



Priya Limited

13th Annual Report 1999-2000



IT Product Distribution

13th Annual Report

BOARD OF DIRECTORS

Shri. A.K.Bhuwania	<i>Chairman</i>
Shri. D.J.Kakalia	
Shri. R. Laxminarayan	
Shri. M.H. Dalal	
Shri. Ashish Bhuwania	<i>Executive Director - Chemical Division</i>
Shri Aditya Bhuwania	<i>Executive Director - Electronic Division</i>

BANKERS

Indian Bank
Bank of India
ICICI Banking Corporation Ltd.

AUDITOR

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

REGISTERED OFFICE

Podar Chambers, 4th Floor,
109, S.A. Brelvi Road,
Fort, Mumbai - 400 001

WEBSITE

www.priyagroup.com

13TH ANNUAL GENERAL MEETING

Date : 31st August, 2000
Day : Thursday
Time : 3.00 p.m.
Place : Bombay YMCA Seminar Room,
Central Branch,
12, N. Parekh Marg,
Colaba, Mumbai - 400 039


Priya Limited

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the members of **PRIYA LIMITED** will be held at Mumbai YMCA Seminar Room, Central Branch, 12, N. Parekh Marg, Colaba, Mumbai - 400 039 on Thursday, August 31, 2000 at 3.00 P.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report.
2. To declare dividend.
3. To appoint a Director in place of Mr. R. Laxminarayan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place Mr. D. J. Kakalia who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution :

"RESOLVED THAT Mr. Aditya Bhuwania, who was appointed as an additional Director of the company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under section 257 of the Companies, Act 1956, in writing, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company".

"RESOLVED FURTHER THAT in accordance with the provision of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to the appointment of Shri Aditya Bhuwania as a Whole time Director, designated as Executive Director-Electronic Division of the Company, for a period of 5(five) years with effect from 1st June, 2000 on a remuneration of Rs. 50,000/- per month (all inclusive) with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Aditya Bhuwania."

"RESOLVED FURTHER THAT where in any financial year after 31st March, 2000, the company has no profits or its profits are inadequate, the Company do pay to Shri. Aditya Bhuwania remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956."

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

NOTES :

1. A 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 A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy in order to be effective, should be duly completed, stamped and signed, and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 28th August, 2000 to Thursday, 31st August, 2000 (both days inclusive).
4. Interim Dividend declared for the year was paid to the shareholders whose names appeared in the Register of Members as on 25th May, 2000.

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5. Members desirous of obtaining any information as regards Accounts and operations of the Company are requested to write to the Company atleast one week before the meeting, so that the information required can be made available at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**ITEM NO. 6**

In order to broad base the Board of Directors, the Directors at its meeting held on May 23, 2000 appointed Mr. Aditya Bhuwania, an Additional Director pursuant to the provisions contained in the Articles of Association of the Company under Section 260 of the Companies Act, 1956. Mr. Aditya Bhuwania, holds office as Director upto the date of this Annual General Meeting.

As required under Section 257 of the said Act, notice has been received from some members signifying their intention to propose Mr. Aditya Bhuwania as candidate for the office of Director of the Company.

Mr. Aditya Bhuwania, a B. Sc. (Business Computer Systems) from Bradley University, Illinois has rich knowledge and experience in the electronic business. The Board considers it desirable that the company should receive the benefit of his advice and guidance as a Director of the Company.

Keeping in view his expertise in the field of electronics, the Board of Directors at its meeting held on 23rd May, 2000 appointed him as a wholtime director of the Company designated as "Executive Director - Electronic Division" for a period of five years with effect from 1st June, 2000 subject to the approval of shareholders at the Annual General Meeting on a remuneration of Rs.50,000/- per month (all inclusive).

The above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Your Directors commend the resolution for your approval. Mr. Aditya Bhuwania is deemed to be concerned or interested in the resolution as it is pertains to his appointment and remuneration payable to him.

Since Mr. A.K. Bhuwania and Mr. Ashish Bhuwania are related to Mr. Aditya Bhuwania, they may be deemed to be interested in this appointment. No other Director has any interest in the above appointment.

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For and on behalf of the Board

Registered Office

Podar Chamers, 4th Floor
109, S.A. Brelvi Road
Fort, Mumbai 400 001

Place : Mumbai

Dated : 23rd May, 2000.

A.K. BHUWANIA
Chairman


Priya Limited

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 13th Annual Report alongwith audited accounts for the financial year ended 31st March, 2000.

FINANCIAL RESULTS (Rs. in Lakhs)

	Year Ended 31.03.2000	Year Ended 31.03.1999
Sales		
Export	2738.48	2459.74
Local	11841.47	9154.08
	<u>14579.95</u>	<u>11613.82</u>
Other Income	48.43	37.80
	<u>14628.38</u>	<u>11651.62</u>
Profit before Tax	170.60	33.89
Less : Provision for taxation	8.25	NIL
Less : I.T. Adjustments of earlier years	0.22	6.83
	<u>23.15</u>	<u>--</u>
Add : Balance brought forward	<u>210.72</u>	<u>187.55</u>
Profit available for appropriation	<u>349.70</u>	<u>270.70</u>
APPROPRIATIONS		
Proposed Dividend	--	45.03
Interim Dividend	60.04	--
Corporate Dividend tax	6.60	4.95
General Reserve	20.00	10.00
Balance carried to Balance Sheet	<u>263.06</u>	<u>210.72</u>
	<u><u>349.70</u></u>	<u><u>270.70</u></u>

DIVIDEND

The Board of Directors of your company at its meeting held on March 27 2000 recommended payment of interim dividend for the year ended on March 31, 2000 at the rate of Rs 2/- per equity share. The interim dividend of the company was paid on May 26, 2000. Your directors propose that the aforesaid interim dividend itself be declared as final dividend for the year ended March 31, 2000. The interim dividend will absorbed a sum of Rs. 66.64 lakhs (including tax on dividend).

OPERATIONS

There has been marginal increase in export turnover and profit. We wish to make a specific mention that the growth been achieved inspite of the global recession which gripped all nations in the world.

Notwithstanding the emerging comepetition from manufacturers who have directly entered the export market, priya continues to maintain an enviable position among the leading exporters/export houses and trading houses.

We are poised to achieve furthur growth in exports in the coming years as we have entered many new markets viz. Latin America, Pakistan, Africa in the recent years and are maintaining excellent goodwill among

our customers there.

Your Company has taken a number of steps to increase its market share in key areas such as storage device, HDD, CD-ROM drives and FDDs. We have further consolidated our hold on the colour monitors market.

Your Company has recently entered the recordable CD-Media market, one of the fastest growing businesses worldwide. It has tied up as an exclusive distributor for Traxadata, a U.K. based company who are leaders in optical media products. We have also taken distribution of Networking and Communication products of Edimax Technology of Taiwan which is a fast growing company in this field.

Your Company has also embarked upon a brand building exercise wherein major computer products would be marketed under the PRIYA brand name. The Company has set aside a brand promotion budget of Rs. 2 Crores for this exercise in the current financial year.

Last year your Company opened an office at Cochin and also appointed representatives at Jaipur, Lucknow and Nagpur. This year we have opened our branch office at Pune and are committed to elevate the other three locations to an operational branch status.

By the end of the current year, your Company would be having full-fledged branches at 12 locations which would be adequately equipped to provide complete support to customers.

The results for the year under review bear a witness of the efforts put in by the Board of the Company. The aggregate turnover of your Company increased from Rs.11651.61 lakhs in 1998-99 to Rs. 14628.38 lakhs in 1999-00 resulting in an increase of about 25.55%. The profits after tax for the year under review was Rs. 162.35 lakhs as compared to Rs. 89.98 lakhs in 1998-99.

Your directors are hopeful of better results for the company in the current year.

DIRECTORS

Mr. Umesh Kumar More, a director of the Company resigned from the Board with effect from 25th January, 2000. The Board places on record its appreciation for the services rendered by him during his association with the company.

Shri R. Laxminarayan and Shri D.J. Kakalia, Directors retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Aditya Bhuwania, who was appointed as an Additional Director holds office upto this Annual General Meeting under Section 260 of the Companies Act, 1956. The Company has received notice from members under Section 257 of the said Act, signifying their intention to propose him as a candidate for the office of Director of the company. The necessary resolution for obtaining the approval of members for appointment of Mr. Aditya Bhuwania has been put before the members in the notice for their approval at the forthcoming Annual General Meeting. The Board also appointed Mr. Aditya Bhuwania as Executive Director - Electronics Division with effect from 1st June, 2000 for a period of 5 years which is subject to your approval.

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AUDITORS

M/s. M.L. Bhuwania & Co., Chartered Accountant are eligible for reappointment as the Auditors for the current year to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the next Annual General Meeting. The members are requested to consider their reappointment and fix their remuneration.

Y2K COMPLIANCE

Your Directors are pleased to inform you that because of the various initiatives taken to address Y2K compliance your company managed flawless transition to the new millennium without any disruption to its business operations.

HUMAN RESOURCES

Your company enjoys cordial relations with its employees. The key focus of your company is to attract, retain and develop talent. The Board wishes to place on record its appreciation of the contributions made by all employees ensuring high levels of performance and growth during the year.

CORPORATE GOVERNANCE

The concept of corporate governance has been attracting public attention for quite some time in India. Your company is also gearing up to ensure that all the mandatory provisions are fully in place well before the deadlines prescribed by the Stock Exchanges and SEBI.

PARTICULARS OF ENERGY CONSERVATION & FOREIGN EXCHANGE EARNING AND OUT GO ETC.:

Since the Company's operations involve low consumption of energy, the Company has no comments to offer as far as (a) conservation of energy and (b) Technology absorptions are concerned.

Information as per Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2000 is annexed hereto.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 forming part of this Report is annexed hereto.

APPRECIATION

The Directors wish to express their appreciation to all the employees for their contribution to the performance of the Company and would also like to place on record their gratitude to the company's bankers for their continuous support.

For and on behalf of the Board

Place : Mumbai.
Dated : 23rd May, 2000.

A.K. BHUWANIA
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

1. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) Activities relating to Exports :

The actual exports in 1999-2000 were Rs.2738.84 lakhs as compared to Rs 2459.74 lakhs for the previous year.

(b) Total Foreign exchange used and earned :

- i) Total foreign exchange used Rs. 158.17 lakhs.
- ii) Total foreign exchange earned on FOB basis Rs. 2738.57 lakhs.

2. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2000.

Sr. No.	Name	Age	Designation & Nature of duties	Gross Remuneration	Qualification & Experience (Yrs.)	Date of Commencement of employment	Particulars of previous employment
1.	Mr. Ashish Bhuwania	29	Executive-Director (Chemical Division)	16,86,160	B.Sc. Management Science (6 Years)	1.7.94	-

* Mr. Ashish Bhuwania is related to Mr. A.K. Bhuwania, Chairman and Mr. Aditya Bhuwania, Executive Director - Electronics Division of the Company.