
Actuarial Gain / (Loss) recognized for the period	630,632	192,781	183,821	161,100
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	3,317,975	4,061,211	1,199,950	1,186,381
Fair Value of Plan assets at end of period	-	-	-	-
Funded Status	(3,317,975)	(4,061,211)	(1,199,950)	(1,186,381)
Unrecognized Actuarial Gain / (Loss)	-	-	-	-
Net Asset / (Liability) recognized in the Balance Sheet	(3,317,975)	(4,061,211)	(1,199,950)	(1,186,381)
(vii) Expenses recognized the the statement of Profit & Loss				
Current Service Cost	437,734	487,230	284,175	301,635
Interest Cost	301,720	279,019	91,088	79,199
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss recognized for the period	(630,632)	(192,781)	(183,821)	(161,100)
Expense recognized in the statement of Profit & Loss	108,822	573,468	191,442	219,734
(viii) Movements in the Liability recognized in Balance Sheet				
Opening Net Liability	4,061,211	3,487,743	1,186,381	1,013,327
Expenses as above	108,822	573,468	191,442	219,734
Contribution paid	(852,058)	-	(177,873)	(46,680)
Closing Net Liability	3,317,975	4,061,211	1,199,950	1,186,381
(ix) Schedule VI Details				
Current Liability	148,217	677,189	66,910	61,717
Non- Current Liability	3,169,758	3,384,022	1,133,040	1,124,664

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)
32. RELATED PARTY DISCLOSERS
A. Names of related parties and description of relationship:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. Parties where control exists <ol style="list-style-type: none"> (a) Priya International Ltd. (b) Priya Chemicals (c) Gaurav Electrochem Pvt.Ltd. (d) Brent Properties Investment Pvt.Ltd. (e) Cheshire Properties Investment Pvt.Ltd. (f) Halifax Properties Investment Pvt.Ltd. | <ol style="list-style-type: none"> 2. Key Management Personnel <ol style="list-style-type: none"> (a) Mr. A. K. Bhuwania (b) Mr. Ashish Bhuwania (c) Mr. Aditya Bhuwania 3. Relative of Key Management Personnel <ol style="list-style-type: none"> (a) Mrs. Saroj Bhuwania, wife of Mr. A.K.Bhuwania |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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	2011-2012	2010-2011
Priya International Ltd	Goods purchased during the year	-	49,307
Gaurav Electrochem Pvt Ltd	Warehouse Charges	120,000	120,000
Brent Properties Investments Pvt Ltd	Rent Charges	300,000	900,000
Cheshire Properties Investments Pvt Ltd	Rent Charges	300,000	900,000
Mr. Ashish Bhuwania	Directors Remuneration	1,500,000	1,500,000
Mr. Aditya Bhuwania	Directors Remuneration	900,000	775,000
Mrs. Saroj Bhuwania	Salary paid during the Year	38,400	38,400
Priya International Ltd	Interest Paid	2,268,276	1,978,512
Mr. A. K. Bhuwania	Interest Paid	43,454	41,030
Mr. Ashish Bhuwania	Interest Paid	10,284	291,471
Mr. Aditya Bhuwania	Interest Paid	4,847	8,301
Brent Properties Investments Pvt Ltd	Deposit given	1,000,000	-
Cheshire Properties Investments Pvt Ltd	Deposit given	2,000,000	-
Brent Properties Investments Pvt Ltd	Deposit given back	13,510,000	-
Cheshire Properties Investments Pvt Ltd	Deposit given back	13,810,000	-
Mr. A. K. Bhuwania	Loan Taken During the year	1,126,927	36,067
Mr. Ashish Bhuwania	Loan Taken During the year	262,324	6,985,899
Mr. Aditya Bhuwania	Loan Taken During the year	407,471	43,156
Priya International Ltd	Loan Taken During the year	51,466,461	65,838,966
Brent Properties Investments Pvt Ltd	Loan Taken During the year	-	1,500,000
Mr. A. K. Bhuwania	Loan Repaid During the year	1,110,172	-
Mr. Ashish Bhuwania	Loan Repaid During the year	380,000	12,700,000
Mr. Aditya Bhuwania	Loan Repaid During the year	412,901	1,000,000
Priya International Ltd	Loan Repaid During the year	48,039,034	62,129,825
Brent Properties Investments Pvt Ltd	Loan Repaid During the year	8,550,000	1,750,000
Cheshire Properties Investments Pvt Ltd	Loan Repaid During the year	7,550,000	1,650,000

C. Balance at the year end.

Brent Properties Investments Pvt Ltd	Deposit Outstanding at the year end	4,390,000	16,900,000
Cheshire Properties Investments Pvt Ltd	Deposit Outstanding at the year end	4,690,000	16,500,000
Gaurav Electrochem Pvt Ltd	Deposit Outstanding at the year end	4,000,000	4,000,000
Mr. A. K. Bhuwania	Loan Outstanding at the year end	490,730	473,975
Mr. Ashish Bhuwania	Loan Outstanding at the year end	1,216	118,892
Mr. Aditya Bhuwania	Loan Outstanding at the year end	53,639	59,069
Priya International Ltd	Loan Outstanding at the year end	26,873,513	23,446,086
Brent Properties Investments Pvt Ltd	Loan Outstanding at the year end	-	8,550,000
Cheshire Properties Investments Pvt Ltd	Loan Outstanding at the year end	-	7,550,000
Interest Payable		2,094,497	2,087,383

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)
33. 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 31.03.2012		As on 31.03.2011		Foreign Currency
	Amount in ₹	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	
Receivables	454,671,809	8,856,954	131,650,584	2,919,729	USD
	501,078	7,338	-	-	EURO
Advance to Suppliers	3,500,103	68,495	-	-	USD
Other Receivables	594,262	11,629	984,124	21,826	USD

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

Particulars	As on 31.03.2012		As on 31.03.2011		Foreign Currency
	₹	Amount in Foreign Currency	₹	Amount in Foreign Currency	
Creditors	210,966,936	4,121,504	181,458,577	4,017,237	USD
Other Payables	70,966	1,387	109,000	2,413	USD

34. SEGMENT REPORTING

 Segment Information for the year ended 31st March, 2012

(i) Information about primary business segment

Particulars	2011-12				2010-11			
	Segments		Unallocated	Total	Segments		Unallocated	Total
	Electronics	Chemicals			Electronics	Chemicals		
Revenue								
External Customers	1,906,056,889	18,313,094	-	1,924,369,983	2,184,288,542	21,203,410	-	2,205,491,952
Inter-segment	-	-	-	-	-	-	-	-
Total Revenue	1,906,056,889	18,313,094	-	1,924,369,983	2,184,288,542	21,203,410	-	2,205,491,952
Result								
Segment Results	74,886,466	1,733,475	-	76,619,941	78,973,438	1,521,570	-	80,495,007
Unallocated expenses net of unallocated income	-	-	(35,931,354)	(35,931,354)	-	-	(38,799,841)	(38,799,841)
Other Income	1,514,454	96,856	14,164,170	15,775,480	-	-	22,081,413	22,081,413
Finance cost	-	-	(38,881,364)	(38,881,364)	-	-	(34,074,726)	(34,074,726)
Extra ordinary items	-	-	-	-	-	-	-	-
Profit Before Tax	76,400,920	1,830,331	(60,648,548)	17,582,703	78,973,438	1,521,570	(50,793,154)	29,701,853
Less: Provision for Tax (Net of Deferred Tax)	-	-	5,370,968	5,370,968	-	-	9,655,634	9,655,634
Profit After Tax & Before Prior Period Adjustments	76,400,920	1,830,331	(66,019,516)	12,211,735	78,973,438	1,521,570	(60,448,788)	20,046,219
Excess/(Short) Provision for Income Tax	-	-	4,049,014	4,049,014	-	-	-	-
Profit After Prior Period Adjustments	76,400,920	1,830,331	(70,068,530)	8,162,721	78,973,438	1,521,570	(60,448,788)	20,046,219
Other Information								
Segment Assets	653,759,242	1,002,628	127,865,227	782,627,097	565,101,806	6,815,356	183,506,963	755,424,125
Segment Liabilities	445,252,594	1,102,831	44,663,214	491,018,638	375,512,291	2,129,706	90,847,040	468,489,037
Capital Expenditure	-	-	791,909	791,909	-	-	2,740,037	2,740,037

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

(ii) Information about secondary geographical business segment

	2011 - 12		2010 - 11	
	Within India	Outside India	Within India	Outside India
Segment Revenue	931,642,936	992,727,047	1,018,132,324	1,187,359,628
Segment Assets	327,361,026	455,266,071	410,727,436	344,696,689
Addition Fixed Assets	791,909	-	2,740,037	-

Notes:-

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

- Electronics - Computer peripherals and systems
- Chemicals - Export of Textile Dyes and Intermediates

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

(ii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

35. Provision for Warranties: The movement in the provision for warranties is as follows :-

Particulars	As at		As at	
	March 31, 2012		March 31, 2011	
<u>Balance at the beginning</u>				
Long term	147,450		97,739	
Short term	195,457	342,907	129,561	227,300
Provision recognized/(reversal)		841,874		718,900
Provision utilised		798,290		603,293
<u>Balance at the end</u>				
Long term	166,191		147,450	
Short term	220,300	386,491	195,457	342,907

The company gives Warranties at time of sales of main products to the customers. Under the terms of Contract of Sales, the company undertakes to make good by replacement or repairs, manufacturing defects that arise within 1-3 years from the date of sale. A provision has been recognised for the expected warranty claims on products sold based on past experience.

36. Lease Disclosures for Operating Leases:
ASSETS GIVEN ON LEASE

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

PARTICULARS	2011-2012	2010-2011
Original Cost	35,697,605	35,697,605
Accumulated Depreciation	15,016,515	13,928,037
Written Down Value	20,681,090	21,769,568
Depreciation for the period recognized in the statement of Profit and Loss	1,088,478	1,145,767

b) Future minimum lease rentals receivables as on 31.03.2012 is NIL. (Previous Year NIL)

c) There is no Contingent Rent.

d) The company has given office premises on lease for a period ranging between 11 months to 7 years. The aggregate lease rent income of ₹ 8,759,435/- (Previous Year ₹ 8,055,460/-) has been recognized as income in the Profit and Loss for the period under the schedule " Other Income".

ASSETS TAKEN ON LEASE

PARTICULARS	2011-2012	2010-2011
a) The total of Future minimum Lease payments under Non-cancelable operating leases for:		
(i) Not later than one year	-	-
(ii) Later than one year and not later than five years	-	-
(iii) Later than five years	-	-
b) Lease payment recognized in the statement of Profit & Loss for the period under the schedule " Other Expenses"	9,352,781	9,887,807

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

- c) Sub lease income recognized in the statement of Profit and Loss for the period
- d) There is no Contingent Rent.
- e) The Company's major leasing arrangements are in respect of godowns/office premises (including furniture & fittings therein wherever applicable taken on leave and licence basis). These leasing arrangements, which are mostly cancelable, range between 11 months to 5 years and are usually renewable by mutual consent at mutually agreed terms and conditions.
37. Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.
38. **Other 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 respects with the mandatory accounting standards and the relevant provisions of the Companies Act, 1956.
- (B) **Foreign Currency Transaction**
- (i) Foreign exchange transaction 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.
- (C) **Accounting Policy Provision for Current Tax**
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.
- (D) **Lease**
Lease rentals in respect of assets acquired under operating leases are charged off to the Statement of Profit & Loss as incurred. Lease rentals in respect of assets given under operating leases are credited to the Statement of Profit & Loss.
- (E) **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.
- (F) **Accounting Policy of 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.
39. 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.
40. The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current presentation as per the revised schedule VI.

As per our report of even date attached.

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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO.12839

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R.K.SARASWAT
DIRECTOR

PLACE : MUMBAI
DATED : 10th May, 2012

GAURAV MUNOLI
COMPANY SECRETARY



PRIYA LIMITED

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

ATTENDANCE SLIP

(To be presented at the entrance)

Regd. Folio No./Client ID No. _____

No. of shares held _____

DP ID No. _____

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

I hereby record my presence at the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Company to be held at "Hall of Quest",
Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 on **Thursday, the 23rd day of August, 2012**
at 11.00 A.M.

Member's/ Proxy's name in BLOCK Letters

Signature of Member/Proxy

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

----- ✂ ----- Tear Here ----- ✂ -----



PRIYA LIMITED

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

PROXY FORM

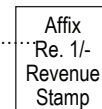
Reg. Folio No. /Client ID No. _____

DP ID No. _____

I/We..... of
..... being a member/members of the above named Company hereby appoint
..... of..... or failing him of
..... as my/our proxy to vote for me/us on my/our behalf at the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Company to be held on **Thursday, the 23rd day of August, 2012** at 11.00 A.M. and at any adjournment(s) thereof.

Signed this day of 2012.

Signature.....



NOTE : This proxy form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 HOURS BEFORE the meeting.

BOOK-POST

If underdelivered, Please return to :

PRIYA LIMITED

Regd. Office :

4th Floor, Kimatrai Building, 77-79, Maharshi Karve Marg,
Marine Lines (E), Mumbai - 400 002.
Tel. : 91-22-4220 3100 (30 Lines), Fax : 91-22-4220 3197.
E-mail : priyabom@priyagroup.com
www. priyagroup.com

Branches :

Ahmedabad: 079-2741 1484, Bengaluru: 080-2242 6144, Chennai: 044 - 4214 6105,
Delhi: 011 - 2643 8555, Hyderabad: 040 - 2781 0979, Kochi: 0484 - 308 3188,
Kolkata: 033 - 3057 1000.