PRIYA LIMITED

Regd. Office : 4th Floor, Kimatrai Building, 77/79, Maharshi Karve Marg, Marine Lines (E), Mumbai - 400 002.
Tel. :+91-22-4220 3100 • Fax : +91-22-4220 3197 • E-mail : priyabom@priyagroup.com • Website : http://www.priyagroup.com
CIN : L99999MH1986PLC040713

FORM A
Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	PRIYA LIMITED
2.	Annual Financial Statements For the year ended	31st March, 2014
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	N.A.

For **Priya Limited**

Aditya Bhuwania
(Whole Time Director)

For **Priya Limited**

Rakesh Jain
(Chief Financial Officer)

For **M. L. Bhuwania & Co.**
(AUDITOR)

J. P. Bairagara
(Partner)

F- 11, 3rd Floor, Manek Mahal,
90, Veer Nariman Road, Churchgate,
Mumbai - 400 020, India.

M. L. BHUWANIA & CO. MUMBAI CHARTERED ACCOUNTANTS

For **Priya Limited**

R. K. Saraswat
(Independent Director &
Chairman – Audit Committee)

Note: The Company is not having CEO or Managing Director, hence Whole Time Director has been authorized by Board of Directors to sign the said "Form A".

Priya

Pursuing Excellence

PRIYA LIMITED

ANNUAL REPORT

2013 -2014

27TH ANNUAL GENERAL MEETING

Day	:	Wednesday
Date	:	20th August, 2014.
Time	:	11.00 A.M.
Place	:	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

BOARD OF DIRECTORS

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

BANKERS

Indian Bank
Bank of Maharashtra
Union Bank of India

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT (COMMON AGENCY)

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

EQUITY SHARES ARE LISTED AT
The Bombay Stock Exchange Ltd (BSE)

WEBSITE
www.priyagroup.com

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NOTICE

NOTICE is hereby given that the **Twenty-Seventh Annual General Meeting** of the members of **PRIYA LIMITED** (CIN:L99999MH1986PLC040713) will be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Wednesday, the 20th Day of August, 2014 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend for the Financial Year 2013-2014.
3. To appoint a Director in place of Mr. Aditya Bhuwania (DIN:00018911), who retires by rotation and being eligible, offers himself for re-appointment
4. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**

   "RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. M. L. Bhuwania & Co., Chartered Accountants having Registration No. 101484W issued by the Institute of Chartered Accountants of India, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2015**"**

SPECIAL BUSINESS:

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

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

   "RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. R. K. Saraswat (DIN 00015095), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 20th August, 2014 up to 19th August, 2019."

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

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

   "RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. M. K. Arora (DIN 00031777), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 20th August, 2014 up to 19th August, 2019."

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

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

   "RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Anuj Bhargava (DIN 03090652), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company

with effect from 20th August, 2014 up to 19th August, 2019."

8. **To approve Borrowing limits of the Company**

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

"RESOLVED that in supersession of the resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on September 29, 1997 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being excerising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs.100 crore."

"RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

9. **Creation of Charges/ mortgage etc. on the assets of the Company**

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

"RESOLVED that in supersession of the resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Annual General Meeting of the Company held on September 29, 1997 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being excerising the powers conferred on the Board by this Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board / Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/ foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs.100 crore together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER that the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

10. **To adopt new Articles of Association of the Company containing regulations in**

conformity with the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient 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 14th August, 2014 to 20th August, 2014 (both days inclusive).
4. Dividend recommended for the year ended 31st March, 2014 if approved by the members will be paid to those eligible members whose names appear:
   I. As Beneficial Owners, as on 14th August, 2014, 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 14th August, 2014.
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.
9. Members are hereby informed that Dividends which remain unclaimed/unpaid over a period of 7 years from the date of transfer to the Unpaid Dividend Account have been transferred by the Company, pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, to a fund called the Investor Education & Protection Fund established by the Central Government under sub-section (1) of Section 205C of the Companies Act, 1956. Please note that no claim shall lie against the Fund or the Company in respect of the dividend amount so transferred to the Investor Education & Protection Fund.
10. Members may avail dematerialisation facility by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised. The ISIN No. of the Company is **INE686C01014.**
11. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office atleast 7 days before the date of the meeting, so that the required information can be made available at the meeting.

12. Members, who have not registered their e-mail addresses, are requested to register their e-mail address in respect of electronic holdings with the depository through their concerned Depository Participants and members who hold shares in physical form are requested to send their details to Bigshare Services Pvt. Ltd (Registrar & Transfer agent) in order to enable the company to serve the notice/Documents including Annual Report through e-mail as an initiative in consonance with circular issued by Ministry of Corporate Affairs allowing paperless compliances by the companies.
13. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting.
14. **The procedure and instructions for the voting through electronic means is, as follows:**
    i. Log on to the e-voting website www.evotingindia.com during the voting period.
    ii. Click on "Shareholders" tab.
    iii. Now, select the "PRIYA LIMITED" from the drop down menu and click on "SUBMIT"
    iv. Now, enter your User ID
        a. For CDSL: 16 digits beneficiary ID,
        b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
        c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    v. Next enter the Image Verification as displayed and Click on Login.
    vi If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
    vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

    viii. After entering these details appropriately, click on "SUBMIT" tab.
    ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company

on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant <PRIYA LIMITED> on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Note for Institutional Shareholders & Custodians:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

15. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company.

16. E-voting period will commence from 14th August, 2014 at 10:00 a.m. and will end on 16th August 2014 at 6.00 p.m.

17. Mr. Sanjay Parab, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is sanjay.parabcs@gmail.com.

18. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

19. The Results shall be declared on or after the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.priyagroup.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.

For and on behalf of the Board
For Priya Limited

Place: Mumbai
Dated: 16th May, 2014

Saishwar Dalvi
Company Secretary

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

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

Item Nos. 5, 6 & 7:

The Companies Act, 2013 (Act) has been enacted. Rules issued in respect of significant chapters which include "Independent Director" have been made effective from April 1, 2014.

Pursuant to Section 149 of the Act, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Pursuant to Section 149(10) and 152 of the act, an independent director shall hold office for a term upto five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing a Special Resolution in a general meeting and disclosure of such appointment in the Directors Report. Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.

However, SEBI Circular No.CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 in respect of Clause 49 provide that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

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

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

A brief profile of the Independent Directors to be appointed is given below:

Mr. R. K. Saraswat, aged 76 years, is a Chartered Accountant having rich knowledge and experience in the profession and is an expert in Financial Matters. Proficiency of him in the financial matter has helped company in bringing down operating cost of the Company. It will be advantageous for the Company to continue to avail expertise guidance and directions from him. He has been associated with the Company from the year 2000.

Mr. M. K. Arora, aged 73 years, is a Company Secretary having wide knowledge and professional expertise in the field of Corporate Laws, Securities Laws, Income Tax and Finance. It will be advantageous for the Company to continue to avail expertise guidance and directions from him. He has been associated with the Company from the year 2003.

Mr. Anuj Bhargava, aged 52 years, is a CMC and CWA having wide experience in the field of Management and IT Consultancy. It will be advantageous for the Company to continue to avail expertise guidance and directions from him. He has been associated with the Company from the year 2010.

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

Item Nos. 8 & 9:

At the Annual General Meeting of the Company held on September 29, 1997, the Members had, by way of Ordinary Resolutions and in pursuance of the provisions of Section 293(1)(a) and (d) of the Companies Act, 1956, approved of:

(i) borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs.100 crore at any point of time; and

(ii) creation of a mortgage or charge for the said borrowings, as security by way of mortgage / hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed i.e. upto Rs. 100 crore, including interest,charges, etc. payable thereon, as the documents for the

said purpose could contain the power to take over the management of the Company, in certain events.

Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos.8 and 9 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos.8 and 9.

Item No. 10

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The New Companies Act, 2013("Act") is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The Directors commend the Resolutions at Item No.10 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item No.10.

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

Pariculars	Mr. Aditya Bhuwania (DIN:00018911)	Mr. R. K. Saraswat (DIN:00015095)	Mr. M. K. Arora (DIN:00031777)	Mr. Anuj Bhargava (DIN:03090652)
Date of Birth	13.02.1973	17.04.1938	05.04.1941	24.09.1962
Date of Appointment	13.08.2005	30.08.2000	30.08.2003	27.05.2010
Qualification	B.Sc.(Business Computer System) from Bradley University, Pearie, Illinois (U S A)	Chartered Accountant	Company Secretary	CMC, CWA,
Expertise	Hardware Industry	Finance	Secretarial & Legal	Management & IT Consultancy

DIRECTORS' REPORT

Dear Members,

Priya Limited

Your Directors take great pleasure in presenting the **27th Annual Report** and Audited Accounts of your Company for the financial year ended 31st March, 2014.

FINANCIAL PERFORMANCE

The financial performance of the Company for the Financial Year 2013-14 in comparison to the previous financial year 2012-13 are summarised as below:

(Rs. in Lacs)

	Year Ended 31/03/2014	Year Ended 31/03/2013
Revenue from operation	**17720.72**	**21162.26**
Other Income	**234.43**	**161.08**
	17955.15	**21323.34**
Profit/ (Loss) before Tax and Extra Ordinary Item	**286.28**	**280.99**
Extra ordinary item	**-------**	**-------**
Profit/ (Loss) before Tax and after Extra Ordinary Items	**286.28**	**280.99**
Provision for taxation-Current Tax	**95.73**	**98.90**
Provision for taxation-Deferred Tax	**(0.47)**	**(30.77)**
(Add)/Less: Taxation of earlier years	**19.63**	**0.20**
Profit/(Loss) After Tax	**171.39**	**212.66**
Add: Balance brought forward	**822.24**	**644.70**
Profit available for appropriation	**993.63**	**857.36**
Appropriations		
Proposed Dividend	**30.02**	**30.02**
Corporate Dividend Tax	**5.10**	**5.10**
Balance carried to Balance Sheet	**958.51**	**822.24**

DIVIDEND

Your Directors have recommended a dividend of Re.1.00/- per equity share (i.e.@ 10%) on 30,02,300 fully paid equity shares of Rs. 10/- each for the financial year ended 31st March 2014 amounting to Rs. 30,02,300/- (exclusive of Tax of Rs. 5.10 Lac).

OPERATIONS

During the year under review the aggregate turnover of your Company was Rs.17720.72 lac as compared to Rs.21162.26 lac in the previous year. The Company has earned profit after tax and exceptional item of Rs.171.39 lac in 2013-2014 as compared to Rs. 212.66 lac in the previous year.

Due to recessionary trends which continued globally, your company's turnover decreased to Rs.17720.72 lac in comparison to performance of previous year. The aforesaid decrease in turnover was a result of economic slowdown globally and not restricted to USA & European countries.

Your Company is focused to concentrate on the hardware business which has been major revenue earner, which mainly includes marketing of VXL thin clients and has now started marketing various software products, and offering solutions for different industries. This year has been challenging, as the company had to shrink its import activities in response to high volatility in foreign currency and devaluation of rupee.

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

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

DIRECTORS

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. R. K. Saraswat, Mr. M. K. Arora and Mr. Anuj Bhargava as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

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

AUDITORS

M/s. M. L. Bhuwania & Co., Chartered Accountants who are to retire at the conclusion of the forthcoming Annual General meeting, have offered themselves for re-appointment as Auditors of the Company. A written certificate to

the effect that their appointment, if made, would be within the prescribed limits under section 139 of the Companies Act, 2013, has been obtained by the Company from them. The members are requested to consider their re-appointment and fix remuneration.

AUDITORS REPORT

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

HUMAN RESOURCE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

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

INSURANCE

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

BANKS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) In the preparation of the Annual Accounts, the applicable accounting standards 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 2013-2014 and Profit of the Company for that the year ended on 31st March, 2014;

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on a going concern basis.

DEMATERIALIZATION

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

LISTING OF SHARES

The Company's equity shares continue to be listed on The Bombay Stock Exchange Limited (BSE). The Company had applied for de-listing of equity shares from The Calcutta Stock Exchange Ltd. (CSE) and the said de-listing permission is in process and the Company is constantly following up with the Exchange for completion of the process. The listing fee for the financial year 2013-2014 was duly paid to BSE.

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

CONSERVATION OF ENERGY:

The scope for conservation of energy is limited

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

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

TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The relevant information in respect of the foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the year ended on 31st March, 2014.

PARTICULARS OF EMPLOYEES:

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

APPRECIATION & ACKNOWLEDGEMENTS

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

For and on behalf of the Board
For Priya Limited

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

Place: Mumbai
Date: 16th May, 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW AND OUTLOOK

The revitalisation of global economy continued during the calendar year 2013 and the global economy ended the year on a better footing as compared to the start of the year. The growth momentum is expected to be carried forward during the year 2014. The International Monetary Fund forecasts that world output will grow 3.6% in 2014, compared to 2.9% during 2013. The US economy grew at an annual rate of 2.6% in the last quarter of 2013 with better growth forecast for 2014. The UK economy strengthened steadily with GDP showing 1.9% growth during 2013 and it is expected to maintain the revival momentum through 2014. Eurozone continued to show mixed signs of recovery and growth concerns. However, policy action by specific countries is expected to deliver better performance during 2014. While the global economic recalibration is playing out in a relatively measured way, global business leaders are becoming increasingly confident about the sustained economic and business growth than they were last year. Global corporations' performance and investors' confidence were reflected in the sharp movement of world capital markets during 2013.

1.1 INDUSTRY STRUCTURE AND DEVELOPMENTS

Electronics Division:

With the advent of 2014, market is showing steady signs of a slow revival especially from its largest market, US. The year 2014 has shown some early signs of pick-up in discretionary spends which coupled with strategic initiatives by the companies will improve momentum to 15% plus year-on-year growth in Financial year 2015. The Indian IT is gearing up to meet this demand by strengthening their sales and resources largely in the US market. Healthy pick-up in spending in key markets of North America and scope for accelerated market share gains in Europe can support 15% growth for the Industry. Numerous changes within the global IT Industry has brought into focus areas such as cloud, mobility and analytics to the fore, with Indian IT firms adapting rapidly.

The thin client market size in EMEA was 1.85 million units, and is expected to grow by 4.3% this year, and expected to grow by 7.3% (CAGR) till 2018. The global economy is set to get stronger in 2014, with growth likely to edge up to 3.2 percent this year, up from 2.4 percent in 2013, according a World Bank report. Worldwide IT spending is projected to total $3.8 trillion in 2014, a 3.1 percent increase from 2013 spending of $3.7 trillion, according to the latest forecast by Gartner, Inc. India is growing faster than other emerging countries which can be attributed to an export-oriented focus over the last decade.

Chemical Division:

Dyestuff sector is one of the core chemical industries in India. It is also the second highest export segment in chemical industry. The Indian dyestuff industry is made up of about 1,000 small scale units and 50 large organized units, who produce around 2,00,000 tonnes of dyestuff. Maharashtra and Gujarat account for 90% of dyestuff production in India. At present, India contributes about 6% of the share in the global market in this sector. The dyestuff industry has recently seen movement towards consolidation and as a result, organized players are now poised to take a lead in the global market. Small units (around 1000) that exist today still compete in the segments where price realization is lower and the competition severe. Large and organized players (around 50) are gearing up for global competitiveness leveraging technology, product innovation and brand building. Increased focus is being laid on environmental friendliness and at the same time the industry is ensuring greater customer focus through technical services and marketing capabilities, in order to face global competition.

1.2 OPPORTUNITIES AND THREATS

Electronics Division:

Thin client shipments in Europe, the Middle East, and Africa (EMEA) increased by 2.9% year-on-year in 2013 to 1.85 million units, according to the EMEA Quarterly Enterprise Client Device Tracker published by International Data Corporation (IDC).

After a gloomy start of the year for thin client vendors, the market rebounded in H2 2013, fuelled by renewal of commercial PC infrastructure due to approaching end of support for Microsoft's Windows XP. In the upcoming year, the thin client market will struggle to maintain growth; IDC forecasts that shipments will rise by 4.3% year-on-year in 2014. Over the five-year forecast period ending in 2018, the thin client market will post a compound annual growth rate (CAGR) of 7.2%.

In value terms, the EMEA thin client market increased a healthy 16.8% year-on-year, although volume growth was inhibited by rising ASPs, as end-user demand shifted to more powerful appliances.

In Q4 2013, the EMEA market grew by 3.8% year-on-year in volume to 552,873 units, while value leaped 22.4% to $192.0 million. The Western Europe (WE) market increased in volume by 5.1%, significantly outperforming that in Central and Eastern Europe, the Middle East and Africa (CEMA) which exhibited flat growth. The CEMA market will remain volatile throughout 2014, growing in volume by 5.1% year-on-year, slightly faster than the overall WE market, which will increase by 4.1% year on year.

Across the EMEA region, thin client sales have been cannibalizing terminal client sales, which contracted by 30.9% year-on-year in volume in 2013 and will continue to decline in 2014. Increased security concerns, especially among European firms, have a positive influence on demand for thin clients, which are usually perceived as more secure than traditional PCs. At the same time, a call for mobility and the bring-your-own-device (BYOD) trend are shifting purchasing preferences to notebooks. The recent success of Chrombooks on the U.S. market in the education sector suggests that these inexpensive notebooks may become a strong competitor for thin client shipments in the EMEA region.

Chemical Division:

The year 2013 saw the world economy struggling with slow growth characterized by sluggish demand and uncertainty. The rupee dollar exchange rate volatility compounded the problems in the Export business. In spite of stiff competition from Indian exporters your company has shown reasonable growth. Your company believes in dealing only with quality products and this has helped us in maintaining a good customer base. Our continuous efforts in developing new products will help us in growing our future business. The availability of local raw materials and Dyestuffs will definitely be facing a big challenge.

1.3 SEGMENT-WISE PERFORMANCE

Electronics Division:

The performance of the company was relatively less satisfactory during the year in comparison to last year turnover. The segment result, before adjustment for unallocated expenses (net) and provisions for taxation, marginally decreased to Rs. 797.80 Lacs as compared to Rs.983.05 Lacs in the previous year.

Chemical Division:

The Chinese authorities are coming heavily on the units on pollution issues resulting in shortages and high prices of intermediates. Indian dyestuff industry continues to face supply issues of raw materials from the source of supply. Good relations with vendors and careful selection of product range has enabled us to retain our place in the market.

Inspite of decrease in turnover in comparison to last year's turnover the company has managed to escalate the margin for the period under review. The segment result, before adjustment for unallocated expenses (net) and provisions for taxation, marginally increased to Rs.24.44 Lacs as compared to Rs.17.63 Lacs in the previous year.

1.4 FUTURE OUTLOOK

Electronics Division:

Driven by an improvement in the global economic climate and rise in the technology spend, FY 2013-14 brought optimism for the Indian IT industry. A gradual revival in consumer confidence leading to return of discretionary spending, and increased demand from US and Europe is expected to help drive exports in FY 2014-15. While

US continues to be the largest geographic market for India, accounting for 62% share, it is widely expected that the revival in demand from Europe, will be the highlight of FY 2014-15. The future looks positive as the IT industry is evolving dramatically in terms of scale and complexity. The sector is expected to leverage collaboration, innovation, technology shifts and build a transformational agenda for India. It will create a market not only in India but globally that will serve as technology differentiator for customers shifting from cost to innovation.

IT Exports from India are estimated to have grown by around 13% in dollar terms to around USD 86 billion while the Indian domestic sector is estimated to have grown by 9.7% to approx. USD 32 billion in FY 2013-14. NASSCOM has projected increased growth rate of 13-15% in exports and around 9-12% in domestic sector in FY 2014-15.

"After showing strong double-digit growth for three years, the thin client market may end with flat performance of 1% in its unit shipments in 2013," said Rajani Singh, senior research analyst at IDC's U.S. Quarterly PC Tracker. "Despite existing challenges, we expect strong double-digit year-on-year growth in thin client unit shipments during 2014-2017; as a result, the 2012-2017 Compound annual growth rate (CAGR) will touch roughly 9.3%."

Chemical Division:

Difficulties in obtaining the goods will have to be tackled carefully. New product range in the existing vertical and new areas in specialty chemicals markets will be your company's focus to increase business.

1.5 RISKS AND CONCERNS

Electronics Division:

The Indian ITeS sector needs to make extra endeavor to remain competitive in terms of cost efficiency measures and scalability of various high end services to handle competition. The company`s capability to offer innovative and value added solutions and services by integrating its diverse domain knowledge enables it to move ahead in an environment of increasing competition. Absence of vigilance against competition could result in contraction of revenues from business. The best practices and methodologies built up by the company for development and customization of solutions ensure that projects are completed with speed, optimal resources and meet customer needs. The unrivaled blend of engineering culture and technology skills adopted by the company and its strategic acquisitions and management resources adds to its capability to proffer innovative and value added solutions and services by integrating its diverse domain knowledge experience. The company has derisked its business from competition by virtue of its domain expertise in providing end to end total IT solutions.

During the FY 2013-14, Indian rupee witnessed steep decline against dollar and the key beneficiary was the IT industry which reported improved earning in rupee terms.

Chemical Division:

There is an unprecedented shortage and price hike in various raw materials owing to the strict implementation of stringent environmental norms. Many SME factories have either closed down or are working at 50 % capacity. The currency volatility has also contributed to the imbalance in price. Suppliers are unable to produce dyes within a given time framework. Owing to the high prices and availability issues many overseas buyers have been making purchases as per immediate needs only as against buying for stocks/inventory.

1.6 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company has adequate internal control system including suitable procedures which commensurate with its size and the nature of the business. The Company's appropriate internal control systems for business processes, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations ensure that all assets are protected against losses and unauthorized use. Regular internal audits and checks ensure that responsibilities are executed efficiently.

No significant internal control lapses were identified.

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

1.7 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has achieved a sales turnover of Rs.17720.72 Lacs in the year 2013-14 as compared Rs. 21162.26 Lacs in 2012-2013, depicting a fall in the electronic export business. The Company has earned a profit (before tax and extra ordinary items) of Rs. 286.28 Lac as compared to a profit (before tax and extra ordinary items) of Rs.280.99 Lac in the previous year.

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

HUMAN RESOURCES

All the employee of your Company are covered under Group Insurance scheme, the premium of which is borne by the company. The Company has incentive schemes for its marketing staff which acts as a morale booster and driving force for the employees to perform better. The Company has initiated various HR strategies to attract, motivate, develop and retain staff in order to make it a productive workplace. Employee training and development, Employee Selection and Recruitment, Employee Engagement and rewards, Performance Appraisal and communication are the critical issues HR targets to accomplish.

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

The Company is committed to adopt the best Corporate Governance practices and endeavors 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, rules 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 endeavors 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 number of Non – Executive Directors is not less than 50% of the Board of the Directors.

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

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

Four Board Meetings were held during the financial year 2013-2014 on the following dates**:**

11th May, 2013, 13th August, 2013, 11th November, 2013 and 6th February, 2014

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

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

Name of Director	Category	Relationship Inter-se	No. of Shares held	Attendance		No. of outside directorships and Committee membership / Chairmanship		
				BM	Last AGM*	Public Ltd Company Directorship	Committee membership **	Chairman-ship **
Mr. A. K. Bhuwania	Promoter / Non-Executive Chairman	Father of Ashish Bhuwania and Aditya Bhuwania	571210	2	Yes	2	-	-
Mr. R. K. Saraswat	Independent / Non–Executive Director	--	NIL	4	Yes	3	2	2
Mr. M. K. Arora	Independent / Non-Executive Director	--	NIL	3	No	8	2	0
Mr. Anuj Bhargava	Independent / Non-Executive Director	--	NIL	3	Yes	-	-	-

Name of Director	Category	Relationship Inter-se	No. of Shares held	Attendance		No. of outside directorships and Committee membership / Chairmanship		
				BM	Last AGM*	Public Ltd Company Directorship	Committee membership **	Chairman-ship **
Mr. P. V. Hariharan	Independent/ Non-Executive Director	--	500	4	Yes	1	-	-
Mr. Ashish Bhuwania	Promoter / Executive Director	Son of A. K. Bhuwania and Brother of Aditya Bhuwania	280200	0	No	-	-	-
Mr. Aditya Bhuwania	Promoter / Executive Director	Son of A. K. Bhuwania and Brother of Ashish Bhuwania	260300	4	Yes	1	-	-

NOTE:

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

* Annual General Meeting (AGM) for the Financial Year 2012-13 was held on 6th September, 2013.

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

Board procedure

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

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

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

Appointment and re-appointment of directors

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. R. K. Saraswat, Mr. M. K. Arora and Mr. Anuj Bhargava as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

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

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 tractions.

vii) Qualifications in draft audit report.

e) Reviewing with the management, the quarterly financial statements before submission to the board for approval

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

h) Reviewing the adequacy of internal audit function, if any, including the structure of the

internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.

i) Discussion with internal auditors any significant findings and follow up thereon.

j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

k) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

m) To review the functioning of the Whistle Blower Mechanism,

n) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

o) Carrying out any other function(s) as is mentioned in the terms of reference of the audit committee.

iv. Review of information by Audit Committee:

The audit committee shall mandatorily review the following information:

1) Management discussion and analysis of financial condition and results of operation.

2) Statement of significant related party transaction (as defined by audit committee) submitted by the management.

3) Management letters/letters of internal control weaknesses issued by the statutory auditors.

4) Internal audit reports relating to internal control weaknesses and

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

v. Composition and Attendance at Meeting

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

The chairman of the committee is an independent director.

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

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

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

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

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

The Audit Committee met four times during the year.

NAME	CATEGORY	Audit committee meeting held during 2013-2014			
		11.05.13	**13.08.13**	**11.11.13**	**06.02.14**
Mr. R.K. Saraswat	Chairman	Present	Present	Present	Present
Mr. M.K Arora	Member	Absent	Present	Present	Present
Mr. A.K Bhuwania	Member	Present	Absent	Absent	Present
Mr. P.V. Hariharan*	Member	Present	Present	Present	Present

*Appointed as a member, w.e.f. May 11, 2013.

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

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

II) REMUNERATION COMMITTEE

i) Terms of Reference

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

ii) Composition and Attendance at Meeting

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

Mr. R.K. Saraswat, 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 11th May, 2013
Mr. R.K. Saraswat	Chairman	Independent / Non–Executive Director	Present
Mr. M. K. Arora	Member	Independent / Non-Executive Director	Absent
Mr. A. K. Bhuwania	Member	Non Executive Chairman	Present
Mr. Anuj Bhargava	Member	Independent / Non–Executive Director	Absent

iii) Remuneration Policy

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

A. <u>Non Executive Director's Remuneration</u>

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

have waived their sitting fees received for attending Board Meeting with effect from financial year 2012-13.

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

Name of Director	Category	Sitting Fees(Rs.)
Mr. A. K. Bhuwania	Promoter/Non-Executive Chairman	Nil
Mr. R K Saraswat	Independent/ Non Executive Director	60,000
Mr. M K Arora	Independent/ Non Executive Director	45,000
Mr. Anuj Bhargava	Independent/ Non Executive Director	22,500
Mr. P. V. Hariharan	Independent /Non Executive Director	Nil
Total		**1,27,500**

B. Executive Director's Remuneration

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

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

Name of Director	Category	Remuneration (Rs.)
Mr. Aditya Bhuwania	Promoter / Executive Director	16,50,000
TOTAL		**16,50,000**

1. The Company does not have policy of paying commission on profits to any of the Directors of the Company.
2. Presently, the Company does not have a scheme for grant of stock options either to the whole-time Directors or Employees of the Company.
3. There is no separate provision for payment of severance fees.

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. R. K. Saraswat, Non- Executive and Independent Director is the Chairman of the Shareholders / Investors Grievance Committee.

Mr. Saishwar Dalvi, 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 11th May 2013.

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

IV) SHARE TRANSFER COMMITTEE

i) Terms of reference

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

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

ii) Composition of the committee

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

The Composition of the Share Transfer Committee is as under

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

During the year under review, the Committee met four times on 14.06.2013, 16.07.2013, 26.07.2013, 11.03.2014.

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 2014.

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
2012-13 26th AGM	"Hall of Quest", Nehru Planetarium, Nehru centre Dr. Annie Besant Road, Worli, Mumbai – 400018	6th September, 2013	11.00 A.M.	Nil
2011-12 25th AGM	"Hall of Quest", Nehru Planetarium, Nehru centre Dr. Annie Besant Road, Worli, Mumbai – 400018	23rd August 2012	11.00 A.M.	1
2010-11 24th AGM	"Hall of Harmony", Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	18th August 2011	11.00 A.M.	Nil

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

Sr. No.	Annual General Meetings	Particular of Resolutions
1.	25th Annual General Meeting held on 23rd August, 2012	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 13th May, 2012 on a remuneration of Rs. 1,25,000/- per month (all inclusive). The resolution was passed unanimously.

- During the Financial Year 2013-2014, no resolution (s) were passed through Postal Ballot and no business proposed to be transacted in the ensuing Annual General Meeting requires a special resolution through postal ballot.

5. DISCLOSURES:

- There are no materially significant related party transactions that may have potential

conflict with the interests of the Company at large during the F.Y. 2013-2014. The details of transaction between the Company and the related parties are given for information under point No. 33 of notes to the financial statement in the Annual report.

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

6. MEANS OF COMMUNICATION

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

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

7. GENERAL SHAREHOLDERS INFORMATION:

a. Date and Time of AGM	:	Wednesday, 20th August, 2014 at 11.00 A.M.
b. Venue	:	**"**Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
c. Financial Year	:	1st April 2013 to 31st March 2014
d. FINANCIAL CALENDAR (Provisional) for 1st April, 2014 – 31st March, 2015		
1st Quarterly Result	:	On or before 14th August, 2014.
2nd Quarterly Result	:	On or before 14th November, 2014.
3rd Quarterly Result	:	On or before 14th February, 2015.
Annual Results	:	On or before 30th May, 2015
e. Book Closure dates	:	14th August, 2014 to 20th August, 2014 (both days inclusive)
f. Dividend Payment date	:	Within 30 days from the date of declaration
g. Listing on Stock Exchanges	:	1. The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 023 2.The Calcutta Stock Exchange Limited* (applied for delisting), 7, Lyons Range, Kolkata – 700 001

h. Listing Fees : i. Listing fees of BSE have been paid.
ii. Fees of CSE has not been paid*

i. Stock Code (BSE) : 524580

j. ISIN No. : **INE686C01014** (For dematerialization of shares)

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

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

l. Market Price Data:

The monthly high and low prices of Equity Shares of the Company on The Bombay Stock Exchange Limited (BSE), and BSE Sensex during the year 2013-2014 are as under:

MONTH	RATES (Rs.)		BSE SENSEX (Rs.)	
	HIGH	LOW	HIGH	LOW
APRIL, 13	37.40	25.00	19,622.68	18,144.22
MAY,13	26.00	22.05	20,443.62	19,451.26
JUNE,13	24.80	20.05	19,860.19	18,467.16
JULY,13	21.00	19.30	20,351.06	19,126.82
AUGUST,13	25.00	21.00	19,569.20	17,448.71
SEPTEMBER,13	26.25	25.00	20,739.69	18,166.17
OCTOBER,13	31.50	27.00	21,205.44	19,264.72
NOVEMBER,13	35.45	31.90	21,321.53	20,137.67
DECEMBER,13	33.70	32.10	21,483.74	20,568.70
JANUARY,14	35.30	33.00	21,409.66	20,343.78
FEBRUARY,14	34.50	30.00	21,140.51	19,963.12
MARCH,14	31.50	21.75	22,467.21	20,920.98

m.Distribution of shareholding: as on 31st March, 2014

Distribution range of Shares	No of Shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 500	2237	94.39	2685450	8.94
501 to 1000	63	2.66	484850	1.61
1001 to 2000	23	0.97	350630	1.17
2001 to 3000	10	0.42	254700	0.85
3001 to 4000	7	0.30	266410	0.89
4001 to 5000	3	0.13	144000	0.48
5001 to 10000	9	0.38	632940	2.11
10001 & Above	18	0.75	25204020	83.95
Total	2370	100.00	3,002,300	100.00

n. Categories of Shareholding as on 31st March, 2014

SHAREHOLDING PATTERN		
Category of Shareholders	**No. of shares held**	**%**
Promoters and Promoters Group	2235160	74.45
Mutual Funds and UTI	100	00.01
Bodies Corporate	65183	02.17
Indian Public	576635	19.20
NRI/OCB	125222	04.17
TOTAL	**3002300**	**100.00**

o.	**Registrar and Share Transfer Agents** (Common agency for Demat and Share Transfer)	:	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(E),Mumbai-400 072. Tel: 022-4043 0200, 022-2847 0652 Fax: 022-2847 5207 Email: info@bigshareonline.com
p.	**Dematerialization of Equity shares**	:	94.25% of the paid-up capital of the Company has been dematerialized as on 31st March, 2014. The equity shares of the Company are traded on the BSE in the dematerialized form
q.	**Out-standing GDRs/ADRs/ Warrants or any Convertible Instruments**	:	NIL
r.	**Plant Location**	:	Not applicable as the Company has no Plant.
s.	**Address for correspondence**	:	**With the Company** Priya Limited 4TH Floor, Kimatrai Building, 77/79 Maharshi Karve Marg, Marine Lines (E), Mumbai 400 002 Tel. No. 022 4220 3100 **With the Registrar and Share Transfer Agent:** Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072. Tel : 022-2847 0652/ 4043 0200
u.	**Designated e-mail ID for registering complaints by the investor.**	:	**cs@priyagroup.com**

8. <u>COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:</u>

The extent of compliance with non mandatory requirements are as 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.

(5) Remuneration Committee

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

COMPLIANCE WITH CODE OF CONDUCT

As the Chief Financial Officer of the Company and as required by the clause 49 of Listing Agreement, I hereby certify that all the Board Members and Senior Management personnel have affirmed their compliance with the code of conduct as laid down by the Board for the Financial year ended 31st March 2014.

Place: Mumbai
Date: 16th May, 2014

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, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **M. L. Bhuwania & Co.**
Chartered Accountants

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

Place: Mumbai
Date: 16th May, 2014

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 2014 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: 16th May, 2014

Rakesh Jain
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRIYA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Priya Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
(b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
   e. On the basis of the written representations received from the Directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

J. P. Bairagra
Partner
Membership No.12839

Place: Mumbai
Date: 16th May, 2014

Annexure referred to in paragraph titled as "Report on other Legal and Regulatory Requirements" of Auditor's report to the members of Priya Limited for the year ended 31st March 2014.

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

(i) (a) The company is maintaining the proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.

(c) In our opinion and according to the information and explanation given to us, no substantial part of the fixed assets has been disposed off by the Company during the year.

(ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.

iii. (a) During the year, the Company has not granted any loan, secured or unsecured, to companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause 4 (iii) (a) to (d) of the Order is not applicable to the Company.

(b) During the year, the Company has taken loan from companies 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
1	3,45,25,000	3,95,07,583	3,08,32,583

iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no weakness has been noticed in the internal controls.

v. (a) According to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi. The Company has not accepted any deposits from the public during the year. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.

vii. The Company has an internal audit system which in our opinion is commensurate with the size and nature of its business.

viii. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.

ix. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the yearend 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	2010-11	6,83,140	Commissioner of Income Tax (Appeal)
Bihar Finance Act, 1981	Demand for Sales Tax	2002-03 to 2004-05	2,45,182	Deputy Commissioner of Sales Tax
Kochi Value Added Tax, 2003	Demand for Sales Tax	2006-07	2,728	The Intelligence Officer of Commercial Tax
Central Sales Tax Act, 1956	Demand for Sales Tax	2001-02 to 2006-07	69,03,551	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1954	Demand for Sales Tax	2003-04 to 2007-08	6,44,322	Deputy Commissioner of Commercial Taxes

x. The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses during the year and in the immediately preceding financial year.

xi. As per the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks. The Company has not borrowed from the financial institutions and does not have any borrowings by way of debentures.

xii. Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute application to chit fund and nidhi/mutual benefit fund/ societies. Accordingly, clause 4 (xiii) of the order is not applicable to the Company.

xiv. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion, the Company is not dealing / trading in shares, securities, debentures and other investment. Accordingly, clause 4 (xiv) of the order is not applicable to the Company.

xv. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the order is not applicable to the Company.

xvi. The Company has not taken any term loan during the year. Accordingly, clause 4(xvi) is not applicable to the Company.

xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix. The Company did not have any outstanding debentures during the year.

xx. The Company has not raised any money through a public issue during the year.

xxi. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2014.

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

J. P. Bairagra
Partner
Membership No.12839

Place: Mumbai
Date: 16th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	March 31, 2014 Rs.	March 31, 2013 Rs.
I Equity and liabilities			
(1) Shareholder's funds			
(a) Share capital	1	30,023,000	30,023,000
(b) Reserve & surplus	2	292,965,708	279,339,222
(2) Non- current liabilities			
(a) Long - term borrowings	3	3,240,131	551,650
(b) Other long - term liabilities	4	785,960	-
(c) Long - term provisions	5	7,025,088	7,214,512
(3) Current liabilities			
(a) Short-term borrowings	6	239,717,454	196,314,857
(b) Trade payables	7	323,402,547	359,075,273
(c) Other current liabilities	8	8,735,641	11,846,127
(d) Short - term provisions	9	4,279,877	4,996,880
TOTAL		**910,175,406**	**889,361,521**
II Assets			
(1) Non - current assets			
(a) Fixed assets			
(i) Tangible assets	10	30,777,872	24,124,382
(ii) Intangible Assets	10	168,141	-
(b) Non - current investment	11	36,049,450	36,049,450
(c) Deferred tax assets	12	6,552,105	6,504,733
(d) Long - term loans and advances	13	11,736,402	75,197,983
(2) Current assets			
(a) Inventories	14	16,937,979	11,064,663
(b) Trade receivables	15	731,699,094	680,011,654
(c) Cash & bank balances	16	32,051,923	45,446,113
(d) Short- term loans and advances	17	42,365,217	9,746,758
(e) Other current assets	18	1,837,223	1,215,785
TOTAL		**910,175,406**	**889,361,521**
Contingent Liabilities and Commitments	19		
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS	1 to 41		

The notes referred above form an integral part of the Balance Sheet

As per our report attached of even date

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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO.12839

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R.K.SARASWAT
DIRECTOR

PLACE : MUMBAI
DATED : 16th May, 2014

SAISHWAR DALVI
COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	2013-14 Rs.	2012-13 Rs.
Revenue from operations	20	1,772,072,527	2,116,226,363
Other income	21	23,443,379	16,108,537
Total Revenue		**1,795,515,906**	**2,132,334,900**
Expenses			
Purchases of stock - in - trade	22	1,667,775,454	1,960,496,136
Changes in inventories of stock-in-trade	23	(5,873,317)	14,347,616
Employee benefit expenses	24	21,850,757	26,578,577
Finance costs	25	23,762,249	34,828,135
Depreciation & amortization expense	10	3,439,748	2,798,733
Other expenses	26	55,932,765	65,186,525
Total Expenses		**1,766,887,656**	**2,104,235,722**
Profit before exceptional and extraordinary items & tax		**28,628,250**	**28,099,178**
Exceptional items		-	-
Profit before extraordinary items and tax		28,628,250	28,099,178
Extraordinary items		-	-
Profit before tax		28,628,250	28,099,178
Less: Tax expense			
(1) Current tax			
of Current years		9,573,000	9,890,000
of Earlier years		1,963,595	20,171
(2) Deferred tax		(47,371)	(3,077,297)
Profit for the period		**17,139,026**	**21,266,304**
Basic & Diluted Earning Per Share	27	**5.71**	7.08
Face Value Per Equity Share		**10.00**	10.00
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS	1 to 41		

The notes referred above form an integral part of the Balance Sheet

As per our report attached of even date

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

FOR AND ON BEHALF OF THE BOARD

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO.12839

ADITYA BHUWANIA
EXECUTIVE DIRECTOR

R.K.SARASWAT
DIRECTOR

PLACE : MUMBAI
DATED : 16th May, 2014

SAISHWAR DALVI
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

			2013-14 Rs.		2012-13 Rs.
A)	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax & Extraordinary Items		28,628,250		28,099,178
	Adjustment for :				
	Depreciation	3,439,748		2,798,733	
	Bad Debts Written Off (Net)	11,805		39,250	
	Interest income	(1,960,033)		(2,108,736)	
	Interest expenses	21,830,375		32,245,298	
	Allowance for Bad and doubtful debts	-		5,817,624	
	(Profit)/Loss on Sale of Assets (Net)	(59,955)		110,217	
	Sundry balance written off (Net)	(1,042,267)		3,692	
	Exchange Rate Fluctuation (Net)	(2,532,996)		970,460	
	Loss on Obsolescence of Fixed Assets	-	19,686,677	331,055	40,207,593
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		48,314,927		68,306,771
	ADJUSTMENTS FOR WORKING CAPITAL CHANGES :				
	Inventories	(5,873,316)		14,347,618	
	Trade receivables	(45,416,290)		(85,405,279)	
	Short- term Loans and Advances	(30,884,505)		11,234,575	
	Long - term Loans and Advances	63,591,783		(62,390,791)	
	Other Current Assets	(511,327)		1,553,740	
	Trade Payable	(38,485,064)		140,957,186	
	Short - term Provision	390,839		(58,930)	
	Long - term Provision	(189,424)		2,745,523	
	Other Current Liabilities	(5,682,121)		3,245,689	
	Other Long - term Current Liabilities	785,960	(62,273,465)	(4,639,659)	21,589,672
	Cash Generated from Operations		13,958,538)		89,896,443
	Direct Taxes Refund (Net) Including F B T		(12,929,794)		(5,938,897)
	NET CASH FROM OPERATING ACTIVITIES		(26,888,332)		83,957,546
B)	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(10,265,768)		(3,458,013)	
	Sale of Fixed Assets	64,344		307,433	
	Interest Received	1,954,569	(8,246,855)	2,145,706	(1,004,874)
	NET CASH USED IN INVESTING ACTIVITY		(8,246,855)		(1,004,874)
C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of Borrowings	(2,694,697)		(35,106,072)	
	Proceeds from Borrowings	50,776,872		3,519,079	
	Interest Paid	(21,699,318)		(32,197,613)	
	Dividend Paid (Including Dividend Tax)	(3,385,693)	22,997,164	(3,369,754)	(67,154,360)
	NET CASH USED IN FINANCING ACTIVITY		22,997,164		(67,154,360)
	NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)		**(12,138,024)**		**15,798,312**
	OPENING BALANCE OF CASH & CASH EQUIVALENTS		23,204,099		7,405,787
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS		11,066,075		23,204,099
			(12,138,024)		**15,798,312**

Notes

1 CASH AND CASH EQUIVALENTS INCLUDES (Refer Note No. 16) :

Cash in hand	57,211	107,994
BALANCE WITH SCHEDULED BANKS		
In current account	11,008,864	23,096,105
	11,066,075	23,204,099

2 Interest Received excludes interest received on account of Income tax refund of Rs. Nil (Previous Year Rs. 686,145/-) and on account from parties Rs. 68,180/- (Previous Year Rs. Nil), which has been considered from operational activities of the company.

3 Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our report attached of even date

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

J. P. BAIRAGRA
PARTNER
MEMBERSHIP NO.12839

PLACE : MUMBAI
DATED : 16th May, 2014

FOR AND ON BEHALF OF THE BOARD

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

SAISHWAR DALVI
COMPANY SECRETARY

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1 SHARE CAPITAL

Particulars	As at March 31, 2014	As at March 31, 2013
Authorized Shares		
6,500,000 Equity shares, Rs. 10 /-par value		
(Previous Year : 6,500,000 Equity shares, Rs. 10 /- par value)	65,000,000	65,000,000
1,000,000 Unclassified Shares Of Rs. 10/- par value	10,000,000	10,000,000
(Previous Year : 1,000,000 Unclassified shares, Rs. 10 /- par value)		
	75,000,000	75,000,000
Issued, Subscribed and Fully Paid Up Shares		
3,002,300 Equity shares, Rs. 10 /- par value	30,023,000	30,023,000
(Previous Year : 3,002,300 Equity shares, Rs. 10 /-par value)		
Total Issued, Subscribed and Fully Paid Up Share Capital	**30,023,000**	30,023,000

Note No. 1.1 The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2014 :

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning	3,002,300	30,023,000	3,002,300	30,023,000
Add: Shares issued during the year	-	-	-	-
Less : Shares Bought back (if any)	-	-	-	-
Number of shares at the end	**3,002,300**	**30,023,000**	3,002,300	30,023,000

Note No. 1.2 Terms/rights attached to Equity Shares

(A) The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholders	No. of shares held	% held as at March 31, 2014	No. of shares held	% held as at March 31, 2013
Arun Kumar Bhuwania	571,210	19.03	571,210	19.03
Saroj Bhuwania	541,750	18.04	541,750	18.04
Ashish Bhuwania	280,200	9.33	210,200	7.00
Priya International Limited	275,800	9.19	275,800	9.19
Aditya Bhuwania	260,300	8.67	260,300	8.67
Shruti Bhuwania	167,600	5.58	167,600	5.58

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

2 RESERVE & SURPLUS

Particulars		As at March 31, 2014		As at March 31, 2013
Securities Premium Reserve				
(As per last year balance sheet)		40,092,000		40,092,000
General Reserve				
(As per last year balance sheet)		157,023,002		157,023,002
Surplus - Opening balance	82,224,220		64,470,457	
Add: Net profit after tax transferred from				
statement of profit & loss	17,139,026		21,266,304	
Amount available for appropriation	99,363,246		85,736,761	
Less : Appropriations				
Proposed Dividend	3,002,300		3,002,300	
Dividend Tax	510,241		510,241	
Surplus Closing Balance		95,850,706		82,224,220
Total of Reserve & Surplus		**292,965,708**		279,339,222

3 LONG TERM BORROWINGS

Particulars	As at March 31, 2014	As at March 31, 2013
Secured Loans		
Term Loan from bank		
Vehicle Loan (Refer Note No. 3.1)	968,220	551,650
Term Loan from others		
Loans from Finance Companies (Refer Note No. 3.1)	2,271,911	-
	3,240,131	551,650

Note No. 3.1

1. Secured by hypothecation of Vehicle.
2. The above vehicle Loan was originally payable in 36 Installments and no default in repayment of Principal & Interest has been made by company as on Balance Sheet date. The rate of interest ranges between 1.99 % to 10.51 %.

4 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2014	As at March 31, 2013
Others		
Securities Deposits	785,960	-
	785,960	-

Note No. 4.1

Other Long Term Liabilites due by directors or other officers, etc.

Rental Deposits - Company in which directors are interested	350,000	-
	350,000	**-**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

5 LONG TERM PROVISIONS

Particulars	As at March 31, 2014	As at March 31, 2013
Provisions for Employee Benefits		
Leave Encashment (Refer Note No. 32)	1,158,304	1,839,392
Gratuity (Refer Note No. 32)	5,546,852	5,033,367
Others		
Warranty (Refer Note No. 35)	319,932	341,753
	7,025,088	7,214,512

6 SHORT TERM BORROWINGS

Particulars	As at March 31, 2014	As at March 31, 2013
Secured Loans		
Other Loans and Advances		
From Banks		
Working Capital Facilities From Company's Bankers (Refer Note No. 6.1)	208,884,871	164,212,577
Unsecured Loans		
Loans and Advance from Related Parties		
Inter Corporate Deposits	30,832,583	29,407,583
Other Loans and Advances		
Loans from Finance Companies	-	2,694,697
	239,717,454	196,314,857

Note No. 6.1

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

7 TRADE PAYABLES

Particulars	As at March 31, 2014	As at March 31, 2013
Sundry Creditors For Goods (Refer Note No. 7.1)	317,431,046	353,387,953
Sundry Creditors For Expenses (Refer Note No. 7.1)	5,971,501	5,687,320
	323,402,547	359,075,273

Note No. 7.1

The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given. The same has been relied upon by the Auditors.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

8 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2014	As at March 31, 2013
Current Maturities of Long Term Debt (Refer Note No. 3.1)	2,263,829	272,732
Interest Accrued but not due on borrowings	2,596,406	2,142,716
Income received in Advance	-	680,000
Unpaid Dividends	373,326	246,478
Other Liabilities		
Bank Overdraft	602,068	428,407
Securities Deposits	-	4,639,659
Advances From Customers	45,126	699,704
Employee Benefits Payable	1,356,117	1,662,545
Statutory Dues Payable	1,498,769	1,073,886
	8,735,641	11,846,127

9 SHORT TERM PROVISIONS

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits		
Leave Encashment (Refer Note No. 32)	400,772	78,830
Gratuity (Refer Note No. 32)	259,920	237,358
Others		
Provision For Income Tax	-	1,107,842
{Net of Advance Tax Rs.Nil (Previous Year Rs. 8,782,158/-)}		
Proposed Dividends (Refer Note No. 9.1)	3,002,300	3,002,300
Corporate Dividend Tax (Refer Note No. 9.1)	510,241	510,241
Warranty (Refer Note No. 35)	106,644	60,309
	4,279,877	4,996,880

Note No. 9.1

The amount of per share dividend of Re. 1.00 (Previous year Re. 1.00) has been proposed to be distributed to equity shareholders for the year ended 31/03/2014. The total amount of dividend shall be Rs. 3,512,541/- (Including Dividend Distribution Tax Rs. 510,241/-). (Previous year Re. 3,512,541/- (Including Dividend Distribution Tax Rs. 510,241/-)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

10 FIXED ASSETS

SR.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	DESCRIPTION	OP. BAL.			CL. BAL.	OP.BAL.			CL. BAL.	AT YR. END	
		AS AT 01/04/2013	ADDITIONS	DEDUCTIONS	AS AT 31/03/2014	AS AT 01/04/2013	FOR THE YEAR	DEDUCTIONS	AS AT 31/03/2014	AS AT 31/03/2014	AS AT 31/03/2013
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	TANGIBLE ASSETS										
1	OFFICE PREMISES	36,922,605	-	-	36,922,605	16,590,437	1,016,610	-	17,607,047	19,315,558	20,332,167
2	LABORATORY EQUIPMENT	22,566	-	-	22,566	20,111	341	-	20,452	2,114	2,455
3	OFFICE & OTHER EQUIPMENT	1,243,299	463,755	66,257	1,640,797	748,270	141,851	65,062	825,059	815,738	495,029
4	FURNITURE & FIXTURE	1,647,546	931,418	12,000	2,566,964	1,309,840	129,195	11,246	1,427,789	1,139,175	337,706
5	COMPUTER	6,975,852	1,187,398	12,400	8,150,850	5,601,777	771,344	9,960	6,363,161	1,787,689	1,374,074
6	VEHICLES	2,171,856	7,474,470	-	9,646,326	588,905	1,339,823	-	1,928,728	7,717,598	1,582,951
	TOTAL TANGIBLE ASSETS	**48,983,724**	**10,057,041**	**90,657**	**58,950,108**	**24,859,341**	**3,399,163**	**86,268**	**28,172,236**	**30,777,872**	**24,124,383**
	PREVIOUS YEAR	**51,262,627**	**3,458,014**	**5,736,917**	**48,983,724**	**27,048,820**	**2,798,734**	**4,988,212**	**24,859,341**	**24,124,383**	
	INTANGIBLE ASSETS										
1	SOFTWARE	-	208,727	-	208,727	-	40,586	-	40,586	168,141	-
	TOTAL INTANGIBLE ASSETS	**-**	**208,727**	**-**	**208,727**	**-**	**40,586**	**-**	**40,586**	**168,141**	**-**
	PREVIOUS YEAR	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	

11 NON CURRENT INVESTMENT

Particulars			As at March 31, 2014		As at March 31, 2013
NON TRADE INVESTMENTS	**Face Value**	**Qty**	**Amount (Rs.)**	**Qty**	**Amount (Rs.)**
Quoted					
In Equity Instruments					
VXL Instrument Ltd.	10	900,000	35,100,000	900,000	35,100,000
Cerebra Integrated Tech. Ltd.	10	40,450	849,450	40,450	849,450
Total Value of Quoted Investments			**35,949,450**		35,949,450
Unquoted					
In Equity Instruments					
Gaurav Electrochem Private Ltd.	100	500	100,000	500	100,000
Total Value of Unquoted Investments			**100,000**		100,000
Total of Long Term Investments			36,049,450		36,049,450
Less : Provision for Diminution in the value of Investment			-		-
Net Value of Investment			**36,049,450**		36,049,450

Note No. 11.1

Aggregate market value of Quoted Investments Rs. 11,234,431/- (Previous year Rs. 12,738,043/-)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

12 DEFERRED TAX ASSETS

Particulars	As at March 31, 2014	As at March 31, 2013
on account of Expenses allowable under income tax on payment basis	2,714,325	2,645,322
on account of Provision for doubtful debts / advances	2,792,414	2,792,414
on account of Provision for warranty	138,403	130,449
on account of difference in depreciation as per books and income tax	906,963	936,548
	6,552,105	6,504,733

13 LONG TERM LOANS & ADVANCES

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured, Considered Good, unless specified otherwise)		
Capital Advances	-	60,000,000
Deposits (Refer Note No. 13.1)	9,611,840	13,065,756
Other Loans and Advances		
Advance Recoverable in Cash or Kind or for Value to be Received	77,424	-
Advances to Staff	874,536	1,089,827
Advance Income Tax And Tax Deducted At Source {Net of Provision for Tax Rs. 9,620,000/- (Previous year Rs. Nil)}	1,172,602	1,042,400
	11,736,402	75,197,983

Note No. 13.1

	March 31, 2014	March 31, 2013
Loan and Advances due by directors or other officers, etc.		
Deposits- Rental		
Company in which directors are interested	6,100,000	4,000,000
	6,100,000	4,000,000

14 INVENTORIES

Particulars	As at March 31, 2014	As at March 31, 2013
Stock - In - Trade		
Electronics	16,192,979	11,064,663
Chemicals	745,000	-
	16,937,979	11,064,663

15 TRADE RECEIVABLES

Particulars		As at March 31, 2014		As at March 31, 2013
(Unsecured, Considered Good, unless specified otherwise)				
Outstanding for more than six months from the date they are due for payment				
Considered Doubtful	5,029,023		5,029,023	
Less : Allowance for bad and doubtful debts	5,029,023		5,029,023	
	-		-	
Considered Good	45,507	45,507	6,337	6,337
Others Debts		731,653,587		680,005,317
		731,699,094		680,011,654

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

16 CASH & BANK BALANCES

Particulars		As at March 31, 2014		As at March 31, 2013
Cash & cash equivalents				
Cash on Hand	57,211		107,994	
Balances With Banks				
In Current Account	11,008,864	11,066,075	23,096,105	23,204,099
Other bank balances				
In Unpaid Dividend Account		373,326		246,478
In Margin money deposits (Refer Note No. 16.1)		20,612,522		21,995,536
		32,051,923		45,446,113

Note No. 16.1

Margin money deposits amounting to Rs. 20,612,522/- (Previous year Rs. 21,995,536/-) are lying with bank against Bank Guarantees and Letter of Credit.

17 SHORT TERM LOANS & ADVANCES

Particulars		As at March 31, 2014		As at March 31, 2013
(Unsecured, Considered Good, unless specified otherwise)				
Deposits (Refer Note No. 17.1)		35,379,324		8,587
Other Loans and Advances				
Advance Recoverable in Cash or Kind or for Value to be Received				
Considered Good	3,717,341		5,470,525	
Considered Doubtful	80,000		80,000	
	3,797,341		5,550,525	
Less : Allowance for bad and doubtful advances	80,000	3,717,341	80,000	5,470,525
Advance Tax & Tax Deducted at Source {Net of Provision for Tax Rs. 11,170,444/- (Previous year Rs. Nil)}		2,696,444		2,218,656
Advance to supplier				
Considered Good	53,214		1,474,803	
Considered Doubtful	3,153,538		3,153,538	
	3,206,752		4,628,341	
Less : Allowance for bad and doubtful advances	3,153,538	53,214	3,153,538	1,474,803
Advances to Staff		518,894		574,187
		42,365,217		9,746,758

Note No. 17.1

During the year the company deposited an amount of Rs. 3 crores, as abundant caution, with the Department of Revenue Intelligence (DRI) against an enquiry initiated by them. No show cause notice or demand letter has been received from the authorities after the deposit and hence this deposit is shown under the head " Short Term Loans and Advances" .

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

18 OTHER CURRENT ASSETS

Particulars		As at March 31, 2014		As at March 31, 2013
Export Incentive Receivable		386,007		166,433
Service Tax Receivable		16,799		-
Vat Refund Receivable		1,196,333		43,632
Incentive/ Claim Receivable				
Considered Good	-		-	
Considered Doubtful	344,047		344,047	
	344,047		344,047	
Less : Allowance for Bad and doubtful assets	344,047	-	344,047	-
Interest Receivable on deposits		238,084		232,620
Other Assets		-		773,100
		1,837,223		1,215,785

19 CONTINGENT LIABILITIES & COMMITMENTS

a) CONTINGENT LIABILITIES

Particulars	As at March 31, 2014	As at March 31, 2013
1) Disputed Rent Liability	12,395,923	12,501,835
2) Disputed Income Tax Liability	3,194,760	3,935,784
3) Disputed Sales Tax Liability	8,190,115	8,190,115
	23,780,798	24,627,734

b) COMMITMENTS

Particulars	As at March 31, 2014	As at March 31, 2013
Estimated Amounts of Contract remaining to be executed on Capital account and not provided for	-	50,000,000
	-	50,000,000

20 REVENUE FROM OPERATIONS

Particulars	2013-2014	2012-2013
Sale of Products (Refer Note No. 20.1)	1,763,542,266	2,111,730,474
Sale of Services (Refer Note No. 20.2)	7,976,560	4,173,478
Other Operating Revenue		
Export Incentives	553,701	322,411
	1,772,072,527	2,116,226,363

Note No. 20.1 Sale of Products

Particulars	2013-2014	2012-2013
Thin Client Itona	1,596,334,189	1,559,129,369
Monitors	10,253,869	24,418,590
Laptop	6,953,092	6,477,996
Software	104,012,930	453,923,723
Chemical	26,639,904	15,867,580
Others Products	19,348,282	51,913,216
	1,763,542,266	2,111,730,474

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Note No. 20.2 Sale of Services

Particulars	2013-2014	2012-2013
AMC & Installation Charges	7,976,560	4,173,478
	7,976,560	4,173,478

21 OTHER INCOME

Particulars	2013-2014	2012-2013
Interest Income (Refer note No. 21.1)	2,028,213	2,794,881
Rent Income	5,179,925	8,793,000
Foreign Exchange Gain	15,049,709	4,041,197
Profit on Sale of Fixed Assets (Net)	59,955	-
Miscellaneous	83,310	479,459
Sundry Balance Written Back (Net)	1,042,267	-
	23,443,379	16,108,537

Note No. 21.1

Break-up of Interest income	2013-2014	2012-2013
Interest income on Fixed Deposits with Banks	1,858,726	2,005,283
Interest income on Staff Loans	101,307	103,453
Interest income on Income Tax refund	-	686,145
Interest income from parties	68,180	-
	2,028,213	2,794,881

22 PURCHASES OF STOCK IN TRADE

Particulars	2013-2014	2012-2013
Traded Items		
Traded Goods (Refer Note No. 22.1)*	1,667,775,454	1,960,496,136
	1,667,775,454	1,960,496,136

Note No. 22.1 Traded Goods

Particulars	2013-2014	2012-2013
Thin Client Itona	1,479,298,177	1,428,249,701
Monitors	9,848,227	15,296,289
Laptop	6,630,572	4,963,657
Software	96,679,695	423,839,178
Chemical	24,117,450	13,011,955
Others Products	25,571,287	45,682,620
	1,642,145,408	1,931,043,400

* Includes expenses like customs duty, freight etc. amounting to Rs. 25,630,046/- (Previous year Rs. 29,452,736/-)

23 CHANGES IN INVENTORIES

Particulars	2013-2014	2012-2013
Stock In Trade - Electronics		
Opening Stock of Traded Goods	11,064,662	25,412,279
Closing Stock of Traded Goods	16,192,979	11,064,663
Change in Stock of Traded Goods - Electronics	**(5,128,317)**	14,347,616
Stock In Trade - Chemicals		
Opening Stock of Traded Goods	-	-
Closing Stock of Traded Goods	745,000	-
Change in Stock of Traded Goods - Chemicals	**(745,000)**	-
	(5,873,317)	14,347,616

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

24 EMPLOYEE BENEFIT EXPENSES

Particulars	2013-2014	2012-2013
Salaries, Wages and Bonus	19,326,620	24,032,594
Contribution to Provident and other fund	1,372,372	1,403,126
Staff Welfare Expenses	1,151,765	1,142,857
	21,850,757	26,578,577

25 FINANCE COST

Particulars	2013-2014	2012-2013
Interest Expenses (Refer Note No. 25.1)	21,830,375	32,245,298
Other Borrowing Cost		
Other Financial Charges	1,931,874	2,582,837
	23,762,249	34,828,135

Note No. 25.1

Break-up of Interest expenses		
Interest expenses on Fixed Loans	266,296	21,056
Interest expenses to Bank	18,368,134	29,894,137
Interest expenses on Income Tax Payment	322,633	534
Interest expenses on Inter Corporate Deposits	2,873,312	2,329,571
	21,830,375	32,245,298

26 OTHER EXPENSES

Particulars		2013-2014		2012-2013
Rent		8,157,288		8,219,783
Warehousing/ Demurrages Charges		287,043		120,000
Insurance and ECGC Premium		4,881,348		6,903,055
Rates and Taxes		1,317,109		1,375,001
Payment to Statutory Auditors (Refer Note No. 26.1)		1,416,238		962,362
Legal & Professional Fees		2,449,672		4,695,995
Advertisement, Publicity & Sales Promotion		1,981,927		2,018,929
Commission & Brokerage		808,615		2,256,526
Directors Fees		127,500		150,000
Repairs & Maintenance				
Building	533,609		379,572	
Others	1,800,747	2,334,356	732,650	1,112,222
Freight & Forwarding cost		2,148,235		2,280,333
Travelling & Conveyance		5,774,290		5,906,382
Electricity Charges		1,284,008		1,138,861
Bank Charges		10,810,584		12,486,580
Incentives and Discount on Sales		-		36,149
Bad Debts		11,805		39,250
Allowance for Bad and doubtful debts		-		2,663,151
Allowance for Bad and doubtful advances		-		3,154,473
Obsolescence of Fixed Assets		-		331,055
Loss on Sale of Fixed Assets (Net)		-		110,217
Miscellaneous Expenses		12,142,747		9,226,201
		55,932,765		65,186,525

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Note No. 26.1

Payment to Statutory Auditors

Particulars	2013-2014		2012-2013	
As auditor :				
Audit Fee	390,000		390,000	
Tax Audit Fee	130,000		130,000	
Limited review	105,000		66,000	
Vat Audit Fee	50,000		50,000	
Service Tax	83,430	758,430	78,609	714,609
In other capacity :				
Taxation Matters	250,000		190,000	
Company Law Matter	20,000		20,000	
Other Services	315,500		10,500	
Service Tax	72,308	657,808	27,253	247,753
		1,416,238		962,362

27 EARNING PER SHARE

Particulars	2013-2014	2012-2013
(A) Profit attributable to Equity Shareholders (Rs.)	17,139,026	21,266,304
(B) No. of Equity Share outstanding during the year.	3,002,300	3,002,300
(C) Face Value of each Equity Share (Rs.)	10	10
(D) Basic & Diluted earning per Share (Rs.)	5.71	7.08

INFORMATION TO PARA VIII OF PART II OF REVISED SCHEDULE VI OF COMPANIES ACT,1956.

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

	2013-14	2012-13
Traded Goods	728,537,411	1,055,068,312
	728,537,411	**1,055,068,312**

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

PARTICULARS	2013-14	2012-13
Total No. of Non Resident Shareholders	1	1
Total No. of Shares held by Non Resident Shareholders	125,000	125,000
Dividend Paid	125,000	125,000
Year in respect of Dividend paid	2012-13	2011-12
Nature of Dividend	Annual	Annual

30 EXPENDITURE IN FOREIGN CURRENCY

	2013-14	2012-13
Commission on Exports	174,760	256,401
Remuneration to Executive Director	-	1,500,000
Travelling Expenses	617,336	56,424
Sales Promotion Expenses	586,644	4,923
Membership & Subscription	-	2,195
	1,378,740	**1,819,943**

31 EARNINGS IN FOREIGN CURRENCY

	2013-14	2012-13
Export [On FOB Basis]	915,333,702	1,272,498,350
Insurance	800,306	1,151,560
Freight	34,687,865	38,687,451
	950,821,873	**1,312,337,361**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

32 Employee Benefits :

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

A. Defined Contribution Plan

Particulars	2013-14	2012-13
Provident Fund	1,114,388	1,231,787

B. Defined Benefit Plans

	Particulars	2013-14 Gratuity	2012-13 Gratuity	2013-14 Leave Encashment	2012-13 Leave Encashment
(i)	Assumptions				
	Mortality	IALM(2006-08)Ult	LIC (1994-96) Ult	IALM(2006-08)Ult	LIC (1994-96) Ult
	Discount Rate	9.16%	8.00%	9.16%	8.00%
	Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%
	Rate of return (expected) on plan assets				
	Withdrawal rates	Up to Age 30 : 10%	Up to Age 30 : 10%	Up to Age 30 : 10%	Up to Age 30 : 10%
		31 to 40 : 5%	31 to 40 : 5%	31 to 40 : 5%	31 to 40 : 5%
		41 and above : 2%	41 and above : 2%	41 and above : 2%	41 and above : 2%
(ii)	Changes in present value of obligations				
	PVO at beginning of period	5,270,725	3,317,975	1,918,222	1,199,950
	Interest cost	421,658	238,312	151,021	90,734
	Current Service Cost	418,571	472,335	286,980	288,840
	Liability Transferred In / (out) - Net	-	115,918	-	620,216
	Benefits Paid	-	(893,497)	(60,908)	(213,541)
	Actuarial (gain) / loss on obligation	(304,182)	2,019,682	(736,239)	(67,977)
	PVO at end of period	5,806,772	5,270,725	1,559,076	1,918,222
(iii)	Changes in fair value of Plan Assets				
	Fair Value of Plan assets at beginning of period	-	-	-	-
	Expected Return on Plan Assets	-	-	-	-
	Contributions	-	893,497	60,908	213,541
	Benefit Paid	-	(893,497)	(60,908)	(213,541)
	Actuarial gain / (loss) on plan assets	-	-	-	-
	Fair Value of Plan assets at end of period	-	-	-	-
(iv)	Fair value of Plan Assets				
	Fair Value of Plan assets at beginning of period	-	-	-	-
	Actual Return on Plan Assets	-	-	-	-
	Contributions	-	893,497	60,908	213,541
	Benefit Paid	-	(893,497)	(60,908)	(213,541)
	Fair Value of Plan assets at end of period	-	-	-	-
	Funded Status	(5,806,772)	(5,270,725)	(1,559,076)	(1,918,222)
	Excess of actual over estimated return on Plan Assets	-	-	-	-
(v)	Actuarial Gain / (Loss) Recognized				
	Actuarial Gain / (Loss) for the period (Obligation)	304,182	(2,019,682)	736,239	67,977
	Actuarial Gain / (Loss) for the period (Plan Assets)	-	-	-	-
	Total Gain / (Loss) for the period	304,182	(2,019,682)	736,239	67,977
	Actuarial Gain / (Loss) recognized for the period	304,182	(2,019,682)	736,239	67,977
	Unrecognized Actuarial Gain / (Loss) at end of period	-	-	-	-
(vi)	Amounts to be recognized in the Balance Sheet and statement of Profit & Loss				
	PVO at end of period	5,806,772	5,270,725	1,559,076	1,918,222

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

	Particulars	2013-14 Gratuity	2012-13 Gratuity	2013-14 Leave Encashment	2012-13 Leave Encashment
	Fair Value of Plan assets at end of period	-	-	-	-
	Funded Status	(5,806,772)	(5,270,725)	(1,559,076)	(1,918,222)
	Unrecognized Actuarial Gain / (Loss)	-	-	-	-
	Net Asset / (Liability) recognized in the Balance Sheet	(5,806,772)	(5,270,725)	(1,559,076)	(1,918,222)
(vii)	Expenses recognized the the statement of Profit & Loss				
	Current Service Cost	418,571	472,335	286,980	288,840
	Interest Cost	421,658	238,312	151,021	90,734
	Expected Return on Plan Assets	-	-	-	-
	Net Actuarial (Gain) / Loss recognized for the period	(304,182)	2,019,682	(736,239)	(67,977)
	Expense recognized in the statement of Profit & Loss	536,047	2,730,329	(298,238)	311,597
(viii)	Movements in the Liability recognized in Balance Sheet				
	Opening Net Liability	5,270,725	3,317,975	1,918,222	1,199,950
	Expenses as above	536,047	2,730,329	(298,238)	311,597
	Contribution paid	-	(893,497)	(60,908)	(213,541)
	Liability Transferred In / (out) - Net	-	115,918	-	620,216
	Closing Net Liability	5,806,772	5,270,725	1,559,076	1,918,222
(ix)	Experience Analysis - Liabilities				
	Actuarial (Gain)/Loss due to change in bases	(444,154)	106,698	(119,233)	34,546
	Experience (Gain) / Loss due to Change in Experience	139,972	1,912,984	(617,006)	(102,523)
	Total	(304,182)	2,019,682	(736,239)	(67,977)
	Experience Analysis - Plan Assets	-	-	-	-
	Experience (Gain) / Loss due to Change in Plan Assets				
(ix)	Schedule VI Details				
	Current Liability	259,920	237,358	400,772	78,830
	Non- Current Liability	5,546,852	5,033,367	1,158,304	1,839,392

33 Related Party Disclosers :

A. Names of related parties and description of relationship:

Name of Party	Nature of Relationship
Mr. A. K. Bhuwania	Key Management Personnel
Mr. Ashish Bhuwania	Key Management Personnel
Mr. Aditya Bhuwania	Key Management Personnel
Priya International Ltd.	Entities where individual having control/significant influence or key management personnel or their relatives are able to exercise significant influence
Verixo Technologies Pvt . Ltd .	
Gaurav Electrochem Pvt. Ltd.	
Halifax Properties Investment Pvt. Ltd.	
Chesire Properties Investment Pvt. Ltd.	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

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

Name of Related Parties	Nature of Transaction during the year	2013-2014	2012-2013
Priya International Ltd	Reimbursement of Services/ Expenses incurred by Priya Ltd.	13,238,402	7,622,782
	Reimbursement of Services/ Expenses incurred on behalf of Priya Ltd.	13,230	65,474
Verixo Technologies Pvt. Ltd.	Sale of Electronics	3,426,597	-
	Purchase of Software	8,916,778	-
	Rent Income	3,150,000	-
Gaurav Electrochem Pvt .Ltd .	Warehouse Charges	78,000	120,000
Halifax Properties Investments Pvt. Ltd.	Rent Charges	382,500	-
Mr. Ashish Bhuwania	Directors Remuneration	-	1,500,000
Mr. Aditya Bhuwania	Directors Remuneration	1,800,000	1,650,000
Mrs. Saroj Bhuwania	Salary paid during the Year	-	16,000
Priya International Ltd	Interest Paid	2,873,312	2,329,571
Mr. A. K. Bhuwania	Interest Paid	-	19,779
Mr. Ashish Bhuwania	Interest Paid	-	597
Mr. Aditya Bhuwania	Interest Paid	-	4,052
Brent Properties Investments Pvt. Ltd.	Deposit given back	-	4,390,000
Cheshire Properties Investments Pvt .Ltd.	Deposit given back	-	4,690,000
Mr. A. K. Bhuwania	Loan Taken During the year	-	1,438,978
Mr. Ashish Bhuwania	Loan Taken During the year	-	9,225
Mr. Aditya Bhuwania	Loan Taken During the year	-	4,846
Priya International Ltd	Loan Taken During the year	34,525,000	62,822,070
Mr. A. K. Bhuwania	Loan Repaid During the year	-	1,929,708
Mr. Ashish Bhuwania	Loan Repaid During the year	-	10,441
Mr. Aditya Bhuwania	Loan Repaid During the year	-	58,485
Priya International Ltd	Loan Repaid During the year	33,100,000	60,288,000

C. Balance at the year end.

Halifax Properties Investments Pvt. Ltd.	Deposit Given Outstanding at the year end	2,100,000	-
Verixo Technologies Pvt .Ltd .	Deposit Received Outstanding at the year end	350,000	-
Gaurav Electrochem Pvt .Ltd.	Deposit Given Outstanding at the year end	4,000,000	4,000,000
Priya International Ltd	Loan Outstanding at the year end	30,832,583	29,407,583
Priya International Ltd	Interest Payable	2,585,981	2,096,614

34 Derivatives:

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

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

Particulars	Foreign Currency	As on 31.03.2014		As on 31.03.2013	
		Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency
Receivables	**USD**	221,105,061	3,672,372	409,615,791	7,538,016

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

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

Particulars	Foreign Currency	As on 31.03.2014		As on 31.03.2013	
		Amount in Rs.	Amount in Foreign Currency	Amount in Rs.	Amount in Foreign Currency
Creditors	**USD**	128,110,082	2,130,198	241,938,149	4,445,758

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

Particulars	As at March 31, 2014		As at March 31, 2013	
Balance at the beginning				
Long term	341,753		166,191	
Short term	60,309	402,062	220,300	386,491
Provision recognized/(reversal)		243,435		192,597
Provision utililsed		218,921		177,026
Balance at the end				
Long term	319,932		341,753	
Short term	106,644	426,576	60,309	402,062

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

36 Lease Disclosures for Operating Leases:

ASSETS GIVEN ON LEASE

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

PARTICULARS	2013-2014	2012-2013
Original Cost	36,922,605	36,922,605
Accumulated Depreciation	17,607,047	16,590,437
Written Down Value	19,315,558	20,332,167
Depreciation for the period recognized in the Statement of Profit and Loss	1,016,610	1,573,923

b) Future minimum lease rentals receivables as on 31.03.2014 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 3 years. The aggregate lease rent income of Rs. 5,179,925/- (Previous Year Rs. 8,793,000/) has been recognized as income in the Statement of Profit and Loss for the period under the Note No. 21 " Other Income".

ASSETS TAKEN ON LEASE

	PARTICULARS	2013-2014	2012-2013
a)	The total of Future minimum Lease payments under Non-cancelable operating leases for:		
	(i) Not later than one year	-	-
	(ii) Later than one year and not later than five years	-	-
	(iii) Later than five years	-	-
b)	Lease payment recognized in the Statement of Profit & Loss for the period under the Note No. 26 " Other Expenses"	8,157,288	8,219,783
c)	Sub lease income recognized in the Statement of Profit and Loss for the period	-	-
d)	There is no Contingent Rent.	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

e) The Company's major leasing arrangements are in respect of godowns/office premises (including furniture & fittings therein wherever applicable taken on leave and license basis). These leasing arrangements, which are mostly cancelable, range between 11 months to 3 years and are usually renewable by mutual consent at mutually agreed terms and conditions.

37 Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.

38 In the opinion of the Board, Current Assets, Loans and Advances have value in the ordinary course of business at least equal to the amount at which they are stated.

39 SEGMENT REPORTING

Segment Information for the year ended 31st March, 2014

(i) Information about primary business segment :

Particulars	2013-14				2012-13			
	Segments		Unallocated	Total	Segments		Unallocated	Total
	Electronics	Chemicals			Electronics	Chemicals		
Revenue								
External Customers	1,744,878,922	26,639,904	-	1,771,518,826	2,100,036,372	15,867,580	-	2,115,903,952
Total Revenue	**1,744,878,922**	**26,639,904**	**-**	**1,771,518,826**	2,100,036,372	15,867,580	-	2,115,903,952
Result								
Segment Results	79,780,195	2,444,923	-	82,225,118	98,305,355	1,763,497	-	100,068,853
Unallocated expenses net of unallocated income	-	-	(29,834,619)	(29,834,619)	-	-	(37,141,540)	(37,141,540)
Finance cost	-	-	(23,762,249)	(23,762,249)	-	-	(34,828,135)	(34,828,135)
Profit Before Tax	**79,780,195**	**2,444,923**	**(53,596,868)**	**28,628,250**	98,305,355	1,763,497	(71,969,675)	28,099,178
Less: Provision for Tax (Net of Deferred Tax)	-	-	9,525,629	9,525,629	-	-	6,812,703	6,812,703
Profit After Tax & Before Prior Period Adjustments	**79,780,195**	**2,444,923**	**(63,122,497)**	**19,102,621**	98,305,355	1,763,497	(78,782,377)	21,286,475
Excess/(Short) Provision for Income Tax	-	-	1,963,595	1,963,595	-	-	20,171	20,171
Profit After Prior Period Adjustments	**79,780,195**	**2,444,923**	**(65,086,092)**	**17,139,026**	98,305,355	1,763,497	(78,802,548)	21,266,304
Other Information								
Segment Assets	798,151,772	7,645,829	125,121,245	930,918,846	725,888,515	837,270	180,024,501	906,750,286
Segment Liabilities	522,787,704	8,984,520	76,157,914	607,930,138	528,567,525	696,358	68,124,182	597,388,064
Capital Expenditure	-	-	10,265,768	10,265,768	-	-	3,458,013	3,458,013

(ii) Information about secondary geographical business segment :

	2013 - 14		2012 - 13	
	Within India	Outside India	Within India	Outside India
Segment Revenue	781,323,359	990,195,467	770,877,990	1,345,025,962
Segment Assets	500,982,127	429,936,719	332,921,918	573,828,368
Addition Fixed Assets	10,265,768	-	3,458,013	-

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 areasonable basis.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

40 Other significant Accounting Policies

(A) Basis of Preparation of financial statement

The financial statements have been prepared under the historical cost convention on an accrual basis and comply in all material respects with the mandatory accounting standards and the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013 wherever applicable.

(B) Fixed Assets & Depreciation

(i) Fixed assets are stated at cost less accumulated depreciation.

(ii) Depreciation is provided on reducing balance method at the rates and manner specifided in the schedule XIV of Companies Act, 1956, on the original Cost of the asset. Depreciation on additions of fixed assets costing less than Rs. 5000/- have been provided at 100% on pro-rata basis and depreciation on assets costing more than Rs. 5000/- have been provided on pro-rata basis from the date such additions are ready for use.

(iii) Intangible assests are identitited when they are expected to provide future enduring economic benefits. Assets are identitied in the year in which the relevant asset is ready for use. The assets are amortised over a period of estimated useful life as determined by the management.

- Expenditure on computer software is amortised over a period of three years on straight line method.

(C) Inventories Valuation

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

(D) Revenue Recognition

Sales are recognised when the significant risk and reward of ownership of the goods are passed to the customer. Sales are net off sales return, quantity discount and exclusive of value added tax collected. Interest income is accounted on accrual basis and dividend is accounted when the right to receive the dividend is established.

(E) Foreign Currency Transactions

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

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

(F) 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.

(G) Employee Benefit

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

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

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

(H) Lease

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

(I) Provision for Current Tax

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

(ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(J) Impairment of Assets

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

(K) Provision & Contingent Liability

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

41 The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current presentation as per the revised schedule VI.

As per our report attached of even date

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

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 : 16th May, 2014

SAISHWAR DALVI
COMPANY SECRETARY

PRIYA LIMITED

CIN:L99999MH1986PLC040713

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

ATTENDANCE SLIP

(To be presented at the entrance)

Regd. Folio No. /Client ID No. _____ No. of shares held _____

DP ID No. _____

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

I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 on Wednesday, the 20th day of August, 2014 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

CIN:L99999MH1986PLC040713

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

PROXY FORM - MGT-11

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

Name of the Member (s) : ……

Registered address: ……

E-mail Id: .....

Folio No./ Client ID No.*.....

DP ID No.* .....

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

1. Name : ……
   Address : ……
   E-mail Id : ……
   Signature : _____, or failing him / her
2. Name : ……
   Address : ……
   E-mail Id : ……
   Signature : _____, or failing him / her
3. Name : ……
   Address : ……
   E-mail Id : ……
   Signature:_____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **27th Annual General Meeting** of the Company, to be held on Wednesday, the 20th day of August, 2014 at 11.00 a.m. at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Consider and adopt the Audited Financial Statement, Reports of the Board of Directors and Auditors.
2. Declaration of dividend for the Financial Year 2013-2014.
3. Re-appointment of Mr. Aditya Bhuwania, who retires by rotation.
4. Appointment of Auditors and fixing their remuneration
5. Appointment of Mr. R. K. Saraswat as Independent Director of the Company
6. Appointment of Mr. M. K. Arora as Independent Director of the Company
7. Appointment of Mr. Anuj Bhargava as Independent Director of the Company
8. To approve Borrowing limits of the Company
9. Creation of Charges/ mortgage etc. on the assets of the Company
10. Adoption of new Article of Association of the Company

Affix Revenue Stamp

Signed this ..... day of..... 2014.

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

If underlivered, Please return to :

PRIYA LIMITED

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

Branches :

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

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