



Annual Report
2012 - 2013

PRIYA LIMITED

26th ANNUAL GENERAL MEETING

Day	:	Friday
Date	:	6 th September, 2013.
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 GAURAV MUNOLI	Company Secretary
SHRI RAKESH JAIN	Chief Financial Officer

BANKERS

Indian Bank
Bank of India
Union Bank of India
Bank of Maharashtra

AUDITORS

M/s. M. L. Bhunia & 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 (East), 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-Sixth** 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 Friday, the 6th Day of September, 2013 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, 2013 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 2012-2013.
3. To appoint a Director in place of Mr. R. K. Saraswat who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of P. V. Hariharan, who retires by rotation and being eligible, offers himself for re-appointment
5. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Sections 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. M. L. Bhuwania & Co., Chartered Accountants having Registration No. 101484W issued by the Institute of Chartered Accountants of India, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2014"

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 31st August, 2013 to 6th September, 2013 (both

days inclusive).

4. Dividend recommended for the year ended 31st March, 2013 if approved by the members will be paid to those eligible members whose names appear:
 - I. As Beneficial Owners, as on 31st August, 2013, 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 31st August, 2013.
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 advise 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.

For and on behalf of the Board
For Priya Limited

Place : Mumbai

Gaurav Munoli

Dated: 11th May, 2013

Company Secretary

Registered Office:

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

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

Particulars	Mr. R. K.Saraswat	Mr.P. V. Hariharan
Date of Birth	17.04.1938	13.01.1954
Age	75 years	59 years
Qualification	Chartered Accountant	B.Sc,Diploma in Administration
Expertise	Finance	Chemical Industry

DIRECTORS' REPORT

To,

Dear Members,

Priya Limited

Your Directors take great pleasure in presenting the **26th Annual Report** and Audited Accounts of your Company for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

The financial performance of the Company for the Financial Year 2012-13 in comparison to the previous financial year 2011-12 are summarised as below:

(Rs. in Lacs)

	Year Ended 31/03/2013	Year Ended 31/03/2012
Revenue from operation	21162.26	19246.60
Other Income	161.08	157.75
	21323.34	19404.35
Profit/ (Loss) before Tax and Extra Ordinary Item	280.99	175.83
Extra ordinary item	-----	-----
Profit/ (Loss) before Tax and after Extra Ordinary Items	280.99	175.83
Provision for taxation		
Current Tax	98.90	54.19
Deferred Tax	(30.77)	(0.48)
(Add)/Less: Taxation of earlier years	0.20	40.49
Profit/(Loss) After Tax	212.66	81.63
Add: Balance brought forward	644.70	597.97
Profit available for appropriation	857.36	679.60
Appropriations		
Proposed Dividend	30.02	30.02
Corporate Dividend Tax	5.10	4.87
Balance carried to Balance Sheet	822.24	644.70

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 2013 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. 21162.26 lac as compared to Rs. 19246.60 lac in the previous year. The Company has earned profit after tax and exceptional item of Rs. 212.66 lac in 2012-2013 as compared to Rs. 81.63 lac in the previous year.

Your Company has achieved better results in comparison to performance of previous year, despite of sluggish global economy. Distribution/Trading of Thin client constituted an important source of revenue to the company among other computer peripherals such as keyboard and mouse.

DIRECTORS

As per the provisions of Section 256 of the Companies Act, 1956, Mr. P. V. Hariharan and Mr. R. K. Saraswat, Directors of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and 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 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, Bank of India, 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 have 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 2012-2013 and Profit of the Company for that the year ended on 31st March, 2013;
- 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 2012-2013 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, 2013.

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 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 **R. K. Saraswat**
Executive Director Director

Place : Mumbai
Date : 11th May, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECECONOMIC REVIEW AND OUTLOOK

During the year 2012-13, the continuing fragile economic scenario and domestic factors like widening fiscal deficit and inflationary trends depressed India's overall economic growth. The slowdown of the economy has been pervasive affecting almost all sectors. The growth of the economy slowed much more than anticipated, with the GDP growth for fiscal year 2012 -13 being pegged at 5.0 %, the lowest in a decade. As per the economic survey conducted by the Ministry of Finance, the economy is projected to grow at an optimistic 6.1 - 6.7% for FY14, signaling that the economy is reviving.

1.1 INDUSTRY STRUCTURE AND DEVELOPMENTS

Electronics Division:

The global electronics hardware production is reported at USD 1750 Billion. Indian Electronics hardware production constitutes only around 1.3% of global production. Moreover, the value addition in domestically produced electronic goods constitutes to be low. The Government has recognized that for sustaining growth in IT and Telecom is hugely dependent on our ability to foster electronics system Design and Manufacturing in the country. The renaming of the Department of Information Technology as Department of Electronics and Information Technology (Deity) by the Government is reaffirmation of the thrust that this sector deserves.

Chemical Division:

The dyestuff industry comprises of 3 key constituents namely, dyestuffs, pigments and intermediates. The value chain has intermediaries as downstream products manufactured from petrochemicals. Intermediates are further processed to obtain dyestuff and pigments. The Indian dyes and dye intermediate market is fragmented with around 950 manufactures. A high degree of consolidation is expected in this segment in the year to come. The main drivers for consolidation are the stringent environmental norms and awareness among customers increasing the cost of operations for small scale players.

1.2 OPPORTUNITIES AND THREATS

Electronics Division:

It is estimated that demand of electronics products and systems in India would grow to USD 400 billion by 2020 at compound annual growth rate (CAGR) of 22%. Although the segment is promising and has immense potential, the increasing demand-supply gap remains to be a cause of concern. Growing demand for hardware fuelled by modernization across verticals, clubbed with the slow rate of increase in domestic production, is widening the demand-supply gap.

According to a recent IDC report, in 2013, over 6.8 million units of Thin Client devices are likely to be shipped worldwide, representing a 7 percent year-on-year growth of these devices.

The research firm expects thin clients to reach 9.2 million units by 2017.

"With increasing adoption of cloud and virtualization, growth is expected in all form factors, including mobile and with liquid crystal display (LCD), although standalone will still dominate," said Jennifer Song, Research Analyst, Worldwide Trackers. "The United States will continue to capture the majority of the market and is expected to grow, but the strongest growth will be in China. These two major markets will lead the shift towards virtualization in the commercial segment.

Thin Clients are attractive options for businesses across diverse verticals, such as healthcare, banking, education and retail. According to Oleg Sidorkin, a senior research analyst at IDC, "Increased security concerns, easier administration, lower maintenance costs, and lower power consumption are among the main reasons why companies prefer to choose thin clients over traditional PCs. Analysts see the maximum adoption of Thin Clients to come from the EMEA market which is expected to grow by 6.2 percent in 2013. Sidorkin says, "In these areas, this growth is driven by demand from healthcare entities, financial institutions, and public-sector customers, which are looking for a centralized desktop environment with high level of security and reliability."

Hence you can see that the future is very bright for your company, as we are continuing to expand our presence in these markets.

Chemical Division:

The year passed by was the toughest year in the history of dyes and dye intermediates industry where demand was sluggish and uncertainty prevailing in the international market. The rupee dollar exchange rate volatility compounded the problems. Inspite of stiff competition from Indian exporters your company has good exposure to the global market. The quality products handled by your Company have received good response in the overseas market. The thrust on newer product development and consolidation of customer relationship will result into a better future for the Company. The availability of local raw materials will definitely be challenged owing to overall price increase.

1.3 SEGMENT-WISE PERFORMANCE

Electronics Division:

Keeping in view the continuing slowdown in economy, your company has performed relatively well during the year, in comparison to last years turnover. The segment result, before adjustment for unallocated expenses (net) and provisions for taxation increased to Rs. 983.05 Lacs as compared to Rs. 764.00 Lacs in the previous year.

Chemical Division:

Indian dyestuff industry continues to face strong Chinese competition. Careful selection of product

range has enabled us to retain our place in the market. The segment result before adjustment of unallocated expenses (net) and provisions for taxation has decreased marginally to Rs. 17.63 lacs for the year under review vis-a-vis previous year.

1.4 FUTURE OUTLOOK

Electronics Division:

Factors such as rapid advancement in technology infrastructure, enhanced focus by the government on e-governance projects and emergence of business models that help provide IT to new customer segments are driving technology adoption in India. During 2013-14, the Indian IT hardware Industry is expected to witness double-digit growth in rupee terms. India has entered into Free Trade Agreement (FTA) / Preferential Trade agreement (PTA) with a number of countries/ trading blocks (Thailand, Singapore, ASEAN, Korea, SAFTA, etc.) and more agreements are under negotiation, wherein import of electronics hardware from these countries shall be at a preferential rate of duty, which is lower than the normal tariff rate.

Chemical Division:

New product range coupled with success in newer markets will be your Company's thrust to increase business. Countries like Phillipines and Vietnam have shown signs of demand. We are cautiously trying to explore business in these countries.

1.5 RISKS AND CONCERNS

Electronics Division:

Number of disability factors such as high level of taxation, high cost of power, finance & freight, inadequate infrastructure, high transaction cost, etc. which render indigenous electronics hardware manufacturing uncompetitive and discourage capital intensive, high value addition investments. This in turn will compel us to import raw materials/ finished products from other countries which will lead to reduction in our gross margin over the long run. Similar to previous year, the currency fluctuation seems to be highly unfavorable and may adversely affect our bottom line.

Chemical Division:

There is acute shortage and price hike in various raw materials owing to the crude oil price rise and the implementation of stringent environmental norms. The strong US dollar has also contributed to the increase in price. Suppliers are unable to produce dyes within a given time framework. Many overseas buyers have curtailed their stocks and order only when needed as the thrust is to work on low inventories.

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. 21162.26 Lacs in the year 2012-13 as compared to Rs. 19246.60 Lac in 2011-2012, depicting a marginal rise in the electronic export business. The Company has earned a profit (before tax and extra ordinary items) of Rs. 280.99 Lac as compared to a profit (before tax and extra ordinary items) of Rs. 175.82 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.

Source:

- 1) Electronics and Information Technology Annual Report 2012-13 published by Department of Electronics & Information Technology.
- 2) Crisil Budget Analysis, 2013.
- 3) IDC Report 2012-13.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance is an integral part of the philosophy of your Company in its pursuit for excellence, growth and Value creation. Apart from complying with the statutory requirements, effective systems and practices towards improving transparency, internal controls and promotion of ethics at work place have been institutionalized.

Priya Limited aims at enhancing the value of all its stakeholders and strives hard to achieve the same.

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 2012-2013 on the following dates:

10th May, 2012, 11th August, 2012, 9th November, 2012 and 15th January, 2013.

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 membership / Chairmanship		
				BM	Last AGM*	Public Ltd Company Directorship	Committee membership **	Chairmanship **
Mr. A. K. Bhuwania	Promoter / Non-Executive Chairman	Father of Ashish Bhuwania and Aditya Bhuwania	571210	1	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	4	Yes	8	2	0
Mr. Anuj Bhargava	Independent / Non-Executive Director	--	NIL	4	Yes	-	-	-
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	210200	0	Yes	-	-	-
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 2011-12 was held on 23rd August, 2012.

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

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

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

Appointment and re-appointment of directors

As per the provisions of Section 256 of the Companies Act, 1956, Mr. P. V. Hariharan and Mr. R.K. Saraswat, Non Executive Directors of the Company shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Details of the same are given in the Notice convening the ensuing Annual General Meeting.

3. BOARD AND OTHER COMMITTEES:

The Board of Directors had constituted the following committees:

- I. Audit Committee
- II. Remuneration and Compensation Committee
- III. Share holders Grievance Committee
- IV. Share Transfer Committee.

I) AUDIT COMMITTEE

i. Terms of Reference:

The Audit Committee of the Board of Directors of the Company, inter alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

ii. Power of Audit Committee:

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

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

iii. Role of Audit Committee:

The role of the audit committee shall include the following:

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