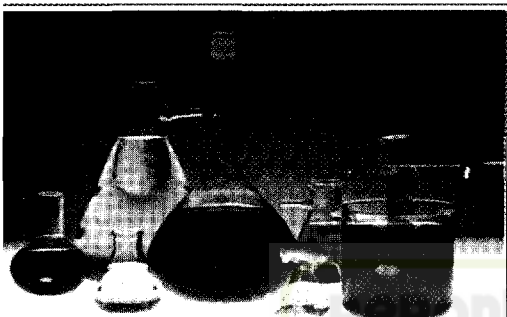
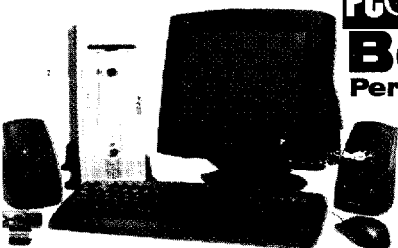


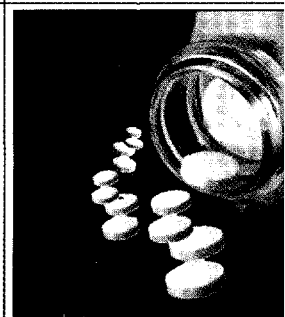


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PRIYA LIMITED



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17TH ANNUAL GENERAL MEETING

Date : 22nd September, 2004
Time : 11.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	<i>Chairman</i>
SHRI D. J. KAKALIA	<i>Director</i>
SHRI R. K. SARASWAT	<i>Director</i>
SHRI M. H. DALAL	<i>Director</i>
SHRI M. K. ARORA	<i>Director</i>
SHRI ASHISH BHUWANIA	<i>Executive Director</i>
SHRI ADITYA BHUWANIA	<i>Executive Director</i>

BANKERS

Indian Bank
Bank of India
Union Bank of India

Auditors

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

REGISTERED OFFICE

Krishna House, Ground Floor,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400013.

REGISTRAR AND SHARE TRANSFER AGENT

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

EQUITY SHARES ARE LISTED AT:

Mumbai & Calcutta

WEBSITE

www.priyagroup.com

NOTICE

NOTICE is hereby given that the **Seventeenth Annual General Meeting** of the members of **PRIYA LIMITED** will be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018 on Wednesday, the 22nd day of September, 2004 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, 2004 and Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
- 2) To appoint a Director in place of **Mr. D. J. Kakalia**, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of **Mr. M. K. Arora**, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

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 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 time of the Meeting.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from 16th of September, 2004 to 22nd of September, 2004 (both days inclusive).
- 4) Members are requested to bring their copies of the Annual Report to the Meeting.
- 5) Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
- 6) (a) Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their Folio number(s) to the company.
- (b) Members holding shares in electronic form are requested to advise immediately change in address, if any, quoting their Client ID no.; to their respective Depository Participants.
- 7) Members are hereby informed that Dividends which remain unclaimed/unpaid over a period of 7 years from the date of transfer to the Unpaid Dividend Account shall be 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. Accordingly, the unpaid/unclaimed dividend for the year 1996-97 will become transferable at the end of seventh year to the said Investor Education & Protection Fund. 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. The shareholders are, therefore, advised to send their request for issue of Duplicate Dividend Warrants/revalidation of unencashed Dividend Warrants to the Company before the amount becomes due for transfer to the above Fund.
- 8) Members may avail of the facility of dematerialisation by opening Demat Accounts with the Depository Participants of either National Securities Depository Limited or Central Depository Services (India) Limited and get the equity share certificates held by them dematerialised. The ISIN No. of the company is **INE686C01014**.
- 9) Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office atleast 7 days before the date of the meeting, so that the required information can be made available at the meeting.

For and on behalf of the Board

A. K. Bhuwania
Chairman

Registered Office:

Krishna House, Ground Floor,
Raghuvanshi Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400013

Place : Mumbai
Dated : 12th June, 2004.

DIRECTORS' REPORT

To

The Members,

Your Directors hereby present the 17th Annual Report along with the audited accounts for the financial year ended 31st March, 2004.

FINANCIAL RESULTS

	Year Ended 31-03-2004	(Rs. in Lakhs) Year Ended 31-03-2003
Sales		
Export	2011.42	1404.30
Local	11606.48	12431.33
	<u>13617.90</u>	<u>13835.63</u>
Other Income	202.41	183.98
	<u>13820.31</u>	<u>14019.61</u>
Profit/(Loss) before Tax and		
Extra Ordinary Items	45.36	(174.49)
Provision for Doubtful Deposits	0.00	50.22
	<u>Profit/(Loss) before Tax and after</u>	<u>Extra Ordinary Items</u>
	45.36	(224.71)
Provision for taxation- Current Tax	8.18	4.50
Provision for taxation-Deferred Tax	18.19	(64.01)
	<u>Profit/(Loss) after tax</u>	<u>Taxation of earlier years</u>
	18.99	9.11
	0.98	
Balance brought forward	(140.84)	9.45
Transferred from Export Reserves	0.00	5.80
Balance carried to Balance Sheet	<u>(120.87)</u>	<u>(140.84)</u>

DIVIDEND

In view of the past accumulated losses, no dividend has been recommended by the Directors for the Financial Year 2003-04.

OPERATIONS

The aggregate turnover of your Company was Rs. 13618 Lacs in the year 2003-04 as compared to Rs. 13836 Lacs in the year 2002-03. The company has earned marginal profit before tax and extra ordinary items of Rs 45.36 Lacs in 2003-04 as compared to a loss before tax and extra ordinary items of Rs 174.49 Lacs in 2002-03.

The Company has been able to make marginal profit during the year and earned good profit in the 4th Quarter of 2003-04 on account of focusing on core activities and starting manufacturing of computer systems under the brand "KRYPTON" and reengineering exercise undertaken by the Management during the year including various cost control measures. Various financial parameters have started improving during the first quarter of current year.

Your Company's export business of dyestuffs, bulk pharmaceuticals and intermediates have shown reduction in turnover to Rs. 1135 lacs in 2003-04 from Rs. 1404 lacs in 2002-03. The reduction is mainly on account of global competition and its cheaper availability in International market. We are exploring the possibility of exporting to other European countries.

Your Company's local business of Electronic Division has also shown reduction in turnover from Rs. 12431 Lacs in 2002-03 to Rs. 11606 Lacs in 2003-04 mainly because of stiff competition in the market and custom duty reduction on major items by government which resulted in reduction of prices of all IT products during the year.

Your company has started exporting electronics components related to computer hardware during the year. Export of electronics items is Rs. 876 Lacs as compared to previous year Rs. nil.

In order to increase the business activities, your company has planned to capture greater market share in the key areas of Computer peripherals such as CPUs, Mother Boards, Hard Disk Drives, CD-ROM drives, Floppy Disk Drives, etc.. In this direction, brand building exercise has been undertaken by the company and the market has now accepted the Company's Krypton brand range of products. Due to reported substantial growth prospects in PC market, the Company is also

planning to enter into manufacture of Personal Computer Systems under its Krypton brand.

All the branches are adequately equipped to provide complete support to the customers. Internal control system is well established and cost consciousness in branch operations has lead to improved profitability.

Your Directors are hopeful of better results for the Company in the current year.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. D. J. Kakalia and Mr. M. K. Arora, Directors will retire by rotation at the ensuing Annual General Meeting and they, being eligible, offer themselves for re-appointment.

AUDITORS

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

HUMAN RESOURCE

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 contribution made by all employees during the year.

REPORT ON CORPORATE GOVERNANCE

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

A Management Discussion and Analysis Report, a detailed report on Corporate Governance and a Certificate from the Auditors' regarding the compliance of Corporate Governance conditions are made part of this Annual Report.

INSURANCE

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

BANKS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- 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 2003-04 and of the Profit of the Company for that the year ended on 31st March, 2004;
- 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;
- 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 electronic form. The shareholders' are advised to take benefit of dematerialization.

LISTING OF SHARES

Company's shares have been listed with Stock Exchanges - Mumbai and Calcutta. The listing fees for the financial year 2003 - 2004 were duly paid.

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 equipment 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.

CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY**

Corporate Governance is increasingly being stressed in today's competitive business scenario. Your Company always believed that good corporate governance leads to efficiency and excellence in the operations of a Company. Your company endeavors to fulfill its various obligations towards the customers, shareholders, employees and society at large in a manner acceptable to various interest groups as well as the corporate philosophy. During the year under review, the company continued its pursuit of achieving its objectives through the adoption and monitoring of the corporate strategies, prudent business plans, monitoring of major risk of the company's business and pursuing the policies and procedures to satisfy its legal and ethical responsibility. The company has been sharing with you from time to time various information through newspaper notices and its website and through this report. In addition, we give below the information on areas covered under Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors consists of 7 Directors as on March 31st, 2004. The Board of Directors has an optimum combination of executive and non executive Directors with 70 % of the directors being non-executive. The particulars of Directors, their category, attendance and other directorship, membership/chairmanship of the Committees are as under:

Name of Director	Category	Attendance		No. of outside directorships and Committee membership / Chairmanship		
		Board Meeting*	AGM**	Public Limited Company	Committee membership	Chairmanship
Mr. A. K. Bhuwania	Promoter/Non-Executive Chairman	5	Yes	2	-	-
Mr. R. K. Saraswat	Independent /Non-Executive Director	6	Yes	2	2	2
Mr. M. K. Arora	Independent/Non-Executive Director	6	No	4	-	-
Mr. D. J. Kakalia	Independent/Non-Executive Director	-	No	2	1	-
Mr. M. H. Dalal	Independent/Non-Executive Director	6	Yes	-	-	-
Mr. Ashish Bhuwania	Promoter/Executive Director	-	No	-	-	-
Mr. Aditya Bhuwania	Promoter/Executive Director	6	Yes	-	-	-

* 6 Board Meetings were held during the financial year 2003-04 at the Registered Office of the company on the following dates: June 30th, 2003, July 22nd, 2003, July 31st, 2003, August 18th, 2003, Oct 31st, 2003, Jan 31st, 2004.

** Annual General Meeting (AGM) was held on August 30th, 2003.

3. AUDIT COMMITTEE**A) Terms of Reference:**

The Audit Committee has the powers, which includes the following:

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

The Role of Audit Committee includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.

- f) Discussion with internal auditors on any significant findings and follow up thereon.
- g) 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.
- h) Discussion with external auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- i) Reviewing the company's financial and risk management policies.
- j) 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.

B) Composition of Audit Committee

The committee duly comprised the following Non-Executive Directors:

- (1) Mr. R.K. Saraswat – Chairman
- (2) Mr. M.H. Dalal
- (3) Mr. D.J. Kakalia
- (4) Mr. M.K. Arora

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

* The Company Secretary of the Company has resigned on the 26th of February, 2004.

C) Meeting and Attendance during the year

Four Meetings of the Committee were held during the year on June 30th, 2003, July 31st, 2003, October 31st, 2003 and January 31st, 2004. The Statutory Auditors of the Company are invitees to each meeting of the Audit Committee. The Audit Committee Reviewed the Internal Control Systems existing in the Company. The Committee discussed with the Internal Auditor their Audit Methodology, Audit Planning and significant observations/suggestions made by them in their internal audit reports. The Committee also discussed major issues related to risk management and compliances.

Name of the committee member	Number of meeting attended
1. Mr. R.K. Saraswat	4
2. Mr. M.H. Dalal	4
3. Mr. D.J. Kakalia	-
4. Mr. M.K. Arora	4

The minutes of the Audit Committee are placed before and confirmed by the Board of Directors. The Chairman of the Audit Committee has attended the Previous Annual General Meeting of the Company.

4. REMUNERATION COMMITTEE

A) Terms of Reference

The Remuneration Committee shall have the powers to determine the Company's Policy on specific remuneration packages for Directors and issues within the framework of the provisions and enactment governing the same.

B) Composition of the Committee

The remuneration Committee duly comprised of the following non-executive Directors namely:

- (1) Mr. M.H. Dalal - Chairman
- (2) Mr. D.J. Kakalia
- (3) Mr. R.K. Saraswat
- (4) Mr. M.K. Arora

C) Meetings and Attendance during the year

The Committee meeting was held on April 22nd, 2003 in which the details of the remuneration/sitting fees paid to all directors during the year 2002-2003 was placed and the committee took note of it. The committee also discussed at length the proposal for payment of remuneration to Mr. Ashish Bhuvania and Mr. Aditya Bhuvania as a whole time Director and recommended the same to Board for consideration. All the members of the Committee attended the said meeting.

D) Remuneration Policy

To compensate the whole time directors of the Company for the efforts put in by them.

E) Director's Interest in the Company

Name of Director	Category	Salary(in Rs.)	Sitting Fees(in Rs.)
Mr. A.K. Bhuwania	Promoter/Non-Executive Chairman	NIL	750/-
Mr. R.K. Saraswat	Independent/ Non Executive Director	NIL	12,000/-
Mr. M.K. Arora	Independent/ Non Executive director	NIL	12,000/-
Mr. D.J. Kakalia	Independent/Non-Executive Director	NIL	NIL
Mr. M.H. Dalal	Independent/Non-Executive Director	NIL	1,000/-
Mr. Aditya Bhuwania	Promoter/Executive Director	6,01,000/-	NIL
Mr. Ashish Bhuwania	Promoter/Executive Director	15,00,000/-	NIL
	TOTAL	21,01,000/-	25,750/-

- Notes : (a) The company does not have policy of paying commission on profits to any of the Directors of the company.
 (b) Presently, the company does not have a scheme for grant of stock options either to the whole-time Directors or employees.

5. SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE**A) Terms of Reference-**

The Company has formed an Investors' / Shareholders' Grievance Committee with the following terms of reference:

- (1) Ensure redressal of the shareholders and investors complaints relating to transfer of shares, non-receipt of balance sheet etc.
- (2) Redressal of investors' complaints in respect of non-receipt of dividends.

B) Composition of the Committee

The committee duly comprised of the following non-executive Directors, namely:

- (1) Mr M K Arora - Chairman
- (2) Mr A K Bhuwania
- (3) Mr R K Saraswat
- (4) Mr M H Dalal

The Company Secretary was the Compliance Officer for handling Share Holders' Grievances till she resigned on the 26th of February, 2004. Mr. E. Isaac, DGM Finance & Accounts was appointed Compliance Officer in her place on the 19th of April, 2004

C) Attendance during the year

The Committee meetings were held on July 31st, 2003 and October 31st, 2003 in which the details of complaints received from investors were discussed. During the year under review, 28 investor complaints regarding change of address, non-receipt of shares after transfer, non-receipt of demat credit etc. were received and all were resolved. No investor complaints were pending as on 31st March, 2004.

6. GENERAL BODY MEETING

Details on Annual General Meetings

6.1 Location and time, where last three Annual General Meetings were held:

Year	Location	Date & Year	Time
2002-03	"Hall of Quest", Nehru Planetarium, Nehru Centre,, Dr. Annie Besant Road, Worli, Mumbai - 400018	August 30, 2003	11:00 a.m.
2001-02	Bombay YMCA Seminar Room, Central Branch, 12, N. Parekh Marg, Colaba, Mumbai-400 039	September 25th, 2002	3:00 p.m.
2000-01	Bombay YMCA Seminar Room, Central Branch, 12, N. Parekh Marg, Colaba, Mumbai-400 039	September 25th, 2001	3:00 p.m.

6.2 Whether special resolutions were put through postal ballot last year? YES

A Special Resolution for delisting of 30,02,300 Equity Shares of the Company from Ahmedabad, Delhi and Calcutta Stock Exchanges respectively was passed by the Share Holders vide Postal Ballot on 30th of August, 2003.

Mr. Virendra G. Bhatt, Practicing Company Secretary was appointed as the Scrutinizer to conduct and oversee the voting through Postal Ballot. Mr. Virendra G. Bhatt carried out the scrutiny of all the Postal Ballot Forms received upto the close of Business hours on 27th August, 2003 and the following Results were announced on 30th of August, 2003.