

PRIYA LIMITED

23rd Annual Report 2009-2010



23rd ANNUAL GENERAL MEETING

Date : 24th August 2010.
 Time : 11.00 A.M
 Place : "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road,
 Worli, Mumbai-400 018.

BOARD OF DIRECTORS

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

BANKERS

Indian Bank
 Bank of India
 Union Bank of India

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT (COMMON AGENCY)

Bigshare Services Pvt. Ltd.,
 E-2/3, Ansa Industrial Estate, Sakivihar Road,
 Saki Naka, Andheri (East), Mumbai-400 072.
 Tel: 022-2847 3474, 2847 0652

EQUITY SHARES ARE LISTED AT:

The Bombay Stock Exchange Ltd (BSE)

WEBSITE

www.priyagroup.com

CONTENTS	Page Nos.
Board of Directors	
Notice	1
Directors' Report	3
Management Discussion & Analysis Report	5
Corporate Governance Report	7
Auditors' Report	15
Balance Sheet	18
Profit and Loss Account	19
Cash Flow Statement	20
Schedules	21
Notes on Accounts	25
Balance Sheet Abstract	33

NOTICE

NOTICE is hereby given that the **Twenty-Third Annual General Meeting** of the members of **PRIYA LIMITED** will be held at "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 on Tuesday, the 24th day of August, 2010 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March, 2010 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon
2. To declare dividend for the Financial Year 2009-2010
3. To appoint a Director in place of Mr. Arun Kumar Bhuwania, who retires by rotation and being eligible, offers himself for re-appointment

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

"RESOLVED THAT pursuant to the provisions of Sections 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, 2011"

SPECIAL BUSINESS:

5. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Anuj Bhargava, who holds office as an Additional Director up to the date of this Annual General Meeting pursuant to Article 91 of the Articles of Association of the Company read with section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company."

6. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. P.V. Hariharan, who holds office as an Additional Director up to the date of this Annual General Meeting pursuant to Article 91 of the Articles of Association of the Company read with section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT in accordance with the provision of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government if applicable, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Aditya Bhuwania as a Whole time Director, designated as 'Executive Director' of the Company, for a period of 5 (five) years with effect from

1st September, 2010 on a remuneration of Rs. 75,000/- per month (all inclusive) with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Aditya Bhuwania **RESOLVED FURTHER THAT** where in any financial year during the tenure of Mr. Aditya Bhuwania, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956

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

NOTES:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE MEMBER OF THE COMPANY.**
2. The proxy form, in order to be effective, must be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.
3. The register of members and the share transfer books of the Company will remain closed from 18th day of August 2010 to 24th day of August 2010 (both days inclusive).
4. Dividend recommended for the year ended 31st March, 2010 if approved by the members will be paid to those eligible members whose names appear:
 - I. As Beneficial Owners, as on 24th August, 2010, 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 24th August, 2010.
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 advice 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.

7. 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.
8. 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**.
9. 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.

EXPLANATORY STATEMENT U/S. 173

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

Item No. 5

Mr. Anuj Bhargava, was appointed as an Independent Additional Director of the Company on 27th May 2010

In accordance with the provisions of the section 260 of the Companies Act, 1956 and Article 91 of the Articles of Association of the Company, the above Director hold office till the date of the next Annual General Meeting.

The Company has received Notices from two members in writing under section 257 of the Companies Act, 1956 separately signifying their intention to propose the aforesaid person respectively for appointment to the office of Director at the ensuing Annual General Meeting of the Company.

Keeping in view the qualification and an experience possessed by Mr. Anuj Bhargava, your Directors feel that appointment of the said person as Independent Director will be beneficial to the Company and accordingly recommend the resolutions set out in item no. 5 of the notice convening Annual General Meeting, for your approval

Mr. Anuj Bhargava do not hold any shares in the Company. Mr. Anuj Bhargava is concerned or interested in the resolution relating to his appointment, excepting him no other Directors of the Company is in any way concerned or interested in the said resolution.

Item Nos. 6

The Board of Directors in their meeting held on 27th May 2010 appointed Mr. P.V. Hariharan, as an Independent Additional Director of the Company with effect from 1st July, 2010.

In accordance with the provisions of the section 260 of the Companies Act, 1956 and Article 91 of the Articles of Association of the Company, the above Director hold office till the date of the next Annual General Meeting.

The Company has received Notices from two members in writing under section 257 of the Companies Act, 1956 separately signifying their intention to propose the aforesaid person respectively for appointment to the office of Director at the ensuing Annual General Meeting of the Company.

Keeping in view the qualification and an experience possessed by Mr. P.V. Hariharan, your Directors feel that appointment of the said person as Independent Director will be beneficial to the Company and accordingly recommend the resolutions set out in item no. 6 of the notice convening Annual General Meeting, for your approval

Mr. P.V. Hariharan holds 500 equity shares of the Company. Mr. P.V. Hariharan is concerned or interested in the resolution relating to his appointment, excepting him no other Directors of the Company is in any way concerned or interested in the said resolution.

Item Nos. 7

Mr. Aditya Bhuwania, aged 36 years is by qualification B.Sc. (Business Computer system) from Bradley University, Pearl, Illinois (U.S.A) and has over 14 years experience in the field of computer hardware.

Mr. Aditya Bhuwania is also Director of Priya International Ltd., Brent Properties Investment Private Ltd., Cheshire Properties Investments Private Ltd., Halifax Properties Investments Private Ltd., and Gaurav Electrochem Private Ltd.,

The Board of Director vide their resolution dated 27th May 2010 re-appointed Mr. Aditya Bhuwania as the Whole Time Director, designated as Executive Director for the period of five years with effect from 1st September, 2010, subject to the approval by a resolution of the shareholders in forthcoming Annual General Meeting.

The Remuneration Committee of Directors of the Company vide their resolution passed in their meeting dated 27th May 2010, approved the reappointment and payment of remuneration to Mr. Aditya Bhuwania

In view of the increased activities and contribution to the Company of Mr. Aditya Bhuwania his re-appointment as Executive Director is considered essential. Mr. Aditya Bhuwania is well aware of the intricacies of the Company's business and is expected to duly discharge the functions of Executive Director. He is agreeable to continue to serve the Company on the terms & condition, if re-appointed. The Board of Directors has recommended his re-appointment as Executive Director for a further period of 5 years with effect from 1st September, 2010 (i.e. from 1.09.2010 to 31.08.2015). The re-appointment has to be approved by a resolution of the shareholders in forthcoming annual general meeting. The approval is being sought by proposing resolution in item no. 6 In compliance of provisions contained in schedule XIII of the Companies Act, 1956, the resolution approving the appointment and payment of remuneration is placed before the annual general meeting of the shareholders for their approval.

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

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

For and on behalf of the Board
For Priya Limited

Basavraj Loni
Company Secretary

Place : Mumbai
Dated : 27th May, 2010.

Registered Office:

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

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the **23rd Annual Report** together with the Audited Accounts of your Company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	Year Ended 31/03/2010	Year Ended 31/03/2009
Sales		
Export	11252.08	12703.60
Local	7963.84	7331.47
	<u>19215.92</u>	<u>20035.07</u>
Other Income	149.47	138.83
	<u>19365.39</u>	<u>20173.90</u>
Profit/ (Loss) before Tax and Extra Ordinary Item	187.44	371.88
Extra ordinary item	-	-
Profit/ (Loss) before Tax and after Extra Ordinary Items	187.44	371.88
Provision for taxation-Current Tax	67.70	68.60
Provision for taxation-Wealth Tax	-	6.46
Provision for taxation-Deferred Tax	(1.17)	42.93
Provision for taxation-Fringe Benefit Tax	-	4.80
	<u>120.91</u>	<u>249.09</u>
(Add)/Less: Taxation of earlier years	9.13	(0.71)
Profit/(Loss) After Tax	111.78	249.80
Add: Balance brought forward	338.24	88.44
Profit available for appropriation	450.02	338.24
Appropriations		
Proposed Dividend	15.01	0.00
Corporate Dividend Tax	2.49	0.00
Balance carried to Balance Sheet	432.52	338.24
	<u>450.02</u>	<u>338.24</u>

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 0.50 per equity share (i.e. @ 5%) on 30,02,300 fully paid equity shares of Rs. 10/- each for the financial year ended 31st March 2010. The said dividend will absorb a sum of Rs. 15,01,150/-

OPERATIONS

Your Company has achieved aggregate turnover of Rs. 19365.39 lacs in the year 2009-2010 as compared to Rs. 20173.90 lacs in the previous year. The Company has earned profit after tax and exceptional item of Rs. 111.78 lacs in 2009-

2010 as compared to Rs. 249.80 in the previous year.

There is slight decrease in turnover due to the economic down turn in USA & in European countries, which has affected the profitability of the Company. However your Company has been able to cut down its costs as compared to previous year.

Keeping pace with the changing dynamics of the industry and striving in very competitive European market, your Company has still been able to perform well during the year. There is a marginal increase in local sales & decrease in export of electronics & chemicals products compared to last year.

We expect better performance in the coming periods.

Your Company is concentrating in the marketing of VXL thin clients and other computer peripherals such as Notebooks from MSI and Computer peripherals (Keyboard/Mouse, Gaming Cabinets and SMPS), networking products from SMC, and is targeting a greater market share in these key areas. Your Company is also thriving to build an image of a complete system solution provider by marketing enterprise level software in the Indian Market.

All the branches are adequately equipped to provide complete support to the customers. Internal control systems have been well established and cost consciousness in branch operations has also led to improved profitability.

Your Directors are hopeful of improving upon the last financial year's results for the Company during the current year.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. A. K. Bhuwania, Director of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and he, being an eligible to offers himself for re-appointment.

Mr. Anuj Bhargava was appointed as Independent Additional Director on the Board of Directors in their meeting held on 27th May 2010. In terms of Article 91 of the Articles of Association of the Company read with section 260 of the Companies Act, 1956 Mr. Anuj Bhargava, hold office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices in writing pursuant to section 257 (1) of the Companies Act, 1956 from two members signifying their intention to propose his name for election to the Office of Director at the ensuing Annual General Meeting.

Mr. P.V. Hariharan, was appointed as Independent Additional Director with effect from 1st July, 2010, on the Board of Directors in their meeting held on 27th May 2010. In terms of Article 91 of the Articles of Association of the Company read with section 260 of the Companies Act, 1956 Mr. P.V. Hariharan, hold office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices in writing pursuant to section 257 (1) of the Companies Act, 1956 from two members signifying their intention to propose his name for election to the Office of Director at the ensuing Annual General Meeting.

The members are requested to consider his appointment as specified in item no. 6 of notice convening Annual General Meeting.

The Board of Directors at their meeting held on 27th May, 2010 re-appointed Mr. Aditya Bhuwania as Whole Time Director, designated as Executive Director for a period of 5 years, with effect from 1st September, 2010 subject to approval of members



in the ensuing annual general meeting,. Keeping in view his experience and expertise and the increased activities of the Company, a resolution is proposed in the notice convening Annual General Meeting for the re-appointment of Mr. Aditya Bhuwania, as Whole Time Director designated as Executive Director, on terms & conditions detailed in the resolution.

The members are requested to consider his re-appointment as specified in item no. 6 of notice convening Annual General Meeting.

AUDITORS

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

AUDITORS REPORT

The auditors reports do not contain any reservation, qualification & adverse remark for the financial year under review.

HUMAN RESOURCE

Employee relations throughout the Company were harmonious. The board wishes to place on record its sincere appreciation of the sincere efforts of all employees in advancing the Company's vision and strategy to deliver best quality services to its valued customers.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required in terms of Listing Agreement with the Stock Exchange(s), a Management Discussion and Analysis Report is annexed forming part of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

The Company has, pursuant to Clause 49 of the Listing Agreement with Stock Exchange, complied with the requirements of Corporate Governance.

A Report on Corporate Governance and a Certificate from the Auditors' regarding the compliance of Corporate Governance conditions are made part of this Annual Report.

INSURANCE

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

BANKS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- ii) Appropriate accounting policies have been selected and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2009-2010 and Profit of the Company for that the year ended on 31st March, 2010;
- 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/dematelized form. The shareholders' are advised to take benefits of dematerialization.

LISTING OF SHARES

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

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

CONSERVATION OF ENERGY:

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

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

TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The relevant information in respect of the foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the year ended on 31st March, 2010.

PARTICULARS OF EMPLOYEES:

As required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the Company has no employees who were in receipt of the remuneration of Rs.24,00,000/- or more per annum during the year ended 31st March, 2010 or Rs.2,00,000/- or more per month during any part of the said year.

APPRECIATION

Your Directors wish to place on record their grateful thanks to the Banks and various Government Authorities for their valuable assistance and co-operation and for the trust and confidence reposed in the Company by the shareholders of the Company.

For and on behalf of the Board
For Priya Limited

Aditya Bhuwania
Executive Director

R.K. Saraswat
Director

Place : Mumbai
Dated : 27th May, 2010.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

1.1 INDUSTRY STRUCTURE AND DEVELOPMENTS
Electronics Division:

Electronics and Information Technology is the fastest growing segment of Indian industry in terms of both - production and exports. According to International Data Corporation, India Fiscal Year 2009-2010 saw the revival of PC sales growth with a growth of 7.6% (from 2008-2009). This was on the back of an 8.1% decline in fiscal year 2008-2009 from the period 2007-2008. The overall India PC market sales touched 22.40 lakh units during the January-March 2010 quarter recording a 33% year-on-year (1Q 2010 over 1Q 2009) and a 14% quarter-on-quarter (1Q 2010 over 4Q 2009) increase.

Desktop PC sales accounted for nearly two-thirds of total PC sales at 14.36 lakh units, representing 18 percent growth year-on-year (1Q 2010 over 1Q 2009). The sales of Notebook computers grew at 72 percent year-on-year (1Q 2010 over 4Q 2009) clocking 8.03 lakh shipments, the highest in a quarter.

The virtual decline in computer prices in the past few years has considerably increased affordability of computers. Also, easy finance schemes, SOHO and SME segments, remarkable rise in IT and IT enabled service markets, e-governance initiatives by Central and State governments and various government departments apart from demand from households, together have bolstered the pace of growth.

Chemical Division:

The Chemical Industry of India is one of the fastest developing industries with an average growth of 14% per annum. The increasing demand of chemical products has played a vital role in the expansion of the sector and has triggered the restoration of chemical plants in India.

1.2 OPPORTUNITIES AND THREATS
Electronics Division:

We have improved the distribution network of VXL thin clients which is one of the global market leaders in the industry. Thin client concept is becoming increasingly important globally, where we are continuing to establish a strong market position. We are targeting both - the domestic and international markets.

The change of focus from component marketing to a solution providing Company has produced positive results. This division is facing stiff competition from multinational companies both Indian and Foreign. Attrition level is also high in this industry which also affects the sustenance of better performance.

Chemical Division:

The onslaught by the emerging Asian and other smaller countries continues despite the efforts by the Western and Indian governments resorting to impose anti-dumping duties. A thorough review of all the products is called for to identify only the profit making and sustainable products. Completion of this exercise should help us to re-enter the market with better vision and focus. Exercise is on

in this direction, which can also include a review on exports of bulk chemicals, pharmaceutical intermediates and also Bulk Pharmaceuticals.

1.3 SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE
Electronics Division:

The overall performance during the year was satisfactory in comparison with the last year excepting marginal decrease in turnover. The segment result, before adjustment for unallocated expenses (net) and provisions for taxation, marginally decreased to Rs. 883.56 Lacs as compared to Rs. 1006.57 Lacs in the previous year.

Chemical Division:

There is decrease in the turnover and the margin too has decreased in the same period.

1.4 FUTURE OUTLOOK
Electronics Division:

The electronic industry shows no sign of recession, or even much of a slow down. The growing Indian market for electronic products is over US\$72 bn and is growing at about 20% per annum.

Big corporate houses, banks, educational and healthcare segments are increasingly opting for the Thin Client technology in comparison to P.C - Server technology which will increase the available market for our Electronic division.

We have set up a strong technical support team to provide total network solutions which in the long term will, enhance competitiveness and maintain profitability.

Chemical Division:

New product range is contributing to the otherwise low demand market. Efforts are on to concentrate on new product ranges to increase business. Some of the Latin American countries like Argentina have been given open cover by ECGC. We are trying to revive business in these countries.

1.5 RISKS AND CONCERNS
Electronics Division:

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

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

Chemical Division:

There is a severe shortage of raw materials (both local and imported) and suppliers are finding it difficult to complete production within the given time frame. This has resulted in buyers either sourcing from elsewhere or postponing their requirements. The exchange rate and the appreciating Rupee are again areas of concern in our Exports.

**1.6 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

1.7 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has achieved a sales turnover of Rs. 19,215.92 Lacs in the year 2009-10 as compared to Rs. 20,035.07 Lacs in 2008-2009, reflecting a strong growth in the electronic export business. The Company has earned a profit (before tax and extra ordinary items) of Rs 187.44 Lacs as compared to a profit (before tax and extra ordinary items) of Rs. 371.88 Lacs in the previous year.

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

Human Resources: The Company and its management value the dedication of its employees and acknowledge their contribution in achieving the long term and short term goals of the Company. Human Resources Development activities predominantly comprised of training and development of employees. Apart from the normal training programs for the employees, the Company has carried out various organizational development processes, primarily to bring about transformation process within the organization.

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

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

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

The Company is committed to adopt the best Corporate Governance practices and endeavours continuously to implement the code of Corporate Governance in its true spirit. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders' value without compromising in any way in complying with the laws and regulations.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavours to strike a right balance with its various stakeholders.

2. BOARD OF DIRECTORS

Composition of the Board:

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive directors. The numbers of Non-Executive Directors are not less than 50% of the Board of Directors.

The Chairman of Board of Directors is Non-Executive Promoter and 1/3rd of the Board consists of Independent Directors, however the Company has appointed one more Independent Additional Director on 27th May 2010, so as to fulfill listing agreement requirement.

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 2009-2010 on the following dates:

30th June 2009, 31st July 2009, 31st October 2009 & 29th January 2010

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

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

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

NOTE:

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

* Annual General Meeting (AGM) for the financial year 2008-09 was held on 23rd September 2009.

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

Appointed as Independent Additional Director w.e.f. 27th May 2010

Appointed as Independent Additional Director w.e.f. 1st July 2010

Board procedure

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

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

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

Appointment and re-appointment of directors

As per the provisions of Section 256 of the Companies Act, 1956, Mr. A. K. Bhuwania, Non Executive Chairman & Director of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and he, being eligible to offer himself for re-appointment.

The Board of Directors at their meeting held on 27th May, 2010 re-appointed Mr. Aditya Bhuwania as Whole Time Director and re-designated as Executive Director for a period of 5 years, with effect from 1st September, 2010 subject to the approval by special resolution of the shareholders in forthcoming Annual General Meeting.

Mr. Anuj Bhargava was appointed as Independent Additional Director on the Board of Directors in the Board meeting held on 27th May 2010.

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, interalia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

ii. Power of Audit Committee:

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

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

iii. Role of Audit Committee:

The role of the audit committee shall include the following:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- c) Approval of payment to statutory Auditors for any other services rendered by the statutory auditors.
- d) Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
 - i) Matter required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv) Significant adjustments made in the financial statements arising out of audit findings.
 - v) Compliance with listing and other legal requirements relating to financial statements.
 - vi) Disclosure of related party transactions.
 - vii) Qualifications in draft audit report.
- e) Reviewing with the management, the quarterly financial statements before submission to the board for approval
- f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.

- h) Discussion with internal auditors any significant findings and follow up thereon.
- i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- j) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l) To review the functioning of the Whistle Blower Mechanism,
- m) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- n) Carrying out any other function(s) as is mentioned in the terms of reference of the audit committee.

iv. Review of information by Audit Committee:

The audit committee shall mandatorily review the following information:

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

v. Composition and Attendance at Meeting

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

The chairman of the committee is an independent director.

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

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

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

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

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

The Audit Committee met four times during the year.

NAME	CATEGORY	Audit committee meeting held during 2009-2010			
		30.6.09	31.7.09	31.10.09	29.01.10
Mr. R.K. Saraswat	Chairman	Present	Present	Present	Present
Mr. M.K Arora	Member	Present	Present	Present	Present
Mr. A.K Bhuwania	Member	Absent	Present	Present	Present

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

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

II) REMUNERATION COMMITTEE

i) Terms of Reference

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

ii) Composition and Attendance at Meeting

The Remuneration and Compensation Committee comprises of Three Non-Executive Members out of which

Two (2) 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 30 th June, 09
Mr. M.K Arora	Chairman	Independent / Non- Executive Director	Present
Mr. R.K. Saraswat	Member	Independent / Non-Executive Director	Present
Mr. A.K. Bhuwania	Member	Non Executive Chairman	Absent

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 Rs. 250/- to Mr. A. K. Bhuwania for attending Board & Audit Committee Meeting.

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

Name of Director	Category	Sitting Fees (Rs.)
Mr. A. K. Bhuwania	Promoter/Non-Executive Chairman	750
Mr. R K Saraswat	Independent/ Non Executive Director	60,000
Mr. M K Arora	Independent/ Non Executive director	60,000
Total		1,20,750

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	6,00,000
Mr. Ashish Bhuwania	Promoter / Executive Director	15,00,000
TOTAL		21,00,000

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

III) SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

i) Terms of reference

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

ii) Composition of the committee

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

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

Mr. Basavraj Loni, 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 30th June 2009.

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

IV) SHARE TRANSFER COMMITTEE

i) Terms of reference

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

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

ii) Composition of the committee

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

The Composition of the Share Transfer Committee is as under:

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

During the year under review, seven meeting of Share Transfer Committee was held on 25.09.2009, 13.11.2009, 20.11.2009, 11.12.2009, 08.01.2010, 29.01.2010 and 12.03.2010.

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 2010.

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
2008-09 22 nd AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018	23 rd September 2009	11.00 A.M.	Nil
2007-08 21 st AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018	25 th September 2008	11.00 A.M.	Nil
2006-07 20 th AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018	September 21, 2007	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.	20 th Annual General Meeting held on 21 st September 2007	To re-appoint Mr. Ashish Bhuwania as a Whole Time Director designated as Executive Director for the period of 5 (five) years with effect from 13 th May 2007 on a remuneration of Rs. 1,25,000/- per month (all inclusive). The resolution was passed unanimously.

- During the Financial Year 2009-2010, no resolution (s) were passed through Postal Ballot

5. DISCLOSURES:

- There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large during the F.Y. 2009-2010. The details of transaction between the Company and the related parties are given for information under Note No (13) of Schedule 'T' to the financial statement in the Annual report.
- The Company had complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary strictures have been imposed on the Company by any of the above mentioned authorities.
- The Company has already put in place a system for employees to report to the management about concerns relating to unethical behavior, any fraud or violation of Company's Code of Conduct and the access has been provided upto the higher level of supervision including the Audit Committee.
- In the preparation of financial statements the Company follows Accounting Standards as prescribed under section 211 (3C) of the Companies Act, 1956.
- The Company has complied with all the mandatory requirements and has disclosed information relating to extend of compliance with non mandatory requirements.



- During the year under review, the Company did not raise any proceeds through a public issue, right issue and / or preferential issue.
- The details in respect of Directors seeking appointment/re-appointment as the case may be are provided as part of the Notice convening the ensuing Annual General Meeting.
- The Company has formulated and laid down a procedure on risk assessment and minimization. These procedures have been considered by the Board and a properly defined framework is being laid down to ensure that executive management controls the identified risks.
- Management Discussion and Analysis Report forms part of the Annual Report.

6. MEANS OF COMMUNICATION

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

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

7. GENERAL SHAREHOLDERS INFORMATION

- a. **Date and Time of AGM** : Tuesday, 24th August, 2010 at 11.00 A.M
- b. **Venue** : "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
- c. **Financial Year** : 1st April 2009 to 31st March 2010
- d. **FINANCIAL CALENDAR (Provisional) for 1st April, 2010 – 31st March, 2011**
- 1st Quarterly Result : On or before 14th August, 2010.
- 2nd Quarterly Result : On or before 14th November, 2010.
- 3rd Quarterly Result : On or before 14th February, 2010.
- Annual Results : On or before 30th May, 2011
- e. **Book Closure dates** : 18th August 2010 to 24th August 2010 (both days inclusive)
- f. **Dividend Payment date** : Within 30 days from the date of declaration
- g. **Listing on Stock Exchanges:**
1. The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 023
 2. The Calcutta Stock Exchange Limited* (applied for delisting), 7, Lyons Rang, Kolkata – 700 001
- h. **Listing Fees** : i. Listing fees of BSE have been paid.
ii. Fees of CSE have been not paid*
- i. **Stock Code (BSE)** : 524580
- j. **ISIN No.** : **INE686C01014** (For dematerialization of shares)
- k. **Registered Office** : 2nd Floor, 209-210, Kimatrai Building, 77-79 Maharshi Karve Marg, Marine Lines (E) Mumbai 400002

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

I. Market Price Data:

The monthly high and low prices of Equity Shares of the Company on The Bombay Stock Exchange Limited (BSE), and BSE Sensex during the year 2009-2010 are as under:

MONTH	RATES (Rs.)		BSE SENSEX (Rs.)	
	HIGH	LOW	HIGH	LOW
APRIL, 09	9.92	8.85	11492.10	9546.29
MAY,09	13.35	9.32	14930.54	11621.30
JUNE,09	17.99	13.08	15600.30	14016.95
JULY,09	19.40	16.00	15732.81	13219.99
AUGUST,09	22.45	15.65	16002.46	14684.45
SEPTEMBER,09	22.25	18.00	17142.52	15356.72
OCTOBER,09	21.75	18.40	17493.17	15805.20
NOVEMBER,09	20.20	18.00	17290.48	15330.56
DECEMBER,09	23.90	18.65	17530.94	16577.78
JANUARY,10	27.00	21.70	17790.33	15982.08
FEBRUARY,10	23.00	18.35	16669.25	15651.99
MARCH,10	25.85	18.95	17793.01	16438.45

m. Distribution of shareholding: as on 31st March, 2010.

No. of Equity Shares Held	No of Shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 5000	2,429	98.74	4,61,932	15.39
5001 to 10000	8	0.33	53,016	1.77
10001 to 20000	4	0.16	50,572	1.68
20001 to 30000	3	0.12	81,720	2.72
30001 to 40000	1	0.04	38,300	1.28
40001 to 50000	1	0.04	40,800	1.36
50001 to 100000	4	0.16	3,69,050	12.29
100001 and above	10	0.41	19,06,910	63.51
Total	2460	100.00	3,002,300	100.00

n. Categories of Shareholding as on 31st March, 2010
SHAREHOLDING PATTERN

Category of Shareholders	No. of shares held	Percentage of shareholding
Promoters and Promoters Group	2235160	74.45
Mutual Funds and UTI	100	00.00
Bodies Corporate	35254	01.18
Indian Public	580066	19.32
NRI/OCB	151620	05.05
Trust	100	00.00
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: 022-2847 3474
022-2847 0652
Fax: 022-2847 5207
Email: info@bigshareonline.com
- p. Dematerialization of Equity shares** : 75.55% of the paid-up capital of the Company has been dematerialized as on 31st March, 2010. 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,
2nd Floor, 209/210, Kimatrai Building, 77/79 Maharshi Karve Marg, Marine Lines (E), Mumbai 400 002
Tel. No. 022 4220 3100
With the Registrar and Share Transfer Agent:
Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai-400 072.
Tel : 022-4043 0200, 2847 0652
- u. Designated e-mail ID for registering complaints by the investor.** : basavraj.loni@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.corpfiling.co.in

**(2) Audit qualifications**

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

(3) Training of Board Members

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

(4) Whistle Blower Policy

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

COMPLIANCE WITH CODE OF CONDUCT

As the Chief Financial Officer of the Company and as required by the clause 49 of Listing Agreement, I hereby certify that all the Board Members and Senior Management personnel have affirmed their compliance with the code of conduct as laid down by the Board for the Financial year ended 31st March 2010

Place : Mumbai
Date : 27th May, 2010.

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, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

Place : Mumbai
Dated : 27th May, 2010.

J. P. Bairagra
Partner
Membership No: 12839

Certification by Chief Financial Officer

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

- A) I have reviewed financial statements and the cash flow statement for the year ended 31st March 2010 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 : 27th May, 2010.

Rakesh Jain
Chief Financial Officer

AUDITOR'S REPORT TO THE MEMBERS OF PRIYA LIMITED

1. We have audited the attached Balance Sheet of **Priya Limited**, Mumbai as at 31st March 2010, and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

J. P. Bairagra
Partner
Membership No: 12839

Place: Mumbai
Date: 27th May, 2010

Annexure referred to in paragraph 3 of Auditor's report to the members of Priya Limited for the year ended 31st March 2010.

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, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.

- (iii) During the year, the Company has not granted any loan, secured or unsecured, to Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

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

No. of parties	Total amount of loan taken	Maximum balance outstanding during the year	Amount outstanding at the end of the year
6	7,74,90,025	5,82,31,399	4,50,23,758

- (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. 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 internal audit system which in our opinion is commensurate with size of the Company 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	1998-99 to 2000-01	1,90,65,694	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand for tax liability	2001-02	1,48,146	Rectification u/s 154 pending with Assessing Officer.
Income Tax Act, 1961	Demand for tax liability	2007-08	11,33,477	Rectification u/s 154 pending with Assessing Officer.
Uttar Pradesh Trade Tax Act, 1948	Demand for Sales tax	2005-06	94,045	Assistant Commissioner Trade Tax, Lucknow
State Development Tax Act, 2005	Demand for Sales tax	2005-06	25,968	Assistant Commissioner Trade Tax, Lucknow
Bihar Finance Act, 1981	Demand for Sales tax	2003-04	89,285	Deputy Commissioner of Sales Tax
Bihar Finance Act, 1981	Demand for Sales tax	2004-05	57,495	Deputy Commissioner of Sales Tax
Bihar Finance Act, 1981	Demand for Sales tax	2005-06	98,402	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Demand for Sales tax	2001-02	6,24,500	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Demand for Sales tax	2002-03	38,38,076	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Demand for Sales tax	2003-04	41,92,303	Deputy Commissioner of Sales Tax
West Bengal Sales Tax Act, 1994	Demand for Sales tax	2002-03	27,167	Deputy Commissioner of Sales Tax
West Bengal Sales Tax Act, 1994	Demand for Sales tax	2003-04	75,126	Deputy Commissioner of Sales Tax
West Bengal Sales Tax Act, 1994	Demand for Sales tax	2004-05	19,547	Deputy Commissioner of Sales Tax
West Bengal Sales Tax Act, 1994	Demand for Sales tax	2005-06	1,20,175	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Demand for Sales tax	2005-06	20,480	Deputy Commissioner of Sales Tax
West Bengal Sales Tax Act, 1994	Demand for Sales tax	2006-07	2,32,900	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Demand for Sales tax	2006-07	2,06,280	Deputy Commissioner of Sales Tax

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) As per the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks. The Company has not borrowed from the financial institutions and does not have any borrowings by way of debentures.
- (xii) Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute application to chit fund and nidhi/mutual benefit fund/societies. Accordingly, clause 4 (xiii) of the order is not applicable to the Company.
- (xiv) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion, the Company is not dealing / trading in shares, securities, debentures and other investment. Accordingly, clause 4 (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the order is not applicable to the Company.
- (xvi) According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company, we report that term loans were applied for the purpose for which the loans were obtained.
- (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, 2010.

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

Place: Mumbai
Date: 27th May, 2010

J. P. Bairagra
Partner
Membership No: 12839

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	AS AT 31.03.2010 Rs.	AS AT 31.3.2009 Rs.
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	A	30,023,000	30,023,000
RESERVES & SURPLUS	B	240,366,814	230,939,544
		<u>270,389,814</u>	<u>260,962,544</u>
LOAN FUNDS			
SECURED LOANS	C	189,825,935	192,103,601
UNSECURED LOANS	D	45,023,758	39,035,378
		<u>234,849,693</u>	<u>231,138,979</u>
TOTAL		<u>505,239,507</u>	<u>492,101,523</u>
II. APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	E	56,547,888	56,054,817
LESS: ACCUMULATED DEPRECIATION		<u>30,346,364</u>	<u>28,089,928</u>
NET BLOCK		26,201,524	27,964,889
INVESTMENTS	F	36,175,450	36,185,950
DEFERRED TAX ASSETS (NET)		2,435,038	2,317,888
(REFER NOTE NO 15 OF SCHEDULE "T")			
CURRENT ASSETS, LOANS & ADVANCES			
INVENTORIES	G	43,547,160	40,629,416
SUNDRY DEBTORS	H	461,253,832	587,161,461
CASH & BANK BALANCES	I	58,165,651	32,869,422
OTHER CURRENT ASSETS	J	18,641,867	6,862,706
LOANS & ADVANCES	K	87,870,823	82,139,035
		<u>669,479,333</u>	<u>749,662,040</u>
LESS : CURRENT LIABILITIES & PROVISION			
CURRENT LIABILITIES	L	205,880,833	302,262,854
PROVISIONS	M	23,171,005	21,766,390
		<u>229,051,838</u>	<u>324,029,244</u>
NET CURRENT ASSETS		<u>440,427,495</u>	<u>425,632,796</u>
TOTAL		<u>505,239,507</u>	<u>492,101,523</u>
NOTES ON ACCOUNTS			
	T		

The schedules referred above form an integral part of the Balance Sheet.

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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R. K. SARASWAT
DIRECTOR

PLACE : MUMBAI
DATED : 27th MAY, 2010

PLACE : MUMBAI
DATED : 27th MAY, 2010

BASAVRAJ LONI
COMPANY SECRETARY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
INCOME			
SALES	N	1,921,591,971	2,003,507,233
OTHER INCOME	O	14,947,098	13,882,599
		<u>1,936,539,069</u>	<u>2,017,389,832</u>
EXPENDITURE			
COST OF MATERIAL	P	1,802,657,377	1,831,685,555
PAYMENTS TO & PROVISION FOR EMPLOYEES	Q	19,009,260	19,179,744
ADMINISTRATIVE, SELLING AND OTHER EXPENSES	R	56,776,676	86,000,882
INTEREST (NET)	S	37,045,290	40,328,316
DEPRECIATION		2,306,673	3,007,716
		<u>1,917,795,276</u>	<u>1,980,202,213</u>
PROFIT BEFORE TAXATION		18,743,793	37,187,619
LESS: PROVISION FOR TAXATION			
- CURRENT TAX		6,770,000	6,860,000
- WEALTH TAX		-	645,663
- DEFERRED TAX		(117,151)	4,293,353
- FRINGE BENEFIT TAX		-	480,000
		<u>12,090,944</u>	<u>24,908,603</u>
(ADD)/LESS: TAXATION FOR EARLIER YEARS		913,202	(71,495)
PROFIT AFTER TAX		11,177,742	24,980,098
BALANCE BROUGHT FORWARD		33,824,542	8,844,444
		<u>45,002,284</u>	<u>33,824,542</u>
APPROPRIATIONS :			
PROPOSED DIVIDEND		1,501,150	-
CORPORATE DIVIDEND TAX		249,322	-
BALANCE CARRIED TO BALANCE SHEET		43,251,812	33,824,542
		<u>45,002,284</u>	<u>33,824,542</u>
BASIC & DILUTED EARNING PER SHARE		3.72	8.32

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

NOTES ON ACCOUNTS
T

The schedules referred above form an integral part of the Profit and Loss Account.

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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R. K. SARASWAT
DIRECTOR

PLACE : MUMBAI
DATED : 27th MAY, 2010

PLACE : MUMBAI
DATED : 27th MAY, 2010

BASAVRAJ LONI
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	2009 - 10		2008 - 09	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX & AND AFTER EXTRA ORDINARY ITEMS		18,743,793		37,187,619
ADJUSTED FOR:				
DEPRECIATION	2,306,673		3,007,716	
INTEREST CHARGED (NET)	37,045,290		40,328,316	
(PROFIT) / LOSS ON SALE / OBSOLESCENCE OF FIXED ASSETS (NET)	5,165		(422,966)	
BAD DEBTS WRITTEN OFF	-		16,403,656	
PROVISION FOR WARRANTIES	34,029		42,843	
EXCHANGE RATE DIFFERENCE	(2,087,576)		(1,882,594)	
SUNDRY BALANCES WRITTEN OFF / (BACK)	(270,682)		3,843,187	
		37,032,899		61,320,158
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		55,776,692		98,507,777
CHANGES IN				
TRADE RECEIVABLES	125,270,987		(77,493,473)	
LOANS AND ADVANCES	(4,854,215)		(6,769,881)	
OTHER CURRENT ASSETS	(11,088,129)		(2,904,391)	
INVENTORIES	(2,917,744)		31,430,700	
TRADE PAYABLES/PROVISIONS	(94,085,108)	12,325,791	(2,923,331)	(58,660,376)
CASH GENERATED FROM OPERATIONS		68,102,483		39,847,401
DIRECT TAXES REFUND (NET) INCLUDING FRINGE BENEFIT TAX		(9,188,939)		(5,544,375)
NET CASH FROM OPERATING ACTIVITIES (A)		58,913,544		34,303,026
B. CASH FLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS	(550,508)		(742,479)	
INTEREST RECEIVED	1,506,957		1,082,295	
PURCHASE OF INVESTMENTS	7,839		(985,950)	
SALE OF FIXED ASSETS	4,692		1,551,879	
NET CASH USED IN INVESTING ACTIVITIES (B)		968,980		905,745
C. CASH FLOW FROM FINANCING ACTIVITIES				
PROCEEDS FROM BORROWINGS (NET)	3,710,714		(5,858,450)	
INTEREST PAID	(38,238,540)		(42,375,873)	
DIVIDEND PAID	(58,469)		-	
NET CASH USED IN FINANCING ACTIVITIES (C)		(34,586,295)		(48,234,323)
NET CHANGES IN CASH AND CHEQUE EQUIVALENTS (A+B+C)		25,296,229		(13,025,552)
CASH AND CASH EQUIVALENTS OPENING BALANCE		32,869,422		45,894,974
CASH AND CASH EQUIVALENTS CLOSING BALANCE		58,165,651		32,869,422
NET CHANGES IN CASH AND CHEQUE EQUIVALENTS AS DISCLOSED ABOVE		25,296,229		(13,025,552)
Note: a) Cash and cash equivalents includes:				
Cash in Hand	323681		343567	
Balance With Scheduled Banks				
In Current Accounts	1897660		3665631	
In Foreign Currency Account	126519		99363	
In Dividend Account	-		73800	
In Margin Money Account	55832078		28659905	
Gain / (Loss) on Exchange rate fluctuation	(14,287)		27,156	
	58165651		32869422	
b) Previous year's figures have been regrouped / rearranged wherever considered necessary to make them comparable with those of the Current year.				

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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R. K. SARASWAT
DIRECTOR

PLACE : MUMBAI
DATED : 27th MAY, 2010

PLACE : MUMBAI
DATED : 27th MAY, 2010

BASAVRAJ LONI
COMPANY SECRETARY

SCHEDULES FORMING INTEGRAL PART OF THE BALANCE SHEET

	AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
6,500,000 EQUITY SHARES OF RS. 10/- EACH.	65,000,000	65,000,000
1,000,000 UNCLASSIFIED SHARES OF RS 10/- EACH	10,000,000	10,000,000
	<u>75,000,000</u>	<u>75,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
3,002,300 EQUITY SHARES OF RS 10/- EACH FULLY PAID (OF THE ABOVE SHARES, 1,800,000 SHARES ARE ALLOTTED AS FULLY PAID -UP BONUS SHARES BY CAPITALISATION OF GENERAL RESERVES)	<u>30,023,000</u>	<u>30,023,000</u>
SCHEDULE - B		
RESERVES & SURPLUS		
SECURITIES PREMIUM ACCOUNT		
AS PER LAST BALANCE SHEET	40,092,000	40,092,000
GENERAL RESERVE		
AS PER LAST BALANCE SHEET	157,023,002	157,023,002
BALANCE IN PROFIT & LOSS ACCOUNT	43,251,812	33,824,542
	<u>240,366,814</u>	<u>230,939,544</u>
SCHEDULE - C		
SECURED LOANS		
WORKING CAPITAL FACILITIES FROM COMPANY'S BANKERS. (SECURED AGAINST HYPOTHECATION OF GOODS & BOOK DEBTS, EQUITABLE MORTGAGE ON SPECIFIC IMMOVABLE PROPERTIES OF THE COMPANY & OF RELATED PARTIES, HYPOTHECATION OF OTHER MOVABLE ASSETS OF THE COMPANY, ALSO PERSONALLY GUARANTEED BY SOME OF THE DIRECTORS AND PLEDGE OF SHARES OF THE COMPANY BY THE PROMOTERS.)		
	189,693,105	191,524,502
VEHICLE LOAN FROM FINANCE COMPANIES (SECURED BY HYPOTHECATION OF VEHICLE)	132,830	579,099
	<u>189,825,935</u>	<u>192,103,601</u>
SCHEDULE - D		
UNSECURED LOANS		
INTER CORPORATE DEPOSITS	37,736,944	32,359,325
LOANS FROM DIRECTORS	7,286,814	6,676,053
	<u>45,023,758</u>	<u>39,035,378</u>

SCHEDULE - E
FIXED ASSETS

(Figure in Rupees)

SR. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Op. Bal. As At 1/4/2009 (Rs.)	Additions (Rs.)	Deductions (Rs.)	Cl. Bal. AS AT 31/3/2010 (Rs.)	Op. Bal. AS AT 1/4/2009 (Rs.)	For the Year (Rs.)	Dedn./Adj. Deductions (Rs.)	Cl. Bal. AS AT 31/3/2010 (Rs.)	At Yr. End AS AT 31/3/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
1	OFFICE PREMISES	35,697,605	-	-	35,697,605	11,576,200	1,206,070	-	12,782,270	22,915,335	24,121,406
2	LABORATORY EQUIPMENT	22,566	-	-	22,566	18,100	621	-	18,721	3,845	4,466
3	OFFICE & OTHER EQUIPMENT	3,011,110	135,883	-	3,146,993	1,847,556	190,795	-	2,038,351	1,108,638	1,163,554
4	FURNITURE & FIXTURE	5,293,676	1,750	-	5,295,426	4,856,666	79,249	-	4,935,915	359,511	437,011
5	COMPUTER	9,890,456	412,875	57,436	10,245,895	8,823,522	526,632	50,240	9,299,915	945,983	1,066,934
6	VEHICLES	2,139,403	-	-	2,139,403	967,885	303,306	-	1,271,191	868,212	1,171,518
	TOTAL (Rs.)	56,054,817	550,508	57,436	56,547,888	28,089,928	2,306,673	50,240	30,346,364	26,201,524	27,964,889
	PREVIOUS YEAR (Rs.)	62,684,309	742,483	7,371,976	56,054,817	31,325,277	3,007,716	6,243,063	28,089,928	27,964,889	

SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE - F
INVESTMENTS

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

PARTICULARS	Face Value (Rs.)	As At 31.03.2010		As At 31.03.2009	
		Nos.	(Rs.)	Nos.	(Rs.)
QUOTED : (REFER NOTE BELOW)					
VXL INSTRUMENTS LTD	10	900,000	35,100,000	900,000	35,100,000
CEREBRA INTEGRATED TECH. PVT. LTD.	10	46450	975,450	46950	985,950
TOTAL QUOTED			<u>36,075,450</u>		<u>36,085,950</u>
UNQUOTED					
EQUITY SHARES					
GAURAV ELECTROCHEM PRIVATE LTD.	100	500	100,000	500	100,000
TOTAL UNQUOTED			<u>100,000</u>		<u>100,000</u>
TOTAL (RS.)			<u>36,175,450</u>		<u>36,185,950</u>

NOTE:

1) MARKET VALUE OF QUOTED INVESTMENT RS.30,027,981/- (PREVIOUS YEAR RS.10,557,300/-)

SCHEDULE - G
INVENTORIES

(As valued and certified by the management)

TRADED FINISHED GOODS - ELECTRONICS

(Includes Goods in Transit of Rs. NIL/-; P. Y. Rs. 2955358/-)

TRADED FINISHED GOODS - CHEMICALS

As At 31.03.2010 As At 31.03.2009

42,488,360 40,397,416

1,058,800 232,000

43,547,160 40,629,416
SCHEDULE - H
SUNDRY DEBTORS

(UNSECURED, CONSIDERED GOOD, UNLESS SPECIFIED OTHERWISE)

OUTSTANDING FOR MORE THAN 6 MONTHS

OTHER DEBTS

6,675,044 2,248,507

454,578,788 584,912,954

461,253,832 587,161,461
SCHEDULE - I
CASH & BANK BALANCES

CASH IN HAND (INCLUDING STAMPS)

BALANCE WITH SCHEDULED BANKS

IN CURRENT ACCOUNT

IN FOREIGN CURRENCY ACCOUNT

IN UNPAID DIVIDEND ACCOUNT

IN MARGIN MONEY ACCOUNT

323,681 343,567

1,897,660

112,232

-

55,832,078

57,841,970 32,525,855
58,165,651 32,869,422
SCHEDULE - J
OTHER CURRENT ASSETS

EXPORT INCENTIVES RECEIVABLE

INCENTIVE / CLAIM / EXPENSES RECEIVABLE

SPL.ADDITIONAL DUTY R/CBLE(4%)

INTEREST RECEIVABLE

OTHER ASSETS

3,044,618 2,909,363

11,117,171 365,077

3,268,838 2,701,445

1,163,141 472,109

48,099 414,712

18,641,867 6,862,706

	AS AT 31.03.2010	AS AT 31.03.2009
	Rs.	Rs.
SCHEDULE - K		
LOANS & ADVANCES		
(UNSECURED, CONSIDERED GOOD, UNLESS SPECIFIED OTHERWISE)		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	10,153,444	7,112,706
LOANS TO EMPLOYEES	1,596,757	1,342,172
ADVANCE TAX & TAX DEDUCTED AT SOURCE	26,479,725	24,439,808
ADVANCE FRINGE BENEFIT TAX	1,014,590	2,176,934
DEPOSITS OTHERS	47,398,991	46,312,934
ADVANCES TO SUPPLIERS	1,227,316	754,481
	<u>87,870,823</u>	<u>82,139,035</u>
SCHEDULE - L		
CURRENT LIABILITIES		
SUNDRY CREDITORS (REFER NOTE 10 OF SCHEDULE "T")	186,865,908	285,369,961
INVESTOR EDUCATION & PROTECTION FUND :*		
UNPAID DIVIDEND	-	58,469
COMMISSION ON EXPORTS	95,448	85,462
BANK BALANCES (TEMPORARY OVERDRAFT)	3,325,004	355,336
ADVANCE FROM CUSTOMERS	619,633	790,094
RENT DEPOSIT	1,559,659	2,869,659
INTEREST ACCRUED BUT NOT DUE ON LOANS	2,402,040	1,397,301
OTHER LIABILITIES	11,013,141	11,336,572
	<u>205,880,833</u>	<u>302,262,854</u>
* Amounts due and outstanding to be credited to Investor Education and Protection Fund Rs. NIL (Previous year Rs. 73,800/-)		
SCHEDULE - M		
PROVISIONS		
PROPOSED DIVIDEND	1,501,150	-
CORPORATE DIVIDEND TAX	249,322	-
PROVISION FOR TAXATION	15,772,126	15,253,461
PROVISION FOR FRINGE BENEFIT TAX	920,037	2,066,866
PROVISION FOR GRATUITY	3,487,743	3,335,562
PROVISION FOR LEAVE SALARY	1,013,327	917,230
PROVISION FOR WARRANTY (REFER NOTE 17 OF SCHEDULE "T")	227,300	193,271
	<u>23,171,005</u>	<u>21,766,390</u>
SCHEDULES FORMING INTEGRAL PART OF THE PROFIT & LOSS ACCOUNTS		
	2009-2010	2008-2009
	Rs.	Rs.
SCHEDULE - N		
SALES		
LOCAL	796,384,467	733,147,002
EXPORTS	1,125,207,504	1,270,360,231
	<u>1,921,591,971</u>	<u>2,003,507,233</u>
SCHEDULE - O		
OTHER INCOME		
EXPORT INCENTIVES	239,387	906,359
RENT INCOME (GROSS TDS RS.1,473,193/-, PREVIOUS YEAR RS.2,460,425/-)	6,773,229	10,806,272
GAIN ON EXCHANGE RATE DIFFERENCE (NET)	7,654,731	-
PROFIT ON SALE OF FIXED ASSETS (NET)	-	890,842
JOB CHARGES RECEIVED	-	1,158,000
MISCELLANEOUS INCOME	279,751	121,126
	<u>14,947,098</u>	<u>13,882,599</u>

SCHEDULES FORMING INTEGRAL PART OF THE PROFIT & LOSS ACCOUNTS	2009-2010 Rs.	2008-2009 Rs.
SCHEDULE - P		
COST OF MATERIAL		
PURCHASE FOR RESALE	1,808,527,111	1,797,279,374
PACKING MATERIAL CONSUMED	3,368	20,123
(INCREASE) / DECREASE IN FINISHED GOODS		
OPENING STOCK	37,674,058	72,060,116
CLOSING STOCK	43,547,160	37,674,058
	(5,873,102)	34,386,058
	1,802,657,377	1,831,685,555
SCHEDULE - Q		
PAYMENTS TO & PROVISION FOR EMPLOYEES		
SALARIES, BONUS, ALLOWANCES ETC.	16,856,632	16,998,285
CONTRIBUTION TO P F AND OTHER FUNDS	1,353,310	1,421,331
WELFARE EXPENSES	799,318	760,128
	19,009,260	19,179,744
SCHEDULE - R		
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
FREIGHT OUTWARD	2,017,971	2,131,814
INSURANCE AND ECGC PREMIUM	5,761,830	7,746,640
ELECTRICITY	977,900	812,468
BANK CHARGES	15,401,919	12,359,471
TRAVELLING & CONVEYANCE	4,834,767	4,205,143
ADVERTISEMENT, PUBLICITY & SALES PROMOTION	1,020,836	655,836
WAREHOUSING / DEMMURAGE CHARGES	120,000	120,000
REPAIRS & MAINTENANCE :- BUILDING	714,585	852,181
OTHERS	1,415,169	522,854
DIRECTORS FEES	120,750	31,750
DIRECTORS REMUNERATION	2,100,000	2,100,000
RENT PAID	9,368,871	8,734,051
RATES AND TAXES	229,117	365,794
COMMISSION AND BROKERAGE	1,271,755	2,650,943
DISCOUNT & CLAIM	1,524,008	6,060,481
BAD DEBTS WRITTEN OFF	-	23,221,995
LESS: PROVISION FOR DOUBTFUL DEBTS REVERSED	-	(6,818,339)
DEPOSITS WRITTEN OFF	-	7,439,501
LESS: PROVISION FOR DOUBTFUL DEPOSITS REVERSED	-	(5,022,450)
LOSS ON EXCHANGE RATE FLUCTUATION (NET)	-	5,412,079
LOSS ON SALE OF INVESTMENTS (NET)	2,661	-
LOSS ON SALE / OBSOLESCENCE OF FIXED ASSETS	2,504	467,876
MISCELLANEOUS EXPENSES	9,892,033	11,950,794
	56,776,676	86,000,882
SCHEDULE - S		
INTEREST (NET)		
INTEREST ON FIXED LOANS	39,581	214,573
INTEREST ON OTHER LOANS	39,203,698	41,643,772
	39,243,279	41,858,345
LESS: INTEREST RECEIVED (REFER NOTE 16 OF SCHEDULE 'T') (Gross, TDS Rs. 209,043/- Previous year Rs. 304,089/-)	2,197,989	1,530,029
	37,045,290	40,328,316
	37,045,290	40,328,316

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

The financial statements have been prepared under the historical cost convention on accrual basis and comply in all material respects with the mandatory Accounting Standards (AS), and the relevant provisions of the Companies Act, 1956.

B. FIXED ASSETS

All Fixed Assets are stated at Cost (including all expenses incurred to bring the assets to their present location and conditions) less Accumulated Depreciation.

C. DEPRECIATION:

Depreciation on Fixed Assets are provided on the Written Down Value basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on immovable Furniture & Fixtures affixed in the leasehold premises are depreciated over the period of the lease.

D. FOREIGN EXCHANGE TRANSACTIONS:

(i) Foreign exchange transactions are accounted at the rate of exchange prevailing at the date of the transaction. Resulted exchange differences arising on payment or conversion of liabilities are recognised as income or expenses in the year in which they arise.

(ii) At the year end all Foreign Currency assets and liabilities are recorded at the exchange rate prevailing on that date. All such exchange rate difference on account of such conversion is recognised in the Profit & Loss account.

E. INVESTMENTS:

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

F. INVENTORIES:

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

G. EMPLOYEE BENEFITS :

(i) Short term employee benefits are recognised as an expense at the undiscounted amounts in the Profit and Loss account of the year in which the related service is rendered.

(ii) Contribution payable to the Provident Fund and Superannuation Scheme which is Defined Contribution Scheme is charged to Profit and Loss account as and when incurred.

(iii) Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the Profit and Loss account.

H. REVENUE RECOGNITION :

Sales are recognised when the significant risks and rewards of ownership of the goods are passed to the customer.

Sales are net off sales returns, quantity discount and exclusive of value added tax collected.

I. TAXATION

(a) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income Tax Act, 1961.

(b) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognized to the extent there is a virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(c) Provision for Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefits" as defined under the Income Tax Act, 1961.

J. LEASE

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

K. IMPAIRMENT OF ASSETS:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable

amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

L. PROVISIONS AND CONTINGENT LIABILITIES:

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. Contingent Liabilities:

	2009-2010 Rs.	2008-2009 Rs.
i) Disputed Income Tax liability	20,347,317	19,213,840
ii) Disputed Sales tax liability	10,260,882	14,772,428

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

Product	Opening Stock			Purchases		Sales		Closing Stock	
	Unit	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.
Chemical	Kg.	1,000 (2,000)	232,000 (581,000)	47,690 (79,850)	11,681,550 (18,705,750)	44,690 (80,850)	13,187,089 (22,606,829)	4,000 (1,000)	1,058,800 (232,000)
Computer Sub systems Parts Peripherals & Mother Boards	Nos	52,063 (179,766)	37,442,058 (71,314,098)	824,837 (1,202,732)	1,796,845,561 (1,778,573,624)	831,514 (1,453,685)	1,908,404,882 (1,980,827,164)	45,386 (52,063)	42,488,360 (37,442,058)
Computer systems	Nos.	- (15)	- (165,018)	- (-)	- (-)	- (15)	- (73,240)	- (-)	- (-)
TOTAL:		53,063 (181,781)	37,674,058 (72,060,116)	872,527 (1,282,582)	1,808,527,111 (1,797,279,374)	876,204 (1,534,550)	1,921,591,971 (2,003,507,233)	49,386 (53,063)	43,547,160 (37,674,058)

Notes

	2009-2010	2008-2009
a) (i) Sales of Computer parts, peripherals etc. includes		
- Used for Self consumption	146	235
- Issued as free Distribution/Schemes (net of free receipts)	1,313	651
(ii) Sales of Computer system includes		
- Used for Self consumption	28	48
b) Purchases of Computer parts and peripherals includes		
- Received for replacement	2,661	6,195
- Issued as replacement	2,611	6,337
c) Figures in bracket are in respect of Previous Year.		

	2009-2010 Rs.	2008-2009 Rs.
4. VALUE OF IMPORTS ON CIF BASIS		
Traded goods	1,015,420,046	942,244,187
	1,015,420,046	942,244,187

	2009-2010	2008-2009
5. EXPENDITURE IN FOREIGN CURRENCY		
Commission on Exports	467,368	837,459
Remuneration to Executive Director	1,500,000	1,500,000
Travelling Expenses	390,756	462,770
Sales Promotions Expenses	45,599	-
Interest Paid	10,657	-
Others	12,826	-
	2,427,206	2,800,229

	2009-2010 Rs.	2008-2009 Rs.
6. EARNINGS IN FOREIGN CURRENCY		
Export [On FOB Basis]	1,095,435,339	1,248,715,462
Insurance	913,336	976,202
Freight	14,660,766	20,668,567
Interest Received on Trade Debtors	468,339	-
7. MANAGERIAL REMUNERATION		
Remuneration to Executive Directors	2,100,000	2,100,000
8. PAYMENT TO AUDITORS.		
a) Audit Fees (Including Limited Review)	308,000	308,000
b) Tax Audit Fees	66,000	66,000
c) Tax Matters	32,500	55,000
d) Vat Audit Fees	35,000	25,000
e) Others Matters	121,500	96,500
f) Towards Service Tax	57,992	58,098
	<u>620,992</u>	<u>608,598</u>
9. Lease Disclosures for Operating Leases:		
Assets taken on Lease	2009-2010 Rs.	2008-2009 Rs.
a) The total of Future minimum Lease payments under Non-cancelable operating leases for:		
(i) Not later than one year	-	-
(ii) Later than one year and not later than five years	-	-
b) Lease payment recognized in the statement of Profit & Loss for the period under the schedule "Other Expenses"	9,368,871	8,734,051
c) Sub lease income recognized in the statement of Profit and Loss for the period	3,118,500	4,866,400
d) There is no Contingent Rent.		
e) The Company's major leasing arrangements are in respect of godowns/office premises (including furniture & fittings therein wherever applicable taken on leave and licence basis). These leasing arrangements, which are mostly cancelable, range between 11 months to 5 years and are usually renewable by mutual consent at mutually agreed terms and conditions.		
Assets given on Lease		
a) The details of Premises given on lease are as following:	2009-2010 Rs.	2008-2009 Rs.
Original Cost	35,697,605	35,697,605
Accumulated Depreciation	12,782,270	11,576,200
Written Down Value	22,915,335	24,121,405
Depreciation for the period recognized in the statement of Profit and Loss	1,206,070	1,269,549
b) Future minimum lease rentals receivables as on 31.03.2010 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.3,654,729/- (Previous Year Rs.5,939,872/-) has been recognized as income in the Profit and Loss for the period under the schedule " Other Income".		
10. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and been given. The same has been hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not relied upon by the Auditors.		

11. Employee Benefits :

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

A. Defined Contribution Plan		2009-2010	2008-2009
		Rs.	Rs.
(i)	Provident Fund	1,045,112	1,097,281
(ii)	Contribution to Superannuation Fund	43,680	41,760
B. Defined Benefit Plans		Gratuity	Leave Encashment Benefit
		2009-2010	2008-2009
(i) Assumptions			
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult	LIC (1994-96) Ult
Discount Rate	8.00%	8.00%	8.00%
Rate of increase in compensation	5.00%	5.00%	5.00%
Rate of return (expected) on plan assets			
Withdrawal rates	Up to Age 30 : 10% 31 to 40 : 5% 41 and above : 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 and above : 2%	Up to Age 30 : 10% 31 to 40 : 5% 41 and above : 2%
(ii) Changes in present value of obligations			
PVO at beginning of period	3,335,562	3,304,930	917,230
Interest cost	220,437	239,054	68,729
Current Service Cost	711,314	441,016	265,215
Benefits Paid	(1,160,193)	(633,509)	(116,225)
Actuarial (gain) / loss on obligation	380,623	(15,929)	(121,622)
PVO at end of period	3,487,743	3,335,562	1,013,327
(iii) Changes in fair value of Plan Assets			
Fair Value of Plan assets at beginning of period	-	-	-
Expected Return on Plan Assets	-	-	-
Contributions	1,160,193	633,509	116,225
Benefit Paid	(1,160,193)	(633,509)	(116,225)
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	1,160,193	633,509	116,225
Benefit Paid	(1,160,193)	(633,509)	(116,225)
Fair Value of Plan assets at end of period	-	-	-
Funded Status	(3,487,743)	(3,335,562)	(1,013,327)
Excess of actual over estimated return on Plan Assets	-	-	-
(v) Actuarial Gain / (Loss) Recognized			
Actuarial Gain / (Loss) for the period (Obligation)	(380,623)	15,929	121,622
Actuarial Gain / (Loss) for the period (Plan Assets)	-	-	-
Total Gain / (Loss) for the period	(380,623)	15,929	121,622
Actuarial Gain / (Loss) recognized for the period	(380,623)	15,929	121,622
Unrecognized Actuarial Gain / (Loss) at end of period	-	-	-

(vi) Amounts to be recognized in the Balance Sheet and statement of

Profit & Loss Account				
PVO at end of period	3,487,743	3,335,562	1,013,327	917,230
Fair Value of Plan assets at end of period	-	-	-	-
Funded Status	(3,487,743)	(3,335,562)	(1,013,327)	(917,230)
Unrecognized Actuarial Gain / (Loss)	-	-	-	-
Net Asset / (Liability) recognized in the	(3,487,743)	(3,335,562)	(1,013,327)	(917,230)
Balance Sheet				

(vii) Expenses recognized in the the statement of P & L A/c.

Current Service Cost	711,314	441,016	265,215	294,000
Interest Cost	220,437	239,054	68,729	57,360
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss recognized for the period	380,623	(15,929)	(121,622)	(59,406)
Expense recognized in the statement of P & L A/c.	1,312,374	664,141	212,322	291,954

(viii) Movements in the Liability recognized in Balance Sheet

Opening Net Liability	3,335,562	3,304,930	917,230	808,714
Expenses as above	1,312,374	664,141	212,322	291,954
Contribution paid	(1,160,193)	(633,509)	(116,225)	(183,438)
Closing Net Liability	3,487,743	3,335,562	1,013,327	917,230

12. Segment Information For The Year Ended 31st March, 2010

A. Information about Primary Business Segments

(Rupees in Lakhs)

	Electronics		Chemicals		Unallocated		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Revenue								
External Customers	19,084.05	19,809.00	131.87	226.07	-	-	19,215.92	20,035.07
Total Revenue	19,084.05	19,809.00	131.87	226.07	-	-	19,215.92	20,035.07
Result								
Segment Result	883.56	1,006.57	6.59	21.78	-	-	890.15	1,028.35
Unallocated expenditure net of unallocated income					(332.26)	(253.19)	(332.26)	(253.19)
Interest Expense (net)					370.45	403.28	370.45	403.28
Profit before taxation and exceptional items	883.56	1,006.57	6.59	21.78	(702.71)	(656.47)	187.44	371.88
Exceptional items								
Provision for taxation							67.70	68.60
Current Tax							-	6.46
Wealth Tax							(1.17)	42.93
Deffered Tax							-	4.80
Fringe Benefit Tax								
Profit after taxation and exceptional items	883.56	1,006.57	6.59	21.78	(702.71)	(656.47)	120.91	249.09
Excess/(Short) Provision for Income tax							9.13	0.71
Net Profit	883.56	1,006.57	6.59	21.78	(702.71)	(656.47)	111.78	249.80
Other Information								
Segment Assets	5,804.89	6,628.42	48.96	37.77	1,464.71	1,495.12	7,318.56	8,161.31
Segment Liabilities	1,868.30	4,403.52	17.93	14.34	404.28	1,133.82	2,290.51	5,551.68
Capital expenditure	-	-	-	-	5.51	7.42	5.51	7.42

B. Information about Secondary Business Segments

Rs. In Lakhs

	Within India		Outside India		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Revenue by geographical market						
Total	7,963.84	7,145.69	11,252.08	12,889.38	19,215.92	20,035.07
Carrying amount of segment assets	4,105.12	3,961.32	3,213.44	4,199.99	7,318.56	8,161.31
Additions to fixed assets	5.51	7.42	-	-	5.51	7.42

Notes:-

- (i) The company is into two main business segments, namely:
 Electronics - Computer peripherals and systems
 Chemicals - Export of Textile Dyes and Intermediates
 Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.
- (ii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

13. Related parties disclosure in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
(Amount in Rs.)

Transactions during the year.	Parties where control exists		Key Management Personnel		Relative of Key Management Personnel		TOTAL	
	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.	2009-2010 Rs.	2008-2009 Rs.
Remuneration	-	-	2,100,000	2,100,000	38,400	38,400	2,138,400	2,138,400
Receiving of services	1,620,000	2,550,556	-	-	-	-	1,620,000	2,550,556
Inter corporate deposits repaid to Priya International Ltd.	61,331,614	63,468,026	-	-	-	-	61,331,614	63,468,026
Interest paid on Loans to Mr. Ashish Bhuwania	-	-	539,888	411,030	-	-	539,888	411,030
Interest paid on Loans to Mr. Aditya Bhuwania	-	-	47,951	17,946	-	-	47,951	17,946
Interest paid on Loans to Mr. A K Bhuwania	-	-	40,075	192,193	-	-	40,075	192,193
Inter corporate deposits repaid to M/s. Brent Properties Investments Pvt Ltd.	700,000	-	-	-	-	-	700,000	-
Inter corporate deposits repaid to M/s. Cheshire Properties Investments Pvt Ltd.	700,000	-	-	-	-	-	700,000	-
Inter corporate deposits taken from M/s. Brent Properties Investments Pvt Ltd.	100,000	400,000	-	-	-	-	100,000	400,000
Inter corporate deposits taken from M/s. Cheshire Properties Investments Pvt Ltd.	100,000	300,000	-	-	-	-	100,000	300,000
Inter corporate deposits taken from M/s. Priya International Ltd.	67,909,234	61,385,276	-	-	-	-	67,909,234	61,385,276
Interest expense on Inter corporate deposits received from M/s. Priya International Ltd.	2,041,020	1,094,531	-	-	-	-	2,041,020	1,094,531
Sales of goods	118,636	-	-	-	-	-	118,636	-
Loans received from Directors	-	-	9,380,791	8,615,520	-	-	9,380,791	8,615,520
Loans repaid to Directors	-	-	8,770,030	11,276,301	-	-	8,770,030	11,276,301
Balances at the year end.								
Deposit against receiving of services	37,400,000	36,500,000	-	-	-	-	37,400,000	36,500,000
Outstanding against Loans received from Directors	-	-	7,286,814	6,676,053	-	-	7,286,814	6,676,053
Outstanding against receiving of services	147,810	1,397,542	-	-	-	-	147,810	1,397,542
Outstanding on Inter corporate deposits	37,736,944	32,359,325	-	-	-	-	37,736,944	32,359,325
Interest Payable	1,836,918	846,510	565,122	550,791	-	-	2,402,040	1,397,301

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

Nature of transaction	Name of the related party	2009-2010	2008-2009
		Rs.	Rs.
Transactions during the year.			
Remuneration to Directors	Mr. Ashish Bhuwania	1,500,000	1,500,000
	Mr. Aditya Bhuwania	600,000	600,000
Receiving of Services	M/s. Brent Properties Investment Pvt. Ltd	750,000	1,200,000
	M/s. Cheshire Properties Investment Pvt. Ltd	750,000	1,200,000
Sales of goods	M/s. Priya International Ltd	118,636	-
Loans received from Directors	Mr. Ashish Bhuwania	6,024,460	3,156,760
	Mr. A.K. Bhuwania	1,370,418	4,659,493
	Mr. Aditya Bhuwania	1,985,913	799,267
Loans repaid to Directors	Mr. Ashish Bhuwania	6,500,000	3,050,000
	Mr. A.K. Bhuwania	1,270,030	7,200,425
	Mr. Aditya Bhuwania	1,000,000	1,025,876

Note:

Names of related parties and description of relationship:

- | | |
|---------------------------------|-----------------------------|
| 1. Parties where control exists | 2. Key Management Personnel |
| (a) Priya International Ltd. | (a) Mr. A. K. Bhuwania |

- | | |
|--|--|
| (b) Priya Chemicals | (b) Mr. Ashish Bhuwania |
| (c) Gaurav Electrochem Pvt.Ltd. | (c) Mr. Aditya Bhuwania |
| (d) Brent Properties Investment Pvt.Ltd. | |
| (e) Chesire Properties Investment Pvt.Ltd. | 3. Relative of Key Management Personnel |
| (f) Halifax Properties Investment P.Ltd. | (a) Mrs. Saroj Bhuwania, wife of Mr.A.K.Bhuwania |

14. Earning Per Share (EPS)

Earning Per Share excluding extraordinary items (net of tax expenses) - The numerator and denominator used to calculate Basic & Diluted Earnings per share:

	2009 - 10	2008 - 09
Profit attributable to the Equity Shareholder (Rs.)	11177742	24980098
Weighted average number of Equity Share outstanding during the year (Nos)	3002300	3002300
Basic & Diluted earning per share (Rs.)	3.72	8.32
Face value of each share (Rs.)	10	10

15. Break-up of Deferred Tax Assets (Net)

	2009 - 10	2008 - 09
Deferred tax Assets		
- On account of Expenses allowable under income tax on payment basis	1,495,143	1,314,113
- On account of provision for Warranty	75,503	59,721
- On account of difference in depreciation as per books and Income Tax Act, 1961	864,392	944,054
	2,435,038	2,317,888

16. Break-up of Interest received

Interest received on Fixed Deposits with Banks	1,604,742	1,441,593
Interest received on Staff Loans	124,908	88,436
Interest recovered from parties	468,339	-
	2,197,989	1,530,029

17. Disclosure relating to provisions

Provision related to	Opening Balance	Additions	Utilisation	Reversal	Closing Balance	Brief Description of Provision made.
Warranty	193,271	306,365	272,336	-	227,300	The company gives Warranties at the time of Sales of Main Products to the customers. Under the terms of Contract of Sales. The company undertakes to make good by replacement or repairs, Manufacturing defects that arise within 1-3 years from the date of sale. A provision has been recognised for the expected Warranty claims on products sold based on past experience.

18. Derivatives:

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

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

Particulars	As on 31.03.2010			As on 31.03.2009		
	Rs.	Amount in Foreign Currency	Foreign Currency	Rs.	Amount in Foreign Currency	Foreign Currency
Receivables	315,586,221	6,999,029	USD	468,521,722	9,217,425	USD
Other Receivables	984,124	21,826	USD	-	-	USD

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

Particulars	As on 31.03.2010		Foreign Currency	As on 31.03.2009		Foreign Currency
	Rs.	Amount in Foreign Currency		Rs.	Amount in Foreign Currency	
Creditors	181,458,577	4,017,237	USD	271,870,053	5,344,408	USD
Other Payables	109,000	2,413	USD	33,092,817	650,537	USD

19. Balances of Sundry Debtors, Sundry Creditors and Loans and Advances are subject to confirmation and consequential adjustment, if any.
20. In the opinion of the Board, Current Assets, Loans and Advances have value in the ordinary course of business at least equal to the amount at which they are stated.
21. Figures in brackets relates to previous year. Previous year's figures have been regrouped/ rearranged wherever necessary to make them comparable with those of the Current year.

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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO. 12839

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R. K. SARASWAT
DIRECTOR

PLACE : MUMBAI
DATED : 27th MAY, 2010

PLACE : MUMBAI
DATED : 27th MAY, 2010

BASAVRAJ LONI
COMPANY SECRETARY

**Additional information pursuant to Part IV of Schedule VI to the companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No.	:	40713	State Code	:	11
Balance Sheet Date	:	31 03 2010			
		Date	Month	Year	

II Capital raised during the year (Amount in Rs. thousands)

Public issue	NIL	Right issue	NIL
Bonus issue	NIL	Private Placement	NIL

III Position of Mobilisation and Deployment of Fund (Amount in Rs. thousands)

Total Liabilities	734,291	Total Assets	734,291
		(Net of current liabilities & provisions)	

Sources of Funds

Paid up Capital	30,023	Reserves and Surplus	240,367
Secured Loans	189,826	Unsecured Loans	45,024

Application of Funds

Net Fixed Assets & W.I.P.	26,202	Investments	36,175
Net Current Assets	440,427	Net Deferred Tax Assets	2,435
Misc. Expenditure	-	Accumulated Losses	NIL

IV Performance of Company (Amount in Rs. thousands)

Turnover	1,936,539	Total Expenditure	1,917,795
Profit/Loss Before Tax (+) (-)	18,744	Profit/Loss after Tax (+) (-)	11,178
Earning per share in Rs.	3.72	Dividend Rate %	5

V Generic Name of Three Principal Products/Services of Company

i	Item Code No (ITC Code)	903289.90
	Product description	Thin Client Itona
ii	Item Code No (ITC Code)	847330.20
	Product description	Computer Mother Boards
iii	Item Code No (ITC Code)	847130.10
	Product description	Laptop

FOR AND ON BEHALF OF THE BOARD

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R. K. SARASWAT
DIRECTOR

PLACE : MUMBAI
DATED : 27th MAY, 2010

BASAVRAJ LONI
COMPANY SECRETARY

THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK



PRIYA LIMITED

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

ATTENDANCE SLIP

(To be presented at the entrance)

Regd. Folio No./Client ID No. _____

No. of shares held _____

DP ID No. _____

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

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company to be held at "Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 on Tuesday, the 24th day of August, 2010 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: 2nd Floor, 209-210 Kimatrai Building, 77-79,
Maharshi Karve Marg, Marine Lines (E),
Mumbai-400002

PROXY FORM

Reg. Folio No. /Client ID No. _____

DP ID No. _____

I/We..... of
..... being a member/members of the above named Company
hereby appointof.....or failing
him of as my/our proxy
to vote for me/us on my/our behalf at the 23rd ANNUAL GENERAL MEETING of the Company to be held on
Tuesday, the 24th day of August, 2010 at 11.00 A.M. and at any adjournment(s) thereof.

Signed this day of 2010.

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

Designed By : Trendsign (022) 6614 0915
Printed By : CRYSTAL (022) 6614 0900

if undelivered, please return to:

PRIYA LIMITED

Regd. Office:

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

Te : 91-22-4220 3100 [30 Lines], Fax: 91-22-4220 3197

Email : priyabom@priyagroup.com.

www.priyagroup.com

Branches:

Ahmedabad: 079-2741 1184, Bangalore: 080-2242 6144, Bhubaneswar: 0674-320 1416,
Chandigarh: 0172 - 263 3488, Chennai: 044 - 4214 6104, Delhi: 011 - 2643 8555,
Hyderabad: 040 - 6638 2237, Indore: 0731 - 242 2964, Kochi: 0484 - 2311 397,
Kolkata: 033 - 3057 1000, Lucknow: 0522 - 220 5315, Mumbai: 022 - 4220 3100,
Ranchi: 0651 - 233 0862.