



PRIYA LIMITED



**ANNUAL REPORT
2014 - 2015**

28TH ANNUAL GENERAL MEETING

Day : Thursday
Date : 20th August, 2015
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 Director
SHRI ADITYA BHUWANIA Whole Time Director
SHRI ANUJ BHARGAVA Director
SHRI P. V. HARIHARAN Director
SMT SAROJ BHUWANIA Director
SHRI RAKESH JAIN Chief Financial Officer
SHRI SAISHWAR DALVI Company Secretary

BANKERS

Indian Bank
Bank of Maharashtra
Union Bank of India

AUDITORS

M/s. M. L. Bhufania & 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

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

CIN: L99999MH1986PLC040713

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

WEBSITE
www.priyagroup.com

CONTENTS	Page No.
Board of Directors	
Notice	1
Directors' Report	9
Management Discussion & Analysis Report	13
Corporate Governance Report	28
Auditors' Report	44
Balance Sheet	48
Statement of Profit and Loss	49
Cash Flow Statement	50
Notes on Financial Statements & Significant Accounting Policies	51

NOTICE

NOTICE is hereby given that the **Twenty-Eighth Annual General Meeting** of the members of **PRIYA LIMITED** (CIN:L99999MH1986PLC040713) will be held at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 on Thursday, the 20th Day of August, 2015 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited financial statements of the Company for the year ended 31st March, 2015, the Director's Report and Auditor's Report thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Mr. A. K. Bhuwania (DIN:00387445), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider & if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED that pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. M. L. Bhuwania & Co., Chartered Accountants having Registration No.101484W issued by the Institute of Chartered Accountants of India, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2016"

SPECIAL BUSINESS:

5. Regularise the Appointment of Additional Director

To regularise the appointment of Mrs. Saroj Bhuwania (DIN: 00018978) as Director who was appointed as an Additional Director and in this regard to consider and if thought

fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED that Mrs. Saroj Bhuwania (DIN: 00018978) who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

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

6. Re-appointment of Mr. Aditya Bhuwania as Whole Time Director:

To re-appoint Mr. Aditya Bhuwania (DIN: 00018911) as a Whole Time Director designated as Executive Director. In this regard to consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT that pursuant to Sections 2(78), 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. Aditya Bhuwania (DIN : 00018911) be and is hereby re-appointed as an Executive Director (Whole Time Director) of the Company for a period of (03) three years with effect from 1st June, 2015 to 31st May, 2018 (i.e. from 01.06.2015 to 31.05.2018) on a minimum monthly remuneration Rs.1,50,000/- which board or committee of board can modify in such a manner but which shall not exceed Rs.3,50,000/- per month along with such other perquisites and retirement benefit as per Company policy and expressly allowed under the Companies Act, 2013 and rules made thereunder.

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

7. Confirmation of Appointment of Mr. P. V. Hariharan as Independent Director of the Company

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

“RESOLVED that pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. P. V. Hariharan (DIN 03196975), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years from 5th February, 2015 to 4th February, 2020.”

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

For and on behalf of the Board
For **Priya Limited**

Place: Mumbai **Saishwar Dalvi**
Dated: 26th May, 2015 Company Secretary

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

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 **13th August, 2015 to 20th August, 2015** (both days inclusive).
4. Dividend recommended for the year ended 31st March, 2015 if approved by the members will be paid to those eligible members whose names appear:
 - I. As Beneficial Owners, as on 13th August, 2015, 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 13th August, 2015.
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. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend.
9. (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.

10. Unclaimed dividend for the year(s) 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 are held in separate Bank accounts and shareholders who have not received the dividend / encashed the warrants are advised to write to the Company with complete details.
11. 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**.
12. 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.
13. 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.

14. Voting through electronic means

- I. In compliance with provisions of Clause 35B of the Listing Agreement read with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015, the Company is providing the shareholders facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by

electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:-

- (i) The voting period begins on **17th August, 2015 at 9.00 a.m. and ends on 19th August, 2015 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **14th August, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

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

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

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

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

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin

login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.
- IV. The Voting Rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on *cut-off date i.e. 14th August, 2015*.
- V. A person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the *cut-off date* only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through ballot paper.
- VI. Mr. Sanjay Parab, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance

of Scrutinizer, by use of "ballot paper" or "polling paper" for all those Members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.

- VIII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of voting forthwith.
- IX. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.priyagroup.com and on the website of CDSL immediately after declaration of results and communicated to the Stock Exchanges.

For and on behalf of the Board
For **Priya Limited**

Place: Mumbai

Dated: 26th May, 2015

Saishwar Dalvi

Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 5:

The Board of Directors has appointed Mrs. Saroj Bhuwania as Additional Director of the Company with effect from 2nd March, 2015. As per the provisions of Section 161(1) of the Act, Mrs. Saroj Bhuwania shall hold office as an Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Saroj Bhuwania for the office of Director of the Company. The matter regarding appointment of Mrs. Saroj Bhuwania as Additional Director was placed before the Nomination and Remuneration Committee and it has recommended her appointment. Mrs. Saroj Bhuwania has given a declaration to

the Board that she is not disqualified from being appointed as a Director in terms of Section 164 (2) of the Act and has given her consent to act as a Director. In the opinion of the Board, she fulfills the conditions specified in the Act and the Rules framed thereunder for her appointment. In compliance with the provisions of Section 161 of the Act, the appointment of Mrs. Saroj Bhuwania as a Director is now being placed before the Members for their approval.

Mrs. Saroj Bhuwania, a Commerce Graduate, has rich knowledge and experience of the business of the Company and the industry for more than 25 years.

Mr. A. K. Bhuwania, Mr. Aditya Bhuwania, Mr. Ashish Bhuwania and Mrs. Saroj Bhuwania, Directors of the Company are deemed to be concerned or interested in the resolution.

Item No.6:

Mr. Aditya Bhuwania, aged 42 years is by qualification B.Sc. (Business Computer system) from Bradley University, Pearle, Lllinois (U.S.A) and has over 15 years experience in the field of computer hardware. He is also Director of Priya International Ltd., Brent Properties Investment Pvt. Ltd., Cheshire Properties Investments Pvt. Ltd., Halifax Properties Investments Pvt. Ltd., Coral Chemicals Pvt. Ltd. and Gaurav Electrochem Private Ltd.,

The tenure of Mr. Aditya Bhuwania expires on 31st August, 2015. Taking into consideration of the valuable services rendered by him during the past ten years for the growth of the company and based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the members of the Company in General Meeting, the Board of Directors at their meeting held on 26th May, 2015 had re-appointed Mr. Aditya Bhuwania as Executive Director (Whole Time Director) of the Company for a period of (03) Three years from 1st June, 2015 to 31st May, 2018.

Remuneration:

- Salary : Rs.1,50,000/- per month.
- Perquisites and Allowances: In additions to the Salary payable, the Whole Time Director shall also be entitled to perquisites and allowances in accordance with the rules of company or as may be agreed to by the Board of Directors of the Company.

Total Remuneration payable Rs.18 Lacs per annum.

Minimum remuneration as prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

In compliance of provisions contained in schedule V of the Companies Act, 2013, the resolution approving the re-appointment and payment of remuneration is placed before the ensuing annual general meeting of the shareholders for their approval.

Information required under Section II, Part II of Schedule V of the Companies Act, 2013:-

I. GENERAL INFORMATION	
1) Nature of Industry	Priya Limited distributes an array of IT products such as Thin Client, Keyboard, Mouse, software products and offering solutions for different industries and also a major exporter for dyes and pharmaceuticals.
2) Date or expected date of commencement of commercial production	Certificate of commencement of business was dated 1 st October, 1986
3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4) Financial performance based on given indicators	The details of financial performance of the Company for the year 2014-15 are provided in the Annual Report.
5) Foreign investments or collaborators, if any	NIL

II. INFORMATION ABOUT THE APPOINTEE

1) Background details	Mr. Aditya Bhuwania, aged 42 years is by qualification B.Sc. (Business Computer system) from Bradley University, Pearle, Lllinois (U.S.A) and has over 15 years experience in the field of computer hardware.	
2) Past remuneration	Year	Remuneration paid
	2012-13	Rs.16,50,000/-
	2013-14	Rs.16,50,000/-
	2014-15	Rs.16,50,000/-
3) Recognition or awards	None	
4) Job profile and his suitability	As Executive Director of the Company, Mr. Aditya Bhuwania is responsible for the overall performance of the Company. He has been instrumental in giving direction to the entire team of Company and has been responsible for monitoring their performance on regular basis.	
5) Remuneration proposed	a) Salary : Rs.1,50,000/- per month. b) Perquisites and Allowances: In additions to the Salary payable, the Whole Time Director shall also be entitled to perquisites and allowances in accordance with the rules of company or as may be agreed to by the Board of Directors of the Company.	

6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee the responsibilities shouldered by him, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar top/ senior level appointee in other companies.
7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Aditya Bhuwania is holding 2,60,300 equity shares in the Company. In addition to above, his relatives are also holding shares in the company. None of the Key managerial personnel or any other senior managerial personnel is related to Mr. Aditya Bhuwania.

III. OTHER INFORMATION:

1) Reasons for loss or inadequate Profits	With the entry of big sized Companies in this segment the margins are squeezed in past years which led to stiff competition in the business segment.
2) Steps taken or proposed to be taken for improvement	Company is continuously upgrading its business to get an edge on big size companies. Efforts are ongoing to improve performance of the company.
3) Expected increase in productivity and profits in measurable terms	Unable to quantify, at this point of time.

Mr. A. K. Bhuwania, Mr. Aditya Bhuwania, Mr. Ashish Bhuwania and Mrs. Saroj Bhuwania, Directors of the Company are deemed to be concerned or interested in the resolution.

Item No. 7:

Mr. P. V. Hariharan is presently on the Board as Independent Director, but were not specifically appointed under Section 149 of the Companies Act, 2013 ("Act"). General Circular 14/2014 dated 9th June, 2014 of the Ministry of Corporate Affairs read with SEBI guidelines to Listed Stock Exchanges on Clause 49 now requires that the appointment of Independent Directors to be made expressly under the provisions of Section 149 of the Act.

Mr. P. V. Hariharan has given a declaration to the board that he meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. P. V. Hariharan, as Independent Director is now being placed before the Members for their approval.

The Brief resume of Mr. P. V. Hariharan as under:-

Mr. P. V. Hariharan, aged 61 years is by qualification B.Sc. (Hons) Graduate from SIES College, Mumbai, University of Mumbai and did a Diploma in Administration conducted by the Indian Merchant Chamber, Mumbai and he has 40 years experience in International trade dealing in a variety of chemicals used by a broad spectrum of industries.

Mr. P. V. Hariharan is concerned or interested in the resolution relating to his appointment, excepting him no other Directors of the Company is in any way concerned or interested in the said resolution.

For and on behalf of the Board
For **Priya Limited**

Place: Mumbai
Dated: 26th May, 2015

Saishwar Dalvi
Company Secretary