



Annual Report
2012 - 2013

PRIYA LIMITED

26th ANNUAL GENERAL MEETING

| | | |
|-------|---|---|
| Day | : | Friday |
| Date | : | 6 th September, 2013. |
| 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
Bank of Maharashtra

AUDITORS

M/s. M. L. Bhwania & 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-Sixth 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 Friday, the 6th Day of September, 2013 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, 2013 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 2012-2013.
3. To appoint a Director in place of Mr. R. K. Saraswat who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of P. V. Hariharan, 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, 2014"

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 31st August, 2013 to 6th September, 2013 (both

days inclusive).

4. Dividend recommended for the year ended 31st March, 2013 if approved by the members will be paid to those eligible members whose names appear:
 - I. As Beneficial Owners, as on 31st August, 2013, 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 31st August, 2013.
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.

For and on behalf of the Board
For Priya Limited

Place : Mumbai **Gaurav Munoli**
Dated: 11th May, 2013 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. R. K.Saraswat | Mr.P. V. Hariharan |
|---------------|----------------------|--------------------------------|
| Date of Birth | 17.04.1938 | 13.01.1954 |
| Age | 75 years | 59 years |
| Qualification | Chartered Accountant | B.Sc,Diploma in Administration |
| Expertise | Finance | Chemical Industry |

DIRECTORS' REPORT

To,

Dear Members,

Priya Limited

Your Directors take great pleasure in presenting the **26th Annual Report** and Audited Accounts of your Company for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

The financial performance of the Company for the Financial Year 2012-13 in comparison to the previous financial year 2011-12 are summarised as below:

(Rs. in Lacs)

| | Year Ended 31/03/2013 | Year Ended 31/03/2012 |
|---|--------------------------|--------------------------|
| Revenue from operation | 21162.26 | 19246.60 |
| Other Income | 161.08 | 157.75 |
| | 21323.34 | 19404.35 |
| Profit/ (Loss) before Tax and Extra Ordinary Item | 280.99 | 175.83 |
| Extra ordinary item | ----- | ----- |
| Profit/ (Loss) before Tax and after Extra Ordinary Items | 280.99 | 175.83 |
| Provision for taxation | | |
| Current Tax | 98.90 | 54.19 |
| Deferred Tax | (30.77) | (0.48) |
| (Add)/Less: Taxation of earlier years | 0.20 | 40.49 |
| Profit/(Loss) After Tax | 212.66 | 81.63 |
| Add: Balance brought forward | 644.70 | 597.97 |
| Profit available for appropriation | 857.36 | 679.60 |
| Appropriations | | |
| Proposed Dividend | 30.02 | 30.02 |
| Corporate Dividend Tax | 5.10 | 4.87 |
| Balance carried to Balance Sheet | 822.24 | 644.70 |

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 Rs. 10/- each for the financial year ended 31st March 2013 amounting to Rs. 30,02,300/- (exclusive of Tax of Rs. 5.10 Lac).

OPERATIONS

During the year under review the aggregate turnover of your Company was Rs. 21162.26 lac as compared to Rs. 19246.60 lac in the previous year. The Company has earned profit after tax and exceptional item of Rs. 212.66 lac in 2012-2013 as compared to Rs. 81.63 lac in the previous year.

Your Company has achieved better results in comparison to performance of previous year, despite of sluggish global economy. Distribution/Trading of Thin client constituted an important source of revenue to the company among other computer peripherals such as keyboard and mouse.

DIRECTORS

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

AUDITORS

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

AUDITORS REPORT

The observations of the Auditors in their report read together with the Notes to Accounts are self explanatory and therefore, in the opinion of the Directors, do not call for any further explanation. The auditor's 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 wish 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 forms 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, Union Bank of India and Bank of Maharashtra.

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 have 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 2012-2013 and Profit of the Company for that the year ended on 31st March, 2013;
- 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 2012-2013 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, 2013.

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 Rs.60 Lacs per annum or Rs.5 Lacs per month.

APPRECIATION & ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Directors also take this opportunity to thank all Investors, Customers, Bankers, Regulatory bodies, Stakeholders including financial Institutions and other business associates who have extended their valuable sustained support and encouragement during the year under review.

For and on behalf of the Board
For Priya Limited

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

Place : Mumbai
Date : 11th May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECECONOMIC REVIEW AND OUTLOOK

During the year 2012-13, the continuing fragile economic scenario and domestic factors like widening fiscal deficit and inflationary trends depressed India's overall economic growth. The slowdown of the economy has been pervasive affecting almost all sectors. The growth of the economy slowed much more than anticipated, with the GDP growth for fiscal year 2012 -13 being pegged at 5.0 %, the lowest in a decade. As per the economic survey conducted by the Ministry of Finance, the economy is projected to grow at an optimistic 6.1 - 6.7% for FY14, signaling that the economy is reviving.

1.1 INDUSTRY STRUCTURE AND DEVELOPMENTS

Electronics Division:

The global electronics hardware production is reported at USD 1750 Billion. Indian Electronics hardware production constitutes only around 1.3% of global production. Moreover, the value addition in domestically produced electronic goods constitutes to be low. The Government has recognized that for sustaining growth in IT and Telecom is hugely dependent on our ability to foster electronics system Design and Manufacturing in the country. The renaming of the Department of Information Technology as Department of Electronics and Information Technology (Deity) by the Government is reaffirmation of the thrust that this sector deserves.

Chemical Division:

The dyestuff industry comprises of 3 key constituents namely, dyestuffs, pigments and intermediates. The value chain has intermediaries as downstream products manufactured from petrochemicals. Intermediates are further processed to obtain dyestuff and pigments. The Indian dyes and dye intermediate market is fragmented with around 950 manufactures. A high degree of consolidation is expected in this segment in the year to come. The main drivers for consolidation are the stringent environmental norms and awareness among customers increasing the cost of operations for small scale players.

1.2 OPPORTUNITIES AND THREATS

Electronics Division:

It is estimated that demand of electronics products and systems in India would grow to USD 400 billion by 2020 at compound annual growth rate (CAGR) of 22%. Although the segment is promising and has immense potential, the increasing demand-supply gap remains to be a cause of concern. Growing demand for hardware fuelled by modernization across verticals, clubbed with the slow rate of increase in domestic production, is widening the demand-supply gap.

According to a recent IDC report, in 2013, over 6.8 million units of Thin Client devices are likely to be shipped worldwide, representing a 7 percent year-on-year growth of these devices.

The research firm expects thin clients to reach 9.2 million units by 2017.

"With increasing adoption of cloud and virtualization, growth is expected in all form factors, including mobile and with liquid crystal display (LCD), although standalone will still dominate," said Jennifer Song, Research Analyst, Worldwide Trackers. "The United States will continue to capture the majority of the market and is expected to grow, but the strongest growth will be in China. These two major markets will lead the shift towards virtualization in the commercial segment.

Thin Clients are attractive options for businesses across diverse verticals, such as healthcare, banking, education and retail. According to Oleg Sidorkin, a senior research analyst at IDC, "Increased security concerns, easier administration, lower maintenance costs, and lower power consumption are among the main reasons why companies prefer to choose thin clients over traditional PCs. Analysts see the maximum adoption of Thin Clients to come from the EMEA market which is expected to grow by 6.2 percent in 2013. Sidorkin says, "In these areas, this growth is driven by demand from healthcare entities, financial institutions, and public-sector customers, which are looking for a centralized desktop environment with high level of security and reliability."

Hence you can see that the future is very bright for your company, as we are continuing to expand our presence in these markets.

Chemical Division:

The year passed by was the toughest year in the history of dyes and dye intermediates industry where demand was sluggish and uncertainty prevailing in the international market. The rupee dollar exchange rate volatility compounded the problems. In spite of stiff competition from Indian exporters your company has good exposure to the global market. The quality products handled by your Company have received good response in the overseas market. The thrust on newer product development and consolidation of customer relationship will result into a better future for the Company. The availability of local raw materials will definitely be challenged owing to overall price increase.

1.3 SEGMENT-WISE PERFORMANCE

Electronics Division:

Keeping in view the continuing slowdown in economy, your company has performed relatively well during the year, in comparison to last years turnover. The segment result, before adjustment for unallocated expenses (net) and provisions for taxation increased to Rs. 983.05 Lacs as compared to Rs. 764.00 Lacs in the previous year.

Chemical Division:

Indian dyestuff industry continues to face strong Chinese competition. Careful selection of product

range has enabled us to retain our place in the market. The segment result before adjustment of unallocated expenses (net) and provisions for taxation has decreased marginally to Rs. 17.63 lacs for the year under review vis-a-vis previous year.

1.4 FUTURE OUTLOOK

Electronics Division:

Factors such as rapid advancement in technology infrastructure, enhanced focus by the government on e-governance projects and emergence of business models that help provide IT to new customer segments are driving technology adoption in India. During 2013-14, the Indian IT hardware Industry is expected to witness double-digit growth in rupee terms. India has entered into Free Trade Agreement (FTA) / Preferential Trade agreement (PTA) with a number of countries/ trading blocks (Thailand, Singapore, ASEAN, Korea, SAFTA, etc.) and more agreements are under negotiation, wherein import of electronics hardware from these countries shall be at a preferential rate of duty, which is lower than the normal tariff rate.

Chemical Division:

New product range coupled with success in newer markets will be your Company's thrust to increase business. Countries like Phillipines and Vietnam have shown signs of demand. We are cautiously trying to explore business in these countries.

1.5 RISKS AND CONCERNS

Electronics Division:

Number of disability factors such as high level of taxation, high cost of power, finance & freight, inadequate infrastructure, high transaction cost, etc. which render indigenous electronics hardware manufacturing uncompetitive and discourage capital intensive, high value addition investments. This in turn will compel us to import raw materials/ finished products from other countries which will lead to reduction in our gross margin over the long run. Similar to previous year, the currency fluctuation seems to be highly unfavorable and may adversely affect our bottom line.

Chemical Division:

There is acute shortage and price hike in various raw materials owing to the crude oil price rise and the implementation of stringent environmental norms. The strong US dollar has also contributed to the increase in price. Suppliers are unable to produce dyes within a given time framework. Many overseas buyers have curtailed their stocks and order only when needed as the thrust is to work on low inventories.

1.6 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company has adequate internal control system including suitable procedures which commensurate with its size and the nature of the business. 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 unauthorized use. 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 Rs. 21162.26 Lacs in the year 2012-13 as compared to Rs. 19246.60 Lac in 2011-2012, depicting a marginal rise in the electronic export business. The Company has earned a profit (before tax and extra ordinary items) of Rs. 280.99 Lac as compared to a profit (before tax and extra ordinary items) of Rs. 175.82 Lac in the previous year.

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

Human Resources: All the employee of your Company are covered under Group Insurance scheme, the premium of which is borne by the company. The Company has incentive schemes for its marketing staff which acts as a morale booster and driving force for the employees to perform better. 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.

CAUTIONARY STATEMENT: The projections made in this report may constitute forward-looking statements within the meaning of applicable laws and regulations. However, actual results may differ from those expressed in this report due to the influence of external and internal factors that are beyond the control of the Company such as demand, supply, climatic conditions, economic conditions, political scenario, Government regulations and policies, taxation and other conditions.

Source:

- 1) Electronics and Information Technology Annual Report 2012-13 published by Department of Electronics & Information Technology.
- 2) Crisil Budget Analysis, 2013.
- 3) IDC Report 2012-13.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance is an integral part of the philosophy of your Company in its pursuit for excellence, growth and Value creation. Apart from complying with the statutory requirements, effective systems and practices towards improving transparency, internal controls and promotion of ethics at work place have been institutionalized.

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 2012-2013 on the following dates:

10th May, 2012, 11th August, 2012, 9th November, 2012 and 15th January, 2013.

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 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 | 571210 | 1 | Yes | 2 | - | - |
| Mr. R. K. Saraswat | Independent / Non- Executive Director | -- | NIL | 4 | Yes | 3 | 2 | 2 |
| Mr. M. K. Arora | Independent / Non-Executive Director | -- | NIL | 4 | Yes | 8 | 2 | 0 |
| Mr. Anuj Bhargava | Independent / Non-Executive Director | -- | NIL | 4 | Yes | - | - | - |
| Mr. P. V. Hariharan | Independent / Non- Executive Director | -- | 500 | 4 | Yes | 1 | - | - |
| Mr. Ashish Bhuwania | Promoter / Executive Director | Son of A. K. Bhuwania and Brother of Aditya Bhuwania | 210200 | 0 | Yes | - | - | - |
| Mr. Aditya Bhuwania | Promoter / Executive Director | Son of A. K. Bhuwania and Brother of Ashish Bhuwania | 260300 | 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 2011-12 was held on 23rd August, 2012.

**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, 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. P. V. Hariharan and Mr. R.K. Saraswat, Non Executive Directors of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

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

3. BOARD AND OTHER COMMITTEES:

The Board of Directors had constituted the following committees:

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

I) AUDIT COMMITTEE

i. Terms of Reference:

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

ii. Power of Audit Committee:

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

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

iii. Role of Audit Committee:

The role of the audit committee shall include the following:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- c) Approval of payment to statutory Auditors for any other services rendered by the statutory auditors.
- d) Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
 - i) Matter required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv) Significant adjustments made in the financial statements arising out of audit findings.
 - v) Compliance with listing and other legal requirements relating to financial statements.
 - vi) Disclosure of related party transactions.
 - vii) Qualifications in draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the board for approval
- f) Reviewing, with the management, 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 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, 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 2012-2013 | | | |
|-------------------|----------|---|----------|---------|----------|
| | | 10.05.12 | 11.08.12 | 9.11.12 | 15.01.13 |
| Mr. R.K. Saraswat | Chairman | Present | Present | Present | Present |
| Mr. M.K Arora | Member | Present | Present | Present | Present |
| Mr. A.K Bhuwania | Member | Present | Absent | 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 10 th May, 2012 |
|--------------------------|-------------|--------------------------------------|--|
| 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 Rs. 7500/- per meeting for attending meeting of the Audit Committee and Rs. 7500/- per meeting for attending meeting of the Board of Directors to Mr. R. K. Saraswat, Mr. M. K. Arora and Mr. Anuj Bhargava (Only Board Meeting). Mr. A. K. Bhuwania and Mr. P. V. Hariharan have waived their sitting fees received for attending Board Meeting with effect from financial year 2012-13.

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

| Name of Director | Category | Sitting Fees (Rs.) |
|---------------------|-------------------------------------|--------------------|
| Mr. A. K. Bhuwania | Promoter/Non-Executive Chairman | Nil |
| 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 | Nil |
| Total | | 1,50,000 |

B. Executive Director's Remuneration

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

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

| Name of Director | Category | Remuneration (Rs.) |
|---------------------|-------------------------------|--------------------|
| Mr. Aditya Bhuwania | Promoter / Executive Director | 16,50,000 |
| Mr. Ashish Bhuwania | Promoter / Executive Director | 15,00,000 |
| TOTAL | | 31,50,000** |

- The Company does not have policy of paying commission on profits to any of the Directors of the Company.

2. Presently, the Company does not have a scheme for grant of stock options either to the whole-time Directors or Employees of the Company.

** The total remuneration includes provision of Rs. 15,00,000/- made for the Salary of Mr. Ashish Bhuwania, whose application for reappointment as Executive Director is pending with Central Government.

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 10th May 2012.

During the year under review 2 (Two) complaints have been received by the Company from Investor (s) & no Complaints were pending at the end of the year.

IV) SHARE TRANSFER COMMITTEE

i) Terms of reference

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

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

ii) Composition of the committee

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

The Composition of the Share Transfer Committee is as under:

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

During the year under review, the Committee met six times on 13.4.2012, 16.8.2012, 21.12.2012, 15.2.2013, 22.2.2013, 01.03.2013.

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 2013.

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 |
|---------------------------------|---|------------------------------|------------|-----------------------------------|
| 2011-12 25 th AGM | "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018 | 23 rd August 2012 | 11.00 A.M. | 1 |
| 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 |

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

| Sr. No. | Annual General Meetings | Particular of Resolutions |
|---------|---|--|
| 1. | 25 th Annual General Meeting held on 23 rd August, 2012 | To re-appoint Mr. Ashish Bhawania as a Whole Time Director designated as Executive Director for the period of 5 (five) years with effect from 13 th May, 2012 on a remuneration of Rs. 1,25,000/- per month (all inclusive). The resolution was passed unanimously. |
| 2. | 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 Rs.75,000/- per month(all inclusive). The resolution was passed unanimously. |

- During the Financial Year 2012-2013, no resolution (s) were passed through Postal Ballot and no business proposed to be transacted in the ensuing Annual General Meeting requires 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. 2012-2013. The details of transaction between the Company and the related parties are given for information under point No. 33 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

- Date and Time of AGM** : Friday, 6th September, 2013 at 11.00 A.M.
- Venue** : Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018
- Financial Year** : 1st April 2012 to 31 March 2013
- FINANCIAL CALENDAR (Provisional) for 1st April, 2013 - 31st March, 2014**
 - 1st Quarterly Result : On or before 14th August, 2013.
 - 2nd Quarterly Result : On or before 14th November, 2013.
 - 3rd Quarterly Result : On or before 14th February, 2014.
 - Annual Results : On or before 30th May, 2014
- Book Closure dates :** 31st August, 2013 to 6th September, 2013 (both days inclusive)
- Dividend Payment date** : Within 30 days from the date of declaration
- Listing on Stock Exchanges:**
 1. The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 023

2. The Calcutta Stock Exchange Limited* (applied for delisting), 7, Lyons Rang, Kolkata – 700 001
- h. Listing Fees** : i. Listing fees of BSE has 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** : 4th 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.

l. 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 2012-2013 are as under:

| MONTH | RATES (Rs.) | | BSE SENSEX (Rs.) | |
|---------------|-------------|-------|------------------|----------|
| | HIGH | LOW | HIGH | LOW |
| APRIL, 12 | 33.00 | 22.85 | 17664.10 | 17010.16 |
| MAY, 12 | 25.80 | 20.85 | 17432.33 | 15809.71 |
| JUNE, 12 | 21.25 | 18.75 | 17448.48 | 15748.98 |
| JULY, 12 | 21.50 | 19.05 | 17631.19 | 16598.48 |
| AUGUST, 12 | 21.50 | 18.05 | 17972.54 | 17026.97 |
| SEPTEMBER, 12 | 20.75 | 16.50 | 18869.94 | 17250.80 |
| OCTOBER, 12 | 21.80 | 18.80 | 19137.29 | 18393.42 |
| NOVEMBER, 12 | 29.50 | 18.00 | 19372.70 | 18255.69 |
| DECEMBER, 12 | 33.75 | 25.30 | 19612.18 | 19149.03 |
| JANUARY, 13 | 36.90 | 25.30 | 20203.66 | 19508.93 |
| FEBRUARY, 13 | 31.70 | 25.45 | 19966.69 | 18793.97 |
| MARCH, 13 | 40.35 | 25.05 | 19754.66 | 18568.43 |

m. Distribution of shareholding: as on 31st March, 2013.

| Distribution range of Shares | No of Shareholders | % of shareholders | No. of shares held | % of shareholding |
|------------------------------|--------------------|-------------------|--------------------|-------------------|
| 1 to 500 | 2253 | 94.27 | 2719680 | 9.06 |
| 501 to 1000 | 72 | 3.01 | 569320 | 1.89 |
| 1001 to 2000 | 20 | 0.84 | 307020 | 1.02 |
| 2001 to 3000 | 8 | 0.33 | 200690 | 0.67 |
| 3001 to 4000 | 5 | 0.21 | 179170 | 0.60 |
| 4001 to 5000 | 4 | 0.17 | 187940 | 0.63 |
| 5001 to 10000 | 7 | 0.29 | 455680 | 1.52 |
| 10001 & Above | 21 | 0.88 | 25403500 | 84.61 |
| Total | 2390 | 100.00 | 3,002,300 | 100.00 |

n. Categories of Shareholding as on 31st March, 2013

| SHAREHOLDING PATTERN | | |
|-------------------------------|--------------------|---------------|
| Category of Shareholders | No. of shares held | % |
| Promoters and Promoters Group | 2235160 | 74.44 |
| Mutual Funds and UTI | 100 | 00.01 |
| Bodies Corporate | 47142 | 1.57 |
| Indian Public | 569266 | 18.96 |
| NRI/OCB | 150322 | 05.00 |
| Trust | 100 | 00.01 |
| Clearing Members. | 210 | 0.01 |
| 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: 022-4043 0200
022-2847 0652
Fax: 022-2847 5207
Email: investor@bigshareonline.com
- p. **Dematerialization of Equity shares** : 94.12% of the paid-up capital of the Company has been dematerialized as on 31st March, 2013. 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 : 022-4043 0200, 2847 0652
- u. **Designated e-mail ID for registering complaints by the investor.** : **gaurav.munoli@priyagroup.com**

8. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

The extent of compliance with non mandatory requirements as are under

(1) Shareholder Rights

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

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

(5) Remuneration Committee

The Company has constituted Remuneration Committee which is headed by Mr. M. K. Arora, an independent Non-executive Director of the Company. The committee reviews, assesses and also reviews the performance and remuneration policy of managerial personnel on a periodical basis.

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 2013.

Place : Mumbai

Date : 11th May, 2013

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, 2013, 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 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

J. P. Bairagra

Partner

Membership No.12839

Place: Mumbai

Date: 11th May, 2013

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 2013 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 : 11th May, 2013

Rakesh Jain

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT**To the Members of PRIYA LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of **PRIYA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, 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 purpose of our audit;
- (ii) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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 : 11th May, 2013

Annexure referred to in paragraph titled as “Report on other Legal and Regulatory Requirement” of Auditor’s report to the members of Priya Limited for the year ended 31st March, 2013.

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. Accordingly clause (iii) (a) to (d) of the Order is not Applicable to the Company.

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 | 64,275,119 | 42,506,217 | 29,407,583 |

- (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 (Rs.) | 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 | Income Tax Appellate Tribunal |
| Income-tax Act, 1961 | Demand for tax liability | 2009-10 | 1,494,739 | Commissioner of Income-Tax (Appeal) |
| Bihar Finance Act, 1981 | Demand for sales tax | 2002-03 to 2004-05 | 2,45,182 | 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 to 2006-07 | 69,03,551 | Deputy Commissioner of Commercial Taxes |
| West Bengal Sales Tax Act, 1954 | Demand for sales tax | 2003-04 to 2007-08 | 6,44,322 | Deputy Commissioner of Commercial Taxes |

- (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, 2013.

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

Place : Mumbai
Date : 11th May, 2013

J. P. Bairagra
Partner
Membership No: 12839

BALANCE SHEET AS AT 31st MARCH, 2013

| Particulars | Note No. | March 31, 2013 Rs. | March 31, 2012 Rs. |
|--|----------|-----------------------|-----------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's funds | | | |
| (a) Share capital | 1 | 30,023,000 | 30,023,000 |
| (b) Reserve & surplus | 2 | 279,339,222 | 261,585,459 |
| (2) Non- current liabilities | | | |
| (a) Long - term borrowings | 3 | 551,650 | - |
| (b) Other long - term liabilities | 4 | - | 4,639,659 |
| (c) Long - term provisions | 5 | 7,214,512 | 4,468,989 |
| (3) Current liabilities | | | |
| (a) Short-term borrowings | 6 | 196,314,857 | 228,726,232 |
| (b) Trade payables | 7 | 359,075,273 | 216,353,590 |
| (c) Other current liabilities | 8 | 11,846,127 | 8,159,892 |
| (d) Short - term provisions | 9 | 4,996,880 | 3,924,776 |
| TOTAL | | 889,361,521 | 757,881,597 |
| II Assets | | | |
| (1) Non - current assets | | | |
| (a) Fixed assets | | | |
| Tangible assets | 10 | 24,124,382 | 24,213,806 |
| (b) Non - current investment | 11 | 36,049,450 | 36,049,450 |
| (c) Deferred tax assets | 12 | 6,504,733 | 3,427,436 |
| (d) Long - term loans and advances | 13 | 75,197,983 | 12,745,043 |
| (2) Current assets | | | |
| (a) Inventories | 14 | 11,064,663 | 25,412,281 |
| (b) Trade receivables | 15 | 680,011,654 | 596,494,355 |
| (c) Cash & bank balances | 16 | 45,446,113 | 28,098,836 |
| (d) Short- term loans and advances | 17 | 9,746,758 | 28,539,712 |
| (e) Other current assets | 18 | 1,215,785 | 2,900,678 |
| TOTAL | | 889,361,521 | 757,881,597 |
| Contingent Liabilities and Commitments | 19 | | |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS | | | |
| | 1 to 41 | | |

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 **R. K. SARASWAT**
EXECUTIVE DIRECTOR **DIRECTOR**

PLACE : MUMBAI
DATED : 11th May, 2013

GAURAV MUNOLI
COMPANY SECRETARY

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2013

| Particulars | Note No. | 2012-13 Rs. | 2011-12 Rs. |
|--|----------|-----------------------------|-----------------------------|
| Revenue from operations | 20 | 2,116,226,363 | 1,924,660,380 |
| Other income | 21 | 16,108,537 | 15,775,480 |
| Total Revenue | | <u>2,132,334,900</u> | <u>1,940,435,860</u> |
| Expenses | | | |
| Purchases of stock - in - trade | 22 | 1,960,496,136 | 1,760,483,656 |
| Changes in inventories of stock-in-trade | 23 | 14,347,616 | 42,171,501 |
| Employee benefit expenses | 24 | 23,428,577 | 21,476,339 |
| Finance costs | 25 | 34,852,563 | 38,881,364 |
| Depreciation & amortization expense | 10 | 2,798,733 | 2,428,114 |
| Other expenses | 26 | 68,312,097 | 57,412,183 |
| Total Expenses | | <u>2,104,235,722</u> | <u>1,922,853,157</u> |
| Profit before exceptional and extraordinary items & tax | | 28,099,178 | 17,582,703 |
| Exceptional items | | - | - |
| Profit before extraordinary items and tax | | 28,099,178 | 17,582,703 |
| Extraordinary items | | - | - |
| Profit before tax | | 28,099,178 | 17,582,703 |
| Less: Tax expense | | | |
| <u>(1) Current tax</u> | | | |
| of Current years | | 9,890,000 | 5,419,000 |
| of Earlier years | | 20,171 | 4,049,014 |
| <u>(2) Deferred tax</u> | | <u>(3,077,297)</u> | <u>(48,032)</u> |
| Profit for the period | | <u>21,266,304</u> | <u>8,162,721</u> |
| Basic & Diluted Earning Per Share | 27 | 7.08 | 2.72 |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS | 1 to 41 | | |

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 : 11th May, 2013

GAURAV MUNOLI
 COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| | 2012-13 | | 2011-12 | |
|--|--------------|-------------------|---------------|---------------------|
| | Rs. | Rs. | Rs. | Rs. |
| A) CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax & Extraordinary Items | | 28,099,178 | | 17,582,703 |
| Adjustment for: | | | | |
| Depreciation | 2,798,733 | | 2,428,114 | |
| Bad Debts Written Off (Net) | 39,250 | | 16,560 | |
| Interest income | (2,108,736) | | (1,987,429) | |
| Interest expenses | 32,269,726 | | 36,479,752 | |
| Allowance for Bad and doubtful debts | 5,817,624 | | 1,085,552 | |
| (Profit)/Loss on Sale of Assets (Net) | 110,217 | | 1,462 | |
| Sundry balance written off (Net) | 3,692 | | 171,397 | |
| Exchange Rate Fluctuation (Net) | 970,460 | | (927,030) | |
| Loss on Obsolescence of Fixed Assets | 331,055 | 40,232,021 | - | 37,268,378 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 68,331,199 | | 54,851,081 |
| ADJUSTMENTS FOR WORKING CAPITAL CHANGES : | | | | |
| Inventories | 14,347,618 | | 44,733,081 | |
| Trade receivables | (85,405,279) | | (126,161,322) | |
| Short- term Loans and Advances | 11,234,575 | | 22,574,960 | |
| Long - term Loans and Advances | (62,390,791) | | (426,190) | |
| Other Current Assets | 1,553,740 | | 8,427,633 | |
| Trade Payable | 140,957,186 | | 51,561,963 | |
| Short - term Provision | (58,930) | | (498,936) | |
| Long - term Provision | 2,745,523 | | (187,147) | |
| Other Current Liabilities | 3,245,689 | | (130,838) | |
| Other Long - term Current Liabilities | (4,639,659) | 21,589,672 | - | (106,796) |
| Cash Generated from Operations | | 89,920,871 | | 54,744,285 |
| Direct Taxes Refund (Net) Including F B T | | (5,938,897) | | (4,245,545) |
| NET CASH FROM OPERATING ACTIVITIES | | 83,981,974 | | 50,498,740 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (3,458,013) | | (791,909) | |
| Sale of Fixed Assets | 307,433 | | 37,625 | |
| Interest Received | 2,145,706 | (1,004,874) | 1,973,433 | 1,219,149 |
| NET CASH USED IN INVESTING ACTIVITY | | (1,004,874) | | 1,219,149 |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Net (Decrease)/ Increase in Borrowings | (31,586,993) | | (29,867,462) | |
| Interest Paid | (32,222,041) | | (36,566,404) | |
| Dividend Paid (Including Dividend Tax) | (3,369,754) | (67,178,788) | (3,429,195) | (69,863,061) |
| NET CASH USED IN FINANCING ACTIVITY | | (67,178,788) | | (69,863,061) |
| NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C) | | 15,798,312 | | (18,145,172) |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS | | 7,405,787 | | 25,550,959 |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS | | 23,204,099 | | 7,405,787 |
| | | 15,798,312 | | (18,145,172) |

Notes

CLOSING BALANCE OF CASH & CASH EQUIVALENTS

1 CASH AND CASH EQUIVALENTS INCLUDES :

| | | |
|------------------------------|-------------------|------------------|
| Cash in hand | 107,994 | 86,837 |
| BALANCE WITH SCHEDULED BANKS | | |
| In current account | 23,096,105 | 7,318,950 |
| | <u>23,204,099</u> | <u>7,405,787</u> |

2 Interest Received excludes interest received on account of Income tax refund of Rs. 686,145/- (Previous Year Rs.3,217,249/) and on account from parties Rs. NIL (Previous Year Rs. 11,028/-), 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

J. P. BAIRAGRA
PARTNER
 MEMBERSHIP NO. 12839

PLACE : MUMBAI
 DATED : 11th May, 2013

FOR AND ON BEHALF OF THE BOARD

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

GAURAV MUNOLI
COMPANY SECRETARY

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
1 SHARE CAPITAL

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|--|-------------------------|-------------------------|
| Authorized Shares | | |
| 6,500,000 Equity shares, Rs. 10 /-par value | | |
| (Previous Year : 6,500,000 Equity shares, Rs. 10 /- par value) | 65,000,000 | 65,000,000 |
| 1,000,000 Unclassified Shares Of Rs. 10/- par value | 10,000,000 | 10,000,000 |
| (Previous Year : 1,000,000 Unclassified shares, Rs. 10 /- par value) | | |
| | <u>75,000,000</u> | <u>75,000,000</u> |
| Issued, Subscribed and Fully Paid Up Shares | | |
| 3,002,300 Equity shares, Rs. 10 /- par value | 30,023,000 | 30,023,000 |
| (Previous Year : 3,002,300 Equity shares, Rs. 10 /-par value) | | |
| Total Issued, Subscribed and Fully Paid Up Share Capital | <u>30,023,000</u> | <u>30,023,000</u> |

Note No 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2013 :

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|------------------------------------|-------------------------|-------------------------|
| 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 | <u>3,002,300</u> | <u>3,002,300</u> |

Note No 1.2 Terms/rights attached to Equity Shares

- (A) The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (B) 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 31/03/2013. The total amount of dividend shall be Rs. 3,512,541/- (Including Dividend Distribution Tax Rs. 510,241/-).
- (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, 2013 | No. of shares held | % held as at March 31, 2012 |
|-----------------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| Arun Kumar Bhuwania | 571,210 | 19.03 | 751,210 | 25.02 |
| Saroj Bhuwania | 541,750 | 18.04 | 541,750 | 18.04 |
| Priya International Limited | 275,800 | 9.19 | 275,800 | 9.19 |
| Ashish Bhuwania | 210,200 | 7.00 | 210,200 | 7.00 |
| Aditya Bhuwania | 260,300 | 8.67 | 140,300 | 4.67 |
| Shruti Bhuwania | 167,600 | 5.58 | 107,600 | 3.58 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)**2 RESERVE & SURPLUS**

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|--|---------------------------|---------------------------|
| Securities Premium Reserve (As per last year balance sheet) | 40,092,000 | 40,092,000 |
| General Reserve (As per last year balance sheet) | 157,023,002 | 157,023,002 |
| Surplus - Opening balance | 64,470,457 | 59,797,085 |
| Add: Net profit after tax transferred from statement of profit & loss | <u>21,266,304</u> | <u>8,162,721</u> |
| Amount available for appropriation | 85,736,761 | 67,959,806 |
| Less : Appropriations | | |
| Proposed Dividend | 3,002,300 | 3,002,300 |
| Dividend Tax | <u>510,241</u> | <u>487,049</u> |
| Surplus Closing Balance | <u>82,224,220</u> | <u>64,470,457</u> |
| Total of Reserve & Surplus | <u>279,339,222</u> | <u>261,585,459</u> |

3 LONG TERM BORROWINGS

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|----------------------------------|-------------------------|-------------------------|
| Secured Loans | | |
| From Bank | | |
| Vehicle Loan (Refer Note No 3.1) | <u>551,650</u> | <u>-</u> |
| | <u>551,650</u> | <u>-</u> |

Note No 3.1

- Secured by Hypothecation of Vehicle.
- The above vehicle Loan was originally payable in 36 Installments and no Default in repayment of Principal & Interest has been made by company as on balance sheet date.

4 OTHER LONG TERM LIABILITIES

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---------------------|-------------------------|-------------------------|
| Others | | |
| Securities Deposits | <u>-</u> | <u>4,639,659</u> |
| | <u>-</u> | <u>4,639,659</u> |

5 LONG TERM PROVISIONS

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|-------------------------------------|-------------------------|-------------------------|
| Provisions for Employee Benefits | | |
| Leave Encashment (Refer Note No 32) | 1,839,392 | 1,133,040 |
| Gratuity (Refer Note No 32) | 5,033,367 | 3,169,758 |
| Others | | |
| Warranty (Refer Note No. 35) | <u>341,753</u> | <u>166,191</u> |
| | <u>7,214,512</u> | <u>4,468,989</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)
6 SHORT TERM BORROWINGS

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|-------------------------|-------------------------|
| Secured Loans | | |
| Other Loans and Advances | | |
| From Banks | | |
| Working Capital Facilities From Company's Bankers (Refer Note No. 6.1) | 164,212,577 | 201,307,134 |
| Unsecured Loans | | |
| Loans and Advance from Related Parties | | |
| Inter Corporate Deposits | 29,407,583 | 26,873,513 |
| Loans from Directors | - | 545,585 |
| Other Loans and Advances | | |
| Loans from Finance Companies | 2,694,697 | - |
| | <u>196,314,857</u> | <u>228,726,232</u> |

Note No. 6.1

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.

7 TRADE PAYABLES

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|-------------------------|-------------------------|
| Sundry Creditors For Goods (Refer Note No 7.1) | 353,387,953 | 211,524,779 |
| Sundry Creditors For Expenses (Refer Note No 7.1) | 5,687,320 | 4,828,811 |
| | <u>359,075,273</u> | <u>216,353,590</u> |

Note No. 7.1

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.

8 OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|--|-------------------------|-------------------------|
| Current Maturities of Long Term Debt (Refer Note No 3.1) | 272,732 | - |
| Interest Accrued but not due on borrowings | 2,142,716 | 2,094,497 |
| Income received in Advance | 680,000 | 680,000 |
| Unpaid Dividends | 246,478 | 126,883 |
| Other Liabilities | | |
| Bank Overdraft | 428,407 | - |
| Securities Deposits | 4,639,659 | - |
| Advances From Customers | 699,704 | 1,229,889 |
| Employee Benefits Payable | 1,662,545 | 1,726,678 |
| Statutory Dues Payable | 1,073,886 | 2,301,945 |
| | <u>11,846,127</u> | <u>8,159,892</u> |

9 SHORT TERM PROVISIONS

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|-------------------------|-------------------------|
| Provision for Employee Benefits | | |
| Leave Encashment (Refer Note No 32) | 78,830 | 66,910 |
| Gratuity (Refer Note No 32) | 237,358 | 148,217 |
| Others | | |
| Provision For Income Tax {Net of Advance Tax Rs. 8,782,158/- (Previous Year Rs. Nil)} | 1,107,842 | - |
| Proposed Dividends | 3,002,300 | 3,002,300 |
| Corporate Dividend Tax | 510,241 | 487,049 |
| Warranty (Refer Note No. 35) | 60,309 | 220,300 |
| | <u>4,996,880</u> | <u>3,924,776</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

10 FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-------------------------|---------------------|--------------------------------|---------------------------------|---------------------|---------------------|--------------------|---------------------------------|---------------------|---------------------|---------------------|
| | AS ON 01.04.2012 | ADDITION DURING THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2013 | AS ON 01.04.2012 | FOR THE YEAR | DEDUCTION DURING THE YEAR | AS AT 31.03.2013 | AS AT 31.03.2013 | AS AT 31.03.2012 |
| TANGIBLES ASSETS | | | | | | | | | | |
| Office Premises | 35,697,605 | 1,225,000 | - | 36,922,605 | 15,016,514 | 1,573,923 | - | 16,590,437 | 20,332,167 | 20,681,091 |
| Laboratory Equipment | 22,566 | - | - | 22,566 | 19,715 | 396 | - | 20,111 | 2,455 | 2,851 |
| Furniture & Fixture | 2,349,954 | 44,537 | 746,945 | 1,647,546 | 1,922,157 | 83,831 | 696,149 | 1,309,840 | 337,706 | 427,797 |
| Vehicles | 3,058,672 | 1,199,623 | 2,086,439 | 2,171,856 | 1,958,944 | 322,793 | 1,692,832 | 588,905 | 1,582,951 | 1,099,728 |
| Office Equipment | 1,901,132 | 103,271 | 761,104 | 1,243,299 | 1,197,792 | 122,918 | 572,440 | 748,270 | 495,029 | 703,340 |
| Computer | 8,232,699 | 885,582 | 2,142,429 | 6,975,852 | 6,933,697 | 694,872 | 2,026,791 | 5,601,777 | 1,374,074 | 1,299,002 |
| TOTAL | 51,262,627 | 3,458,013 | 5,736,917 | 48,983,723 | 27,048,820 | 2,798,733 | 4,988,212 | 24,859,342 | 24,124,382 | 24,213,806 |
| PREVIOUS YEAR (Rs.) | 50,844,989 | 791,909 | 374,271 | 51,262,627 | 24,955,890 | 2,428,114 | 335,184 | 27,048,820 | 24,213,806 | |

11 NON CURRENT INVESTMENT

| Particulars | As at March 31, 2013 | | | As at March 31, 2012 | | |
|--|-------------------------|------------|---------|-------------------------|---------|-------------------|
| | Quoted | Face Value | Qty | Amount (Rs.) | Qty | Amount (Rs.) |
| 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 11.1

Aggregate market value of Quoted Investments Rs 12,738,043/- (previous year Rs.15,625,635/-)

12 DEFERRED TAX ASSETS

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|--|-------------------------|-------------------------|
| Deferred tax assets | | |
| on account of Expenses allowable under income tax on payment basis | 2,645,322 | 1,465,841 |
| on account of Provision for doubtful debts / advances | 2,792,414 | 942,003 |
| on account of Provision for warranty | 130,449 | 125,397 |
| on account of difference in depreciation as per books and income tax | 936,548 | 894,195 |
| | 6,504,733 | 3,427,436 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)
13 LONG TERM LOANS & ADVANCES

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|-------------------------|-------------------------|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Capital Advances | 60,000,000 | - |
| Deposits (Refer Note No 13.1) | 13,065,756 | 10,571,738 |
| <u>Other Loans and Advances</u> | | |
| Advances to Staff | 1,089,827 | 1,211,554 |
| Advance Income Tax And Tax Deducted At Source {Net of Provision for Tax Rs. Nil (Previous Year Rs. 11,880,954/-)} | 1,042,400 | 961,751 |
| | <u>75,197,983</u> | <u>12,745,043</u> |
| Note No. 13.1 | March 31, 2013 | March 31, 2012 |
| Loan and Advances due by directors or other officers, etc. | | |
| <u>Deposits-Rental</u> | | |
| Company in which directors are interested | 4,000,000 | 4,000,000 |
| | <u>4,000,000</u> | <u>4,000,000</u> |

14 INVENTORIES

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|---|-------------------------|-------------------------|
| <u>Stock - in - trade</u> | | |
| Electronics [(Includes Goods in Transit of Rs.Nil (Previous Year Rs. 2,561,580/-)] | 11,064,663 | 25,412,281 |
| | <u>11,064,663</u> | <u>25,412,281</u> |

15 TRADE RECEIVABLES

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|--|-------------------------|-------------------------|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Outstanding For More Than Six Months | | |
| Considered Doubtful | 5,029,023 | 2,480,272 |
| Less : Allowance for bad and doubtful debts | <u>5,029,023</u> | <u>2,480,272</u> |
| | - | - |
| Considered Good | <u>6,337</u> | <u>462,569</u> |
| Others Debts | 680,005,317 | 596,031,786 |
| | <u>680,011,654</u> | <u>596,494,355</u> |

16 CASH & BANK BALANCES

| Particular | As at March 31, 2013 | As at March 31, 2012 |
|---|-------------------------|-------------------------|
| Cash & cash equivalents | | |
| Cash on Hand | 107,994 | 86,837 |
| <u>Balances With Banks</u> | | |
| In Current Account | 23,096,105 | 7,318,950 |
| Other bank balances | | |
| In Unpaid Dividend Account | 246,478 | 126,883 |
| In Margin money deposits (Refer Note No 16.1) | 21,995,536 | 20,566,166 |
| | <u>45,446,113</u> | <u>28,098,836</u> |

Note No. 16.1

Margin money deposits amounting to Rs. 21,995,536/- (Previous Year Rs. 20,566,166/-) are lying with bank against Bank Guarantees and Letter of Credit.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

17 SHORT TERM LOANS & ADVANCES

| Particulars | As at | |
|---|-----------------------|-----------------------|
| | March 31, 2013 | March 31, 2012 |
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Deposits (Refer Note No 17.1) | 8,587 | 12,886,816 |
| Other Loans and Advances | | |
| Advance Recoverable in Cash or Kind or for Value to be Received | | |
| Considered Good | 5,470,525 | 6,363,121 |
| Considered Doubtful | 80,000 | - |
| | 5,550,525 | 6,363,121 |
| Less : Allowance for bad and doubtful advances | 80,000 | - |
| Advance Tax & Tax Deducted at Source {Net of Provision for Tax Rs. Nil (Previous Year Rs. 2,237,386/-)} | 2,218,656 | 5,162,203 |
| Advance to supplier | | |
| Considered Good | 1,474,803 | 3,501,353 |
| Considered Doubtful | 3,153,538 | 167,107 |
| | 4,628,341 | 3,668,460 |
| Less : Allowance for bad and doubtful advances | 3,153,538 | 167,107 |
| Advances to Staff | 574,187 | 626,219 |
| | 9,746,758 | 28,539,712 |
| Note No. 17.1 | March 31, 2013 | March 31, 2012 |
| Loan and Advances due by directors or others officers, etc. | | |
| Deposits-Rental | - | 9,080,000 |
| Company in which directors are interested | - | 9,080,000 |

18 OTHER CURRENT ASSETS

| Particulars | As at | |
|--|------------------|------------------|
| | March 31, 2013 | March 31, 2012 |
| Export Incentive Receivable | 166,433 | 466,870 |
| Special Additional Duty Refund Receivable | - | 175,246 |
| Vat Refund Receivable | 43,632 | 88,674 |
| Incentive/ Claim Receivable | | |
| Considered Good | - | 338,257 |
| Considered Doubtful | 344,047 | 256,005 |
| | 344,047 | 594,262 |
| Less : Allowance for Bad and doubtful assets | 344,047 | 256,005 |
| Interest Receivable | 232,620 | 269,590 |
| Other Assets | 773,100 | 1,562,041 |
| | 1,215,785 | 2,900,678 |

19 CONTINGENT LIABILITIES & COMMITMENTS

a) CONTINGENT LIABILITIES

| Particulars | As at | |
|----------------------------------|-------------------|-------------------|
| | March 31, 2013 | March 31, 2012 |
| 1) Disputed Rent Liability | 12,501,835 | 12,459,661 |
| 2) Disputed Income Tax Liability | 3,935,784 | 1,470,644 |
| 3) Disputed Sales Tax Liability | 8,190,115 | 8,227,470 |
| | 24,627,734 | 22,157,775 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)
b) COMMITMENTS

| Particulars | As at March 31, 2013 | As at March 31, 2012 |
|--|---------------------------------|---------------------------------|
| Estimated Amounts of Contract remaining to be executed on Capital account and not provided for | 50,000,000 | - |
| | <u>50,000,000</u> | <u>-</u> |
| 20 REVENUE FROM OPERATIONS | | |
| Particulars | 2012-2013 | 2011-2012 |
| Sale of Products (Refer Note No 20.1) | 2,111,730,474 | 1,921,874,110 |
| Sale of Services (Refer Note No 20.2) | 4,173,478 | 2,495,873 |
| <u>Other Operating Revenue</u> | | |
| Miscellaneous | - | 5,275 |
| Export Incentives | 322,411 | 285,122 |
| | <u>2,116,226,363</u> | <u>1,924,660,380</u> |
| Note No 20.1 Sale of Products | | |
| Particulars | 2012-2013 | 2011-2012 |
| Thin Client Itona | 1,559,129,369 | 1,475,882,105 |
| Monitors | 24,418,590 | 128,938,885 |
| Laptop | 6,477,996 | 21,850,505 |
| Software | 453,923,723 | 237,459,428 |
| Chemical | 15,867,580 | 18,313,094 |
| Others Products | 51,913,216 | 39,430,094 |
| | <u>2,111,730,474</u> | <u>1,921,874,110</u> |
| Note No 20.2 Sale of Services | | |
| Particulars | 2012-2013 | 2011-2012 |
| AMC & Installation Charges | 4,173,478 | 2,495,873 |
| | <u>4,173,478</u> | <u>2,495,873</u> |
| 21 OTHER INCOME | | |
| Particulars | 2012-2013 | 2011-2012 |
| Interest Income (Refer note No 21.1) | 2,794,881 | 5,215,706 |
| Rent Income | 8,793,000 | 8,759,435 |
| Foreign Exchange Gain | 4,041,197 | 1,611,310 |
| Miscellaneous | 479,459 | 189,029 |
| | <u>16,108,537</u> | <u>15,775,480</u> |
| Note No 21.1 | | |
| Break-up of Interest income | 2012-2013 | 2011-2012 |
| Interest income on Fixed Deposits with Banks | 2,005,283 | 1,870,765 |
| Interest income on Staff Loans | 103,453 | 116,664 |
| Interest income on Income Tax refund | 686,145 | 3,217,249 |
| Interest income from parties | - | 11,028 |
| | <u>2,794,881</u> | <u>5,215,706</u> |
| 22 PURCHASES OF STOCK IN TRADE | | |
| Particulars | 2012-2013 | 2011-2012 |
| Traded Items | | |
| Traded Goods (Refer Note No 22.1)** | 1,960,496,136 | 1,760,483,656 |
| | <u>1,960,496,136</u> | <u>1,760,483,656</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

Note No 22.1 Traded Goods

| Particulars | 2012-2013 | 2011-2012 |
|-------------------|----------------------|----------------------|
| Thin Client Itona | 1,428,249,701 | 1,346,044,473 |
| Monitors | 15,296,289 | 106,054,897 |
| Laptop | 4,963,657 | 8,054,511 |
| Software | 423,839,178 | 221,515,684 |
| Chemical | 13,011,955 | 14,641,950 |
| Others Products | 45,682,620 | 25,027,920 |
| | 1,931,043,400 | 1,721,339,434 |

** Includes expenses like customs duty, freight etc. amounting to Rs.29,452,736/- (Previous Year Rs. 39,144,222/-)

23 CHANGES IN INVENTORIES

| Particulars | 2012-2013 | 2011-2012 |
|---|-------------------|-------------------|
| STOCK IN TRADE - Electronics | | |
| Opening Stock of Traded Goods | 25,412,279 | 66,958,782 |
| Closing Stock of Traded Goods | 11,064,663 | 25,412,281 |
| Change in Stock of Traded Goods - Electronics | 14,347,616 | 41,546,501 |
| STOCK IN TRADE - Chemicals | | |
| Opening Stock of Traded Goods | - | 625,000 |
| Closing Stock of Traded Goods | - | - |
| Change in Stock of Traded Goods - Chemicals | - | 625,000 |
| | 14,347,616 | 42,171,501 |

24 EMPLOYEE BENEFIT EXPENSES

| Particulars | 2012-2013 | 2011-2012 |
|--|-------------------|-------------------|
| Salaries, Wages and Bonus | 20,882,594 | 18,819,755 |
| Contribution to Provident and other fund | 1,403,126 | 1,522,690 |
| Staff Welfare Expenses | 1,142,857 | 1,133,894 |
| | 23,428,577 | 21,476,339 |

25 FINANCE COST

| Particulars | 2012-2013 | 2011-2012 |
|--|-------------------|-------------------|
| Interest Expenses (Refer Note No 25.1) | 32,269,726 | 36,479,752 |
| Other Borrowing Cost | | |
| Other Financial Charges | 2,582,837 | 2,401,612 |
| | 34,852,563 | 38,881,364 |

Note No 25.1

Break-up of Interest expenses

| | | |
|---|-------------------|-------------------|
| Interest expenses on Fixed Loans | 21,056 | - |
| Interest expenses to Bank | 29,894,137 | 33,763,605 |
| Interest expenses on Income Tax Payment | 534 | 93,766 |
| Interest expenses on Inter Corporate Deposits | 2,329,571 | 2,268,276 |
| Interest expenses to Parties | - | 295,521 |
| Interest expenses on Loan from Directors | 24,428 | 58,585 |
| | 32,269,726 | 36,479,752 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)
26 OTHER EXPENSES

| Particulars | 2012-2013 | | 2011-2012 | |
|--|------------------|-------------------|------------------|-------------------|
| Rent | | 8,219,783 | | 9,352,781 |
| Warehousing/ Demurrages Charges | | 120,000 | | 120,000 |
| Insurance and ECGC Premium | | 6,903,055 | | 5,257,797 |
| Rates and Taxes | | 648,868 | | 212,010 |
| Payment to Statutory Auditors (Refer Note No 26.1) | | 962,362 | | 966,124 |
| Legal & Professional Fees | | 4,695,995 | | 3,957,450 |
| Advertisement, Publicity & Sales Promotion | | 2,018,929 | | 1,353,181 |
| Commission & Brokerage | | 2,256,526 | | 1,335,183 |
| Directors Remuneration (Refer Note No 26.2) | | 3,150,000 | | 2,400,000 |
| Directors Fees | | 150,000 | | 151,250 |
| <u>Repairs & Maintenance</u> | | | | |
| Building | 379,572 | | 621,587 | |
| Others | <u>732,650</u> | 1,112,222 | <u>1,140,180</u> | 1,761,767 |
| Freight & Forwarding cost | | 2,280,333 | | 2,961,233 |
| Travelling & Conveyance | | 5,906,382 | | 5,583,862 |
| Electricity Charges | | 1,138,861 | | 903,767 |
| Bank Charges | | 12,486,580 | | 10,707,408 |
| Incentives and Discount on Sales | | 36,149 | | 1,149,455 |
| Bad Debts Written Off | | 39,250 | | 16,560 |
| Allowance for Bad and doubtful debts | | 2,663,151 | | 918,445 |
| Allowance for Bad and doubtful advances | | 3,154,473 | | 167,107 |
| Obsolescence of Fixed Assets | | 331,055 | | - |
| Loss on Sale of Fixed Assets (Net) | | 110,217 | | 1,462 |
| Miscellaneous Expenses | | 9,927,906 | | 8,135,341 |
| | | <u>68,312,097</u> | | <u>57,412,183</u> |

Note No 26.1: Payment to Statutory Auditors

| Particulars | 2012-2013 | | 2011-2012 | |
|----------------------------|------------------|----------------|------------------|----------------|
| <u>As auditor :</u> | | | | |
| Audit Fee | 390,000 | | 300,000 | |
| Tax Audit Fee | 130,000 | | 100,000 | |
| Limited review | 66,000 | | 66,000 | |
| Vat Audit Fee | 50,000 | | 35,000 | |
| Service Tax | <u>78,609</u> | 714,609 | <u>60,564</u> | 561,564 |
| <u>In other capacity :</u> | | | | |
| Taxation Matters | 190,000 | | 242,500 | |
| Company Law Matter | 20,000 | | 50,000 | |
| Other Services | 10,500 | | 74,000 | |
| Service Tax | <u>27,253</u> | 247,753 | <u>38,060</u> | 404,560 |
| | | <u>962,362</u> | | <u>966,124</u> |

Note No 26.2:

Directors Remuneration is inclusive of Provision of Rs. 15,00,000/- for Salary of Mr. Ashish Bhuwania, whose application for re-appointment as Executive Director is pending with Central Government.

27 EARNING PER SHARE

| Particulars | 2012-2013 | 2011-2012 |
|--|------------------|------------------|
| (A) Profit attributable to Equity Shareholders (Rs.) | 21,266,304 | 8,162,721 |
| (B) No. of Equity Share outstanding during the year. | 3,002,300 | 3,002,300 |
| (C) Face Value of each Equity Share (Rs.) | 10 | 10 |
| (D) Basic & Diluted earning per Share (Rs.) | 7.08 | 2.72 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)
INFORMATION TO PARA VIII OF PART II OF REVISED SCHEDULE VI OF COMPANIES ACT, 1956.

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

| Particulars | 2012-2013 | 2011-2012 |
|--------------|----------------------|--------------------|
| Traded Goods | 1,055,068,312 | 934,285,374 |
| | <u>1,055,068,312</u> | <u>934,285,374</u> |

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

| Particulars | 2012-2013 | 2011-2012 |
|---|-----------|-----------|
| 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 | 125,000 |
| Year in respect of Dividend paid | 2011-12 | 2010-11 |
| Nature of Dividend | Annual | Annual |

30 EXPENDITURE IN FOREIGN CURRENCY

| Particulars | 2012-2013 | 2011-2012 |
|------------------------------------|------------------|------------------|
| Commission on Exports | 256,401 | 183,293 |
| Remuneration to Executive Director | 1,500,000 | 1,500,000 |
| Travelling Expenses | 56,424 | 482,184 |
| Sales Promotion Expenses | 4,923 | 228,463 |
| Membership & Subscription | 2,195 | - |
| Interest Paid | - | 295,521 |
| | <u>1,819,943</u> | <u>2,689,461</u> |

31 EARNINGS IN FOREIGN CURRENCY

| Particulars | 2012-2013 | 2011-2012 |
|-----------------------|----------------------|----------------------|
| Export [On FOB Basis] | 1,272,498,350 | 992,727,047 |
| Insurance | 1,151,560 | 793,466 |
| Freight | 38,687,451 | 36,218,753 |
| | <u>1,312,337,361</u> | <u>1,029,739,266</u> |

32 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 | 2012-2013 | 2011-2012 |
|--|-----------|-----------|
| (i) Provident Fund | 1,231,787 | 1,123,160 |
| (ii) Contribution to Superannuation Fund | - | 2,000 |

B. Defined Benefit Plans

| Particulars | 2012-13 Gratuity | 2011-12 Gratuity | 2012-13 Leave Encashment | 2011-12 Leave Encashment |
|--|---------------------|---------------------|--------------------------------|--------------------------------|
| (i) Assumptions | | | | |
| Mortality | LIC(1994-96)Ult | LIC (1994-96) Ult | LIC(1994-96)Ult | LIC (1994-96) Ult |
| Discount Rate | 8.00% | 8.60% | 8.00% | 8.60% |
| Rate of increase in compensation | 5.00% | 5.00% | 5.00% | 5.00% |
| Rate of return (expected) on plan assets | | | | |
| Withdrawal rates | Up to Age 30 : 10% | Up to Age 30 : 10% | Up to Age 30 : 10% | Up to Age 30 : 10% |
| | 31 to 40 : 5% | 31 to 40 : 5% | 31 to 40 : 5% | 31 to 40 : 5% |
| | 41 and above : 2% | 41 and above : 2% | 41 and above : 2% | 41 and above : 2% |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

| | | | | |
|---|-------------|-------------|-------------|-------------|
| (ii) Changes in present value of obligations | | | | |
| PVO at beginning of period | 3,317,975 | 4,061,211 | 1,199,950 | 1,186,381 |
| Interest cost | 238,312 | 301,720 | 90,734 | 91,088 |
| Current Service Cost | 472,335 | 437,734 | 288,840 | 284,175 |
| Liability Transferred In / (out) - Net | 115,918 | - | 620,216 | - |
| Benefits Paid | (893,497) | (852,058) | (213,541) | (177,873) |
| Actuarial (gain) / loss on obligation | 2,019,682 | (630,632) | (67,977) | (183,821) |
| PVO at end of period | 5,270,725 | 3,317,975 | 1,918,222 | 1,199,950 |
| (iii) Changes in fair value of Plan Assets | | | | |
| Fair Value of Plan assets at beginning of period | - | - | - | - |
| Expected Return on Plan Assets | - | - | - | - |
| Contributions | 893,497 | 852,058 | 213,541 | 177,873 |
| Benefit Paid | (893,497) | (852,058) | (213,541) | (177,873) |
| 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 | 893,497 | 852,058 | 213,541 | 177,873 |
| Benefit Paid | (893,497) | (852,058) | (213,541) | (177,873) |
| Fair Value of Plan assets at end of period | - | - | - | - |
| Funded Status | (5,270,725) | (3,317,975) | (1,918,222) | (1,199,950) |
| Excess of actual over estimated return on Plan Assets | - | - | - | - |
| (v) Actuarial Gain / (Loss) Recognized | | | | |
| Actuarial Gain / (Loss) for the period (Obligation) | (2,019,682) | 630,632 | 67,977 | 183,821 |
| Actuarial Gain / (Loss) for the period (Plan Assets) | - | - | - | - |
| Total Gain / (Loss) for the period | (2,019,682) | 630,632 | 67,977 | 183,821 |
| Actuarial Gain / (Loss) recognized for the period | (2,019,682) | 630,632 | 67,977 | 183,821 |
| 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 | 5,270,725 | 3,317,975 | 1,918,222 | 1,199,950 |
| Fair Value of Plan assets at end of period | - | - | - | - |
| Funded Status | (5,270,725) | (3,317,975) | (1,918,222) | (1,199,950) |
| Unrecognized Actuarial Gain / (Loss) | - | - | - | - |
| Net Asset / (Liability) recognized in the Balance Sheet | (5,270,725) | (3,317,975) | (1,918,222) | (1,199,950) |
| (vii) Expenses recognized the the statement of Profit & Loss | | | | |
| Current Service Cost | 472,335 | 437,734 | 288,840 | 284,175 |
| Interest Cost | 238,312 | 301,720 | 90,734 | 91,088 |
| Expected Return on Plan Assets | - | - | - | - |
| Net Actuarial (Gain) / Loss recognized for the period | 2,019,682 | (630,632) | (67,977) | (183,821) |
| Expense recognized in the statement of Profit & Loss | 2,730,329 | 108,822 | 311,597 | 191,442 |
| (viii) Movements in the Liability recognized in Balance Sheet | | | | |
| Opening Net Liability | 3,317,975 | 4,061,211 | 1,199,950 | 1,186,381 |
| Expenses as above | 2,730,329 | 108,822 | 311,597 | 191,442 |
| Contribution paid | (893,497) | (852,058) | (213,541) | (177,873) |
| Liability Transferred In / (out) - Net | 115,918 | - | 620,216 | - |
| Closing Net Liability | 5,270,725 | 3,317,975 | 1,918,222 | 1,199,950 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

| | | | | |
|---|-----------|-----------|-----------|-----------|
| (ix) Experience Analysis - Liabilities | | | | |
| Actuarial (Gain)/Loss due to change in bases | 106,698 | - | 34,546 | - |
| Experience (Gain) / Loss due to Change in Experience | 1,912,984 | - | (102,523) | - |
| Total | 2,019,682 | - | (67,977) | - |
| Experience Analysis - Plan Assets | | | | |
| Experience (Gain) / Loss due to Change in Plan Assets | - | - | - | - |
| (ix) Schedule VI Details | | | | |
| Current Liability | 237,358 | 148,217 | 78,830 | 66,910 |
| Non- Current Liability | 5,033,367 | 3,169,758 | 1,839,392 | 1,133,040 |

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

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

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

| Name of Related Parties | Nature of Transaction during the year | 2012-2013 | 2011-2012 |
|---|---|------------|------------|
| Priya International Ltd | Reimbursement of Services/ Expenses (Net) | 7,557,308 | 4,058,064 |
| Gaurav Electrochem Pvt Ltd | Warehouse Charges | 120,000 | 120,000 |
| Brent Properties Investments Pvt Ltd | Rent Charges | - | 300,000 |
| Cheshire Properties Investments Pvt Ltd | Rent Charges | - | 300,000 |
| Mr. Ashish Bhuwania | Directors Remuneration | 1,500,000 | 1,500,000 |
| Mr. Aditya Bhuwania | Directors Remuneration | 1,650,000 | 900,000 |
| Mrs. Saroj Bhuwania | Salary paid during the Year | 16,000 | 38,400 |
| Priya International Ltd | Interest Paid | 2,329,571 | 2,268,276 |
| Mr. A. K. Bhuwania | Interest Paid | 19,779 | 43,454 |
| Mr. Ashish Bhuwania | Interest Paid | 597 | 10,284 |
| Mr. Aditya Bhuwania | Interest Paid | 4,052 | 4,847 |
| 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 | 4,390,000 | 13,510,000 |
| Cheshire Properties Investments Pvt Ltd | Deposit given back | 4,690,000 | 13,810,000 |
| Mr. A. K. Bhuwania | Loan Taken During the year | 1,438,978 | 1,126,927 |
| Mr. Ashish Bhuwania | Loan Taken During the year | 9,225 | 262,324 |
| Mr. Aditya Bhuwania | Loan Taken During the year | 4,846 | 407,471 |
| Priya International Ltd | Loan Taken During the year | 62,822,070 | 51,466,461 |
| Mr. A. K. Bhuwania | Loan Repaid During the year | 1,929,708 | 1,110,172 |
| Mr. Ashish Bhuwania | Loan Repaid During the year | 10,441 | 380,000 |
| Mr. Aditya Bhuwania | Loan Repaid During the year | 58,485 | 412,901 |
| Priya International Ltd | Loan Repaid During the year | 60,288,000 | 48,039,034 |
| Brent Properties Investments Pvt Ltd | Loan Repaid During the year | - | 8,550,000 |
| Cheshire Properties Investments Pvt Ltd | Loan Repaid During the year | - | 7,550,000 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)
C. Balance at the year end.

| Name of Related Parties | Nature of Transaction during the year | 2012-2013 | 2011-2012 |
|---|---------------------------------------|------------|------------|
| Brent Properties Investments Pvt Ltd | Deposit Outstanding at the year end | - | 4,390,000 |
| Cheshire Properties Investments Pvt Ltd | Deposit Outstanding at the year end | - | 4,690,000 |
| 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 |
| Mr. Ashish Bhuwania | Loan Outstanding at the year end | - | 1,216 |
| Mr. Aditya Bhuwania | Loan Outstanding at the year end | - | 53,639 |
| Priya International Ltd | Loan Outstanding at the year end | 29,407,583 | 26,873,513 |
| Priya International Ltd | Interest Payable | 2,096,614 | 2,041,448 |
| Mr. A. K. Bhuwania | Interest Payable | - | 38,978 |
| Mr. Ashish Bhuwania | Interest Payable | - | 9,225 |
| Mr. Aditya Bhuwania | Interest Payable | - | 4,846 |

34 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 | Foreign Currency | As on 31.03.2013 | | As on 31.03.2012 | |
|-------------------|------------------|------------------|----------------------------|------------------|----------------------------|
| | | Amount in Rs. | Amount in Foreign Currency | Amount in Rs. | Amount in Foreign Currency |
| Receivables | USD | 409,615,791 | 7,538,016 | 454,671,809 | 8,856,954 |
| | EURO | - | - | 501,078 | 7,338 |
| Other Receivables | USD | - | - | 594,262 | 11,629 |

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

| Particulars | Foreign Currency | As on 31.03.2013 | | As on 31.03.2012 | |
|---------------|------------------|------------------|----------------------------|------------------|----------------------------|
| | | Amount in Rs. | Amount in Foreign Currency | Amount in Rs. | Amount in Foreign Currency |
| Creditors | USD | 241,938,149 | 4,445,758 | 210,966,936 | 4,121,504 |
| Other Payable | USD | - | - | 70,966 | 1,387 |

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

| Particulars | As at March 31, 2013 | | As at March 31, 2012 | |
|---------------------------------|----------------------|---------|----------------------|---------|
| <u>Balance at the beginning</u> | | | | |
| Long term | 166,191 | | 147,450 | |
| Short term | 220,300 | 386,491 | 195,457 | 342,907 |
| Provision recognized/(reversal) | | 192,597 | | 841,874 |
| Provision utilised | | 177,026 | | 798,290 |
| <u>Balance at the end</u> | | | | |
| Long term | 341,753 | | 166,191 | |
| Short term | 60,309 | 402,062 | 220,300 | 386,491 |

The company gives Warranties at the time of sale 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)
36 Lease Disclosures for Operating Leases:
ASSETS GIVEN ON LEASE

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

| PARTICULARS | 2012-2013 | 2011-2012 |
|--|------------------|------------------|
| Original Cost | 36,922,605 | 35,697,605 |
| Accumulated Depreciation | 16,590,437 | 15,016,515 |
| Written Down Value | 20,332,167 | 20,681,091 |
| Depreciation for the period recognized in the Statement of Profit and Loss | 1,573,923 | 1,088,478 |

b) Future minimum lease rentals receivables as on 31.03.2013 is NIL. (Previous Year NIL)

c) There is no Contingent Rent.

d) The company has given office premises on lease for a period ranging between 11 months to 7 years. The aggregate lease rent income of Rs. 8,793,000/- (Previous Year Rs. Rs.8,759,435/-) has been recognized as income in the Statement of Profit and Loss for the period under the Note No 21 " Other Income".

ASSETS TAKEN ON LEASE

| PARTICULARS | 2012-2013 | 2011-2012 |
|---|------------------|------------------|
| 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 Note No 26 " Other Expenses" | 8,219,783 | 9,352,781 |

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 license 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 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)
39 SEGMENT REPORTING
Segment Information for the year ended 31st March, 2013
(i) Information about primary business segment

| Particulars | 2012-13 | | | | 2011-12 | | | |
|---|----------------------|-------------------|---------------------|----------------------|----------------------|-------------------|---------------------|----------------------|
| | Segments | | Unallocated | Total | Segments | | Unallocated | Total |
| | Electronics | Chemicals | | | Electronics | Chemicals | | |
| Revenue | | | | | | | | |
| External Customers | 2,100,036,372 | 15,867,580 | - | 2,115,903,952 | 1,906,056,889 | 18,313,094 | - | 1,924,369,983 |
| Inter-segment | - | - | - | - | - | - | - | - |
| Total Revenue | 2,100,036,372 | 15,867,580 | - | 2,115,903,952 | 1,906,056,889 | 18,313,094 | - | 1,924,369,983 |
| Result | | | | | | | | |
| Segment Results | 98,305,355 | 1,763,497 | - | 100,068,853 | 76,400,920 | 1,830,331 | - | 78,231,251 |
| Unallocated expenses net of unallocated income | - | - | (37,117,112) | (37,117,112) | - | - | (21,767,184) | (21,767,184) |
| Finance cost | - | - | (34,852,563) | (34,852,563) | - | - | (38,881,364) | (38,881,364) |
| Extra ordinary items | - | - | - | - | - | - | - | - |
| Profit Before Tax | 98,305,355 | 1,763,497 | (71,969,675) | 28,099,178 | 76,400,920 | 1,830,331 | (60,648,548) | 17,582,703 |
| Less: Provision for Tax (Net of Deferred Tax) | - | - | 6,812,703 | 6,812,703 | - | - | 5,370,968 | 5,370,968 |
| Profit After Tax & Before Prior Period Adjustments | 98,305,355 | 1,763,497 | (78,782,377) | 21,286,475 | 76,400,920 | 1,830,331 | (66,019,516) | 12,211,735 |
| Excess/(Short) Provision for Income Tax | - | - | 20,171 | 20,171 | - | - | 4,049,014 | 4,049,014 |
| Profit After Prior Period Adjustments | 98,305,355 | 1,763,497 | (78,802,548) | 21,266,304 | 76,400,920 | 1,830,331 | (70,068,530) | 8,162,721 |
| Other Information | | | | | | | | |
| Segment Assets | 725,888,515 | 837,270 | 180,024,501 | 906,750,286 | 653,759,242 | 1,002,628 | 127,865,227 | 782,627,097 |
| Segment Liabilities | 528,567,525 | 696,358 | 68,124,182 | 597,388,064 | 445,252,594 | 1,102,831 | 44,663,214 | 491,018,638 |
| Capital Expenditure | - | - | 3,458,013 | 3,458,013 | - | - | 791,909 | 791,909 |

(ii) Information about secondary geographical business segment

| Particulars | 2012 - 13 | | 2011 - 12 | |
|-----------------------|--------------|---------------|--------------|---------------|
| | Within India | Outside India | Within India | Outside India |
| Segment Revenue | 770,877,990 | 1,345,025,962 | 931,642,936 | 992,727,047 |
| Segment Assets | 332,921,918 | 573,828,368 | 327,361,026 | 455,266,071 |
| Addition Fixed Assets | 3,458,013 | - | 791,909 | - |

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.
40 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) Inventories Valuation

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

(C) 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.

(D) Foreign Currency Transactions

- (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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

- (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.

(E) Investments

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

(F) 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 independents actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the Statement of Profit and Loss.

(G) 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.

(H) Provision for Current Tax

- (i) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961.
- (ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(I) 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.

(J) 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.

- 41 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 attached of even date.

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

J. P. BAIRAGRA
PARTNER
 MEMBERSHIP NO. 12839

PLACE : MUMBAI
DATED : 11th May, 2013

FOR AND ON BEHALF OF THE BOARD

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

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 SIXTH 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 **Friday, the 6th day of September, 2013 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 appointof.....or failing
him of as my/our proxy
to vote for me/us on my/our behalf at the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Company to be held on
the Friday, the **6th day of September, 2013 at 11. 00 A.M.** and at any adjournment (s) thereof.

Signed this day of 2013.

Signature.....

| |
|--------------------------------------|
| Affix Re. 1/- Revenue Stamp |
|--------------------------------------|

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

BOOK-POST

If 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, Fax : 91-22-4220 3197.

E-mail : priyabom@priyagroup.com

www.priyagroup.com

Branches :

Bengaluru: 080-2558 6122, Chennai: 044 - 4214 6105, Delhi: 011-2643 8555,
Hyderabad: 040-2781 0979, Kochi: 0484-308 3188, Kolkata: 033-3057 1000.