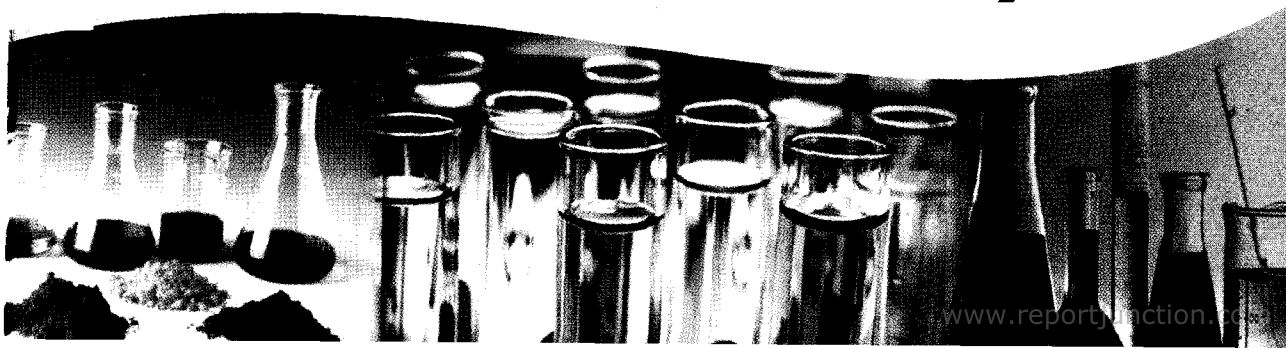


PRIYA LIMITED



21st ANNUAL GENERAL MEETING

Date : 25th September 2008.

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
SHRIASHISH BHUWANIA	Executive Director
SHRI ADITYA BHUWANIA	Executive Director
SHRI MAYANK BHARGAVA	Company Secretary
SHRI RAKESH JAIN	Chief Financial Officer

BANKERS

Indian Bank
Bank of India
Union Bank of India

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT (COMMON AGENCY)

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:

The Bombay Stock Exchange Ltd (BSE)

WEBSITE

www.priyagroup.com

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NOTICE

NOTICE is hereby given that the **Twenty-First Annual General Meeting** of the members of **PRIYA LIMITED** will be held at "Hall of Quest" Worli Mumbai-400 018 on Thursday, the 25th day of September, 2008 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, 2008 and Profit & 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. M. K. Arora**, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) 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 19th day of September 2008 to 25th day of September 2008 (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 the 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 2001-02 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

Mayank Bhargava
Company Secretary

Place : Mumbai
Dated : 30th June, 2008.

Registered Office:

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

DIRECTORS' REPORT

To

The Members,

Your Directors hereby present the 21st Annual Report along with the audited accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	Year Ended 31/03/2008	Year Ended 31/03/2007
Sales		
Export	8806.71	8332.21
Local	9114.50	8298.61
	17921.21	16630.82
Other Income	167.72	126.18
	18088.93	16757.00
Profit/ (Loss) before Tax and Extra Ordinary Item	154.22	114.71
Extra ordinary item		
Profit/ (Loss) before Tax and after Extra Ordinary Items	154.22	114.71
Provision for taxation-Current Tax	19.25	19.25
Provision for taxation-Wealth Tax	5.44	5.47
Provision for taxation-Deferred Tax	42.65	18.45
Provision for taxation-Fringe Benefit Tax	3.98	4.18
Profit / (Loss) after tax	82.90	67.36
Taxation of earlier years	(0.92)	(0.04)
Balance brought forward	6.56	(60.76)
Balance carried to Balance Sheet	88.45	6.56

DIVIDEND

In view of the insufficient profit by the company during the year, your directors do not recommend any dividend for the financial year 2007-08.

OPERATIONS

Your company has experienced growth in revenue and profit in the year under review. During the year, your company's total income grew to Rs. 18088.93 Lacs from Rs. 16757.00 Lacs in the previous year. The profit after tax and exceptional item increased to Rs. 82.90 Lacs from Rs. 67.36 Lacs

Keeping change with the changing dynamics of the industry your company has been able to perform better during the year. In export of electronic products company has registered significant growth. There was a reduction in the export turnover of Dyestuff, Bulk Pharmaceuticals and intermediaries to Rs. 201.62 Lacs as compared to Rs. 332.60 Lacs during the previous year. The reduction is mainly on account of sharp increase in the raw material prices which were caused by

increased international price of Petroleum products. We are exploring the possibility of exporting to other emerging economies and European countries.

The strong growth in electronic export indicates the remarkable progress your company has made in capturing the ever expanding European electronic market. We expect to maintain the same performance in the years to come.

Your company is concentrating in the marketing of VXL thin clients and other computer peripherals such as monitors, CPU & Mother Boards and is proceeding to capture greater market share in these key areas. Your company is also thriving to build an image of a complete system solution provider by marketing enterprise level software in the Indian Market.

All the branches are adequately equipped to provide complete support to the customers. Internal control system has well established and cost consciousness in branch operations leads 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. M. K. Arora, Director shall be liable to retire by rotation at the ensuing Annual General Meeting and he, being eligible, offers 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-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

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

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:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- 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 2007-08 and of the Profit of the company for that the year ended on 31st March, 2008;
- 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 form. The shareholders' are advised to take benefit of dematerialization.

LISTING OF SHARES

Your company's shares have been listed with The Bombay Stock Exchange Limited, (BSE). The company had applied for de-listing of equity shares from Kolkata Stock Exchange Association Ltd. (CSE) and 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 2008-2009 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 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.

TECHNOLOGY ABSORPTION:

Your company continues to utilize the R & D facilities available with it. The company has not imported any technology during the last five years.

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 March 31st, 2008.

PARTICULARS OF EMPLOYEES:

As required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the company has no employees who were in receipt of the remuneration of Rs.24,00,000/- or more per annum during the year ended 31st March, 2008 or Rs.2,00,000/- or more per month during any part of the said year.

APPRECIATION

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

For and on behalf of the Board

Aditya Bhuwania
Executive Director

R.K. Saraswat
Director

Place : Mumbai

Dated : 30th June, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The company is engaged in the business of import/trade of electronic products and export of dyestuffs, bulk pharmaceuticals and intermediates.

1.1 INDUSTRY STRUCTURE AND DEVELOPMENTS

Electronics Division:

Electronics and Information Technology is the fastest growing segment of Indian industry both in terms of production and exports. In a year that witnessed all-round economic growth, according to International Data Corporation's India Quarterly PC Tracker, the Indian personal computer market witnessed a considerable year-on-year growth in unit shipments.. The virtual decline in computer prices in the past few years, during which period there has been an improvement in the disposable income of the people, together have considerably increased the affordability of computers. Also, easy finance schemes, SOHO and SME segments, remarkable rise in IT and IT enabled service markets, e-governance initiatives by Central and state governments and various government departments apart from demand from households, together have bolstered the pace of growth. In 2008, IDC feels that the IT market will continue to be driven mainly by hardware spending across consumer and enterprise segments. India should remain the fastest growing country by hardware spending in the world in 2008.

Chemical Division:

The market failed to improve last year and we are still unclear about its direction this year. Due to the sudden increase in the oil prices, all raw material prices have gone up, while finished goods prices have remain subdued due to slower markets.

1.2 OPPORTUNITIES AND THREATS

Electronics Division:

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

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

Chemical Division:

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

on exports of bulk chemicals, pharmaceutical intermediates and also Bulk Pharmaceuticals.

1.3 SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Electronics Division:

The overall performance during the year was satisfactory in comparison with the last year, the segment result, before adjustment for unallocated expenses (net) and provisions for taxation, increased to Rs. 598.71 Lakhs as compared to Rs. 488.74 Lakhs in the previous year.

Chemical Division:

There is drop in the turnover and the margin too has to be squeezed due to tough competition from China. The heavy slashing of incentives by our Government too has forced us to work on very lower margin in order to sustain in the international market.

1.4 FUTURE OUTLOOK

Electronics Division:

The electronic industry shows no sign of recession, or even slowing down much. The growing Indian market for electronic products is over US\$25 bn and is growing at about 30% per annum. At this rate it is projected to exceed US\$ 70 bn by 2010 and US\$158 Bn by 2015.

Big corporate houses, banks, educational and healthcare segments increasingly opt the thin client technology in comparison to P.C - Server technology which offers bright future to our Electronic division.

The dumping of cheap Chinese products has been a growing concern but we can effectively tackle this by better quality and service- both pre and post sales.

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

Chemical Division:

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

1.5 RISKS AND CONCERNS

Electronics Division:

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

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

Chemical Division:

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

1.6 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

1.7 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company has achieved a sales turnover of 17921.21 Lacs in the year 2007-08 as compared to Rs. 16630.82 Lacs in 2006-2007, reflecting a strong growth in the electronic export business. The company has earned a profit (before tax and extra ordinary items) of Rs 154.72 Lacs as compared to a profit (before tax and extra ordinary items) of Rs. 114.71 Lacs in the previous year.

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

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

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

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

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

AUDITOR'S REPORT TO THE MEMBERS OF PRIYA LIMITED

1. We have audited the attached Balance Sheet of **Priya Limited**, Mumbai as at 31st March 2008, and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008;
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of

M. L. Bhuwania & Co.
Chartered Accountants

J. P. Bairagra
Partner

Membership No: 12839

Place : Mumbai

Dated : 30th June, 2008.

Annexure referred to in paragraph 3 of Auditor's report to the members of Priya Limited for the year ended 31st March 2008.

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

- (i) (a) The company is maintaining the proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.
- (c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) During the year, the Company has not granted any loan, secured or unsecured, to Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

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

No. of parties	Total amount of loan taken	Maximum balance outstanding during the year.	Amount outstanding at the end of the year.
4	10,02,55,945	6,28,10,824	4,30,78,909

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no weakness has been noticed in the internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year covered by the audit. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) The Company does not have a formal internal audit system.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable except Wealth Tax of Rs. 5,46,740, ESIC dues of Rs. 2,366 and Sales Tax of RS. 1,06,558.

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	Demand for tax liability	1998-99 to 2000-01	85,37,135	Income Tax Appellate Tribunal
Income Tax Act	Demand for tax liability	2001-02	1,48,146	Rectification u/s 154 pending with Assessing Officer.
Uttar Pradesh Trade Tax Act, 1948	Demand for Sales tax	2005-06	94045	Assistant Commissioner Trade Tax, Lucknow
State Development Tax Act, 2005	Demand for Sales tax	2005-06	25,968	Assistant Commissioner Trade Tax, Lucknow
Central Sales Tax Act, 1956	Demand for Sales tax	2001-02 to 2002-03	2,649	Sales Tax Appellate Tribunal
Kerala General Sales Tax Act, 1963	Demand for Sales tax	2002-03	53672	Sales Tax Appellate Tribunal
Bihar Finance Act, 1981	Demand for Sales tax	2003-04 to 2005-06	2,45,182	Deputy Commissioner of Sales Tax
Central Sales Tax Act, 1956	Demand for Sales tax	2001-02 to 2004-05	1,36,05,605	Deputy Commissioner of Sales Tax
West Bengal Sales Tax Act, 1994	Demand for Sales tax	2002-03 to 2004-05	1,21,840	Deputy Commissioner of Sales Tax

- (x) The accumulated losses of the Company at the end of the financial year on 31/03/2008 are less than fifty per cent of its net worth and the Company has not incurred any cash losses during the financial 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, except in the case of retirement of Letter of Credits (LC's), where in 12 cases a total amount of Rs.7,89,95,525 was repaid after the due date of L.C. The period of delay ranges between 1 to 9 days. The Company has not borrowed from the financial institutions and does not have any borrowings by way of debentures.
- (xii) Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute application to chit fund and nidhi/mutual benefit fund/societies. Accordingly, clause 4 (xiii) of the order is not applicable to the Company.
- (xiv) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion, the Company is not dealing / trading in shares, securities, debentures and other investment. Accordingly, clause 4 (xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the order is not applicable to the Company.
- (xvi) According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company, we report that term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2008.

For and on behalf of
 M. L. Bhuwania & Co.
 Chartered Accountants

J. P. Bairagra
 Partner
 Membership No: 12839

Place : Mumbai
 Dated : 30th June, 2008.