



# PRIYA LIMITED



# ANNUAL REPORT 2018-2019

## 32<sup>ND</sup> ANNUAL GENERAL MEETING

**Day** : Friday  
**Date** : 27<sup>th</sup> September, 2019  
**Time** : 11.00 A.M.  
**Place** : “City Light Cinema Banquets Hall”, Ashford Chambers,  
 4<sup>th</sup> Floor, Lady Jamshedji Road, Mahim, Mumbai 400016.

### BOARD OF DIRECTORS

<b>SHRI A. K. BHUWANIA</b>	Chairman
<b>SHRI R. K. SARASWAT</b>	Director
<b>SHRI M. K. ARORA</b>	Director
<b>SHRI ASHISH BHUWANIA</b>	Director
<b>SHRI ADITYA BHUWANIA</b>	Whole Time Director
<b>SHRI ANUJ BHARGAVA</b>	Director
<b>SHRI P. V. HARIHARAN</b>	Director
<b>SMT SAROJ BHUWANIA</b>	Director
<b>SHRI RAKESH JAIN</b>	Chief Financial Officer
<b>SHRI SAISHWAR DALVI</b>	Company Secretary (up to 01.04.2019)
<b>MISS RAJESHREE CHOUGULE</b>	Company Secretary (w.e.f. 02.04.2019)

### **BANKERS**

Indian Bank  
 Bank of Maharashtra  
 Union Bank of India

### **AUDITORS**

Kanu Doshi Associates LLP  
 Chartered Accountants, Mumbai.

### **REGISTERED OFFICE**

4<sup>th</sup> Floor, Kimatrai Building, 77-79,  
 Maharshi Karve Marg, Marine Lines (E),  
 Mumbai-400002.

### **REGISTRAR AND SHARE TRANSFER AGENT**

Bigshare Services Pvt. Ltd.,  
 1<sup>st</sup> Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis, Makwana Road,  
 Marol, Andheri East, Mumbai 400 059  
 Tel: 022-62638200

**CIN:** L99999MH1986PLC040713

### **EQUITY SHARES ARE LISTED AT:**

BSE Limited (BSE)

### **WEBSITE**

[www.priyagroup.com](http://www.priyagroup.com)

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## NOTICE

**(Pursuant to Section 101 of the Companies Act, 2013)**

**Dear Member,**

NOTICE is hereby given that the **Thirty Second Annual General Meeting** of the members of **PRIYA LIMITED** (CIN: L99999MH1986PLC040713) will be held at "City Light Cinema Banquets Hall", Ashford Chambers, 4<sup>th</sup> Floor, Lady Jamshedji Road, Mahim, Mumbai 400016 on Friday, the 27<sup>th</sup> Day of September, 2019 at 11.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To consider appointment of a Director in place of Mr. Ashish Bhuwania (DIN: 01176475) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. Re-appointment of Mr. Radhakrishna K. Saraswat as Independent Non-Executive Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") 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) read with Schedule IV to the Act, and Regulation 16(1)(b) and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Radhakrishna K. Saraswat (DIN: 00015095), Independent Non-Executive Director of the Company, who has already attained the age of 75 years and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in

writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of 5 (Five) consecutive years with effect from August 20, 2019 to August 19, 2024 and whose office shall not be liable to retire by rotation."

**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."

4. Re-appointment of Mr. Mahendra K. Arora as Independent Non-Executive Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") 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) read with Schedule IV to the Act, and Regulation 16(1)(b) and Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mahendra K. Arora (DIN: 00031777), Independent Non-Executive Director of the Company, who has already attained the age of 75 years and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of 5 (Five) consecutive years with effect from August 20, 2019 to August 19, 2024 and whose office shall not be liable to retire by rotation."

**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.”

5. Re-appointment of Mr. Anuj A. Bhargava as Independent Non-Executive Director of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) 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) read with Schedule IV to the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Anuj Bhargava (DIN: 03090652), Independent Non-Executive Director of the Company and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of 5 (Five) consecutive years with effect from August 20, 2019 to August 19, 2024 and whose office shall not be liable to retire by rotation.”

**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. P.V. Hariharan as Independent Non-Executive Director of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) 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) read with Schedule IV to the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. P.V. Hariharan (DIN: 03196975), Independent Non-Executive Director of the Company and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of 5 (Five) consecutive years with effect from February 5, 2020 to February 4, 2025 and whose office shall not be liable to retire by rotation.”

**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                      **Rajeshree Chougule**  
Date : 30<sup>th</sup> May, 2019              Company Secretary

**Registered Office:**

4<sup>th</sup> Floor, Kimatrai Building, 77-79,  
Maharshi Karve Marg, Marine Lines (E),  
Mumbai-400002.

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') in respect of the business under item nos. 3 to 6 set out above and the relevant details of the Directors seeking appointment/re-appointment at this Annual General Meeting ('AGM'/ 'the meeting') in respect of business under item nos. 3,4,5 and 6 as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standard') are annexed hereto.

**2. 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.**

3. The duly completed and signed instrument appointing proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the AGM.
4. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. The register of members and the share transfer books of the Company will remain closed from **21<sup>st</sup> September, 2019 to 27<sup>th</sup> September, 2019** (both days inclusive).
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.
8. Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
9. Details of Directors retiring by rotation/ seeking re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice.
10. Unclaimed dividend for the year(s) 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 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. In case of joint holders attending the AGM, only such a joint holder who is senior by the order in which the name stands in the register of members will be entitled to vote.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. Members holding shares in physical mode:
  - (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company/ RTA, if not registered with the Company as mandated by SEBI.
  - (b) are requested to register / update their e-mail address with the Company/ RTA for receiving all communications from the Company electronically.
14. 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**.
15. 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.
16. To support the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report in which include Notice of AGM interalia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses have been made available to the Company/

Depository Participants, unless the member has specifically requested for a hard copy of the same. In other cases, hard copy of the Annual Report is being sent to the members by the permitted mode. The members who are desirous of receiving the full Annual Report may write to the Company's RTA for a copy of the same.

**MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESSES WITH COMPANY'S RTA/ DEPOSITORIES ARE REQUESTED TO CONTRIBUTE TO THE GREEN INITIATIVE BY REGISTERING THEIR E-MAIL ADDRESS, FOR RECEIVING ALL FUTURE COMMUNICATIONS THROUGH E-MAIL.**

17. As per Regulation 40 of the SEBI Listing Regulations and various notifications issued by SEBI in this regard, transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However, members can continue to hold shares in physical form. Accordingly, members holding securities in physical form were separately communicated by the RTA vide three letters sent on July 20, 2018, November 6, 2018 and December 15, 2018 at their registered address. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's RTA for assistance in this regard.
18. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company, within the stipulated timeline. The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF

Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

19. Attendance Slip, proxy form and the Route map to the Venue of meeting are annexed hereto.

20. Members may note that the Full Annual Reports for FY 2018-19 are available on the Company's website viz. [www.priyagroup.com](http://www.priyagroup.com) and also on the website of NSDL <https://www.evoting.nsdl.com>.

## 21. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. Mr. Sanjay Parab, Practicing Company Secretary (FCS No.6613 & COP No.7093) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- III. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- IV. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- V. The remote e-voting period commences on 24<sup>th</sup> September, 2019 (9:00 am) and ends on 26<sup>th</sup> September, 2019 (5:00 pm). During

this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. 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 at the AGM through ballot paper.
- VII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- VIII. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 the 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 the voting forthwith.
- IX. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.priyagroup.com](http://www.priyagroup.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

#### **The process and manner for remote e-voting are as under:**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

#### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digits client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sanjay.parabcs@gmail.com](mailto:sanjay.parabcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download

section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

Place : Mumbai **Rajeshree Chougule**  
Date : 30<sup>th</sup> May, 2019 Company Secretary

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

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **Item Nos. 3:**

Mr. R.K. Saraswat (DIN:00015095) is an Independent Non-Executive Director of the Company and Committee Member of the Nomination and Remuneration Committee and Stakeholders Relationship Committee and Chairman of the Audit Committee of the Board of Director of the Company. He joined the Board of Director of the Company before 2000. Pursuant to the Act, Mr. Saraswat was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term up to 19<sup>th</sup> August, 2019, by the Members of the Company in the 27<sup>th</sup> AGM held on 20<sup>th</sup> August, 2014.

Based on recommendation of the Nomination and Remuneration Committee and Board of Director, on the basis of the report of performance evaluation of Independent Directors and in terms of provisions of Sections 149, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Saraswat, being eligible for re-appointment as an Independent Non-Executive Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Non-Executive Director for a second term of five consecutive years from 20<sup>th</sup> August, 2019 up to 19<sup>th</sup> August, 2024.

The Board is of the view that the continued association of Mr. Radhakrishna K. Saraswat would be beneficial to the Company and it is desirable to continue to avail their services as Independent Non-Executive Director. Therefore, it is proposed to re-appoint Mr. Radhakrishna. K. Saraswat as Independent Non-Executive Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Mr. Radhakrishna K. Saraswat and that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Radhakrishna. K. Saraswat fulfil the conditions for re-appointment as Independent Non-Executive Director as specified in the Act and the Listing Regulations.

Accordingly, the Board recommends Special Resolution for re-appointment of Mr. Radhakrishna K. Saraswat as Independent Non-Executive Director for the approval by the shareholders of the Company.

None of the Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM. Mr. Radhakrishna. K. Saraswat is not related to any Director of the Company.

The details of the director seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

#### **Brief Profiles of Independent Directors seeking re-appointment are as under:**

Mr. Radhakrishna. K. Saraswat, has over 40 years of experience in Project Finance, General Administration and Advanced Accounts. He has held the positions of Director (Finance) at Datamatics Limited; President, S. M. Dychem Limited and Senior Vice President at Grasim Industries Limited. At Grasim Industries Limited, Mr. Saraswat was part of the team that set up its Mangalore Refinery Project. He is a Graduate in Commerce and a Fellow Member of The Institute of Chartered Accountants of India.

Mr. Radhakrishna Saraswat is 81 years, having rich experience in the profession and is an expert in financial matters. In view Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from April 01, 2019, the Company is required to obtain the approval of Members by way of Special Resolution to appoint or continue the Directorship of any non-executive director, who has attained the age of seventy-five years.

**Item Nos. 4:**

Mr. Mahendra K. Arora (DIN: 00031777) is an Independent Non-Executive Director of the Company and Chairman of Nomination and Remuneration Committee and Stakeholders Relationship Committee and a Member of the Audit Committee of the Board of Directors of the Company. He joined the Board of Director of the Company before 2003. Pursuant to the Act, Mr. Arora, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term up to 19<sup>th</sup> August, 2019, by the Members of the Company in the 27<sup>th</sup> AGM held on 20<sup>th</sup> August, 2014.

Based on recommendation of the Nomination and Remuneration Committee and Board of Director, on the basis of the report of performance evaluation of Independent Director and in terms of provisions of Sections 149, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Arora, being eligible for re-appointment as an Independent Non-Executive Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Non-Executive Director for a second term of five consecutive years from 20<sup>th</sup> August, 2019 up to 19<sup>th</sup> August, 2024.

The Board is of the view that the continued association of Mr. Mahendra K. Arora would be beneficial to the Company and it is desirable to continue to avail their services as Independent Non-Executive Director. Therefore, it is proposed to re-appoint Mr. Mahendra K. Arora as Independent Non-Executive Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Mr. Mahendra K. Arora and that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Mahendra K. Arora fulfil the conditions for re-appointment as Independent Non-Executive Director as specified in the Act and the Listing Regulations.

Accordingly, the Board recommends Special Resolution for re-appointment of Mr. Mahendra K. Arora as Independent Non-Executive Director for the approval by the shareholders of the Company.

None of the Director and Key Managerial Personnel of the Company and their relatives

are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. Mahendra K. Arora is not related to any Director of the Company.

The details of the director seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

**Brief Profiles of Independent Director seeking re-appointment are as under:**

Mr. Mahendra Arora, has over 40 years of experience and wide knowledge in the field of Corporate Laws, Income Tax and Finance. He has held the positions of Vice President-Compliance at Crompton Greaves Limited and VIP Industries Limited. He is a master in Commerce, LLB, ACS and AICWA.

Mr. Mahendra Arora is 78 years, having rich experience in the profession and is an expert in secretarial and Compliance matters. In view Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, with effect from April 01, 2019, the Company is required to obtain the approval of Members by way of Special Resolution to appoint or continue the Directorship of any non-executive director, who has attained the age of seventy-five years.

**Item Nos. 5:**

Mr. Anuj Bhargava (DIN: 03090652) is an Independent Non-Executive Director of the Company and Member of the Nomination and Remuneration Committee of the Board of Director of the Company. He joined the Board of Director of the Company before 2010. Pursuant to the Act, Mr. Bhargava, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term up to 19<sup>th</sup> August, 2019, by the Members of the Company in the 27<sup>th</sup> AGM held on 20<sup>th</sup> August, 2014.

Based on recommendation of the Nomination and Remuneration Committee and Board of Director, on the basis of the report of performance evaluation of Independent Director and in terms of provisions of Sections 149, 152, Schedule IV

and any other applicable provisions of the Act and the Listing Regulations, Mr. Bhargava, being eligible for re-appointment as an Independent Non-Executive Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Non-Executive Director for a second term of five consecutive years from 20<sup>th</sup> August, 2019 up to 19<sup>th</sup> August, 2024.

The Board is of the view that the continued association of Mr. Anuj Bhargava would be beneficial to the Company and it is desirable to continue to avail their services as Independent Non-Executive Director. Therefore, it is proposed to re-appoint Mr. Anuj Bhargava as Independent Non-Executive Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Mr. Anuj Bhargava and that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Anuj Bhargava fulfil the conditions for re-appointment as Independent Non-Executive Director as specified in the Act and the Listing Regulations.

Accordingly, the Board recommends Special Resolution for re-appointment of Mr. Anuj Bhargava as Independent Non-Executive Director for the approval by the shareholders of the Company.

None of the Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Anuj Bhargava is not related to any Director of the Company.

The details of the director seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

**Brief Profiles of Independent Directors seeking re-appointment are as under:**

Mr. Anuj Bhargava is 57 years, has over 30 years of experience in Project Finance, General Administration and Advanced Accounts. He is CMC and CWA by profession having wide experience in the field of Management and

IT Consultancy and a Fellow Member of The Institute of Chartered Accountants of India.

**Item Nos. 6:**

Mr. P.V. Hariharan (DIN: 03196975) is an Independent Non-Executive Director of the Company. He joined the Board of Director of the Company before 2015. Pursuant to the Act, Mr. Hariharan, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term up to 4<sup>th</sup> February, 2020, by the Members of the Company in the 28<sup>th</sup> AGM held on 20<sup>th</sup> August, 2015.

Based on recommendation of the Nomination and Remuneration Committee and Board of Director, on the basis of the report of performance evaluation of Independent Non-Executive Director and in terms of provisions of Sections 149, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Hariharan, being eligible for re-appointment as an Independent Non-Executive Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years from 5<sup>th</sup> February, 2020 up to 4<sup>th</sup> February, 2025.

The Board is of the view that the continued association of Mr. P.V. Hariharan would be beneficial to the Company and it is desirable to continue to avail their services as Independent Non-Executive Director. Therefore, it is proposed to re-appoint Mr. P.V. Hariharan as Independent Non-Executive Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Mr. P.V. Hariharan and that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. P.V. Hariharan fulfil the conditions for re-appointment as Independent Non-Executive Director as specified in the Act and the Listing Regulations.

Accordingly, the Board recommends Special Resolution for re-appointment of Mr.P.V. Hariharan as Independent Non-Executive Director for the approval by the shareholders of the Company.

None of the Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM.

Mr. P.V. Hariharan is not related to any Director of the Company.

The details of the director seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

**Brief Profiles of Independent Directors seeking re-appointment are as under:**

Mr. Hariharan aged 65 years is by qualification B.Sc. (Hons.) Graduate from SIES College, Mumbai, University of Mumbai and did diploma in Administration conducted by the Indian Merchant Chamber, Mumbai and he has 43 years' experience in trade dealing in a variety of chemicals used by a broad spectrum of industries.

For Priya Limited

Place : Mumbai

**Rajeshree Chougule**

Date : 30<sup>th</sup> May, 2019

Company Secretary

**ANNEXURE TO NOTICE**

**Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting**

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard- 2 on General Meetings]

**1. Mr. Ashish Bhuwania**

Mr. Ashish Bhuwania retires by rotation and is eligible for re-appointment of Director of the Company.

**Educational Qualification:**

Mr. Ashish Bhuwania is by qualification Graduate in Management Science from London School of Economics. Mr. Ashish Bhuwania has 25 years' experience in the field of Management and Computer hardware. He is Expertise in Electronics & Chemical Industry.

**Age:** 47 years

**Nature of experience in specific areas:**

Mr. Ashish Bhuwania is based in London and has developed good contact with reputed multinational firms and organisation. He

spearheads the international operations of the Company and is shouldering major responsibilities of electronics Division. His contacts and vast Experience has helped the Company to understand the international market trend and potential for Company's products.

**Disclosure of inter-se relationships between directors and Key Managerial Personnel:**

Son of A.K. Bhuwania & Saroj Bhuwania and Brother of Aditya Bhuwania.

**Directorships and Membership in listed companies and Committee:**

Mr. Ashish Bhuwania is not director or member in other listed Companies.

**Shareholding:**

2,80,200 equity shares in the Company.

**2. Mr. R.K.Saraswat**

Mr. R.K.Saraswat is eligible for re-appointment of Independent Non-executive Director of the Company.

**Educational Qualification:**

He is a Commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India.

**Age:** 81 years

**Nature of experience in specific areas:**

R. K. Saraswat has over 50 years of experience in Project Finance, General Administration and Advanced Accounts. He held the positions of Director (Finance) at Datamatics Limited; President, S. M. Dyechem Limited and Senior Vice President at Grasim Industries Limited, In Grasim Industries Limited, he was part of the team that set up its Mangalore refinery project.

**Disclosure of inter-se relationships between directors and Key Managerial Personnel:** Nil

**Directorships and committee memberships in listed companies:**

Independent Director of Priya International Limited, Vinati Organics Limited and Datamatics Global Services Limited.

**Priya International Limited** - Chairman of Audit Committee; Member of Nomination and Remuneration Committee;

**Vinati Organics Limited** – Chairman of

Audit Committee and Corporate Social Responsibility Committee; Member of Nomination and Remuneration Committee;

**Datamatics Global Services Limited** Chairman of Audit Committee and Stakeholders Relationship Committee and Nomination and Remuneration Committee; Member of Corporate Social Responsibility Committee;

**Shareholding:** Nil

**3. Mr. M.K.Arora**

Mr. M.K. Arora is eligible for re-appointment of Independent Non-executive Director of the Company.

**Educational Qualification:**

Mr. M. K. Arora, is a qualified Company Secretary and Cost Accountant, and has completed his post- graduation in the stream of Commerce and graduation in the stream of Law. He has an experience of more than four decades in the Corporate Law and General Management.

**Age:** 78 years

**Nature of experience in specific areas:**

He has an experience of more than four decades in the Corporate Law and General Management. He held the positions of Vice President-Compliance at Crompton Greaves Limited and VIP Industries Limited.

**Disclosure of inter-se relationships between directors and Key Managerial Personnel:** Nil

**Directorships and committee memberships in listed companies:**

Director of Kemp & Co. Limited and Windsor Machine Limited and Priya International Limited.

**Priya International Limited** – Chairman of Nomination and Remuneration Committee, Member of Audit Committee;

**Windsor Machine Limited** - Member of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee;

**Kemp & Co. Limited**-Member of Nomination and Remuneration Committee and Stakeholder Relationship Committee.

**Shareholding:** Nil

**4. Mr. Anuj Bhargava**

Mr. Anuj Bhargava is eligible for re-appointment of Independent Non-executive Director of the Company.

**Educational Qualification:**

He is CMC and CWA by profession.

**Age:** 57 years

**Nature of experience in specific areas:**

He having wide experience in the field of Management and IT Consultancy.

**Disclosure of inter-se relationships between directors and Key Managerial Personnel:** Nil

**Directorships and committee memberships in listed companies:**

Mr. Bhargava is a Independent Director and Member of Nomination and Remuneration Committee of Priya International Limited.

**Shareholding:** Nil

**5. Mr. P.V.Hariharan**

Mr. P.V. Hariharan is eligible for re-appointment of Independent Non-executive Director of the Company.

**Educational Qualification:**

Mr. P. V. Hariharan is by qualification B.Sc. (Hons) Graduate from SIES College, Mumbai, University of Mumbai and has a Diploma in Administration conducted by the Indian Merchant Chamber, Mumbai

**Age:** 65 years

**Nature of experience in specific areas:**

43 years' experience in International trade dealing in a variety of chemicals used by a broad spectrum of industries. Has travelled extensively overseas to identify new suppliers and sign trade agreements. Developed the stock and sale business of specially chemicals which are imported and distributed PAN India with a large customer base.

**Disclosure of inter-se relationships between directors and Key Managerial Personnel:** Nil

**Directorships and committee memberships in listed companies:**

Mr. P.V. Hariharan is whole time Executive Director on the Board of Priya International Limited.

**Shareholding:** 1500.

## Route Map



## Venue of AGM AGM Venue

“CITY LIGHT CINEMA BANQUETS HALL”

Ashford Chambers, 4th Floor, Lady Jamshedji Road, Mahim, Mumbai – 400016.

## **DIRECTORS' REPORT**

### **TO THE MEMBERS OF**

### **PRIYA LIMITED**

The Directors present their 32<sup>nd</sup> Annual Report along with the Audited Financial Statement of Accounts for the Financial Year 2018-19.

### **FINANCIAL PERFORMANCE**

The financial performance of the Company for the Financial Year 2018-19 in comparison to the previous financial year 2018-19 are summarised as below:

(Rs. in Lakhs)

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31/03/2019</b>	<b>31/03/2018</b>
<b>Revenue from operation</b>	2208.85	9161.26
<b>Other Income</b>	126.24	56.96
	<b>2335.09</b>	<b>9218.22</b>
<b>Profit/ (Loss) before Tax</b>	<b>(1,632.60)</b>	<b>83.11</b>
Less: 1) Current Tax - for current year	0.00	30.43
- For earlier years	(12.76)	0.00
2) Deferred tax	2.76	3.84
<b>Profit/(Loss) After Tax</b>	<b>(1622.60)</b>	<b>48.84</b>
Other Comprehensive Income	8.14	17.19
<b>Total Comprehensive Income</b>	<b>(1614.46)</b>	<b>66.03</b>

The Company has prepared the financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

### **DIVIDEND**

The Board of Directors of your Company, after considering losses for FY 2018-19, has decided that it would be prudent, not to recommend any Dividend for the year under review.

### **TRANSFER TO RESERVES**

The Company has not transferred any amount to Reserves for the financial year ended 31<sup>st</sup> March, 2019.

### **SHARE CAPITAL**

The paid up equity capital as on 31<sup>st</sup> March, 2019 was Rs.3,00,23,000.

During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or Warrants.

The authorized share capital of the Company was Rs.7,50,00,000/- as on March 31, 2019.

### **OPERATIONS**

During the year under review the aggregate turnover of your Company was Rs.2,208.85 Lakhs as compared to Rs.9,161.26 Lakhs in the previous year. The Company has incurred a Net Loss of Rs.1,622.60 Lakhs in 2018-19 as compared to previous year's Net Profit of Rs.48.84 Lakhs.

Your Company is concentrating in the marketing of VXL Thin Clients and other computer peripherals (Keyboard/Mouse, Monitors etc.) and is targeting a greater market share in these key areas. Your Company has also started marketing of various software products and offering solutions for different industries.

All the branches are adequately equipped to provide complete support to the customers. Internal control systems have been well established and cost consciousness in branch operations has trying to improved the profitability of the Company.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **I. RE-APPOINTMENT**

In accordance with provisions of the Act, Mr.Ashish Bhuwania, retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, has offered himself for re-appointment.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and Clause 1.2.5 of the Secretarial Standard are given in the Notice of AGM, forming part of the Annual Report.

#### **II. INDEPENDENT DIRECTORS**

The Members of the Company had, at the 27<sup>th</sup> Annual General Meeting held on August 20, 2014 appointed Mr. Radhakrishna K. Saraswat, Mr. Mahendra K. Arora and Mr. Anuj Bhargava as Independent Directors of the Company for a period of five years with effect from August 20, 2014 as well as Members of the Company had at the 28<sup>th</sup>

Annual General Meeting held on August 20, 2015 appointed Mr. P.V. Hariharan as Independent Director of the Company for a period of five years with effect from February 5, 2015. According to their terms, the tenure of Mr. Radhakrishna K. Saraswat and Mr. Mahendra K. Arora and Mr. Anuj Bhargava as Independent Directors term expires on August 19, 2019 and Mr.P.V.Hariharan term expires on February 4, 2020 respectively.

On recommendation of Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 30, 2019, subject to the approval of shareholders at ensuing AGM, re-appointed Mr. Radhakrishna K. Saraswat, Mr. Mahendra Arora, Mr. Anuj Bhargava and Mr. P.V. Hariharan as Independent Directors of the Company for a further period of five years respectively with effect from September 20, 2019 and February 5, 2020 respectively.

A brief profile of Mr. Radhakrishna K. Saraswat, Mr. Mahendra Arora, Mr. Anuj Bhargava and Mr. P.V. Hariharan are provided in the Notice of AGM.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### **III. KEY MANAGERIAL PERSONNEL:**

In terms of Section 203 of the Act, the Key Managerial Personnel (KMPs) of the Company during FY 2018-19 are:

Mr. Rakesh Jain, Chief Financial Officer

Mr. Saishwar Dalvi - Company Secretary & Compliance officer of the Company has resigned w.e.f. 01 April, 2019. Board places on record its deep appreciation for the excellent contributions made by Mr. Saishwar Dalvi during his tenure.

Ms. Rajeshree Chougule has been appointed as Company Secretary & Compliance officer of the Company w.e.f. 2 April, 2019.

Ms. Rajeshree Chougule- Company Secretary, is the Key Managerial Personnel of the Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

#### **AUDIT:**

##### **1) STATUTORY AUDIT:**

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, M/s. Kanu Doshi Associates LLP, Chartered Accountants (ICAI Firm No.104746W/W100096) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 30<sup>th</sup> Annual General Meeting till the conclusion of 35<sup>th</sup> Annual General Meeting, subject to ratification by Shareholders at each AGM.

In accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and other applicable provisions of law.

The Report of the Statutory Auditor forming part of the Annual Report, does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

##### **2) SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Director appointed M/s. Sonal Kothari & Associates, Company Secretaries in Practice to conduct the Secretarial Audit of the Company for year ended March 31, 2019.

The Report of the Secretarial Audit is annexed herewith as **Annexure - A**.

The said Secretarial Audit Report mention certain observation to which the Board given their reply as follows:

**Observation No.1:**

The Company has not informed the Stock Exchange about newspaper publication of Notice of Board Meeting dated 28<sup>th</sup> May, 2018, 09<sup>th</sup> August, 2018 and 14<sup>th</sup> November, 2018 in which financial results were discussed and not submitted a copy of newspaper clipping publication of financial results for the Board Meetings held on 28<sup>th</sup> May, 2018 and 09<sup>th</sup> August, 2018.

**Comment of Board of Directors:**

The Board took note of the same and submitted that the Company had published the Intimation of the Board Meeting and published the financial results in the newspaper in every quarter. However it had failed to intimate the same to the Stock Exchange for the two Board Meetings. Hence, the Board tookj note of the same and ensured that Regulation 47 is strictly adhered to in thr henceforth quarters.

**Observation No.2:**

As per the Certificate issued by SPRS and Co., Company Secretaries, under regulation 40(9), the Company has not delivered during the half year ended on 31<sup>st</sup> March, 2019, Share/ Debenture Certificate(s) relating to the transfer of Shares/Debentures received during the period from 1<sup>st</sup> October, 2018 to 31<sup>st</sup> March, 2019, as entered in the Memorandum of Transfers, within thirty days of the date of lodgment for transfer, from respective date of lodgment of each deed excepting those rejected on technical grounds.

**Comment of Board of Directors:**

Reason for delay as stated by the RTA is that from the month of september 2018 there has been a huge surge in receipt of the demat and transfer requests, resulting in few of them getting actioned late.

As per the records made available, there were there were no requests relating to sub-division (split), consolidation, renewal, exchange or endorsement of calls/ allotment monies received during the period commencing from 1<sup>st</sup> October, 2018 to 31<sup>st</sup> March, 2019.

This delay due to Share Transfer Agent action and not due to Company fault for doiinf anything late.

**Observation No.3:**

The Company has received a notice under Section 13(2) of Securitization and Reconstruction of Financial assets and Enforcement of Security Interest Act, 2002 from Indian Bank, Mumbai Fort Branch, Bank of Maharashtra, Mumbai Industrial Finance Branch and Union Bank of India) Nariman Point Branch to discharge the liabilities due and owing to the Banks with future interest and incidental expenses, cost, etc. The Banks have further informed that the account of the Company has become NPA. The above said Banks have informed the Company that in case the Company fails to repay or discharge the liabilities, the Banks shall exercise all or any of the rights detailed under Sub Section 4 of Section 13 and other applicable provisions of the SARFAESI Act. However, the Company has replied to the said Notice and submitted their reply to the Stock Exchange.

**Comment of Board of Directors:**

The Company received a notice under Section 13(2) of Securitization and Reconstruction of Financial assets and Enforcement of Security Interest Act, 2002 from Indian Bank, Bank of Maharashtra and Union Bank of India, which had provided funds towards working capital requirements, informing that the Company's accounts have been NPA and on that basis all outstanding loans have been recalled. The Company have repaid part of loan at the end of the year and had also requested foe extension of time to settle the same. The said loan is also guaranteed by Directors and two other group Companies based on continuous follow up with overseas customers and based on the forecast, the management of the Company has every intention and will make every efforts to repay the loans. The interest provision on said NPA/ recalled accounts have been made on accrual basis.

**CHANGE IN NATURE OF BUSINESS**

There is being no change in the nature of business of the company during the year.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is presented in separate section forming part of the Annual Report.

### CORPORATE GOVERNANCE

At the Company, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely, to boost long-term shareholder value and to respect minority rights. The Company considers it an inherent responsibility to disclose timely and accurate information regarding its operations and performance, as well as the leadership and governance of the Company.

The Report on Corporate Governance, along with the Certificate from the Auditors' regarding the compliance of Corporate Governance conditions form parts of this Annual Report.

### CORPORATE SOCIAL RESPONSIBILITY

In pursuant to the provisions of section 135 of the Companies Act, 2013, Corporate Social Responsibility is not applicable to your company.

### 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.

### BOARD AND COMMITTEE EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act and the SEBI Listing Regulations.

The Board evaluated its performance after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided in the Guidance Note on

Board Evaluation issued by the Securities and Exchange Board of India.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of Non- Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into account the views of Executive and Non-Executive Directors in the aforesaid meeting. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

### NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### MATERIAL CHANGES & COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company and the date of the report.

### SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

### LISTING OF SHARES

The Company's equity shares continue to be listed on BSE 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 2019-20 was duly paid to BSE Limited.

### MEETINGS OF THE BOARD

During the financial year, four (4) Board Meetings of the Board of Directors were held, the details of which given in the Corporate Governance

Report of the Company, which forms a part of this Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act.

#### **BOARD AND COMMITTEE EVALUATION**

The Companies Act, 2013 and SEBI Listing Regulations contains broad provisions on Board Evaluation i.e. evaluation of the performance of (i) the Board as a whole, (ii) individual Directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board.

The Companies Act, 2013 and SEBI Listing Regulations contains broad provisions on Board Evaluation i.e. evaluation of the performance of (i) the Board as a whole, (ii) individual Directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board.

A separate meeting of Independent Directors was held to discuss the performance of Non-Independent Directors, Board as a whole and Chairman after considering the views of Executive Directors and Non-Executive Directors.

#### **COMPOSITION OF THE COMMITTEES OF THE BOARD:**

There are currently Three Committees of the Board, as under:

##### **AUDIT COMMITTEE**

During the year (4) Four Audit Committee Meetings was held. The Details of which are given in Corporate Governance Report.

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. R. K. Saraswat	Chairman	Independent / Non-Executive Director
Mr. M. K. Arora	Member	Independent / Non-Executive Director
Mr. A. K. Bhuwania	Member	Non Executive Chairman

The company is having an audit committee comprising of the following directors:

##### **NOMINATION AND REMUNERATION COMMITTEE**

During the year (2) Two Nomination and Remuneration Committee Meetings was held. The Details of which are given in Corporate Governance Report.

The company is having a Nomination and Remuneration Committee comprising of the following directors:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. M. K. Arora	Chairman	Independent / Non-Executive Director
Mr. R. K. Saraswat	Member	Independent / Non-Executive Director
Mr. A. K. Bhuwania	Member	Non Executive Chairman
Mr. Anuj Bhargava	Member	Independent / Non-Executive Director

##### **STAKEHOLDER RELATIONSHIP COMMITTEE.**

During the year (3) Three Stakeholders Relationship Committee Meetings was held. The Details of which are given in Corporate Governance Report.

The company is having a Stakeholder Relationship Committee comprising of the following directors:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. M. K. Arora	Chairman	Independent / Non-Executive Director
Mr. R. K. Saraswat	Member	Independent / Non-Executive Director
Mr. A. K. Bhuwania	Member	Non Executive Chairman

##### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-B**.

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in **Annexure -B** to this Report and is also available on the Company's website [www.priyagroup.com](http://www.priyagroup.com).

##### **PUBLIC DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

##### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of

the Companies Act, 2013 are given in the notes to the Financial Statements.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Directors confirm that the Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### **INTERNAL FINANCIAL CONTROLS**

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Audit Committee is responsible for implementing and maintaining the internal control and periodically reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Company has adopted accounting policies which are in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act, and other relevant provisions of the Act.

### **UNPAID /UNCLAIMED DIVIDEND**

Pursuant to Section 124 of the Companies Act, 2013, unclaimed dividend for the financial year 2010-11 have been transferred by the Company to the Investor Education and Protection Fund established by Central Government. Details of unpaid and unclaimed amounts lying with the Company have been uploaded on the Company's website.

### **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always provided a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavors

to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company is actively involved in ensuring that the employees/resources are aware of the provisions of the POSH Act and rights thereunder.

The Company has constituted an Internal Committee (IC) as required under POSH Act and the constitution of the committee is in compliance with the said Act.

The Company has also adopted Anti-Sexual Harassment Policy in place which is in line with requirements of the POSH Act, 2013 and is fully committed to uphold and maintain the dignity of every women executive working in the Company. The Company's Policy provides for protection against sexual harassment at workplace

and for prevention and redressal of such complaints.

Number of complaints pending as on the beginning of the financial year: 0

Number of complaints filed during the financial year: 0

Number of complaints pending as on the end of the financial year: 0

### **RELATED PARTY TRANSACTIONS**

All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Your Directors draw attention of the members to Note No.37 to the financial statement which sets out related party disclosures.

### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Pursuant to section 177(9) & (10) of the Companies Act, 2013 rules made thereunder and Regulations 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations,

2015, the Company has established a Vigil Mechanism for Directors and employees to report genuine concern. The Vigil Mechanism Policy has been uploaded on the website of the Company.

#### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:**

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is already adopted.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that: -

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and 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 and of the profit of the company for the same period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all

applicable laws and these are adequate and are operating effectively.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

##### **CONSERVATION OF ENERGY:**

- i) the steps taken or impact on conservation of energy

The Company continues to accord high priority to conservation of energy by opting for more power effective replacements of equipments and electrical installations.

- ii) the steps taken by the company for utilising alternate sources of energy: None
- iii) the capital investment on energy conservation equipments: None

##### **TECHNOLOGY ABSORPTION:**

- i) the efforts made towards 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.

- ii) the benefits derived like product improvement, cost reduction, product development or import substitution

The Company has successfully achieved results in reducing the cost, power consumption and improving the technical efficiencies and productivity.

- iii) Particulars of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): None
- iv) the expenditure incurred on Research and Development: None

#### **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 financial year ended 31<sup>st</sup> March, 2019.

**PARTICULARS OF EMPLOYEES:**

Information required under Section 197(12) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below: -

- (i) Ratio of remuneration of each Director to the median employee's remuneration for the financial year:

Name	Designation	Ratio
Aditya Bhuwania	Whole Time Director	8.60

For this purpose, sitting fees paid to Non Executive Directors have not been considered as remuneration.

- (ii) Percentage increase in remuneration of each Director, CFO and CS:

Name	Designation	% increase/decrease
Aditya Bhuwania	Whole Time Director	(6)
Rakesh Jain	Chief Financial Officer	(0.47)
Saishwar Dalvi	Company Secretary	20.58

- (iii) The percentage increase in the median remuneration of employees: 1.64%
- (iv) The number of permanent employees: 49
- (v) Average percentile increase made in the salaries of employees other than key managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase made in the salaries of employees other than key managerial personal during the year is (3.47%) versus no increase in managerial remuneration.

There are no other exceptional circumstances for increase in the remuneration of key managerial personal and increase in remuneration has been in accordance with the Company's policies.

- (vi) The Company affirms that the remuneration is as per the remuneration policy of the Company.

**APPRECIATION & ACKNOWLEDGEMENTS**

Your Directors take 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

**Arunkumar Bhuwania**  
Chairman/ Director  
DIN:00387445

**R. K. Saraswat**  
Director  
DIN:00015095

Place : Mumbai  
Date : 30<sup>th</sup> May, 2019

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

#### Electronics Division:

The Company is concentrating in the marketing of VXL Thin Clients and other computer peripherals (Keyboard/Mouse) and is targeting a greater market share in these key areas. The Company continues to provide exports of Thin Clients in Europe and USA, and distribution across India along with complete customer service and support services. The Company continues to have tie up with global leaders in the field of thin clients, who develop and market high quality, secure and easy to use thin clients products and services globally. The Company has also started marketing of various software products and offering solutions for different industry verticals. The growth and progress of the company depends directly on the prospects of thin client market, and the Software and wider IT Industries.

#### Chemical Division:

The Dyestuff industry in India is playing an important role in the economic development of our country. Presently India, China, Korea, Taiwan and Indonesia are the main producers of the Dyestuffs and Pigments. India accounts for approximately 16 % of the world production of dyestuff. The Indian Dyestuff industry is a highly fragmented one and is characterized by a large number of players in the unorganized sector (about 95%). The Indian Dyestuff industry comprises mainly three sub divisions as key constituents, namely, Dyestuffs, Pigments and Intermediates. Both Dyestuffs and Pigments are critical inputs to several industries such as Textile, Paper and Packaging, Leather, Food, Polymer, Coating, Printing ink etc. Today India is the second largest producer of Dyestuff after China. Though in general the Chinese products are very cheap and economical, Indian products score because of consistent quality and reliability.

### 2. OPPORTUNITIES AND THREATS

#### Opportunities in Electronics Division:

Changing consumer preferences and growing Industrial base, with ever changing consumer needs and demands, today consumers are looking for a complete package with good quality product and experience, Goods and Service Tax (GST) as a unified tax regime is expected to lead to a re-evaluation of procurement and distribution arrangements, removal of excise duty on products would result in cash flow improvements Technological Tie-ups & Research and development, with many technological tie-ups and extensive R&D theirs is a huge scope for new and innovative products to be distributed, enhanced design capabilities, tools and technological know-how, development of new products and applications Distribution agreements with renowned brands, with government support and new technological advancements there is huge scope for ever-increasing demand of new and innovative products globally, more and more big brands want to come to India and want ready and modern distribution system covering the geographical territories of the country and serving customers on a PAN India basis which will grow their brand quicker.

#### Threats in Electronics Division:

Changing consumer buying behavior from online channel threatening to the existing physical infrastructure driven supply chain model, new technologies developed by the competitor or market disruptor, is the serious threat to the industry in medium to long term future, increasing trend toward isolationism in the different economy can lead to similar reaction from other government thus negatively impacting the international sales, intense competition – stable profitability has increased the number of players in the industry over last two years which has put downward pressure on not only profitability but also on overall sales, growing strengths of local distributors also presents a threat in some markets as the competition is paying higher margins to the local distributors, the demand of the highly profitable products is seasonal in nature and any unlikely

event during the peak season may impact the profitability of the company in short to medium term.

#### **Opportunities and Threats in Chemical Division:**

Uncertainty in business is the buzzword today as most of the countries in the world are either in recession or going towards it. We are operating in a highly competitive environment. Sluggish demand, Non availability of key raw materials and uncertainty was the main issue in 2018. Countries like Europe and South East Asia witnessed low to very low demand.

We participated in the annual China Interdye Fair and were able to generate good business opportunities.

Your company has continued taken major initiatives like strong marketing efforts, offering customized products as per requirement of customers and introduction of new quality products. The basic raw material availability poses a big challenge for us to procure dyes reliably and on time.

### **3. SEGMENT-WISE OR PRODUCT- WISE PERFORMANCE**

#### **Electronics Division:**

The performance of the company was relatively not well during the year, in comparison to last year's turnover. The segment result, before adjustment for unallocated expenses (net) and provisions for taxation, marginally decreased to Rs.(870.60) Lakhs as compared to Rs.567.83 Lakhs profitable in the previous year.

#### **Chemical Division:**

The biggest competition for our industry is from China. Presently Chinese dyestuff manufacturers have either curtailed their production or have shut down owing to pollution related issues. China is the main source of raw material for the industry and this has resulted in shortages and high prices of intermediates. China is slowly losing its advantage owing to Gradual reduction of subsidies and increase in energy, labour costs. Judicious selection of products with specialized applications has enabled us to retain our place in the market.

The segment result, before adjustment for unallocated expenses (net) and provisions for taxation, decreased up to Rs.13.71 Lakh as compared to Rs.29.21 Lakh in the previous year.

### **4. OUTLOOK**

#### **Electronics Division:**

The electronics industry is one of the fastest-growing industries in India, both in terms of production and exports. In fact, electronics have made India's brand equity a force to reckon with. The Indian electronics products demand is expected to grow at a Compound Annual Growth Rate (CAGR) to touch US\$ 400 billion by 2020. The Indian IT-BPM industry is expected to touch US\$350 billion mark by 2025 from US\$153 billion.

#### **Chemical Division:**

Constant search for new product requirements and expansion of customer base will be your company's thrust to increase business. We are having discussions with existing customers to explore new areas of dyestuff applications to increase business.

### **5. RISKS AND CONCERNS**

#### **Electronics Division:**

Intense competition in the market for IT services could affect our win rates and pricing, which could reduce our share of business from clients and decrease our revenues. A large part of our revenues are dependent on our top clients and the loss of any one of our major clients could significantly impact our business. Economic slowdown or other factors may affect the economic health of US, UK, European Union or those industries where our revenues are concentrated.

#### **Chemical Division:**

Recession like scenario across the world has made this a buyer's market. Overcapacity in the industry prevents good margins. There is a acute shortage and price hike in various raw materials owing to implementation of stringent environmental norms. An enormous explosion at an east China chemical plant killed 47 people and the government ordered closure of

all chemical plants in the region. This has adversely affected the price and supply position of many key raw materials.

Recessionary trends have forced overseas buyers to curtail their stocks and order only when needed as the thrust is to work on low inventories. The China-US trade wars and the withdrawal of GSP benefits by USA has made matters worse for the chemical industry in general and the dyestuff industry in particular.

#### **6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, compliances with regulations. Regular internal audits and checks ensure that responsibilities are executed efficiently. No Significant internal control lapses were identified.

The Company has an appointed Internal Auditor ('IA'), so that functionally Internal Audit reporting to the Chairman of the Audit Committee, thereby maintaining its objectivity. 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.

#### **7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Company has achieved a sales turnover of Rs.2208.85 Lakhs in the year 2018-19 as compared Rs.9,161.26 Lakhs in 2017-18. The Company has net loss of Rs.1622.60 Lakhs in 2018-19 as compared to previous year's Net Profit of Rs.48.84 Lakhs.

#### **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.

**ANNEXURE-A****SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

To

The Members,  
 Priya Limited  
 4<sup>th</sup> Floor, Kimatrai Building, 77-79,  
 Maharshi Karve Marg,  
 Marine Lines (E) Mumbai-400002.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Priya Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure 'I'** for the Financial Year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- i. The Companies Act, 2013 and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

- iii. The Depositories Act, 1996 and the Regulations and the Bye- laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment **(Not Applicable to the Company during the period under Audit)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are as follows: -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - d) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable as the Company has not made any further issue of Shares)**
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999. Now known as the Securities and Exchange Board of India (Share based employees Benefits) Regulations, 2014 **(The Company has not introduced any such scheme during the financial year under review)**
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(The Company has not issued any Debt Securities during the financial year under review)**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Company has**

**applied for delisting of Shares from Calcutta Stock Exchange (CSE) and permission for that delisting is still pending)**

- i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)**

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

I have also examined Compliance with the applicable clauses/Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013;

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent mentioned below:

1. The Company has not informed the Stock Exchange about newspaper publication of Notice of Board Meeting dated 28<sup>th</sup> May, 2018, 09<sup>th</sup> August, 2018 and 14<sup>th</sup> November, 2018 in which financial results were discussed and not submitted a copy of newspaper publication of financial results for the Board Meetings held on 28<sup>th</sup> May, 2018 and 09<sup>th</sup> August, 2018.
2. As per the Certificate issued by **SPRS And Co., COMPANY SECRETARIES**, under regulation 40(9), the Company has not delivered during the half year ended on 31st March, 2019, Share/ Debenture Certificate(s) relating to the transfer of Shares/Debentures received during the period from 1st October, 2018 to 31st March, 2019, as entered in the Memorandum of Transfers, within thirty days of the date of lodgment for transfer, from respective date of lodgment of each deed excepting those rejected on technical grounds.

**There are some observations on SARFAESI Notice from Bank:**

The Company has received a notice under Section 13(2) of Securitization and Reconstruction of

Financial assets and Enforcement of Security Interest Act, 2002 from Indian Bank, Mumbai Fort Branch, Bank of Maharashtra, Mumbai Industrial Finance Branch and Union Bank of India, Nariman Point Branch to discharge the liabilities due and owing to the Banks with future interest and incidental expenses, cost, etc. The Banks have further informed that the account of the Company has become NPA.

The above said Banks have informed the Company that in case the Company fails to repay or discharge the liabilities, the Banks shall exercise all or any of the rights detailed under Sub Section 4 of Section 13 and other applicable provisions of the SARFAESI Act. However, the Company has replied to the said Notice and submitted their reply to the Stock Exchange.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Director and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all Directors to schedule the Board Meetings, agenda and detailed Notes on Agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

**I further report that** during the audit period, the Company has not undertaken event/action

having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

My report of even date is to be read along with **Annexure – II.**

**For Sonal Kothari & Associates**

**Sonal Krunal Shah**  
**Practicing Company Secretary**  
**Membership No. A24216**  
**COP No. 8769**

**Place :** Thane

**Date :** May 30, 2019

#### **ANNEXURE - I**

##### **List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31<sup>st</sup> March, 2018.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, and Share Transfer & Stakeholder Relationship Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of Annual General Meetings and Extra General Meeting held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Intimations received from directors under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.

#### **ANNEXURE - II**

**To,**  
**The Members,**  
**Priya Limited**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Sonal Kothari & Associates**

**Sonal Krunal Shah**  
**Practicing Company Secretary**  
**Membership No. A24216**  
**COP No. 8769**

**Place :** Thane

**Date :** May 30, 2019

**ANNEXURE -B**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2019**
**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]**
**I. REGISTRATION & OTHER DETAILS**

<b>CIN</b>	L99999MH1986PLC040713
<b>Registration Date</b>	22/08/1986
<b>Name of the Company</b>	PRIYA LIMITED
<b>Category/Sub-category of the Company</b>	Company Limited by shares
<b>Address of the Registered office &amp; contact details</b>	4 <sup>th</sup> Floor, Kimatrai Building, 77-79, Maharshi Karve Marg, Marine Lines (E) Mumbai 400002. Tel. 91-22-4220 3100, Fax- 91-22-4220 3197
<b>Whether listed company</b>	Yes
<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Bigshare Services Pvt. Ltd., 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059. Tel. 91-22-6263 8200, Fax- 91-22-6263 8299.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated.

<b>Sr. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company</b>
1	Electronics	996118	92%
2	Chemical	996117	8%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>SN</b>	<b>Name and Address of the Company</b>	<b>CIN/ GLN</b>	<b>Holding / Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1	Not Applicable				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

<b>Category of Shareholders</b>	<b>No. of Shares held at the beginning of the year</b>				<b>No. of Shares held at the end of the year</b>				<b>% Change during the year</b>
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	5,27,900	0	5,27,900	17.58	5,27,900	0	5,27,900	17.58	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	2,75,800	0	2,75,800	9.19	2,75,800	0	2,75,800	9.19	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>8,03,700</b>	<b>0</b>	<b>8,03,700</b>	<b>26.77</b>	<b>8,03,700</b>	<b>0</b>	<b>8,03,700</b>	<b>26.77</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs-Individuals	14,31,460	0	14,31,460	47.68	14,31,460	0	14,31,460	47.68	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>14,31,460</b>	<b>0</b>	<b>14,31,460</b>	<b>47.68</b>	<b>14,31,460</b>	<b>0</b>	<b>14,31,460</b>	<b>47.68</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)= (A) (1) +(A)(2)</b>	<b>22,35,160</b>	<b>0</b>	<b>22,35,160</b>	<b>74.45</b>	<b>22,35,160</b>	<b>0</b>	<b>22,35,160</b>	<b>74.45</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	100	100	0.00	0	0	0	0.00	(0.00)
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0.00)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	44,109	8,500	52,609	1.75	48073	0	48073	1.60	(0.15)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,28,468	1,48,738	4,77,206	15.89	3,23,721	99,038	4,22,759	14.08	(1.81)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,11,180	0	1,11,180	3.70	1,17,812	0	1,17,812	3.92	0.22
c) Others (specify)									
Non Resident Indians (Repatriable)	95	0	95	0.00	70	0	70	0.00	(0.00)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Member	950	0	950	0.03	176	0	176	0.01	(0.03)
Overseas Corporate Bodies	1,25,000	0	1,25,000	4.16	1,25,000	0	1,25,000	4.16	0.00
IEPF Suspense A/C	0	0	0	0	53250	0	53250	1.77	1.77
<b>Sub-total (B)(2):-</b>	<b>6,09,802</b>	<b>1,57,238</b>	<b>7,67,040</b>	<b>25.55</b>	<b>6,68,102</b>	<b>99,038</b>	<b>7,67,140</b>	<b>25.55</b>	<b>0.01</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>6,09,802</b>	<b>1,57,338</b>	<b>7,67,140</b>	<b>25.55</b>	<b>6,68,102</b>	<b>99,038</b>	<b>7,67,140</b>	<b>25.55</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>28,44,962</b>	<b>1,57,338</b>	<b>30,02,300</b>	<b>100.00</b>	<b>29,03,262</b>	<b>99,038</b>	<b>30,02,300</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Arun Kumar Bhuwania	5,71,210	19.03	35.10	5,71,210	19.03	35.10	0.00
2	Arun Kumar Bhuwania(HUF)	1,00,000	3.33	0.00	1,00,000	3.33	0.00	0.00
3	Saroj Bhuwania	5,41,750	18.04	0.00	5,41,750	18.04	0.00	0.00
4	Ashish Bhuwania	2,80,200	9.33	0.00	2,80,200	9.33	0.00	0.00
5	Aditya Bhuwania	2,60,300	8.67	0.00	2,60,300	8.67	0.00	0.00
6	Mini Bhuwania	38,300	1.28	0.00	38,300	1.28	0.00	0.00
7	Shruti Bhuwania	1,67,600	5.58	0.00	1,67,600	5.58	0.00	0.00
8	Priya International Limited	2,75,800	9.19	0.00	2,75,800	9.19	0.00	0.00
	<b>TOTAL</b>	<b>22,35,160</b>	<b>74.45</b>	<b>0.00</b>	<b>22,35,160</b>	<b>74.45</b>	<b>0.00</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No changes in Promoters shareholding during the year			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	No changes in Promoters shareholding during the year			
	At the end of the year	No changes in Promoters shareholding during the year			

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Daymount Limited	1,25,000	4.16	1,25,000	4.16
2	Subramanian P	41,000	1.37	41,000	1.37
3	Maliram Makharia Finstock Pvt. Ltd.	25,000	0.83	25,000	0.83
4	Sanjaykumar Sarawagi	29,781	0.99	19,368	0.65
5	Preetham M	18,000	0.60	18,000	0.60
6	Rajan Tilakchand Maru	0	0.00	17,758	0.59
7	Harilal N Dalal	11,200	0.37	11,200	0.37
8	Ankur Poddar	11,199	0.37	11,199	0.37
9	Bijal Suresh Dalal	9,000	0.30	9,000	0.30
10	Mohanlal O	8,000	0.27	8,000	0.27

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A.</b>	<b>DIRECTORS</b>				
1	Arunkumar Bhuwania - Chairman	5,71,210	19.03	5,71,210	19.03
2	Ashish Bhuwania	2,80,200	9.33	2,80,200	9.33
3	Aditya Bhuwania- Whole Time Director	2,60,300	8.67	2,60,300	8.67
4	Saroj Bhuwania	5,41,750	18.04	5,41,750	18.04
5	R. K. Saraswat	0	0.00	0	0.00
6	M. K. Arora	0	0.00	0	0.00
7	Anuj Bhargava	0	0.00	0	0.00
8	P. V. Hariharan	1,500	0.04	1,500	0.04
<b>B.</b>	<b>KEY MANAGERIAL PERSONNEL</b>				
1	Rakesh Jain - Chief Financial Officer	0	0.00	0	0.00
2	Saishwar Dalvi - Company Secretary	0	0.00	0	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,110.78	267.00	0.00	2,377.78
ii) Interest due but not paid	0.00	0.00	0.00	0
iii) Interest accrued but not due	0.00	0.11	0.00	0.11
<b>Total (i+ii+iii)</b>	<b>2,100.78</b>	<b>267.11</b>	<b>0.00</b>	<b>2,377.89</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	172.00	0.00	0.00	172.00
* Reduction	0.00	145.11	0.00	145.11
<b>Net Change</b>	<b>172.00</b>	<b>145.11</b>	<b>0.00</b>	<b>26.89</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,282.78	122.00	0.00	2,404.78
ii) Interest due but not paid	0.00	0.00	0.00	0
iii) Interest accrued but not due	262.83	0.00	0.00	262.94
<b>Total (i+ii+iii)</b>	<b>2,545.61</b>	<b>122.00</b>	<b>0.00</b>	<b>2,667.72</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (In Rs.)
		<b>Aditya Bhuwania- WTD</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	30,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0	0
5	Others, please specify	0	0
	Total (A)	30,00,000	30,00,000
	Ceiling as per the Act		

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	R. K. Saraswat	M. K. Arora	Anuj Bhargava	P. V. Hariharan	
	Fee for attending board committee meetings	1,00,000	1,00,000	60,000	60,000	3,20,000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	1,00,000	1,00,000	60,000	60,000	3,20,000
2	Other Non-Executive Directors	A. K. Bhuwania	Saroj Bhuwania	--	--	
	Fee for attending board committee meetings	0	0	-	-	0
	Commission	0	0	-	-	0
	Others, please specify	0	0	-	-	0
	Total (2)	0	0	-	-	0
	Total (B)=(1+2)	1,00,000	1,00,000	60,000	60,000	3,20,000
	Total Managerial Remuneration					33,20,000
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

(Rs. in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	6.77	33.16	39.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission				
	- as % of profit		0	0	0
	others, specify...		0	0	0
5	Others, please specify		0	0	0
	Total		6.77	33.16	39.93

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY

The Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the code of Corporate Governance in its true spirit. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders' value without compromising in any way in complying with the laws, rules and regulations.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavors to strike a right balance with its various stakeholders.

### 2. BOARD OF DIRECTORS

#### a) Composition and Category of Directors:

The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders. As on 31<sup>st</sup> March, 2019, the Board of the Company comprises 8 Directors out of which 2 Directors (25%) are Executive Directors and 6 (75%) are Non-Executive Directors, including 1 women Director. The Company has a Non-Executive Chairman and 4 Independent Directors ('ID'), comprise half of the total strength of the Board. All IDs have confirmed in accordance with Regulation 25(8) of the SEBI Listing Regulations that they meet the independence criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act and the rules framed thereunder. Based on the disclosures received from all the IDs and as determined at the Meeting held on April 02, 2019, the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act and SEBI Listing Regulations.

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors on the Company's Board hold the office of Director in more than 20 companies, including 10 public companies.

The Board, to look at the long-term strategic planning, financial statements and policy reviews, meets at least once in a quarter to review financial results and operations of the Company. The Notice along with the agenda of the Board/Committee Meeting and comprehensive notes are given well in advance to all the Directors to enable them to take informed decisions. During the year no special business approval is taken by board by passing resolutions by circulation. The Agenda for the Board/Committee meetings are prepared by the Company Secretary in consultation with the Chairman and CFO of the Company. Every Director of the Company has liberty to recommend inclusion of items on the agenda.

All statutory and other matters of significant importance including information as mentioned in Schedule II Part A of the SEBI Listing Regulations are tabled before the Board for their discussions and consideration. The compliance reports of applicable laws, rules and regulations and the minutes of the meetings of the Committees of the Board are placed before the Board.

The draft Minutes are circulated amongst the members of the Board for their perusal. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman. The Minutes are noted by the members and signed by the Chairman of the Board at the next Meeting.

During the financial year 2018-19, 4 (Four) Board Meetings were held on May 28, 2018; August 09, 2018, November 14, 2018 and February 12, 2019. With reference to the Regulation 17 of the SEBI Listing Regulations, the gap between the two Board Meetings has not exceeded One Hundred and Twenty Days.

The following table, illustrates the composition of the Board, Director's attendance at Board Meetings held during the financial year under review and at the last Annual General Meeting ('AGM'), number of directorships held in other public companies, total number of committee positions held across all public companies, their shareholding in the Company's shares and names of other listed entities in which directorship is held, including category of directorships, as at March 31, 2019:

Name of Director, Director Identification Number & Category	Relationship inter-se	No. of Board Meetings Attended during 2018-19	Attendance %	Whether attended AGM held on 19 <sup>th</sup> September 2018	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies		Holding in Company's shares	Directorships in other listed entities (Category of Directorship)
						Chair-man	Member		
Mr. A. K. Bhuwania DIN: 00387445 Promoter/ Non Independent - Non Executive Chairman	Father of Ashish Bhuwania and Aditya Bhuwania and Husband of Saroj Bhuwania	2	50	No	2	1	0	5,71,210	1.Priya International Limited- Chairman/ Non-Independent Non-Executive Director 2.VXL Instruments Limited-Non Independent Non-Executive Director
Mr. R. K. Saraswat DIN: 00015095 Independent -Non Executive Director	None	4	100	No	3	4	0	0	1.Priya International Limited-Independent Director 2.Vinati Organics Limited- Independent Director 3.Datamatics Global Services Limited- Independent Director
Mr. M. K. Arora DIN:00031777 Independent - Non Executive Director	None	4	100	Yes	3	3	0	0	1.Priya International Limited- Independent Director 2.Kemp & Co. Limited-Independent Director 3.Windsor Machine Limited- Independent Director
Mr. Anuj Bhargava DIN: 03090652 Independent - Non Executive Director	None	4	100	Yes	1	-	-	0	1.Priya International Limited- Independent Director
Mr. P. V. Hariharan DIN: 03196975 Independent - Non Executive Director	None	4	100	Yes	1	-	-	1500	1.Priya International Limited- Whole-time Director
Mr. Ashish Bhuwania DIN: 01176475 Promoter/ Non Independent- Executive Director	Son of A.K. Bhuwania & Saroj Bhuwania and Brother of Aditya Bhuwania	1	25	No	-	-	-	2,80,200	None

Name of Director, Director Identification Number & Category	Relationship inter-se	No. of Board Meetings Attended during 2018-19	Attendance %	Whether attended AGM held on 19 <sup>th</sup> September 2018	No. of Directorships in other public limited companies	No. of Committee positions held in other public limited companies		Holding in Company's shares	Directorships in other listed entities (Category of Directorship)
						Chairman	Member		
Mr. Aditya Bhuwania DIN: 00018911 Promoter/ Whole-time/ Non Independent-Executive Director	Son of A.K. Bhuwania & Saroj Bhuwania and Brother of Ashish Bhuwania	4	100	Yes	1	-	-	2,60,300	1. Priya International Limited-Non-Independent Non-Executive Director
Mrs. Saroj Bhuwania DIN: 00018978 Promoter/ Non Independent-Non Executive Director	Mother of Ashish Bhuwania and Aditya Bhuwania and wife of A.K. Bhuwania	2	50	Yes	1	-	-	5,41,750	1. Priya International Limited Non-Independent Non-Executive Director

1. Excludes Directorship in Private Limited Companies, Foreign Companies, Companies under section 8 of the Companies Act, 2013.
2. Only Chairmanship / Membership of Audit Committee and Stakeholders Relationship Committee of listed Companies have been considered, excluding in Priya Limited.

**b) Board Effectiveness Evaluation:**

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2018-19 on February 12, 2019, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 12, 2019, mainly to review the performance of Non Independent Non-Executive Director, Whole-time Director and the Chairman as also the Board as a whole.

All IDs were present at the said meeting.

**3. COMMITTEES OF THE BOARD:**

Currently, the Board has the following Three committees:

- I. Audit Committee;
- II. Nomination and Remuneration Committee;
- III. Stakeholders Relationship Committee;

**I. AUDIT COMMITTEE**

**a) Constitution:**

The Company has constituted a well-qualified and independent Audit Committee as required under Section 177 of the Act, read with Rules thereto, and is also in compliance with Regulation 18 of the SEBI Listing Regulations. The role of audit committee and the information reviewed by it is as per Part C of Schedule II of the SEBI Listing Regulations, including but not limited

to overseeing financial reporting process, review of financial results and related parties transactions, recommendation of appointment, remuneration and terms of auditors and internal auditors, scrutiny of intercorporate loans and investments and to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

The Company Secretary of the Company acts as Secretary of the Committee.

**b) Description of Terms of Reference:**

The terms of reference of the Audit Committee are as follows:

- (i) Review of financial statements before they are submitted to the Board for adoption;
- (ii) Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the auditors;
- (iii) Review of quarterly, half yearly and yearly financial statements and audit report before they are presented to the Board, focusing inter- alia upon:
  - Accounting Policies and any changes thereto;
  - Major accounting entries based upon exercise of judgment by the management;
  - Ensuring compliance with the Accounting Standards;
  - Significant issues arising out of audit;
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Modified opinion(s) in the draft audit report;
  - Compliance with the laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements.
- (iv) Review and monitor auditor's independence and performance and effectiveness of the audit process;
- (v) Approve any subsequent modification of the transactions with the Related Parties;
- (vi) Scrutiny of inter corporate loans and investments;
- (vii) Valuation of undertaking and assets;
- (viii) Review with the management, performance of the statutory and internal auditors and the adequacy of internal control systems;
- (ix) Discussion with the Statutory Auditors before commencement of the audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- (x) Review of the Company's financial and risk management systems;
- (xi) Investigating the reasons for substantial defaults, if any, in the payment to the depositors, shareholders. (In case of non-payment of declared dividends), and creditors;
- (xii) Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board;
- (xiii) Adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
- (xiv) Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional

advice from external sources and have full access to information contained in the records of the company;

- (xv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- (xvi) Consider any other matter as may be requested by the Board;
- (xvii) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (xviii) Perform such other functions as may be necessary or appropriate for the performance of its duties.

**c) Composition, Name of Members and Chairman:**

The Audit Committee comprises of 3 (three) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman), Mr. M.K. Arora (Member), and Mr. A.K. Bhuwania (Member).

All members of the Committee are well versed with finance, accounts, corporate laws and general business practices.

The Company Secretary of the Company acts as the Secretary of the Committee.

The meetings of Audit Committee are also attended by Chief Financial Officer, Internal Auditor and Partner of Statutory Auditors. Minutes of the Committee meetings are circulated to the Members and are placed before the Board for noting.

**d) Meetings and Attendance during the year:**

During the year under review, the Committee met 4 (Four) times on **May 28, 2018; August 09, 2018; November 14, 2018; and February 12, 2019** and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee not attended last AGM held on September 19, 2018.

**The details of Committee meetings held and attended by its members are given below:**

Name	Category	Designation	No. of Meetings	
			Held	Attended
R.K. Saraswat	Independent -Non Executive Director	Chairman	4	4
M.K.Arora	Independent -Non Executive Director	Member	4	4
A.K. Bhuwania	Promoter/ Non Independent – Non-Executive Chairman	Member	4	2

**II. NOMINATION AND REMUNERATION COMMITTEE (N&RC)**

**a) Constitution:**

The N&RC is constituted in line with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The role of N&RC and the information reviewed by it is as per Part D of Schedule II of SEBI Listing Regulations.

**b) Description of Terms of Reference:**

The terms of reference of the N&RC are as under:

- (i) Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills;
- (ii) Formulation of the criteria for determining such as qualifications, positive attributes and independence for appointment of persons as Directors;
- (iii) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- (iv) Devising a policy on diversity of Board of Directors;

- (v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- (vi) Recommend to the Board all matters relating to the compensation including annual increments, incentives and revision in salary) payable by the Company to the Senior Management;
- (vii) To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, the Committee shall ensure that -
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (viii) Consider any other matter as may be requested by the Board;
- (ix) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (x) Perform such other functions as may be necessary or appropriate for the performance of its duties.

**c) Composition, Name of Members and Chairman:**

The N&RC comprises of 4 (Four) i.e. Mr. M. K. Arora (Chairman), Mr.A.K. Bhuwania (Member), Mr. R. Saraswat (Member) and Mr. Anuj Bhargava (Member).

**d) Meetings and Attendance during the year:**

During the year under review, the Committee met 2 (Two) times on May 28, 2018 and February 12, 2019.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
M.K.Arora	Independent -Non Executive Director	Chairman	2	2
R.K.Saraswat	Independent -Non Executive Director	Member	2	2
A.K. Bhuwania	Promoter/ Non Independent – Non-Executive Chairman	Member	2	1
Anuj Bhargava	Independent -Non Executive Director	Member	2	2

**e) Remuneration Policy**

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The remuneration policy is in consonance with the existing practice in the Industry.

**f) Remuneration of Directors**

**A. Non Executive Director's Remuneration**

The Non Executive Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Audit Committee Meeting. The Criteria of making payments to Non-Executive Directors is posted on the Company's website at [www.priyagroup.com](http://www.priyagroup.com). The payment of remuneration by way of sitting fees is as under:

Name of Director	Category	Sitting Fees * (Rs.)
Mr. A. K. Bhuwania	Promoter/Non-Executive Chairman	Nil
Mr. R. K. Saraswat	Independent/ Non Executive Director	1,00,000
Mr. M. K. Arora	Independent/ Non Executive Director	1,00,000
Mr. Anuj Bhargava	Independent/ Non Executive Director	60,000
Mr. P. V. Hariharan	Independent /Non Executive Director	60,000
<b>Total</b>		<b>3,20,000</b>

\*Includes fees for Audit Committee Meetings.

#### B. Executive Director's Remuneration

The Whole Time Directors (designated as Executive Directors) are being paid in accordance with and subject to the limits laid down in the Schedule V of the Companies Act, 2013. The remuneration to the Whole Time Directors are approved by the Board of Directors as well as shareholders of the Company in their general meeting. The payment of remuneration to Executive Director is as under:

Name of Director	Category	Remuneration (Rs.)
Mr. Aditya Bhuwania	Promoter / Whole-time Director	30,00,000
<b>TOTAL</b>		<b>30,00,000</b>

1. The Company does not have policy of paying commission on profits to any of the Directors of the Company.
2. No such performance linked incentive are given to the Directors of the Company.
3. Presently, the Company does not have a scheme for grant of stock options either to the whole-time Directors or Employees of the Company.
4. There is no separate provision for payment of severance fees.

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### a) Constitution:

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The role of the Stakeholders Relationship Committee is as specified in Part D of Schedule II of SEBI Listing Regulations.

#### b) Description of Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are as under:

- (i) Meet regularly to consider requests of share transfer/ transmission/ split/ consolidation/ duplicate share certificate etc.
- (ii) Look into the redressal of shareholders and investors complaints like transfer/ transmission of shares or credit of shares, non-receipt of annual reports/ notices/ declared dividends etc. and other secretarial compliances relating to share capital of the Company under the listing agreement etc.
- (iii) Oversee performance of the Registrars and Transfer Agents of the Company and looks into matters which can facilitate better investor services and relations.
- (iv) Consider and resolve the grievances of the security holders including the shareholders, debenture-holders, deposit holders etc. of the Company.
- (v) Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- (vi) Review measures taken for effective exercise of voting rights by shareholders;

- (vii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (viii) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (ix) Consider any other matter as may be requested by the Board;
- (x) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xi) Perform such other functions as may be necessary or appropriate for the performance of its duties.

**c) Composition, Name of Members and Chairman:**

The Stakeholders Relationship Committee comprises of 3 (Three): i.e. Mr. M.K. Arora (Chairman) and Mr.R.K. Saraswat (Member) and A.K. Bhuwania (Member).

The Company Secretary of the Company acts as the Secretary of the Committee.

**d) Meetings and Attendance during the year:**

During the year under review, the Committee met 3 (Three) times on May 28, 2018; November 14, 2018; and February 12, 2019.

The details of the Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
M.K.Arora	Independent -Non Executive Director	Chairman	3	3
R.K.Saraswat	Independent -Non Executive Director	Member	3	3
A.K. Bhuwania	Promoter/ Non Independent – Non-Executive Chairman	Member	3	1

During the Financial year 2018-19, the Stakeholder Relationship Committee has not received any Complaints regarding Non-receipt of Dividend and Non-receipt of Annual Reports/ Notices and as such other.

**SHARE TRANSFER COMMITTEE:**

During the F.Y.2018-19, the board of Directors at their Meeting held on 28<sup>th</sup> May, 2018, share transfer committee of the Company merged with Stakeholders relationship committee of the Company with immediate effect.

**4. INDEPENDENT DIRECTORS MEETING:**

- i. Pursuant to the provisions of Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on February 12, 2019, without the presence of Non-Independent Directors and Members of Management, to consider, inter alia, the following:
  - (a) review the performance of Non-Independent Directors and the Board as a whole;
  - (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present in the Meeting and the Meeting was chaired by Mr. R. K. Saraswat.

## ii. Familiarisation Programme for Independent Directors

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged. The Company conduct programmes/ presentations periodically to familiarise the Independent Directors with the nature of industry, Business model, strategy, operations and functions of the Company and role, right & responsibilities of Independent Directors through its Executive Directors or Senior Management Personnel. The details of such familiarisation programmes have been disclosed on the Company's website at [www.priyagroup.com](http://www.priyagroup.com).

## 5. GENERAL BODY MEETING:

### I. ANNUAL GENERAL MEETING:

Details of Annual General Meetings held during the preceding 3 (Three) years are as follows: -

AGM reference	Location	Date	Time	No. of Special Resolutions passed
2017-18 31 <sup>st</sup> AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018.	19 <sup>th</sup> September, 2018	11.00 A.M.	1
2016-17 30 <sup>th</sup> AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018.	13 <sup>th</sup> September, 2017	11.00 A.M.	Nil
2015-16 29 <sup>th</sup> AGM	"Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018.	30 <sup>th</sup> August, 2016	11.00 A.M.	Nil

The following Special Resolutions were passed at the AGM held on **19<sup>th</sup> September, 2018**.

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

There are no Special Resolutions passed at the AGM held on **13<sup>th</sup> September, 2017**.

There are no Special Resolutions passed at the AGM held on **30<sup>th</sup> August, 2016**.

### II. POSTAL BALLOTS

No resolutions were passed during the year through postal ballot.

No resolutions are proposed to be conducted through postal ballot at the ensuing AGM.

### III. EXTRA ORDINARY GENERAL MEETING

No Extra Ordinary General Meeting of the Shareholders was held during the financial year ended 31<sup>st</sup> March, 2019.

## 6. DISCLOSURES:

### a) Whistle Blower Policy/Vigil Mechanism

In line with the best Corporate Governance practices, Priya Limited, has put in place a system through which the Directors and employees may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct without fear of reprisal. The Whistle-blower Policy is placed on the website of the Company.

### b) Subsidiary Company

The Company does not have any subsidiary Company.

### c) Related Party Transactions

The Company has formulated a policy on Related Party Transactions and also on dealing with Related Parties which is disclosed on the website of the Company and the web link is [http://www.priyagroup.com/pdf/pl\\_Related\\_Party\\_Transaction\\_policy.pdf](http://www.priyagroup.com/pdf/pl_Related_Party_Transaction_policy.pdf)

All Related Party Transactions have been approved by the Audit Committee.

The Company has taken omnibus approval of Audit Committee for a period of one year. The Audit Committee has reviewed on quarterly basis the details of Related Party Transactions entered into by the Company pursuant to such omnibus approval.

## 7. OTHER DISCLOSURES:

- a) There are no materially related party transactions. Related party transactions are disclosed in Note No.37 to the financial statement in the Annual Report. The Audit Committee had reviewed and approved the related party transactions as mandatory requirement under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy of related party transactions is available on the website of the Company.
- b) The Company has prepared the financial statements in compliance with the Accounting Standards applicability to the Company. There is no material departure from the accounting treatment prescribed under the Accounting Standards.
- c) The Company had complied with the requirement of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No pecuniary structures have been imposed on the Company by any of the above mentioned authorities.
- d) The Company has complied with all the mandatory requirements and has also disclosed information relating to non-mandatory requirements.
- e) Complaints pertaining to sexual harassment: No Complaints pertaining to Sexual Harassment were received during the financial year under review.
- f) A certificate from M/s. Sonal Kothari & Associates, a Practising Company Secretary, as to the Directors of the Company not being debarred or disqualified is enclosed herewith.
- g) Management Discussion and Analysis Report forms part of the Annual Report.

## 8. MEANS OF COMMUNICATION

**Quarterly Results:** The Un-audited and Audited Financial Results of the Company for each Quarter and for the year ended as the case may be were published in Free Press Journal (English) and Navshakti (Marathi). The said financial results were also displayed on the Company's website i.e. [www.priyagroup.com](http://www.priyagroup.com).

**Website:** The Company's website: [www.priyagroup.com](http://www.priyagroup.com) contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are also filed electronically on the Listing Centre. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://listing.bseindia.com>.

## 9. NON-MANDATORY REQUIREMENTS:

### (1) Shareholder Rights

The Quarterly, Half yearly and Annual Financial Results of the Company are published in the Newspapers, besides notifying to the Stock Exchanges where the Company shares are listed. The Quarterly, Half yearly and Annual Financial Results are also available on Company's website at [www.priyagroup.com](http://www.priyagroup.com). The Audited annual report is also sent to every shareholders of the Company.

### (2) Audit qualifications

There are no qualifications in the Auditors' Report to the Members on the Financial Accounts for the year ended 31.03.2019.

**(3) Reporting of Internal Auditor**

The Internal Auditor directly reports to the Audit Committee.

**(4) Other Non-Mandatory Requirements**

The other Non-mandatory requirements will be implemented in due course as and when required and/or deemed necessary by the Board.

**10. SECRETARIAL AUDIT**

The secretarial audit report by M/s. Sonal Kothari & Associates, a Practising Company Secretary, forms part of the Annual Report, has some adverse remarks for the year ended 31<sup>st</sup> March, 2019. The detail explanation given Board Report of the Company which forming part of the Annual Report.

**11. GENERAL SHAREHOLDERS INFORMATION:**

- a. Date and time of AGM** : Friday, 27<sup>th</sup> September, 2019 at 11.00 A.M.
- b. Venue** : "City Light Cinema Banquets Hall",  
Ashford Chambers, 4<sup>th</sup> Floor, Lady Jamshedji Road,  
Mahim, Mumbai 400016.
- c. Financial Year** : 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019
- d. FINANCIAL CALENDAR (Provisional) for 1<sup>st</sup> April, 2019 – 31<sup>st</sup> March, 2020**
  - 1<sup>st</sup> Quarterly Result : On or before 14<sup>th</sup> August, 2019.
  - 2<sup>nd</sup> Quarterly Result : On or before 14<sup>th</sup> November, 2019.
  - 3<sup>rd</sup> Quarterly Result : On or before 14<sup>th</sup> February, 2020.
  - Annual Results : On or before 30<sup>th</sup> May, 2020.
- e. Book Closure dates** : 21<sup>st</sup> September, 2019 to 27<sup>th</sup> September, 2019  
(both days inclusive)
- f. Listing on Stock Exchanges** : 1. BSE Limited (BSE), Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 023.  
2. The Calcutta Stock Exchange Limited\* (CSE)  
(applied for delisting), 7, Lyons Range, Kolkata – 700 001.
- g. Listing Fees** : i. Listing fees of BSE have been paid.  
ii. Listing Fees of CSE.\*
- h. Stock Code (BSE)** : 524580
- i. ISIN No.** : **INE686C01014** (For dematerialization of shares)
- j. Registered Office** : 4<sup>th</sup> Floor, Kimatrai Building, 77-79 Maharshi Karve Marg,  
Marine Lines (E) Mumbai 400002.

\*Application for delisting of equity shares of the Company from Calcutta Stock Exchange Limited has made long back but the said exchange has not granted in-principle permission of de-listing till date.

**k. Market Price Data:**

The monthly high and low prices of Equity Shares of the Company on The Bombay Stock Exchange Limited (BSE), and BSE Sensex during the year 2018-2019 are as under:

MONTH	RATES (Rs.)		BSE SENSEX (Rs.)	
	HIGH	LOW	HIGH	LOW
APRIL,18	47.00	41.00	35,213.30	32,972.56
MAY,18	46.10	38.80	35,993.53	34,302.89
JUNE,18	48.00	36.15	35,877.41	34,784.68
JULY,18	49.35	41.00	37,644.59	35,106.57
AUGUST,18	47.15	39.25	38,989.65	37,128.99
SEPTEMBER,18	43.05	37.60	38,934.35	35,985.63
OCTOBER,18	45.95	36.10	36,616.64	33,291.58
NOVEMBER,18	47.01	39.95	36,389.22	34,303.38
DECEMBER,18	44.55	35.55	36,554.99	34,426.29
JANUARY,19	45.25	39.45	36,701.03	35,375.51
FEBRUARY,19	45.00	35.70	37,172.18	35,287.16
MARCH,19	41.20	34.30	38,748.54	35,926.94

**l. Distribution of shareholding: as on 31<sup>st</sup> March, 2019**

Distribution range of Shares	No of Shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 5000	1940	92.65	225206	7.50
5001 to 10000	80	3.82	62770	2.09
10001 to 20000	29	1.38	42149	1.41
20001 to 30000	11	0.53	27930	0.93
30001 to 40000	5	0.24	18116	0.60
40001 to 50000	6	0.28	28158	0.94
50001 to 100000	6	0.29	41749	1.39
100001 & Above	17	0.81	2556222	85.14
<b>Total</b>	<b>2526</b>	<b>100.00</b>	<b>3002300</b>	<b>100.00</b>

**m. Categories of Shareholding as on 31<sup>st</sup> March, 2019**

SHAREHOLDING PATTERN		
Category of Shareholders	No. of shares held	%
Promoters and Promoters Group	2235160	74.45
IEPF	53250	1.77
Indian Public	540571	18.01
Bodies Corporate	48073	1.60
Clearing Member	176	0.01
NRI/OCB	125070	4.16
<b>TOTAL</b>	<b>3002300</b>	<b>100.00</b>

**n. Registrar and Share Transfer Agents** (Common agency for Demat and Share Transfer) :

Bigshare Services Pvt. Ltd.  
 1<sup>st</sup> Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis, Makwana Road, Marol,  
 Andheri East, Mumbai 400 059.  
 Tel: 91 22 28470652  
 91 22 40430200  
 Fax: 91 22 28475207  
 Email: info@bigshareonline.com

**o. Updation of KYC details :**

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the members' register, communications have been sent by the Company to eligible shareholders in this regard. Shareholders are requested to update these details at the earliest.

**p. Dematerialization of shares & liquidity :**

The Equity Shares of Company are dematerialized with National Security Depository Limited and Central Depository Services (India) Limited and the total number of Shares dematerialized as on 31.03.2019 is 29,03,262.

**q. Share Transfer System :**

Trading in Equity Shares of the Company is permitted in dematerialized form. Shares sent for transfer in physical form are registered and returned in a period of fifteen days of the receipt of the document, provided the documents are valid and complete in all respect.

**r. Out-standing GDRs/ADRs/Warrants or any Convertible Instruments: NIL**

**s. Plant Location :** Not applicable as the Company has no Plant.

**t. Address for correspondence : Priya Limited**

4<sup>th</sup> Floor, Kimatrai Building, 77/79  
 Maharshi Karve Marg, Marine Lines (E), Mumbai 400 002.  
 Tel. No. 022 4220 3100.

**u. Commodity price risk or foreign exchange and hedging activities:**

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking, inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

**v. Reappointment / Appointment of Directors:**

Information on directors retiring by rotation and directors seeking re-appointment, subject to members' approval at the ensuing Annual General Meeting is provided in the Notice.

## COMPLIANCE WITH CODE OF CONDUCT

As required under Part D of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, all the Board Members and Senior Management personnel have affirmed their compliance with the Company's code of conduct for the year ended 31<sup>st</sup> March, 2019.

Place : Mumbai

Date : 30<sup>th</sup> May, 2019

**Rakesh Jain**

Chief Financial Officer

### **Certification by Whole Time Director and Chief Financial Officer**

We, the undersigned of the Company hereby certify that :

1. We have reviewed the financial statements and the cash flow statement for the year 31<sup>st</sup> March 2019 and that to the best of their knowledge and belief :
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies and
4. We have indicated to the auditors and the Audit committee that there are:
  - significant changes in internal control over financial reporting during the year, if any;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - No instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Aditya Bhuwania**

Whole Time Director

**Rakesh Jain**

Chief Financial Officer

### **Auditors' Certificate on Corporate Governance**

To,  
The Members of  
**Priya Limited**

We have examined the compliance of conditions of Corporate Governance by Priya Limited (the Company), for the year ended 31 March 2019, as per the relevant provisions of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kanu Doshi Associates LLP**  
Chartered Accountants  
Firm Regn No.: 104746W/W100096

Date : May 30, 2019  
Place : Mumbai

**Kunal Vakharia**  
Partner  
Membership No.:148916

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To

The Members,  
 Priya Limited  
 4<sup>th</sup> Floor, Kimatrai Building, 77-79,  
 Maharshi Karve Marg,  
 Marine Lines (E) Mumbai-400002.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Priya Limited having CIN L99999MH1986PLC040713 and having registered office at 4th Floor, Kimatrai Building, 77-79, Maharshi Karve Marg, Marine Lines (E) Mumbai- 400002 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Radhakrishna Kunjlal Saraswat	00015095	30/08/2000
2.	Aditya Arunkumar Bhuwania	00018911	20/08/2015
3.	Saroj Bhuwania	00018978	02/03/2015
4.	Mahendra Kumar Arora	00031777	30/08/2003
5.	Arunkumar Bhuwania	00387445	22/08/1986
6.	Ashish Arunkumar Bhuwania	01176475	02/02/1994
7.	Anuj Amarnath Bhargava	03090652	27/05/2010
8.	Hariharan Vishwanathan Puthucode	03196975	20/08/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR Sonal Kothari & Associates**

**Place : Mumbai**  
**Date : 30/05/2019**

**Sonal Krunal Shah**  
**Membership No. ACS 24216**  
**C. P. NO. 8769**

## INDEPENDENT AUDITORS' REPORT

### To the Members of PRIYA LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of **PRIYA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matters

1. We draw your attention to note no. 43 of Financial Statements regarding the Company's account being declared as Non-Performing Asset (NPA). Based on the Management Representation and based on the facts described in the said note, the Financial Statements has been prepared on going concern basis and our opinion is not modified in respect of this matter.
2. Trade Receivables, Trade payables and Advance to suppliers which are long overdue are subject to confirmation and reconciliation, if any. Further, the Management is confident enough for receiving the same in due course of time. Our opinion is not modified in respect of this matter.
3. The Company has provided interest amounting to Rs. 2.62 crores on NPA accounts. However, in the absence of confirmation from bank regarding rate of penal interest, we are unable to comment upon the booking of provision of such interest. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those charged with Governance for the Financial Statements**

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Financial Statements have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Financial Statements.
  - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For Kanu Doshi Associates LLP  
Chartered Accountants  
FRN. No. 104746W/W100096

Kunal Vakharia  
Partner  
Membership No. 148916

Place : Mumbai

Date : May 30, 2019

#### ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of **PRIYA LIMITED** for the year ended March 31, 2019.

- i. (a) The Company is maintaining 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) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records have been properly dealt with in the books of accounts.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) are not applicable to the Company.
- iv. The company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made and Section 185 of the Companies Act, 2013 is not applicable as there were no such loans, securities or guarantees provided during the year.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.

- vi. The Central Government has not prescribed the maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act, for any of the products of the Company.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Excise Duty, Customs Duty, Cess, Goods & Service Tax and any other material statutory dues applicable to it.
- (b) According to the records of the Company, there are no dues of, Excise Duty, Income Tax and Customs Duty which have not been deposited on account of any dispute except disclosed below.

The disputed amounts that have not been deposited in respect of Income Tax, Service Tax and Excise Duty are as under:

Sr. No.	Name of the Statute	Nature of the dues	Forum where the dues is pending	Rs. In Lakhs
1	Income Tax	Income Tax	ACIT AY 2011-12	28.90
2	Custom Duties	Customs Duties	Commissioner Appeal	310.25
<b>TOTAL</b>				<b>339.15</b>

- viii. In our opinion and according to the information and explanations given to us, except for the loans, borrowings, and dues mentioned below, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company does not have any debentures issued / outstanding any time during the year.

Particulars	Amount Of Default (Rs in Lakhs)		Total	Period Of Default
	Principal	Interest		
<b>Term Loan</b>				
Bank of Maharashtra (C/A)	328.81	36.06	364.87	1 to 274 Days
Indian Bank (C/A)	221.27	26.75	248.02	1 to 243 Days
Indian Bank (ADOVEXBIR A/C)	751.70	77.71	826.41	1 to 276 Days
Union Bank of India (L/C A/C)	254.16	36.05	290.21	1 to 298 Days
Union Bank of India (ADOVEXBIR A/C)	726.83	86.26	813.09	1 to 292 Days

- ix. The Company has not raised any money by way of public issue/ further offer (including debt instruments) and through term loans during the year. Accordingly, clause 3(ix) of the order is not applicable to the Company.
- x. Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For Kanu Doshi Associates LLP  
Chartered Accountants  
FRN. No. 104746W/W100096

Kunal Vakharia  
Partner  
Membership No. 148916

Place : Mumbai

Date : May 30, 2019

#### **ANNEXURE B TO THE AUDITORS' REPORT**

##### **Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **PRIYA LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

##### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

##### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Kanu Doshi Associates LLP  
Chartered Accountants  
FRN. No. 104746W/W100096

Kunal Vakharia  
Partner  
Membership No. 148916

Place : Mumbai  
Date : May 30, 2019

## BALANCE SHEET AS AT 31ST MARCH, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	AS AT March 31, 2019	AS AT March 31, 2018
<b>I ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipment	3	20.43	33.73
(b) Investment property	4	146.39	154.12
(c) Other intangible assets	5	0.04	2.91
(d) Financial assets			
(i) Investments	6	100.10	100.98
(ii) Other financial assets	7	42.66	53.44
(e) Deferred tax assets (net)	8	39.92	47.16
(f) Other tax assets (net)	9	67.18	66.79
<b>Total Non - Current Assets</b>		<b>416.72</b>	<b>459.13</b>
<b>(2) Current assets</b>			
(a) Inventories	10	7.22	86.80
(b) Financial assets			
(i) Trade receivables	11	2,512.55	7,859.22
(ii) Cash and cash equivalents	12	3.13	138.66
(iii) Bank balances other than (ii) above	13	8.98	207.96
(iv) Other financial assets	14	12.36	9.95
(c) Other current assets	15	1,402.59	347.85
<b>Total Current Assets</b>		<b>3,946.83</b>	<b>8,650.44</b>
<b>TOTAL ASSETS</b>		<b>4,363.55</b>	<b>9,109.57</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	16	300.23	300.23
(b) Other equity	17	1,005.90	2,656.56
<b>Total Equity</b>		<b>1,306.13</b>	<b>2,956.79</b>
<b>LIABILITIES</b>			
<b>(1) Non - current liabilities</b>			
(a) Provisions	18	88.29	98.73
<b>Total Non - Current Liabilities</b>		<b>88.29</b>	<b>98.73</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	2,404.78	2,377.78
(ii) Trade payables	20	250.51	3,614.63
(iii) Other financial liabilities	21	282.11	11.01
(b) Other current liabilities	22	17.88	8.23
(c) Provisions	23	13.85	23.85
(d) Current tax liabilities (net)	24	-	18.55
<b>Total Current Liabilities</b>		<b>2,969.13</b>	<b>6,054.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,363.55</b>	<b>9,109.57</b>
<b>Contingent liabilities and capital commitments</b>	25		
Company profile	1		
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date

FOR KANU DOSHI ASSOCIATES LLP

FOR AND ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS

Firm Registration Number : 104746W/W100096

KUNAL VAKHARIA  
PARTNER  
MEMBERSHIP NO.148916

A.K. BHUWANIA  
DIRECTOR  
DIN : 00387445

R.K.SARASWAT  
DIRECTOR  
DIN: 00015095

PLACE : MUMBAI  
DATED : 30TH MAY, 2019

RAKESH JAIN  
CHIEF FINANCIAL OFFICER

RAJESHREE CHOUGULE  
COMPANY SECRETARY

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

<b>Particulars</b>	<b>Note No.</b>	<b>2018-19</b>	<b>2017-18</b>
Revenue from operations	26	2,208.85	9,161.26
Other income	27	126.24	56.96
<b>Total Revenue</b>		<b>2,335.09</b>	<b>9,218.22</b>
Expenses			
Purchases of stock - in - trade	28	1,950.98	8,209.23
Changes in inventories of stock - in - trade	29	79.58	85.56
Employee benefit expenses	30	311.20	344.17
Finance costs	31	367.50	85.87
Depreciation & amortization expense	32	21.06	27.46
Other expenses	33	1,237.37	382.82
<b>Total Expenses</b>		<b>3,967.69</b>	<b>9,135.11</b>
Profit before exceptional items & tax		<b>(1,632.60)</b>	<b>83.11</b>
Add: Exceptional items		-	-
Profit before tax		<b>(1,632.60)</b>	<b>83.11</b>
Less: Tax expense			
(1) Current tax			
for current tax		-	30.43
for earlier years		(12.76)	-
(2) Deferred tax		2.76	3.84
Total Tax Expenses		<b>(10.00)</b>	<b>34.27</b>
<b>Profit / (Loss) after tax</b>	<b>A</b>	<b>(1,622.60)</b>	<b>48.84</b>
Other Comprehensive Income			
A. (i) Items that will not reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not reclassified to profit or loss		-	-
B. (i) Items that will not reclassified to profit or loss		12.62	21.04
(ii) Income tax relating to items that will not reclassified to profit or loss		(4.48)	(3.85)
Total Other Comprehensive Income for the year	<b>B</b>	<b>8.14</b>	<b>17.19</b>
Total Comprehensive Income for the year	<b>A+B</b>	<b>(1,614.46)</b>	<b>66.03</b>
Earning per equity share (Face Value of Rs. 10/- each) (in Rs.)	34		
(1) Basic		<b>(54.05)</b>	<b>1.63</b>
(2) Diluted		<b>(54.05)</b>	<b>1.63</b>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report attached of even date

**FOR KANU DOSHI ASSOCIATES LLP FOR AND ON BEHALF OF THE BOARD**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number : 104746W/W100096**

**KUNAL VAKHARIA**  
PARTNER  
MEMBERSHIP NO.148916

**A.K. BHUWANIA**  
DIRECTOR  
DIN : 00387445

**R.K.SARASWAT**  
DIRECTOR  
DIN: 00015095

**PLACE : MUMBAI**  
**DATED : 30TH MAY, 2019**

**RAKESH JAIN**  
CHIEF FINANCIAL OFFICER

**RAJESHREE CHOUGULE**  
COMPANY SECRETARY

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

	2018-19	2017-18
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(1,632.60)	83.11
Adjustment for :		
Depreciation	21.06	27.46
Bad debts written off (net)	970.29	-
Interest income	(4.66)	(14.70)
Interest expenses	363.79	77.80
Reclassification of remeasurement of employee benefits	13.50	8.42
Sundry balance written off (net)	(1.87)	(0.26)
Exchange rate fluctuation (net)	224.90	4.80
(Profit)/Loss on sales of fixed assets	(0.27)	-
Loss on obsolescence of fixed assets	0.64	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,587.38</b>	<b>103.52</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>	<b>(45.22)</b>	<b>186.63</b>
Inventories	79.58	85.56
Trade receivables	4,195.55	(3,320.70)
Other bank balances	198.98	(0.37)
Other current financial assets	(3.77)	40.72
Other current assets	(1,099.18)	261.54
Other non current financial assets	10.78	(41.15)
Other non current assets	-	0.01
Other current financial liabilities	7.98	(3.15)
Trade payable	(3,364.33)	1,680.14
Other current liabilities	4.13	(10.44)
Current provision	(9.99)	0.79
Non current provision	(10.43)	8.16
<b>Cash generated from operations</b>	<b>(35.92)</b>	<b>(1,112.26)</b>
Direct taxes refund (net)	(6.19)	(17.98)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(42.11)</b>	<b>(1,130.24)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(0.08)	(10.49)
Sale of fixed assets	2.53	-
Interest received	6.02	14.90
<b>NET CASH GENERATED FROM INVESTING ACTIVITY</b>	<b>8.47</b>	<b>4.41</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	-
Proceeds from borrowings	27.00	1,238.91
Interest paid	(101.07)	(77.69)
Dividend paid (including dividend tax)	(35.80)	(35.43)
<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>(109.87)</b>	<b>1,125.79</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS(A+B+C)</b>	<b>(143.51)</b>	<b>(0.04)</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>138.66</b>	<b>138.70</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>(4.85)</b>	<b>138.66</b>
	<b>(143.51)</b>	<b>(0.04)</b>

**Notes**

- 1 CASH AND CASH EQUIVALENTS INCLUDES (Refer Note No. 12):

Cash in hand	0.37	0.50
Balance with scheduled banks		
In current account (Including Book overdraft)	(5.22)	138.16
	<b>(4.85)</b>	<b>138.66</b>

- 2 Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our report attached of even date

**FOR KANU DOSHI ASSOCIATES LLP****FOR AND ON BEHALF OF THE BOARD****CHARTERED ACCOUNTANTS****Firm Registration Number : 104746W/W100096**

**KUNAL VAKHARIA**  
**PARTNER**  
**MEMBERSHIP NO.148916**

**A.K. BHUWANIA**  
**DIRECTOR**  
**DIN : 00387445**

**R.K.SARASWAT**  
**DIRECTOR**  
**DIN: 00015095**

**PLACE : MUMBAI**  
**DATED : 30TH MAY, 2019**

**RAKESH JAIN**  
**CHIEF FINANCIAL OFFICER**

**RAJESHREE CHOUGULE**  
**COMPANY SECRETARY**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**(a) Equity Share Capital**

Particulars	No. of shares	Amount
<b>Balance at at 1st April, 2017</b>	30,02,300	300.23
Changes in equity share capital during the year	-	-
<b>Balance at at 31st March, 2018</b>	30,02,300	300.23
Changes in equity share capital during the year	-	-
<b>Balance at at 31st March, 2019</b>	30,02,300	300.23

**(b) Other Equity**

Particulars	Reservers and Surplus			Other items of Other comprehensive income		Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurement of net defined benefit plans	Fair Value through Other Comprehensive Income of Equity Investments	
<b>Balance at at 1st April, 2017</b>	400.92	1,568.77	865.89	3.21	(212.13)	2,626.66
Profit for the year	-	-	48.84	-	-	48.84
Final Dividend Paid	-	-	(30.02)	-	-	(30.02)
Tax on Dividend	-	-	(6.11)	-	-	(6.11)
Remeasurements of Defined Benefit Plan	-	-	-	6.46	-	6.46
Fair Value effect of Investments of shares	-	-	-	-	10.73	10.73
<b>Balance at at 31st March, 2018</b>	<b>400.92</b>	<b>1,568.77</b>	<b>878.60</b>	<b>9.67</b>	<b>(201.40)</b>	<b>2,656.56</b>
Profit for the year	-	-	(1,622.61)	-	-	(1,622.61)
Final Dividend Paid	-	-	(30.02)	-	-	(30.02)
Tax on Dividend	-	-	(6.17)	-	-	(6.17)
Remeasurements of Defined Benefit Plan	-	-	-	9.99	-	9.99
Fair Value effect of Investments of shares	-	-	-	-	(1.85)	(1.85)
<b>Balance at at 31st March, 2019</b>	<b>400.92</b>	<b>1,568.77</b>	<b>(780.20)</b>	<b>19.66</b>	<b>(203.25)</b>	<b>1,005.90</b>

As per our report attached of even date

**FOR KANU DOSHI ASSOCIATES LLP**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number : 104746W/W100096**

**FOR AND ON BEHALF OF THE BOARD**

**KUNAL VAKHARIA**  
PARTNER  
MEMBERSHIP NO.148916

**A.K. BHUWANIA**  
DIRECTOR  
DIN : 00387445

**R.K.SARASWAT**  
DIRECTOR  
DIN: 00015095

**PLACE : MUMBAI**  
**DATED : 30TH MAY, 2019**

**RAKESH JAIN**  
CHIEF FINANCIAL OFFICER

**RAJESHREE CHOUGULE**  
COMPANY SECRETARY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### 1 Company Overview

Priya Limited ("the Company"), is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed on the bourses of The BSE Ltd. The Company engaged in the business of Trading in Electronics and Chemicals .

### 2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (A) Basis Of Preparation Of Financial Statement

##### i) Compliance with Ind AS

The financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements were authorized for issue by the Company's Board of Directors on 30th May, 2019.

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs, unless otherwise indicated.

##### ii) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- (a) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;
- (b) Defined benefit plans where plan assets are measured at fair value.
- (c) Investments are measured at fair value.

##### iii) Current and Non Current Classification.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### (B) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

#### (C) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### (I) Financial Assets

##### (i) Classification

The Company classifies its financial assets in the following measurement categories:

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- (a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- (b) those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- (a) For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- (b) For investments in debt instruments, this will depend on the business model in which the investment is held.
- (c) For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### (b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime credit losses (ECL) to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### (iv) Derecognition of financial assets

A financial asset is derecognised only when -

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## (II) Financial Liabilities

### (i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(ii) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(D) Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

**(E) Segment Report**

- (i) The company identifies primary segment based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.
- (ii) The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**(F) Inventories Valuation**

Inventories are valued at lower of Cost and Net Realisable Value. Cost of traded goods is arrived at on FIFO basis.

**(G) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of company's cash management policy.

**(H) Income tax, deferred tax and dividend distribution tax**

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

**(i) Current income tax**

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### (iii) Dividend distribution tax

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

### (I) Property, plant and equipment

- (i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.
- (ii) All other items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.
- (iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- (iv) Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

- (v) Depreciation methods, estimated useful lives and residual value
  - (a) Fixed assets are stated at cost less accumulated depreciation.
  - (b) Depreciation is provided on a pro rata basis on the written down method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.
  - (c) Leasehold Land is depreciated over the period of the Lease.
- (vi) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.
- (vii) The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income as applicable.

**(J) Investment Property**

Property that is held for return purpose or Capital appreciation and which is not occupied by the Company, is classified as Investing property. Investment property is measured at cost including related transaction cost and where applicable borrowing cost. Investment properties are depreciated at the same rate applicable for class of asset under Property, Plant and Equipment.

**(K) Intangible assets**

- (i) An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and (b) the cost of the asset can be measured reliably.
- (ii) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. The same is amortised over a period of 3 years on straight-line method.

**(L) Leases**
**(i) As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(ii) As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### (M) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount, taxes and amounts collected on behalf of third parties. The Company recognises revenue as under:

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). There are no material impact on revenue recognition by applying this standard.

### (I) Sales

#### (i) The Company recognizes revenue from sale of goods when:

- (a) The significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods.
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.
- (c) The amount of revenue can be reliably measured.
- (d) It is probable that future economic benefits associated with the transaction will flow to the Company.
- (e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.
- (f) The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### (II) Other Income

#### (i) Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### (ii) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

#### (iii) Income from Annual maintenance contract services:

- (a) The amount of revenue can be measured reliably.
- (b) It is probable that future economic benefits associated with the transaction will flow to the Company.
- (c) The stage of completion of the transaction at the end of the reporting period can be measured reliably.
- (d) The cost incurred for transaction and the cost to complete the transaction can be measured reliably.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(N) Employee Benefit**
**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The group operates the following post-employment schemes:

**(a) Defined benefit gratuity plan:**

Gratuity and Leave encashment which are defined benefits are accrued based on actuarial valuation working provided by Independent actuary.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan. The defined benefit obligation is calculated annually as per the report on independent actuary. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**(b) Defined Contribution plan:**

Contribution payable to recognised provident fund which is defined contribution scheme is charged to Statement of Profit & Loss. The company has no further obligation to the plan beyond its contribution.

**(O) Foreign currency translation**
**(i) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses or other income as applicable.

### (P) Borrowing Cost

- (i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
- (ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### (Q) Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (R) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **(S) Provisions, contingent liabilities and contingent assets**

#### **(i) Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

#### **(ii) Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

#### **(iii) Contingent Assets:** Contingent Assets are disclosed, where an inflow of economic benefits is probable.

### **(T) Investments**

Equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income, except for those mutual fund for which the Company has elected to present the fair value changes in the Statement of Profit and Loss.

### **(U) Trade receivables**

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **(V) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

### **(W) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

### **(X) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees Lacs (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

#### 3 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT
	AS AT 01.04.2018	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	UP TO 01.04.2018	DEP. FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	AS AT 31.03.2019
<b>Property, Plant and Equipment</b>									
Office Premises	3.50	-	-	3.50	0.30	0.14	-	0.44	3.06
Laboratory Equipment	0.01	-	-	0.01	-	-	-	-	0.01
Office Equipment	4.88	-	0.84	4.04	2.62	0.79	0.52	2.89	1.15
Furniture & Fixture	5.82	-	4.27	1.55	2.65	0.44	2.11	0.98	0.57
Computers	18.77	0.08	0.60	18.25	9.71	4.01	0.17	13.55	4.70
Vehicles	34.41	-	-	34.41	18.38	5.09	-	23.47	10.94
<b>Total</b>	<b>67.39</b>	<b>0.08</b>	<b>5.71</b>	<b>61.76</b>	<b>33.66</b>	<b>10.47</b>	<b>2.80</b>	<b>41.33</b>	<b>20.43</b>

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT
	AS AT 01.04.2017	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2018	UP TO 01.04.2017	DEP. FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2018	AS AT 31.03.2018
<b>Property, Plant and Equipment</b>									
Office Premises	3.50	-	-	3.50	0.15	0.15	-	0.30	3.20
Laboratory Equipment	0.01	-	-	0.01	-	-	-	-	0.01
Office Equipment	4.56	0.32	-	4.88	1.24	1.38	-	2.62	2.26
Furniture & Fixture	5.66	0.16	-	5.82	1.51	1.14	-	2.65	3.17
Computers	8.76	10.01	-	18.77	4.06	5.65	-	9.71	9.06
Vehicles	34.41	-	-	34.41	10.93	7.45	-	18.38	16.03
<b>Total</b>	<b>56.90</b>	<b>10.49</b>	<b>-</b>	<b>67.39</b>	<b>17.89</b>	<b>15.77</b>	<b>-</b>	<b>33.66</b>	<b>33.73</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

### 4 INVESTMENT PROPERTY

PARTICULARS	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT
	AS AT 01.04.2018	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	UP TO 01.04.2018	DEP. FOR THE YEAR	AS AT 31.03.2019
Office Premises	170.80	-	-	170.80	16.68	7.73	146.39
<b>Total</b>	<b>170.80</b>	<b>-</b>	<b>-</b>	<b>170.80</b>	<b>16.68</b>	<b>7.73</b>	<b>146.39</b>

PARTICULARS	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT
	AS AT 01.04.2017	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2018	UP TO 01.04.2017	DEP. FOR THE YEAR	AS AT 31.03.2018
Office Premises	170.80	-	-	170.80	8.56	8.12	154.12
<b>Total</b>	<b>170.80</b>	<b>-</b>	<b>-</b>	<b>170.80</b>	<b>8.56</b>	<b>8.12</b>	<b>154.12</b>

Amount recognised in profit or loss for Investment Properties

Particulars	March 31st, 2019	March 31st, 2018
Rental Income	42.00	42.00
Direct operating expenses from property that did generate rental income.	9.07	9.26

There are no restrictions on the realisability of investment property.

The company is using same life for the same class of asset as applicable for property plant and equipment.

The company has let out the property.

Fair Value

Investment property - Office Premises, the market value has not been ascertained.

The range of estimates within which fair value is highly likely to be Rs. 8.35 Cr.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

## 5 OTHER INTANGIBLE ASSETS

PARTICULARS	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT
	AS AT 01.04.2018	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2019	UP TO 01.04.2018	DEP. FOR THE YEAR	AS AT 31.03.2019
<u>Other Intangible Assets</u>							
Computer Software	10.29	-	-	10.29	7.38	2.87	10.25
<b>Total</b>	<b>10.29</b>	<b>-</b>	<b>-</b>	<b>10.29</b>	<b>7.38</b>	<b>2.87</b>	<b>0.04</b>

PARTICULARS	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT
	AS AT 01.04.2017	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2018	UP TO 01.04.2017	DEP. FOR THE YEAR	AS AT 31.03.2018
<u>Other Intangible Assets</u>							
Computer Software	10.29	-	-	10.29	3.81	3.57	7.38
<b>Total</b>	<b>10.29</b>	<b>-</b>	<b>-</b>	<b>10.29</b>	<b>3.81</b>	<b>3.57</b>	<b>2.91</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**6 NON CURRENT INVESTMENT**

Particulars	Face Value	Qty	As at March 31, 2019	Qty	As at March 31, 2018
<b>Quoted</b>					
<u>In Equity Instruments (AT FVOCI)</u>					
VXL Instrument Ltd.	10	9,00,000	89.82	9,00,000	78.57
Cerebra Integrated Tech. Ltd.	10	40,450	10.28	40,450	22.41
<b>Total Value of Non Current Investments</b>			<b>100.10</b>		<b>100.98</b>

**7 OTHER FINANCIAL ASSETS**

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	39.01	47.52
Loan and Advances to Employees	3.65	5.92
	<b>42.66</b>	<b>53.44</b>

**8 DEFERRED TAX ASSETS (NET)**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Deferred tax liabilities (Net)</u> (Refer Note 8.1)	39.92	47.16
	<b>39.92</b>	<b>47.16</b>

**Note No. : 8.1**

Particulars	Net balance as at 1 April 2018	Recognised in statement of profit and loss	Recognised in OCI	Net balance as at 31 March 2019
<b>Deferred Tax Assets/(Liabilities)</b>				
Property, plant and equipment/ Investment Property/Other Intangible Assets	13.51	0.14	-	<b>13.37</b>
Fair Value through Profit & Loss	-	-	-	-
Expenses allowable under income tax on payment basis	35.54	6.13	-	<b>29.40</b>
Reclassification of remeasurement of employee benefits transfer to P&L	3.40	-	-	<b>3.40</b>
Equity Instrutements designated at FVOCI	(1.89)	(3.51)	(4.48)	<b>(2.85)</b>
Reclassification of remeasurement of employee benefits through OCI	(3.40)	-	-	<b>(3.40)</b>
	<b>47.16</b>	<b>2.76</b>	<b>(4.48)</b>	<b>39.92</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

**Income tax**

The major components of income tax expense for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Profit and Loss:</b>		
Current tax – net of reversal of earlier years : Rs. 12.76 lakhs (31 March 2018: Rs.Nil)	(12.76)	30.43
Deferred Tax	2.76	3.84
	<b>(10.00)</b>	<b>34.27</b>

**Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate**

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit before income tax expense	(1,632.60)	83.11
Tax at the Indian tax rate 26% (31 March 2018: 30.90%)	(424.48)	25.68
<b>Add: Items giving rise to difference in tax</b>		
Permanent difference	77.73	11.10
Temporary difference	(13.58)	(6.96)
Others	350.33	4.45
Income Tax Expenses	<b>(10.00)</b>	<b>34.27</b>

**9 OTHER TAX ASSETS**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Tax	67.18	66.79
	<b>67.18</b>	<b>66.79</b>

**10 INVENTORIES**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Stock - In - Trade</u>		
Electronics	7.22	86.80
Chemicals	-	-
	<b>7.22</b>	<b>86.80</b>

**11 TRADE RECEIVABLES**

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured)		
Considered good	2,512.55	7,859.22
Considered Doubtful	970.29	-
Total	3,482.84	7,859.22
Less: Allowance for Expected Credit Loss	970.29	-
	<b>2,512.55</b>	<b>7,859.22</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**12 CASH & CASH EQUIVALENTS**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Balance With Banks</u>		
- on current account	2.76	138.16
Cash on Hand	0.37	0.50
	<b>3.13</b>	<b>138.66</b>

**13 OTHER BANK BALANCES**

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid Dividend account (Refer Note No. 13.1 )	7.80	7.40
Margin money deposits (Refer Note No.13.2 )	1.18	200.56
	<b>8.98</b>	<b>207.96</b>

**Note No. 13.1**

The balances can be utilised only towards settlement of the unpaid dividend.

**Note No. 13.2**

Margin money deposits amounting to Rs. 1.18 lakhs (Previous year Rs. 200.56 lakhs) are lying with bank against Bank Guarantees and Letter of Credit.

**14 OTHER FINANCIAL ASSETS**

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	9.08	4.20
Loans and Advances to Employees	3.27	4.38
Interest Receivable	0.01	1.37
	<b>12.36</b>	<b>9.95</b>

**15 OTHER CURRENT ASSETS**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Recoverable in Cash or Kind or for Value to be Received	14.08	19.74
Advance to supplier ( Refer Note No. 15.1 )	1,061.30	-
Balance with Govt. Authorities (Refer Note 15.2)	327.21	327.73
Export Incentive Receivable	-	0.38
	<b>1,402.59</b>	<b>347.85</b>

**Note No.15.1**
Advance to supplier

Company in which directors are interested	332.86	-
	<b>332.86</b>	<b>-</b>

**Note No.15.2**
Deposit included under Protest

Custom Duty	300.00	300.00
	<b>300.00</b>	<b>300.00</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

## 16 EQUITY SHARE CAPITAL

Particulars	As at	As at
	March 31, 2019	March 31, 2018
<b>Authorized Share Capital</b>		
6,500,000 Equity shares, Rs. 10 /- each	650.00	650.00
(31st March, 2018 : 65,00,000 Equity shares, Rs. 10 /- each)		
1,000,000 Unclassified Shares Of Rs. 10/- each	100.00	100.00
(31st March, 2018 : 10,00,000 Equity shares, Rs. 10 /- each)		
	<b>750.00</b>	<b>750.00</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>		
3,002,300 Equity shares, Rs. 10 /- par value	300.23	300.23
(31st March, 2018 : 30,02,300 Equity shares, Rs. 10 /- each)		
	<b>300.23</b>	<b>300.23</b>

## Note No. 16.1

The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2019 :

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	30,02,300	300.23	30,02,300	300.23
Add: Shares issued during the year	-	-	-	-
Less : Shares Bought back (if any)	-	-	-	-
<b>Number of shares at the end</b>	<b>30,02,300</b>	<b>300.23</b>	<b>30,02,300</b>	<b>300.23</b>

## Note No. 16.2

## Terms/rights attached to Equity Shares

- (A) The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (B) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Note No. 16.3

The details of shareholders holding more than 5% shares in the company :

Name of the shareholders	No. of shares held		No. of shares held	
	March 31, 2019		March 31, 2018	
Arun Kumar Bhuwania	5,71,210	19.03	5,71,210	19.03
Saroj Bhuwania	5,41,750	18.04	5,41,750	18.04
Ashish Bhuwania	2,80,200	9.33	2,80,200	9.33
Priya International Limited	2,75,800	9.19	2,75,800	9.19
Aditya Bhuwania	2,60,300	8.67	2,60,300	8.67
Shruti Bhuwania	1,67,600	5.58	1,67,600	5.58

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**Note No. 16.4**
**Dividend on equity shares**

The Board of Directors have recommended a dividend as under :

Year	Dividend paid per share
2018-19	-
2017-18	1.00
2016-17	1.00

**17 OTHER EQUITY**

Particulars	As at March 31, 2019	As at March 31, 2018
Reserves & surplus *		
Securities Premium Reserve #	400.92	400.92
General Reserve ##	1,568.77	1,568.77
Retained earnings ###	(780.20)	878.61
<u>Other Comprehensive Income (OCI)</u>		
-Remeasurement of net defined benefit plans	19.67	9.67
-Fair Value of Equity Investments through OCI	(203.26)	(201.41)
	<b>1,005.90</b>	<b>2,656.56</b>

\* For movement, refer statement of change in equity.

**# Securities Premium Reserve**

The amount received in excess of the par value of Equity shares issued have been classified as securities premium. In accordance with the provision of Section 52 of Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issue bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

**## General reserve**

General reserve forms part of the retained earning and is permitted to be distributed to shareholders as part of dividend and is created out of transfer from retained earnings.

**### Retained earnings**

Retained earnings includes the Company's cumulative earning and losses respectively.

**18 PROVISIONS**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Provisions for Employee Benefits (Unfunded)</u>		
Gratuity ( Refer Note No.36 )	81.63	85.36
Leave Encashment ( Refer Note No.36 )	6.66	13.37
	<b>88.29</b>	<b>98.73</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

**19 BORROWINGS**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Secured Loans From banks</u>		
<u>From banks</u>		
Working Capital loan from banks ( Refer Note No.19.1)	2,282.78	2,110.78
<u>Unsecured loans from related parties</u>		
Loan from Directors	122.00	167.00
<u>Unsecured loans from Others</u>		
Inter Corporate Deposit	-	100.00
	<b>2,404.78</b>	<b>2,377.78</b>

**Note No. 19.1**

Secured against hypothecation of Goods & Book Debts, Equitable mortgage on specific immovable properties of the company & related parties, hypothecation of other Movable Assets of the company, personal guarantee of two directors of the company and corporate guarantee for the balance outstanding at the year end and Pledge of shares of the company by the Promoters. Details of securities are as under :

**Primary Securities :**

Hypothecation of stock and book debts - pari passu 1st charge

**Collateral securities :**

- 1- Equitable mortgage of office premises at chennai ,ownd by Company. Pari passu 1st charge.
- 2- Equitable mortgage of office premises at kolkata ,ownd by Company. Pari passu 1st charge.
- 3- Equitable mortgage of office at 4th and 5th Floor, Solitaire Corporate Park,Andheri,mumbai, ownd by Company. Pari passu 1st charge.
- 4- Hypothecation of other fixed assets - pari passu 1st charge.
- 5- Pledge of 200500 shares of Company.

**Corpoarte Guarantee :**

M/s Brent Properties Investments Pvt Ltd

M/s Cheshire Properties Investments Pvt Ltd

**20 TRADE PAYABLES**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Dues of micro and small enterprises (Refer Note No 20.1)	-	-
Dues other than micro and small enterprises	250.51	3,614.63
	<b>250.51</b>	<b>3,614.63</b>

**Note No. 20.1**

The company has not received information from vendors regarding their status under the Micro,Small and Medium Enterprises Development Act,2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act,have not been given.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**21 OTHER FINANCIAL LIABILITIES**

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Accrued and due	262.83	0.11
Securities Deposits (Refer Note No 21.1)	3.50	3.50
Book Overdraft	7.98	-
Unpaid Dividends	7.80	7.40
	<b>282.11</b>	<b>11.01</b>
<b>Note No 21.1</b>		
Rental Deposits - Company in which directors are interested	3.50	3.50
	<b>3.50</b>	<b>3.50</b>

**22 OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2019	As at March 31, 2018
Advances From Customers	9.86	0.05
Statutory Dues Payable	8.02	8.18
	<b>17.88</b>	<b>8.23</b>

**23 PROVISIONS**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Provisions for Employee Benefits (Unfunded)</u>		
For Gratuity (Refer Note No 36)	4.22	17.90
For Leave Salary (Refer Note No 36)	9.63	5.95
	<b>13.85</b>	<b>23.85</b>

**24 CURRENT TAX LIABILITY (NET)**

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Other</u>		
Provision for Tax (Net off advance tax)	-	18.55
	<b>-</b>	<b>18.55</b>

**25 CONTINGENT LIABILITIES & COMMITMENTS**
**(A) CONTINGENT LIABILITIES:**

Particulars	As at March 31, 2019	As at March 31, 2018
Disputed Income Tax Liability	28.90	28.90
Disputed Customs Duties	310.25	310.25
	<b>339.15</b>	<b>339.15</b>

**(B) COMMITMENTS**

-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

**26 REVENUE FROM OPERATIONS**

Particulars	2018-2019	2017-2018
Sale of Products	2,187.77	9,122.10
Sale of Services	18.50	33.58
Other Operating Revenue		
Export Incentives	2.58	5.58
	<b>2,208.85</b>	<b>9,161.26</b>

**27 OTHER INCOME**

Particulars	2018-2019	2017-2018
Interest Income from Bank	3.46	11.38
Unwinding of interest on deposits	0.19	1.11
Interest - others	1.02	2.21
Rent Income	42.00	42.00
Foreign Exchange Gain (Net)	78.08	-
Profit on Sale of Fixed Assets (Net)	0.26	-
Miscellaneous Income	1.23	0.26
	<b>126.24</b>	<b>56.96</b>

**28 PURCHASES OF STOCK IN TRADE**

Particulars	2018-2019	2017-2018
Traded Goods **	1,950.98	8,209.23
	<b>1,950.98</b>	<b>8,209.23</b>

\*\* Includes expenses like customs duty, freight etc. amounting to Rs. 2.92 lakhs (Previous year Rs. 46.53 lakhs)

**29 CHANGES IN INVENTORIES OF STOCK IN TRADE**

Particulars	2018-2019	2017-2018
<b>Stock In Trade - Electronics</b>		
Inventory at the beginning of the year	86.80	161.35
Inventory at the end of the year	7.22	86.79
Stock In Traded Goods - Electronics	<b>79.58</b>	<b>74.56</b>
<b>Stock In Trade - Chemicals</b>		
Inventory at the beginning of the year	-	11.00
Inventory at the end of the year	-	-
Stock In Traded Goods - Chemicals	-	<b>11.00</b>
<b>Total Stock In Traded Goods</b>	<b>79.58</b>	<b>85.56</b>

**30 EMPLOYEE BENEFIT EXPENSES**

Particulars	2018-2019	2017-2018
Salaries, Wages and Bonus	283.94	313.71
Contribution to Provident and other fund	14.12	16.55
Staff Welfare Expenses	13.14	13.91
	<b>311.20</b>	<b>344.17</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**31 FINANCE COSTS**

Particulars	2018-2019	2017-2018
Interest to Banks	363.78	77.79
Interest on Inter Corporate Deposits	2.54	0.11
<u>Other Borrowing Cost</u>		
Other Financial Charges	1.18	7.97
	<b>367.50</b>	<b>85.87</b>

**32 DEPRECIATION & AMORTIZATION EXPENSES**

Particulars	2018-2019	2017-2018
Depreciation on Property, Plant and Equipment	10.47	15.77
Depreciation on Investment Property	7.72	8.12
Amortisation on Intangible Assets	2.87	3.57
	<b>21.06</b>	<b>27.46</b>

**33 OTHER EXPENSES**

Particulars	2018-2019	2017-2018
Rent	53.55	62.13
Warehousing/ Demurrages Charges	12.77	12.56
Insurance and ECGC Premium	6.63	23.65
Rates and Taxes	10.38	6.85
Payment to Statutory Auditors (Refer Note No. 33.1)	6.05	5.70
Legal & Professional Fees	44.61	42.58
Advertisement, Publicity & Sales Promotion	8.47	10.85
Commission & Brokerage	3.09	4.85
Directors Sitting Fees	3.20	2.75
Repairs & Maintenance		
Building	5.83	6.09
Others	7.52	4.11
Freight & Forwarding cost	8.93	20.66
Travelling & Conveyance	32.86	33.39
Electricity Charges	8.11	8.79
Bank Charges	16.58	57.98
Loss on Exchange Rate Fluctuation	-	24.95
Allowance for Expected Credit loss	970.29	-
Loss On Assets written off	0.64	-
Miscellaneous Expenses	37.86	54.93
	<b>1,237.37</b>	<b>382.82</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

**Note No. 33.1****Payment to Statutory Auditors**

Particulars	2018-2019		2017-2018	
<u>As auditor :</u>				
Audit Fee	4.50		4.50	
Limited review	1.20	5.70	1.20	5.70
<u>In other capacity :</u>				
Company Law Matter	0.20		-	
Other Services	0.15	0.35	-	-
	<u>6.05</u>		<u>5.70</u>	

**34 EARNING PER SHARE**

Particulars	2018-2019	2017-2018
(A) Profit attributable to Equity Shareholders	(1,622.60)	48.84
(B) Weighted Average No. of Equity Share outstanding during the year	30.02	30.02
(C) Face Value of each Equity Share ( Rs.)	10	10
(D) Basic earning per Share ( Rs.)	(54.05)	1.63
(E) Diluted earning per Share ( Rs.)	(54.05)	1.63

**35 Capital Management :**

Since there are no non current borrowings capital gearing ratio is not applicable.

**36 Employee Benefits :**

The Company's defined benefit plan includes Gratuity/ Leave Encashment. The liability in respect of Gratuity/ Leave Encashment has been determined using Projected Unit Credit Method by an independent actuary. The company's defined contribution plan includes Provident Fund. The related disclosure are as under:

- A. Contribution to Defined Contribution Plan includes Provident Fund. The expenses recognised for the year are as under :

Particulars	2018-19	2017-18
Provident Fund	12.23	14.16

- B. Defined Benefit Plans :

(a) Gratuity:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 to 30 days/26 based on one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after 5 years of continuous service.

(b) Leave encashment:

The Company has a policy on compensated absences which is applicable to its executives jointed upto a specified period and all workers. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date.

The plans of the Company exposes to actuarial risks such as Investment Risk, Interest rate risk, salary risk and longevity risk. These risks may impact the obligation of the Company

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

(c) The following tables set out the funded status of the gratuity and leave encashment plans and the amounts recognised in the Company's financial statements as at 31 March 2019 and 31 March 2018.

Particulars		2018-19		2017-18	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>(i) Changes in present value of obligations</b>					
PVO at beginning of period		103.26	19.31	95.21	18.41
Interest cost		6.64	1.35	6.77	1.31
Current Service Cost		14.05	6.06	14.76	5.61
Past Service Cost-(non vested benefits)		-	-	-	-
Past Service Cost-(vested benefits)		-	-	-	-
Benefits Paid		(31.91)	(3.11)	(9.40)	(1.68)
Contributions by plan participants		-	-	-	-
Business Combinations		-	-	-	-
Curtailments		-	-	-	-
Settlements		-	-	-	-
Actuarial (gain)/loss on obligation		(6.18)	(7.32)	(4.08)	(4.34)
PVO at end of period		85.86	16.29	103.26	19.31
<b>(ii) Interest Expenses</b>					
Interest cost		6.64	1.35	6.77	1.31
<b>(iii) Fair value of Plan Assets</b>					
Fair Value of Plan assets at beginning of period		-	-	-	-
Interest Income		-	-	-	-
<b>(iv) Net Liability</b>					
PVO at beginning of period		103.26	19.31	95.21	18.41
Fair Value of Plan assets at beginning of period		-	-	-	-
Net Liability		103.26	19.31	95.21	18.41
<b>(v) Net Interest</b>					
Interest Expenses		6.64	1.35	6.77	1.31
Interest Income		-	-	-	-
Net Interest		6.64	1.35	6.77	1.31
<b>(vi) Actual return on plan assets</b>					
Less Interest income included above		-	-	-	-
Return on plan assets excluding interest income		-	-	-	-
<b>(vii) Actuarial Gain / (Loss) Obligation</b>					
Due to Demographic Assumption *		-	-	-	-
Due to Financial Assumption		3.11	0.58	(0.81)	(0.15)
Due to Experience		(9.30)	(7.90)	(3.27)	(4.19)
Total Actuarial Gain / (Loss)		(6.18)	(7.32)	(4.08)	(4.34)
* This figure does not reflect inter relationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience.					

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

Particulars	2018-19		2017-18	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>(viii) Fair value of Plan Assets</b>				
Opening Fair Value of Plan Assets	-	-	-	-
Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
Return on Plan Assets excl. interest income	-	-	-	-
Interest Income	-	-	-	-
Contribution by Employer	31.91	3.11	9.40	1.68
Contribution by Employee	-	-	-	-
Benefit Paid	(31.91)	(3.11)	(9.40)	(1.68)
Fair Value of Plan Assets at end	-	-	-	-
<b>(ix) Past Service Cost Recognised</b>				
Past Service Cost-(non vested benefits)	-	-	-	-
Past Service Cost-(vested benefits)	-	-	-	-
Average remaining future services till vesting of the benefit	-	-	-	-
Recognised Past Service Cost-(non vested benefits)	-	-	-	-
Recognised Past Service Cost-(vested benefits)	-	-	-	-
Unrecognised Past Service Cost-(non vested benefits)	-	-	-	-
<b>(x) Amounts to be recognized in the Balance Sheet and statement of Profit &amp; Loss</b>				
PVO at end of period	85.86	16.29	103.26	19.31
Fair Value of Plan assets at end of period	-	-	-	-
Funded Status	(85.86)	(16.29)	(103.26)	(19.31)
Net Asset / (Liability) recognized in the Balance Sheet	(85.86)	(16.29)	(103.26)	(19.31)
<b>(xi) Expenses recognized the the statement of Profit &amp; Loss</b>				
Current Service Cost	14.05	6.06	14.76	5.61
Net Interest	6.64	1.35	6.77	1.31
Past Service Cost-(non vested benefits)	-	-	-	-
Past Service Cost-(vested benefits)	-	-	-	-
Curtailments	-	-	-	-
Settlements	-	-	-	-
Actuarial (Gain) / Loss recognized for the period	-	(7.32)	-	(4.34)
Expense recognized in the statement of Profit & Loss	20.69	0.09	21.53	2.58

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

Particulars		2018-19		2017-18	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>(xii) Other Comprehensive Income (OCI)</b>					
Actuarial (Gain) / Loss recognized for the period	(6.18)	-	(4.08)	-	-
Assets limit effect	-	-	-	-	-
Return on Plan Assets excluding net interest	-	-	-	-	-
Unrecognised Actuarial (Gain) / Loss from previous period	-	-	-	-	-
Total Actuarial (Gain) / Loss recognized in (OCI)	(6.18)	-	(4.08)	-	-
<b>(xiii) Movements in the Liability recognized in Balance Sheet</b>					
Opening Net Liability	103.26	19.31	95.21	18.41	-
Adjustment to opening balance	-	-	-	-	-
Expenses as above	20.69	0.09	21.53	2.58	-
Contribution paid	(31.91)	(3.11)	(9.40)	(1.68)	-
Other comprehensive Income(OCI)	(6.18)	-	(4.08)	-	-
Closing Net Liability	85.86	16.29	103.26	19.31	-
<b>(xiv) Schedule III of the Companies Act 2013</b>					
Current Liability (*)	4.22	9.63	17.90	5.94	-
Non-Current Liability	81.63	6.66	85.36	13.37	-
xii (*) March 2014 current liability based on Rev Schedule VI Valuation date.	31 March 2019	31 March 2019	31 March 2018	31 March 2018	-
<b>(xv) Projected Service cost 31st March, 2019</b>	9.03	7.43	14.05	6.06	-
<b>(xvi) Assets Information</b>					
Not Applicable as the plan is unfunded	-	-	-	-	-
<b>(xvii) Assumptions as at</b>					
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	-
Interest / Discount Rate	7.00%	7.00%	7.60%	7.60%	-
Rate of increase in compensation	6.00%	6.00%	6.00%	6.00%	-
Annual increase in healthcare cost					-
Future changes in maximum state healthcare benefits					-
Expected average remaining service	9.56%	9.56%	10.54%	10.54%	-
Retirement age	58 Years	58 Years	58 Years	58 Years	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

Particulars		2018-19		2017-18	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Employee Attrition Rate	Up to Age 30 : 10% Age 31 to 40 : 5% 41 and above : 2%	Up to Age 30 : 10% Age 31 to 40 : 5% 41 and above : 2%	Up to Age 30 : 10% Age 31 to 40 : 5% 41 and above : 2%	Up to Age 30 : 10% Age 31 to 40 : 5% 41 and above : 2%
(xviii)	<b>Sensitivity Analysis ( Gratuity )</b>				
		DR: Discount Rate		ER: Salary Escalation Rate	
	PVO	PVO DR + 1% 80.78	PVO DR - 1% 91.54	PVO ER + 1% 91.45	PVO ER - 1% 80.77
(xviii)	<b>Sensitivity Analysis (Leave Encashment )</b>				
		DR: Discount Rate		ER: Salary Escalation Rate	
	PVO	PVO DR + 1% 15.34	PVO DR -1% 17.38	PVO ER +1% 17.36	PVO ER -1% 15.34

**(xix) Expected Payout (Gratuity)**

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten years
PVO payouts	4.22	15.59	5.37	3.45	7.15	40.59

**(xix) Expected Payout (Leave Encashment)**

Year	31 March 2020	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2029
PVO payouts	4.34	4.28	4.68	4.44	4.76	19.22

**(xx) Assets Laibility Comparisons (Gratuity)**

Year	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019
PVO at end of period	77.02	81.10	95.21	103.26	85.86
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(77.02)	(81.10)	(95.21)	(103.26)	(85.86)
Experience adjustmentson plan assets	-	-	-	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**(xx) Assets Laibility Comparisons ( Leave Encashment )**

Year	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019
PVO at end of period	21.34	20.31	18.41	19.31	16.29
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(21.34)	(20.31)	(18.41)	(19.31)	(16.29)
Experience adjustmentson plan assets	-	-	-	-	-

**(xxi) Narrations**
**1] Analysis of Defined Benefit Obligation**

The number of members under the ( Gratuity ) scheme have decreased by 27.08%. The total salary has decreased by 24.36% during the accounting period. The resultant liability at the end of the period over the beginning of the period has decreased by 16.86%

The number of members under the ( Leave Encashment ) scheme have decreased by 27.08%. The total basic/ CTC salary have decreased by 24.36% / 23.59% respectively during the accounting. The resultant liability at the end of the period over the beginning of the period has decreased by 15.64%

**2] Expected rate of return basis**

Scheme is not funded EORA is not applicable.

**3] Description of Plan Assets and Reimbursement Conditions**

Not applicable.

**4] Investment / Interest Risk**

Since the scheme is unfunded the companyis not exposed to Investment / Interest Risk.

**5] Longevity Risk**

The company is not exposed to risk of the employee living longer as the benefit under (Gratuity) scheme ceases on the employee separatingfrom the employer for the any reason.

**6] Salary Escalation Rate**

The salary escalationrate rate has remain unchanged and hence there is no change in liability resulting in no actuarial gain or loss due to change in salary escalation rate.

**7] Discount Rate**

The discount rate has decreased from 7.60% to 7% under the ( Gratuity ) and hence there is a increased in liability leading to actuarial loss due to change in discount rate.

The discount rate has decreased from 7.60% to 7% under the (Leave Encashment) and hence there is a increased in liability leading to actuarial loss due to change in discount rate.

**37 RELATED PARTY DISCLOSERS**
**A. Names of related parties and description of relationship:**

Name of Party	Nature of Relationship
Mr. A. K. Bhuwania	Chairman
Mr. Ashish Bhuwania	Director
Mr. Aditya Bhuwania	Director
Mrs. Saroj Bhuwania	Director
Mr. Rakesh Jain	Chief Financial Officer
Ms. Rajeshree Chougule / Mr Saishwar Dalvi	Company Secretary

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in INR Lakhs, unless otherwise stated)

Name of Party	Nature of Relationship
Priya International Ltd.	Entities where individual having control/ significant influence or key management personnel or their relatives are able to exercise significant influence
VXL Software Solutions Pvt .Ltd.	
Aurotech Technologies Dmcc	
Delta Technology Ltd.	
Brent Properties Investment Pvt. Ltd.	
Cheshire Properties Investment Pvt. Ltd.	

## B. Transactions that have taken place during the year with related parties by the Company

Name of Related Parties	Nature of Transaction during the year	2018-2019	2017-2018
Priya International Ltd.	Reimbursement of Services/ Expenses incurred by Priya Ltd.	39.07	40.36
	Purchase of Electronis(Inclusive of GST Rs.5.75 lakhs Previous year Rs.NIL )	37.68	-
VXL Software Solutions Pvt .Ltd.	Purchase of Software/Electronis (Inclusive of GST Rs. 0.02 lakhs Previous year VAT/ GST Rs. 302.54 lakhs)	0.12	2,042.39
	Sale of Software/Electronis (Inclusive of GST Rs.11.99 lakhs Previous year Rs.94.19 lakhs)	78.66	621.92
	Rent Income (Exclusive of GST Rs. 7.56 lakhs Previous year Rs.7.10 lakhs)	42.00	42.00
Aurotech Technologies Dmcc	Sale of Electronis	135.79	11.20
Delta Technology Ltd.	Sale of Electronis	442.58	536.89
Mr. Aditya Bhuwania	Directors Remuneration	30.00	30.00
Mr. Rakesh Jain	Short-term employee benefits	33.16	31.42
Mr. Saishwar Dalvi	Short-term employee benefits	6.77	4.85
Mr. A. K. Bhuwania	Loan Taken During the year	59.00	50.00
Mr. Ashish Bhuwania	Loan Taken During the year	4.00	25.00
Mr. Aditya Bhuwania	Loan Taken During the year	264.50	5.00
Mrs. Saroj Bhuwania	Loan Taken During the year	17.50	87.00
Mr. A. K. Bhuwania	Loan Repaid During the year	39.00	-
Mr. Aditya Bhuwania	Loan Repaid During the year	269.50	-
Mrs. Saroj Bhuwania	Loan Repaid During the year	81.50	-

Note : Post Employee benefis can not be ascertain as company from consolidated interest for such benefits.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**C. Balance at the year end.**

VXL Software Solutions Pvt .Ltd.	Deposit Received Outstanding at the year end	3.50	3.50
	Advance to suppliers	332.86	-
	Outstanding Receivable	7.70	617.48
	Outstanding Payable	-	1,101.14
Mr. A. K. Bhuwania	Loan Outstanding at the year end	70.00	50.00
Mr. Ashish Bhuwania	Loan Outstanding at the year end	29.00	25.00
Mr. Aditya Bhuwania	Loan Outstanding at the year end	-	5.00
Mrs. Saroj Bhuwania	Loan Outstanding at the year end	23.00	87.00
Priya International Ltd	Outstanding Receivable	9.54	-
Brent Properties Investments Pvt Ltd.	Corporate Guarantee given on our behalf	2,282.78	2,110.78
Cheshire Properties Investments Pvt Ltd.	Corporate Guarantee given on our behalf	2,282.78	2,110.78
Aurotech Technologies Dmcc	Outstanding Receivable	141.97	10.78
Delta Technology Ltd.	Outstanding Receivable	601.98	243.38

**38 SEGMENT REPORTING**
**Segment Information for the year ended 31st March, 2019**
**(i) Information about primary business segment :**

Particulars	31st March 2019				31st March 2018			
	Segments		Unallocated	Total	Segments		Unallocated	Total
	Electronics	Chemicals			Electronics	Chemicals		
<b>Revenue</b>								
External Customers	2,030.84	178.01	-	2,208.85	8,776.45	384.81	-	9,161.26
Inter-segment	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>2,030.84</b>	<b>178.01</b>	<b>-</b>	<b>2,208.85</b>	<b>8,776.45</b>	<b>384.81</b>	<b>-</b>	<b>9,161.26</b>
<b>Result</b>								
Segment Results	(870.60)	13.71	-	(856.89)	567.83	29.21	-	597.04
Unallocated expenses net of unallocated income	-	-	(408.21)	(408.21)	-	-	(428.06)	(428.06)
Other Income	-	-	-	-	-	-	-	-
Finance cost	-	-	(367.50)	(367.50)	-	-	(85.87)	(85.87)
Extra ordinary items	-	-	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>(870.60)</b>	<b>13.71</b>	<b>(775.71)</b>	<b>(1,632.60)</b>	<b>567.83</b>	<b>29.21</b>	<b>(513.93)</b>	<b>83.11</b>
Less: Provision for Tax (Net of Deferred Tax)	-	-	2.76	2.76	-	-	34.27	34.27
<b>Profit After Tax &amp; Before Prior Period Adjustments</b>	<b>(870.60)</b>	<b>13.71</b>	<b>(778.47)</b>	<b>(1,635.36)</b>	<b>567.83</b>	<b>29.21</b>	<b>(548.20)</b>	<b>48.84</b>
Excess/(Short) Provision for Income Tax	-	-	(12.76)	(12.76)	-	-	-	-
<b>Profit After Prior Period Adjustments</b>	<b>(870.60)</b>	<b>13.71</b>	<b>(765.71)</b>	<b>(1,622.60)</b>	<b>567.83</b>	<b>29.21</b>	<b>(548.20)</b>	<b>48.84</b>
<b>Other Information</b>								
Segment Assets	3,929.93	0.11	433.52	4,363.56	8,477.93	35.86	595.77	9,109.56
Segment Liabilities	2,552.12	26.18	479.12	3,057.42	5,626.19	101.76	424.83	6,152.78
Capital Expenditure	-	-	0.08	0.08	-	-	10.49	10.49

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**(ii) Information about secondary geographical business segment :**

Particulars	2018-19			2017-18		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment Revenue	1,078.11	1,130.74	2,208.85	4,872.61	4,288.65	9,161.26
Segment Assets	936.82	3,426.73	4,363.55	6,161.41	2,948.16	9,109.57
Capital Expenditure	0.08	-	0.08	10.49	-	10.49

Notes:-

- (i) The company is into two main business segments, namely;

Electronics - Computer peripherals and systems

Chemicals - Export of Textile Dyes and Intermediates

Segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

- (ii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**39 Derivatives:**

UNHEDGED: The year end Foreign Currency exposures that have not been hedged by a derivative instrument as outstanding are as under:

- a. Amount receivable in foreign currency on account of the following :

Particulars	Foreign	As on 31.03.2019		As on 31.03.2018	
	Currency	Amount in	Amount in	Amount in	Amount in
		Rs.	Foreign Currency	Rs.	Foreign Currency
Receivables	USD	4,158.40	60.19	837.38	12.89

- b. Amount payable in foreign currency on account of the following :

Particulars	Foreign	As on 31.03.2019		As on 31.03.2018	
	Currency	Amount in	Amount in	Amount in	Amount in
		Rs.	Foreign Currency	Rs.	Foreign Currency
Payable	USD	18.78	0.27	654.03	10.04

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**40 Financial Risk Management**

The Company's activities expose it to credit risk, liquidity risk, market risk and price risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact thereof in the financial statements.

Sl. No.	Risk	Exposure arising from	Measurement	Management
1	Credit Risk	Cash and cash equivalents, trade receivables and financial assets.	Credit ratings, Review of aging analysis, Review of investment on quarterly basis.	Strict credit control and monitoring system, diversification of counterparties, Investment limits, check on counterparties basis credit rating and investment review on quarterly basis.
2	Liquidity Risk	Trade payables and other financial liabilities.	Maturity analysis, cash flow projections.	Maintaining sufficient cash / cash equivalents and marketable security and focus on realisation of receivables.
3	Market Risk–Foreign Exchange	Import Payables and Receivables on Indenting services.	Foreign currency exposure review and sensitivity analysis.	The company is partly has natural hedge and is exploring to hedge its unhedged positions.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

**(A) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

**Credit Risk Management**

The company's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity to whom loan has been given.

The maximum exposure to credit risk as at 31 March 2019 and 31 March 2018 is the carrying value of such trade receivables as shown in note 11 of the financials.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**The Credit Loss allowances are provided in the case of trade receivables as under:**

Loss allowance as on 1 April 2017	<b>5.32</b>
Change in loss allowance	(5.32)
Loss allowance as on 31 March 2018	-
Change in loss allowance	970.29
Loss allowance as on 31 March 2019	<b>970.29</b>

**(B) Liquidity Risk**

The Company's principal sources of liquidity are working capital loans, "cash and cash equivalents" and cash flows that are generated from operations. The Company does not have material term borrowings. The Company believes that its above mentioned sources of liquidity are sufficient to meet its current requirements. Hence the Company does not perceive any liquidity risk.

**(C) Market risk**
**Foreign currency risk**

The Company significantly operates in domestic market. Though the company imports materials from overseas and has income from indenting commission from overseas. The company mostly has natural hedge and is exploring to have hedge its positions.

The Company's exposure to foreign currency risk which are unhedged at the end of the reporting period is as follows:

<b>Particulars</b>	<b>Amount</b>
<b>31 March 2019</b>	
Trade receivables- Foreign Currency USD	60.19
Trade receivables- INR	4,196.63
Trade receivables- Foreign Currency USD	0.27
Trade payables- INR	18.78
<b>31 March 2018</b>	
Trade receivables- Foreign Currency USD	12.89
Trade receivables- INR	837.38
Trade receivables- Foreign Currency USD	10.04
Trade payables- INR	654.03

**Sensitivity Analysis-**

The Company is mainly exposed to changes in USD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
USD	208.89	9.17
<b>Total</b>	<b>208.89</b>	<b>9.17</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(All Amounts in INR Lakhs, unless otherwise stated)

**41 Fair Value measurement-**

The fair value of Financial instrument as of March 31, 2019 and March 31, 2018 were as follows: -

Particulars	March 31, 2019	March 31, 2018	Fair value Hirarchy	Valuation Technique	Key Inputs for Level 3 hierarchy	Significant unobservable input for level 3 hierarchy
Assets-						
Investment in Equity Instruments through OCI	100.10	100.98	Level-1	Quoted Market Price	-	-
<b>Total</b>	<b>100.10</b>	<b>100.98</b>				

The management assessed that Cash and Cash equivalents, loans, other balances with Banks, trade receivables, trade payables and other current liabilities/assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

**42 Lease**

The Company's leasing arrangements are in respect of office premises / warehouse. These leasing arrangements, which is mostly cancelable, range between 11 months to 3 years and are usually renewable by mutual consent at mutually agreed terms & conditions. The lease payment of Rs. 53.55 lakhs (Previous Year Rs. 62.13 lakhs) has been recognised as expenses in the statement of Profit & Loss under the Note No. 33 "Other Expenses".

**43** The Company has received a notice under Section 13(2) of Securitization and Reconstruction of Financial assets and Enforcement of Security Interest Act, 2002 from Indian Bank, Bank of Maharashtra and Union Bank of India, which had provided funds towards working capital requirements, informing that the Company's accounts have become NPA and on that basis all outstanding loans have been recalled. The Company have repaid part of loan during this quarter and have also requested for extension of time to settle the same. The said loan is also guaranteed by Directors and two other group Companies Based on continuous follow up with overseas Customers and based on the forecast, the management of the Company has every intention and will make every efforts to repay the loans. The interest provision on said NPA/ recalled accounts have been made on accrual basis.

**44** Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.

**45** In the opinion of the Board, Current Assets, Loans and Advances have value in the ordinary course of business at least equal to the amount at which they are stated.

**46** The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the schedule III of Companies Act, 2013.

As per our report attached of even date

**FOR KANU DOSHI ASSOCIATES LLP      FOR AND ON BEHALF OF THE BOARD**  
**CHARTERED ACCOUNTANTS**

**Firm Registration Number : 104746W/W100096**

**KUNAL VAKHARIA**  
**PARTNER**  
**MEMBERSHIP NO.148916**

**A.K. BHUWANIA**  
**DIRECTOR**  
**DIN : 00387445**

**R.K.SARASWAT**  
**DIRECTOR**  
**DIN: 00015095**

**PLACE : MUMBAI**  
**DATED : 30TH MAY, 2019**

**RAKESH JAIN**  
**CHIEF FINANCIAL OFFICER**      **RAJESHREE CHOUGULE**  
**COMPANY SECRETARY**

[illegible]

**PRIYA LIMITED**

CIN:L99999MH1986PLC040713

**Regd. Office:** 4<sup>th</sup> Floor, Kimatrai Building, 77-79, Maharshi Karve Marg, Marine Lines (E), Mumbai-400002.

Email: cs@priyagroup.com. Web:www.priyagroup.com

**ATTENDANCE SLIP**

(To be presented at the entrance)

Regd. Folio No. /Client ID No. \_\_\_\_\_ No. of shares held \_\_\_\_\_

DP ID No. \_\_\_\_\_

I certify that I am a Member/Proxy for the member of the Company.

I hereby record my presence at the **32<sup>ND</sup> ANNUAL GENERAL MEETING** of the Company to be held at "City Light Cinema Banquets Hall", Ashford Chambers, 4<sup>th</sup> Floor, Lady Jamshedji Road, Mahim, Mumbai – 400016 on **Friday, the 27<sup>th</sup> day of September, 2019 at 11. 00 A.M.**

Member's/ Proxy's name in BLOCK Letters \_\_\_\_\_

Signature of Member/Proxy \_\_\_\_\_

**NOTE:** Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting. Members are requested to bring their copy of the Annual Report to the meeting.

- Tear Here -

**PRIYA LIMITED**

CIN:L99999MH1986PLC040713

**Regd. Office:** 4<sup>th</sup> Floor, Kimatrai Building, 77-79, Maharshi Karve Marg, Marine Lines (E), Mumbai-400002

Email: cs@priyagroup.com. Web:www.priyagroup.com

**PROXY FORM - MGT-11**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) : \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No./ Client ID No.\* \_\_\_\_\_ DP ID No.\* \_\_\_\_\_

I / We, being the member(s) of \_\_\_\_\_ Equity Shares of Priya Limited, hereby appoint

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_, or failing him / her

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **32<sup>ND</sup> Annual General Meeting** of the Company, to be held on **Friday, the 27<sup>th</sup> day of September, 2019 at 11.00 a.m.** at "City Light Cinema Banquets Hall", Ashford Chambers, 4<sup>th</sup> Floor, Lady Jamshedji Road, Mahim, Mumbai – 400016 and at any adjournment thereof in respect of such resolutions as are indicated below:**Resolution No.****Ordinary Business:**

1. Consider and adopt the Audited Financial Statement, Reports of the Board of Directors and Auditors, for the financial year ended 31st March, 2019.
2. Appointment of Mr. Ashish Bhuvania a Director retiring by rotation.

**Special Business:**

3. Re-appointment of Mr. Radhakrishna K. Saraswat as Independent Non-Executive Director of the Company.
4. Re-appointment of Mr. Mahendra K. Arora as Independent Non-Executive Director of the Company.
5. Re-appointment of Mr. Anuj Bhargava as Independent Non-Executive Director of the Company.
6. Re-appointment of Mr. P.V.Hariharan as Independent Non-Executive Director of the Company.

Signed this ..... day of..... 2019.

Affix  
Rupee 1/-  
Revenue  
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.





If underlivered, Please return to :

## **PRIYA LIMITED**

**\* REGD. OFFICE \***

4<sup>th</sup> Floor, Kimatrai Building, 77-79, Maharshi Karve Marg,  
Marine Lines (E), Mumbai - 400 002.

**Tel.:** 91-22-4220 3100, **Fax:** 91-22-4220 3197.

**E-mail:** cs@priyagroup.com; **Web:** www.priyagroup.com

**\* BRANCHES \***

Chennai: 044 - 4214 6105, Gurgaon: 011-4106 1358, Hyderabad: 040-2781 0979,  
Kochi: 0484-4069 694, Kolkata: 033-4003 3869.