

SHREE SHALEEN TEXTILES LTD.  
ANNUAL REPORT 2011 - 12

**SHREE**

**SHALEEN**

**TEXTILES**

**LIMITED**

**ANNUAL REPORT 2011 - 2012**

**SHREE SHALEEN TEXTILES LTD.  
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**BOARD OF DIRECTORS**

Mr. Dilip Lodha - Managing Director

Mr. Bajranglal Sharma

Mr. Ravikant Sharma

Mr. Arunkumar Saboo

Mr. Ramavatar Sharma  
(resigned w.e.f.13.02.2012)

**REGISTERED OFFICE**

2<sup>nd</sup> Floor, Satwant Villa,  
Aarey Road, Goregaon (West)  
Mumbai – 400062, Maharashtra  
(w.e.f.13.02.2012)

**STATUTORY AUDITORS**

Satish Soni & Co.  
Mumbai, Maharashtra

**SHARE TRANSFER AGENT**

**Purva Shregistry India Pvt. Ltd.**  
9, Shiv Shakti Industrial Estate, J R Boricha Marg,  
Lower Parel (E), Mumbai 400011, Maharashtra

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**NOTICE**

**NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SHREE SHALEEN TEXTILES LIMITED WILL BE HELD ON SATURDAY, 29<sup>TH</sup> SEPTEMBER, 2012 AT 3.30 PM AT 2<sup>ND</sup> FLOOR, SATWANT VILLA, AAREY ROAD, GOREGAON (WEST), MUMBAI – 400062 TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012, the Profit and Loss Account for the year ended as on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Arunkumar Saboo who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. Satish Soni & Co., Chartered Accountants, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.”

By order of the Board  
for **Shree Shaleen Textiles Limited**

Place: Mumbai  
Date: 31.08.2012

Dilip Lodha  
Managing Director

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**NOTES:**

1. The details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed / reappointed at the Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The proxies to be effective should be deposited at the Registered Office of the Company not less than Forty Eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed on 29<sup>th</sup> September, 2012.
5. All members are requested to intimate changes, if any, in their registered address, immediately to the Registrar & Transfer Agents, Purva Sharegistry India Pvt. Ltd. or to their depository participants in case shares are held in depository form.
6. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
7. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.

By order of the Board  
for **Shree Shaleen Textiles Limited**

Place: Mumbai  
Date: 31.08.2012

Dilip Lodha  
Managing Director

**Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)**

<b>Name of the Director</b>	<b>Date of Birth</b>	<b>Date of Appointment</b>	<b>Expertise in specific functional area</b>	<b>Qualification</b>	<b>No. of Equity Shares held in the Company</b>
Arunkumar Saboo	10/07/1950	06/04/2002	Accountancy and Taxation	B.Com	Nil

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**DIRECTORS' REPORT**

**To the Shareholders,**

Your Directors take pleasure in presenting the Annual Report and the audited accounts of the Company for the year ended 31<sup>st</sup> March 2012.

**FINANCIAL RESULTS**

The performance of the Company for the financial year ended 31<sup>st</sup> March 2012 is summarised below:

<b>Particulars</b>	<b>(Rs. in Lacs)</b>	
	<b>2011 - 12</b>	<b>2010 - 11</b>
Sales and Other Income	78.18	759.11
Profit before Depreciation and Tax	(17.15)	382.05
Depreciation	0.03	0.05
Profit / (Loss) before Tax	(17.18)	382.00
Provision for Tax	3.00	68.00
Profit / (Loss) after Tax	(20.18)	314.00
<b>Add: Profit brought forward from previous year</b>	<b>387.36</b>	<b>73.36</b>
Balance Carried to Balance Sheet	367.18	387.36

**RESULTS OF OPERATIONS**

During the year your Company has achieved total revenue of Rs.78.18 Lacs as compare to Rs.759.11 Lacs in the corresponding previous financial year and the Company has incurred net loss of Rs.20.18 Lacs as compared to net profit of Rs.314.00 Lacs in the corresponding previous financial year.

**DIVIDEND**

In order to conserve the reserves to meet the needs of increased operation of the Company, the Board of Directors has decided not to declare dividend for the year.

**CHANGES IN THE CAPITAL STRUCTURE**

During the year, with the approval of the Shareholders the Authorised Capital of Company was increased to Rs.20,00,00,000 which is divided into 2,00,00,000 Equity Shares of Rs.10 each.

**PREFERENTIAL ISSUE:**

During the financial year pursuant to shareholders approval at Annual General Meeting held on 27<sup>th</sup> September, 2011 the Board of Director have allotted 4,75,000 Equity Shares of Rs.10 each at premium of Rs.195 each to certain investors and consequently, the Paid-up capital increased from Rs.20,00,000 to Rs.67,50,000.

**BONUS ISSUE:**

Pursuant to approval of Shareholders at Extra Ordinary General Meeting held on 21<sup>st</sup> March, 2012 the Board of Directors has allotted 1,28,25,000 Fully Paid Equity Shares of Rs.10 as Bonus Shares in the Ratio of 19 Equity Shares for every one Share held as on Record Date i.e.14<sup>th</sup> April, 2012.

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**FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Financial Companies (Reserve bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

**BOARD OF DIRECTORS AND CHANGE IN MANAGEMENT:**

**i). Composition of Board of Directors:**

The Board comprises of four Directors, of which two are Independent Directors. Mr. Dilip Lodha was appointed as the Managing Director of the Company, with effect from 12<sup>th</sup> May, 2012 as approved by shareholders.

**ii). Changes during the Financial Year:**

Mr. Ramavtar Sharma who was appointed as Additional Director of the Company w.e.f. 19<sup>th</sup> October, 2011. Mr. Sharma resigned as Director of the Company w.e.f. 13<sup>th</sup> February 2012. Mr. Dilip Lodha was appointed as Additional Director on 13<sup>th</sup> February 2012 and subsequently appointed as Managing Director of the Company w.e.f. 12<sup>th</sup> May, 2012 with the approval of Shareholders at Extra Ordinary General Meeting held on 12<sup>th</sup> June, 2012.

**CORPORATE GOVERNANCE:**

The Company has adopted to follow the requirements of Corporate Governance as stipulated under clause 49 of the Equity Listing Agreement of Stock Exchange and accordingly, the Report on Corporate Governance forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company M/s. Satish Soni & Co., regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 is annexed to this Report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the Directors had 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 loss of the Company for the year under review;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts for the year under review, on a 'going concern' basis.

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**AUDITORS:**

During the year M/s. Satish Soni & Co., Chartered Accountants, Mumbai, was appointed as Statutory Auditor of the Company to fill the casual vacancy caused by resignation of existing Statutory Auditors of the Company. M/s. Satish Soni & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. The Company has received certificate from the Auditors to the effect that their appointment, if made would be within the prescribed limits under section 224 (1-B) of The Companies Act, 1956. Your Directors recommends Re-appointment of Satish Soni & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION:**

Considering the nature of the Business of your Company there are no particulars which are furnished in this report relating to conservation of energy and technology absorption.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earnings and outgo of the Company for year under review amounted to Rs. Nil.

**PARTICULARS OF EMPLOYEES**

There are no employees whose details are required to be given information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 (the Act), read with the Companies (Particulars of Employees) Rules, 1975.

**ACKNOWLEDGEMENTS**

The Board wishes to place on record its sincere appreciation for the assistance and co-operation received from Bankers, Government Departments and other Business Associates for their continued support towards the conduct of operations of the Company efficiently.

The Directors express their gratitude to the shareholders for their continuing confidence in the Company. The Directors also acknowledge the hard work and persuasive efforts put in by the employees of the Company in carrying forward Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 31.08.2012

Sd/-  
Dilip Lodha  
Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS**

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

Indian Textile Industry has an overwhelming presence in the economic life of the country. The Indian textile industry is extremely diverse encompassing hand-spun and hand woven sector at one end of the spectrum, and capital intensive, sophisticated mill sector at the other. Decentralized power looms / hosiery and knitting sector form the largest section of the sector. The close linkage of the Industry to agriculture and the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison with the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

However, during the year 2011-12, the industry witnessed a significant slowdown in textiles production due to a combination of factors such as slowdown in demand, high raw material prices, piling up of stocks, etc.

**BUSINESS OVERVIEW**

The Company has adequate internal control systems and is in process of further strengthening the existing internal control systems. The financial statements are reviewed periodically by the management. The Company has set up an Internal Audit trail whereby deviations, if any, can be brought to the notice of the management quickly and remedial actions are initiated immediately.

**OPPORTUNITIES AND THREATS**

The Company's ability to foresee and manage business risks is crucial in achieving favourable results. While management is positive about Company's long term outlook, we are subject to few risks and uncertainties as given below.

**Pricing Pressure due to competition / competitive bidding**

Business opportunities also bring competition. The Company is operating in a highly competitive environment. During the previous year, the Company has observed that; (1) relatively smaller companies have been dominating the bidding (2) competition has increased significantly in comparison to earlier rounds of bidding.

**Raw material**

The Prices of Raw Material increased during the year thereby causing increase in cost of production.

**Manpower**

The timely availability of skilled and technical personnel is one of the key challenges. The Company maintains healthy and motivating work environment through various measures.

**FINANCIAL AND OPERATING PERFORMANCE:**

The total income of the Company for the year 2011-12 was at Rs.78.18 lacs compared to Rs.759.11 lacs during the previous year. The Company has incurred loss of Rs. 20.18 lacs during the year as against Net Profit of Rs.314.00 lacs for the previous year. The Company expects to earn increased revenues in the near future.



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**RISKS, INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.**

The Company has adequate internal control procedure commensurate with its size and nature of the business. The Company continuously upgrades these systems in line with best accounting practices.

**ABILITY TO HIRE, TRAIN AND RETAIN PEOPLE**

Our Ability to hire, train and retain people will determine the ability of our company to achieve desired objectives.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations.

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**REPORT ON CORPORATE GOVERNANCE FOR THE F.Y. 2011 – 12**

**1. COMPANY'S PHILOSOPHY:**

Good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions, thus maximizing long-term stakeholder value without compromising on integrity, social obligations and regulatory compliances. The Company believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders.

The Company's philosophy on Corporate Governance finds its roots in the rich legacy of ethical governance practices. This philosophy has been sought to be strengthened through the Code of Conduct, the Whistle Blower Policy and the Code for Prevention of Insider Trading which have been adopted. The Company will continue to focus its energies and resources in creating and safeguarding of shareholders' wealth and, at the same time, protect the interests of all its stakeholders.

The Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below.

**2. BOARD OF DIRECTORS:**

**2.1 Composition:**

The Board of Directors comprises of 4 Directors, of which three are Non-Executive who brings in a wide range of skills and experience to the Board. The Chairman is Non-Executive and the number of Independent Directors is two. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

None of the Directors of the Company are related to each other.

During the year 8 Board Meetings were held and the gap between two meetings did not exceed four months. The dates were: 25<sup>th</sup> July, 2011; 23<sup>rd</sup> August, 2011; 19<sup>th</sup> October, 2011, 22<sup>nd</sup> October, 2011; 14<sup>th</sup> November, 2011; 15<sup>th</sup> November, 2011, 13<sup>th</sup> February, 2012 and 25<sup>th</sup> February, 2012.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The information as required under Annexure IA to Clause 49 is being made available to the Board.

**2.2 Composition of Board and attendance record:**

Name of Director	Category of Directorship	Attendance at		No. of other Directorships and other Committee Memberships / Chairmanship		
		Board Meetings	Last AGM	Other Directorships #	Committee Memberships ##	Committee Chairmanships
Mr. Bajranglal Sharma	Chairman – Non-Executive	8	yes	1	-	-
Dilip Lodha (Appointed w.e.f. 13/02/2012)	Managing Director	2	No	-	-	-
Mr. Arunkumar Saboo	Non-Executive, Independent	6	yes	-	-	-
Mr. Ravikant Sharma	Non-Executive, Independent	8	No	1	-	-
Mr. Ramavatar Sharma (Resigned w.e.f.13.2.12)	Non-Executive, Independent	2	No	-	-	-

# Alternate Directorships and directorships in private companies, foreign companies and Section 25 Companies are excluded.

## Represents Memberships / Chairmanships of Audit Committee and Shareholders' / Investors' Grievance Committee.

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**3. AUDIT COMMITTEE:**

The Audit Committee was formed during the year and met once. The Composition of the Audit Committee is as under;

Mr. Bajranglal Sharma  
Mr. Arunkumar Saboo  
Mr. Ravikant Sharma

The Members possess adequate knowledge of Accounts, Audit and Finance etc. Mr. Bajranglal Sharma is the Chairman of the Audit Committee.

The broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Auditors and Internal Audit department and to review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors etc. In addition, the powers and role of the Audit Committee are as laid down under Clause 49 II C & D of the Listing Agreement entered with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at its meetings. The Statutory Auditors are also invited to the meetings.

**4. REMUNERATION COMMITTEE:**

The Remuneration Committee was constituted during the year. Mr. Bajranglal Sharma is the Chairman of Remuneration Committee. The Constitution of the Committee is as given below:

Mr. Bajranglal Sharma  
Mr. Ravikant Sharma

The terms of reference of the 'Remuneration Committee' are as follows:

- 1) To determine on behalf of the Board and on behalf of the Shareholders the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.
- 2) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

The details of the remuneration paid to executive director are disclosed in the related party transactions in the notes to accounts section of the report.

**DETAILS OF SHARES HELD:**

The shares held by the Directors of the Company as on 31<sup>st</sup> March 2012 is given below: N.A

**5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:**

The Shareholders / Investors Grievance Committee was constituted during the year and is comprises of following Directors.

Mr. Bajranglal Sharma  
Mr. Arunkumar Saboo  
Mr. Dilip Lodha

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The terms of reference of the committee are *interalia* as follows:

- (a). Review the reports submitted by the Registrars and Share Transfer Agents of the Company at half yearly intervals.
- (b). Investor relations and redressal of shareholders grievances including relating to non-receipt of dividend, Annual Report, non – receipt of shares etc.
- (c). Oversee the performance of the Registrars and Share Transfer Agents of the Company.

Mr. Ankur Bhinda is the Compliance Officer. His address and contact details are as given below:

Address:

2<sup>nd</sup> Floor, Satwant Villa, Aarey Road,  
Goregaon (West), Mumbai – 400062  
Phone: 022 – 4290 6770; Fax: 022 – 4290 6774;  
Email: shreeshaleentex@gmail.com

**6. ANNUAL GENERAL MEETINGS:**

The details of date, time and location of Annual General Meetings (AGM) held in previous three years are as under:

<b>AGM / EGM</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
<b>EGM</b>	21/03/2012	2.30pm	2 <sup>nd</sup> Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, Maharashtra
<b>AGM</b>	27/09/2011	3.00 pm	401-B Lotus House, 4 <sup>th</sup> floor 33-A, New Marine Lines, Mumbai – 400 020, Maharashtra
<b>AGM</b>	30/09/2010	3.30 pm	401-B Lotus House, 4 <sup>th</sup> floor 33-A, New Marine Lines, Mumbai – 400 020, Maharashtra
<b>AGM</b>	30/09/2009	3.30 pm	401-B Lotus House, 4 <sup>th</sup> floor 33-A, New Marine Lines, Mumbai – 400 020, Maharashtra

Following Special Resolutions passed in the previous Annual General Meeting held on 27/09/2011

1. Increased the Authorised share capital of the Company from Rs. 50,00,000 (Rupees Fifty Lacs only) divided into 5,00,000 equity shares of Rs.10 (Rupees Ten) each to Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 equity shares of Rs. 10 (Rupees Ten) each.
2. Authority to the Board to offer / issue / allot on preferential basis upto 7,00,000 (Seven Lacs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each at premium of Rs.195 each for cash, aggregating upto Rs.14,35,00,000 (Rupees Fourteen Crores Thirty Five Lacs Only).

No Court-convened Meetings were held during the last three years.

**7. DISCLOSURES:**

- 1.1 There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management or their relatives etc. that would conflict with the interests of the Company except as reported in the Annual Report.

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1.2 No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

1.3 All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.

1.4 The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.

**8. MEANS OF COMMUNICATION:**

a). The quarterly un-audited financial results are published in leading English and Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the company.

b). The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, segment / product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

**9. GENERAL SHAREHOLDERS INFORMATION:**

**A. Annual General Meeting**

<b>Date and Time</b>	: 29 <sup>th</sup> September, 2012 at 3.30 PM
<b>Venue</b>	: 2 <sup>nd</sup> Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, Maharashtra
<b>Dates of Book Closure</b>	: 29/09/2012

**B. Financial Calendar 2012-13 (Tentative):**

First quarterly results	: August, 2012
Second quarterly results	: November, 2012
Third quarterly results	: February, 2012
Annual results for the year ending on 31.03.2013	: May, 2013
Annual General Meeting for the year 2013	: September, 2012

**a. Listing on Stock Exchanges:**

The Company's Equity Shares are listed on the BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Company has paid Annual Listing Fees as applicable, to the BSE for the financial year 2011-12.

Script Code Equity : 505513

ISIN:- EQUITY : INE703L01018

**b. Market Price Data:**

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The monthly high / low market price of the shares during the year 2011-12 at the BSE Limited is as under:

Month	BSE Limited (BSE)	
	High (in Rs. per share)	Low (in Rs. per share)
April 2011	NIL	NIL
May 2011	NIL	NIL
June 2011	NIL	NIL
July 2011	NIL	NIL
August 2011	50.00	50.00
September 2011	55.10	52.50
October 2011	70.15	57.85
November 2011	73.65	73.65
December 2011	NIL	NIL
January 2012	NIL	NIL
February 2012	77.30	77.30
March 2012	4.00*	4.00*

\*Ex – Bonus Price

**c. Registrar & Share Transfer Agents:**

Purva Sharegistry (India) Pvt. Ltd.  
Unit no. 9, Shiv Shakti Ind. Estate, J .R. Boricha marg, Opp. Kasturba Hospital Lane,  
Lower Parel (E), Mumbai 400 011  
Tel: 91-22-2301 6761 / 8261 ; Fax : 91-22-2301 2517  
E-mail: busicmp@vsnl.com; Website: [www.purvashare.com](http://www.purvashare.com)

**d. Distribution of Shareholding:**

The distribution of shareholding as on 31<sup>st</sup> March, 2012 is given below:

Sr. No	No of Equity Shares	No. of Shareholders	No. of Shares	% of Total shares
1.	1 - 5,000	78	20,700	3.07
2.	5,001 - 10,000	19	17,600	2.61
3.	10,001 - 20,000	15	24,550	3.64
4.	20,001 - 30,000	7	17,700	2.62
5.	30,001 - 40,000	1	4,000	0.59
6.	40,001 - 50,000	2	10,000	1.48
7.	50,001 - 1,00,000	15	1,23,600	18.31
8.	1,00,001 & Above	23	4,56,850	67.68
	<b>TOTAL</b>	<b>160</b>	<b>675000</b>	<b>100.00</b>

**e. Dematerialisation of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of Rs.10 each	
	Number	% of total
<b>Dematerialised form</b>		
NSDL	2,95,900	43.84%

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CDSL	2,38,050	35.26%
<b>Sub Total</b>	<b>5,33,950</b>	<b>79.10%</b>
Physical form	1,41,050	20.90%
<b>Total</b>	<b>6,75,000</b>	<b>100.00%</b>

**f. Registered Office:** 2<sup>nd</sup> Floor, Satwant Villa, Aarey Road, oregaon (West), Mumbai – 400062  
Designated exclusive e-mail id for Investor servicing: shreeshaleentex@gmail.com

**10. CORPORATE ETHICS**

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. A Code of Conduct for Board Members and a Code of Conduct for Prevention of Insider Trading as detailed below has been adopted pursuant to clause 49 (D) of the Listing Agreement & the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), respectively:

**a. Code of Conduct for Board Members and Senior Management:**

The Board of Directors of the Company adopted the Code of Conduct for its members and Senior Management. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

**b. Declaration affirming compliance of Code of Conduct:**

The Company has received confirmations from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A declaration by Managing Director affirming compliance of Board members and senior management personnel to the Code is also annexed herewith.

**c. Code of Conduct for Prevention of Insider Trading:**

The Company has adopted the Code of Conduct for Prevention of Insider Trading for its Management and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by directors, top level executives and staff whilst dealing in shares. The Managing Director has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**d. Compliance Certificate by Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of corporate governance as stipulated in clause 49, which is annexed herewith.

AS PROVIDED UNDER CLAUSE 49 OF THE LISTING AGREEMENT, THE BOARD MEMBERS HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT FOR THE YEAR ENDED 31.03.2012.

By order of the Board  
for **Shree Shaleen Textiles Limited**

Place: Mumbai  
Date: 31.08.2012

Sd/-  
Dilip Lodha  
Managing Director

**SHREE SHALEEN TEXTILES LTD.  
ANNUAL REPORT 2011 - 12**

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

We have examined the compliance of the conditions of Corporate Governance by Shree Shaleen Textiles Limited for the year ended 31<sup>st</sup> March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchanges Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 M/s Satish Soni & Co.  
Chartered Accountants**

Place: Mumbai  
Date: 31.08.2012

Sd/-  
(Satish Soni)  
(Proprietor)  
Membership No. 044391





**Auditor's Report to the Members of SHREE SHALEEN TEXTILES LIMITED**

We have audited the attached Balance Sheet of **SHREE SHALEEN TEXTILES LIMITED**, as at 31st March, 2012 and also the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1953, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order on the basis of information and explanations received by us.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books of accounts;
- (c) The Balance Sheet dealt with by this report are in agreement with the books of accounts;
- (d) In our opinion, the Balance Sheet of the company comply with the Accounting Standards as referred in Sub-Section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
- (e) As per information and explanations given to us, none of the directors of the company are disqualified from being appointed as a director under clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to explanations given to us, the said accounts, read together with Significant Accounting Policies and Notes forming part of Accounts, give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India,
  - (i) in case of Balance Sheet, of the state of the affairs of the company as at 31<sup>st</sup> March 2012
  - (ii) In case of Profit and Loss Account, of the Loss of the Company for the year ended on that date.
  - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for SATISH SONI AND CO  
Chartered Accountants

SATISH SONI  
(Proprietor)  
M. No. : 044391  
Date: 31<sup>st</sup> March 2012  
Place: Mumbai



## ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date:

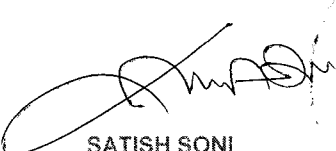
1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details & situation of Fixed Assets
  - b. All the fixed assets have been physically verified by the management during the year & there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
  - c. During the year, the Company has not disposed off any substantial fixed assets.
2. In respect of its inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of verification of inventories followed by the management are reasonable in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of Inventories. As explained to us, no discrepancies have been noticed on physical verification of inventories with the book records.
3.
  - a. As informed to us, the Company has granted interest-free unsecured loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding at any time during the year was Rs. 4,99,06,422/-
  - b. In the case of loan granted to companies, firms or other parties listed in the register maintained under Section 301, the terms of arrangement do not stipulate any repayment schedule and is repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
  - c. There is no overdue amount of the loan granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
  - d. The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.
4. In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to the purchase of inventories, fixed assets and equipments & for sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956.
  - a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions of purchase & sale of goods and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 as aggregating during the year to Rs. 5,00,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices except certain transactions of sales of goods which are below the prevailing market price.
6. The Company has not accepted any deposits from the public.
7. The affairs of the Company are conducted by the directors themselves. The Company does not have a formal system of internal audit but there are adequate checks and controls at all levels.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained.
9. In respect of the statutory dues:
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.



- b. According to the information and explanations given to us, there are no undisputed amount payable in respect the aforesaid dues which have remained outstanding as at 31<sup>st</sup> March, 2012 for a period more than six months from the date they became payable.
- c. On the basis of our examination of the documents and records of the Company and the information and explanations given to us upon our inquiries in this regard, no disputed amounts is payable in respect of Income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited with the appropriate authorities are Nil.
10. The Company has neither accumulated losses nor it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. There are no debentures issued by the Company and as such the question of default in payment to debenture-holders does not arise.
12. In our opinion and according to the information & explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund, a nidhi, mutual benefit fund or a society. Accordingly clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not taken any term loan. Accordingly clause 4(xvi) of the Order is not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance-sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. The Company has not raised any long-term funds during the year.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Accordingly clause 4(xix) of the Order is not applicable to the Company.
20. According to the information and explanations given to us, during the period covered by our audit, the Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for **SATISH SONI AND CO.**  
Chartered Accountants



  
**SATISH SONI**  
(Proprietor)  
M. No. : 044391  
Date : 31 Aug 2012  
Place : Mumbai

**SHREE SHALEEN TEXTILES LIMITED**

**Balance Sheet as at 31 March, 2012**

**PARTICULARS**

	Note No.	31 March, 2012	31 March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	6,750,000	2,000,000
Reserves and surplus	4	129,342,792	38,736,224
		<b>136,092,792</b>	<b>40,736,224</b>
<b>Current liabilities</b>			
Short-term borrowings	5	1,450,000	10,000
Trade payables	6	33,447,211	33,076,403
Other current liabilities	7	2,940,298	6,800
Short-term provisions	8	7,250,000	6,950,000
		<b>45,087,509</b>	<b>40,043,203</b>
		<b>181,180,301</b>	<b>80,779,427</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets			
	9	3,757	5,092
		<b>3,757</b>	<b>5,092</b>
Non-current investments	10	10,635	3,929,310
Long-term loans and advances	11	119,103,399	2,236
Other non-current assets	12	1,453,174	Nil
		<b>120,567,208</b>	<b>3,931,546</b>
<b>Current assets</b>			
Inventories	13	227,020	26,083
Trade receivables	14	12,080,777	51,560,730
Cash and cash equivalents	15	367,797	6,047,062
Short-term loans and advances	16	47,570,448	19,208,914
Other current assets	17	363,294	Nil
		<b>60,609,336</b>	<b>76,842,789</b>
		<b>181,180,301</b>	<b>80,779,427</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Satish Soni & Co**

Chartered Accountants



Satish Soni

Proprietor

Place : Mumbai

Date : 31 Aug 2012

**For and on behalf of the Board of Directors**

*Ah. Shas*

(Director)

*Abhishek*

(Director)

Place : Mumbai

Date : 31 Aug 2012

# SHREE SHALEEN TEXTILES LIMITED

## Statement of Profit and Loss for the year ended 31 March, 2012

	Note No.	Year ended 31 March, 2012	Year ended 31 March, 2011
<b>Income</b>			
Revenue from operations (gross)	18	4,786,810	26,392,333
Other income	19	2,830,821	49,492,258
Changes in inventories of stock-in-trade	20	200,937	26,083
<b>Total revenue</b>		<b>7,818,568</b>	<b>75,910,674</b>
<b>Expenses</b>			
Purchases of stock-in-trade	21	4,293,201	36,752,676
Employee benefits expense	22	480,199	470,724
Depreciation and amortisation expense	9	1,335	2,861
Other expenses	23	4,762,265	483,735
<b>Total expenses</b>		<b>9,537,000</b>	<b>37,709,996</b>
<b>Profit before tax</b>		<b>-1,718,432</b>	<b>38,200,678</b>
<b>Tax expense:</b>			
Current tax expense for current year		300,000	6,800,000
		300,000	6,800,000
<b>Profit for the year</b>		<b>-2,018,432</b>	<b>31,400,678</b>
<b>Earnings per share</b>			
Basic		-5.34	157.00

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Satish Soni & Co.

(Chartered Accountants)

Satish Soni  
(Proprietor)



For and on behalf of the Board of Directors

Bh. Sharma  
(Director)

D. D. D. D.  
(Director)

Place : Mumbai  
Date : 31 Aug. 2012

Place : Mumbai  
Date : 31 Aug 2012

SHREE SHALEEN TEXTILES LIMITED

Cash Flow Statement for the year ended 31 March, 2012

Particulars	As at 31 March, 2012 (Rupees)	As at 31 March, 2011 (Rupees)
<b>A) Cash flow from operating activities</b>		
Net Profit before tax	-1,718,432	38,200,678
<b>Adjustments for:</b>		
Depreciation and amortisation	1,335	2,861
Provision for diminution in value of Investment	3,918,675	
Brokerage & Discount	-583,116	-168,345
Interest (income)	-744,729	-355,417
Dividend (income)	-2,275	-2,129,301
Net (gain) / loss on sale of investments	Nil	-46,839,195
Contract Fee	-1,500,700	
Operating profit / (loss) before working capital changes	<b>-629,243</b>	<b>-11,288,719</b>
<b>Changes in working capital:</b>		
Inventories	-200,937	-26,063
Trade receivables	39,479,953	-51,550,287
Other non-current assets	-1,453,174	
Other current assets	-363,294	
Trade payables	370,808	16,423,186
Other current liabilities	2,933,498	
Short-term provisions	300,000	6,800,000
Cash generated from operations	<b>40,437,611</b>	<b>-39,641,903</b>
Net income tax (paid) / refunds	-300,000	-6,800,000
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>40,137,611</b>	<b>-46,441,903</b>
<b>B) Cash flow from financing activities</b>		
Proceeds from issue of Share Capital	4,750,000	Nil
Share Premium Money received	92,625,000	Nil
Long-term loans and advances	-119,101,163	Nil
Short-term loans and advances	-28,361,534	-18,764,259
Short-term Borrowings	1,440,000	-20,000
<b>Net cash flow from / (used in) financing activities (B)</b>	<b>-48,647,697</b>	<b>-18,784,259</b>
<b>C) Cash flow from investing activities</b>		
Proceeds from sale of long-term investments	Nil	21,553,371
Brokerage & Discount	583,116	168,345
Interest (income)	744,729	355,417
Dividend (income)	2,275	2,129,301
Net (gain) / loss on sale of investments	Nil	46,839,195
National Security Deposit	Nil	-2,236
Contract Fee	1,500,700	Nil
<b>Net cash flow from / (used in) investing activities (C)</b>	<b>2,830,821</b>	<b>71,043,393</b>
<b>D) Net Increase/Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-5,679,265</b>	<b>5,817,231</b>
E) Cash & Cash Equivalents as at 31/03/2011	6,047,062	229,831
F) Cash & Cash Equivalents as at 31/03/2012	367,797	6,047,062
<b>Net Increase/Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-5,679,265</b>	<b>5,817,231</b>
<b>Components of Cash &amp; Cash Equivalents (As per Note : 14 )</b>		
Cash on Hand	22,634	7,200
Balance with Banks		
- In Current Accounts	345,163	6,039,862
<b>Total Cash &amp; Cash Equivalents</b>	<b>367,797</b>	<b>6,047,062</b>

The above statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statements in terms of our report attached.

For Satish Soni & Co  
Chartered Accountants

For and on behalf of the Board of Directors

Satish Soni  
Proprietor



(Director)

(Director)

Place : Mumbai  
Date 31 Aug 2012

Mumbai  
Date 31 Aug 2012

**SHREE SHALEEN TEXTILES LIMITED**  
**Notes forming part of the financial statements**

Note Particulars

**1 Corporate information**

Shree Shaleen Textiles Limited (The Company) is a public company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange of India.

**2 Significant accounting policies**

**a Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**b Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**c Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**d Depreciation and amortisation**

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

**e Inventories**

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

**f Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash and cash equivalents for the cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

**g Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the balance sheet date are classified as current investments. All other investments are classified as non-current investments. However the carrying amount is reduced to recognize a decline, other than temporary, in the value of long-term investments by a charge to the statement of profit and loss. Current investments are stated at lower of cost or fair market value determined on individual investment basis.

**h Revenue recognition**

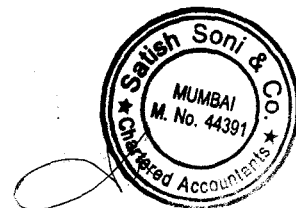
Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Note Particulars

Income from services

Income from services are recognized as and when the services are rendered.



#### Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

#### **i Segment reporting**

Company considers business segment as its primary segment. The Company's operations are predominantly relates to trading and accordingly, this is the only primary reportable segment.

Company considers business segment as its secondary segment. The Company's operations are predominantly within India and accordingly, this is the only secondary reportable segment.

#### **j Earnings per share**

Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

#### **k Taxes on income**

Income-tax expenses (current and deferred) is accrued in accordance with Accounting Standard 22 - Accounting for taxes on income issued by the Institute of Chartered Accountants of India. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence on timing difference, being the difference between the taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent years

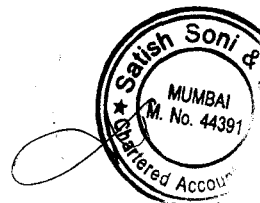
Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been in force for the year. Such assets and liabilities are reviewed at each Balance Sheet date.

#### **l Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

#### **m Share issues expenses**

Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.





**SHREE SHALEEN TEXTILES LIMITED**  
Notes forming part of the financial statements

**Note 3 Share capital**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Authorised 200,00,000 (500,000) Equity shares of Rs. 10/- each with voting rights	200,000,000	5,000,000
(b) Issued, Subscribed and fully paid up 675,000 (200,000) Equity shares of Rs. 10/- each with voting rights	6,750,000	2,000,000
<b>Total</b>	<b>6,750,000</b>	<b>2,000,000</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2012 and March 31, 2011 is set out below:

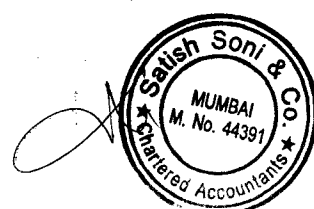
Particulars	As at 31 March, 2012		As at 31 March, 2011	
	No. of Shares	Amount-Rs	No. of Shares	Amount-Rs
Number of shares at the beginning	200,000	2,000,000	200,000	2,000,000
Add: Shares issued during the year as Fresh Issu	475,000	4,750,000	-	-
<b>Number of shares at the end</b>	<b>675,000</b>	<b>6,750,000</b>	<b>200,000</b>	<b>2,000,000</b>

Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholders	As at 31 March, 2012		As at 31 March, 2011	
	No. of Shares	% held	No. of Shares	% held
Sarvodaya Impex P Ltd	95,850.00	14.20%	95,850.00	47.93%
<b>Number of shares at the end</b>	<b>675,000.00</b>	<b>14.20%</b>	<b>200,000.00</b>	<b>47.93%</b>

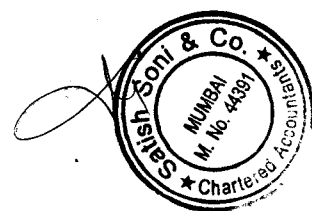
**Note 4 Reserves and surplus**

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Securities premium account		
Opening balance	Nil	Nil
Add : Premium on issue of equity shares by the company	92,625,000	Nil
Closing balance	<b>92,625,000</b>	<b>Nil</b>
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	38,736,224	7,335,546
Add: Profit / (Loss) for the year	-2,018,432	31,400,678
Closing balance	<b>36,717,792</b>	<b>38,736,224</b>
<b>Total</b>	<b>129,342,792</b>	<b>38,736,224</b>



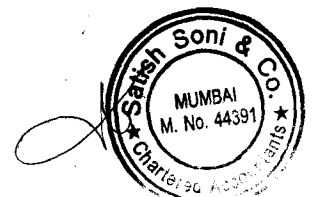
Notes forming part of the financial statements

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b>Note 5 Short-term borrowings</b>		
<b>(a) Loans repayable on demand</b>		
From Others	1,450,000	Nil
From related Parties		
Unsecured	Nil	10,000
	<b>1,450,000</b>	<b>10,000</b>
<b>Note 6 Trade payables</b>		
Trade payables for suppliers and services	33,447,211	33,076,403
	<b>33,447,211</b>	<b>33,076,403</b>
<b>Note 7 Other current liabilities</b>		
Advance from Customers	47,597	Nil
Application money received for allotment of securities and due for refund	2,870,000	Nil
Other payables		
<u>Statutory remittances</u>		
MVAT Payable	2,976	Nil
Profession tax payable	4,725	1,800
TDS Payable	15,000	5,000
	<b>2,940,298</b>	<b>6,800</b>
<b>Note 8 Short Term Provisions</b>		
Provision for Tax	7,250,000	6,950,000
	<b>7,250,000</b>	<b>6,950,000</b>
<b>Note 10 Non-current investments</b>		
<b>Trade Investments (Valued at Cost unless otherwise stated)- Quoted</b>		
56900 (56900) Equity Shares of Acids and Chemicals Ltd (Fully paid-up)	3,683,460	3,683,460
6700 (6700) Equity Shares of IDBI (Partly paid-up)	243,750	243,750
150 (150) Equity Shares of Banswara Syntex Ltd (Fully paid-up)	2,100	2,100
<b>Total Non-current investments</b>	<b>3,929,310</b>	<b>3,929,310</b>
Less: Provision for diminution in value of Investments	-3,918,675	Nil
	<b>10,635</b>	<b>3,929,310</b>
<b>Note 11 Long Term Loans &amp; Advances</b>		
<b><u>Unsecured Considered Good</u></b>		
Security Deposit	Nil	2,236
Other Loans	119,103,399	Nil
	<b>119,103,399</b>	<b>2,236</b>
<b>Note 12 Other Non-Current Assets</b>		
Unamortised Expenses		
Share issue expenses	1,453,174	Nil
	<b>1,453,174</b>	<b>Nil</b>
<b>Note 13 Inventories</b>		
(as taken, valued & certified by the Management)		
Finished Goods (at lower of cost or net realizable value)	227,020	26,083
	<b>227,020</b>	<b>26,083</b>



Notes forming part of the financial statements

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b>Note 14 Trade receivables</b>		
(Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they were due for payment		
considered good	10,089,182	10,443
Others		
considered good	1,991,595	51,550,287
	<u>12,080,777</u>	<u>51,560,730</u>
<b>Note 15 Cash and cash equivalents</b>		
Cash on hand	22,634	7,200
Balances with banks		
In current accounts	345,163	6,039,862
	<u>367,797</u>	<u>6,047,062</u>
<b>Note 16 Short-term loans and advances</b>		
Loans & Advances to suppliers & Others	129,830	19,061,135
Income tax payments & TDS	1,723,742	147,779
Other loans and advances		
Unsecured, considered good	45,716,876	Nil
	<u>47,570,448</u>	<u>19,208,914</u>
<b>Note 17 Other Current Assets</b>		
Unamortised Expenses		
Share issue expenses	363,294	Nil
	<u>363,294</u>	<u>Nil</u>



**SHREE SHALEEN TEXTILES LIMITED**

Notes forming part of the financial statements

**Note 9 Fixed assets**

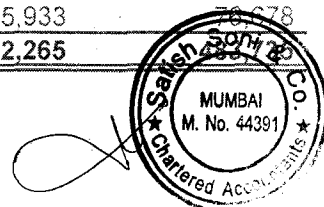
(Amount-Rs)

Assets	Gross block			Accumulated depreciation and			Net Block	
	Balance as at 1 April, 2011	Additions/ Deduction	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation/ amortisation expense for the year	Balance as at 31 March, 2011	Balance as at 31 March, 2012	Balance as at 31 March, 2011
<b>Tangible Assets- Owned</b>								
Computer	16,882	Nil	16,882	15,230	991	16,221	661	1,652
Furniture & Fixtures	4,719	Nil	4,719	1,279	344	1,623	3,096	3,440
<b>Total</b>	<b>21,601</b>	<b>Nil</b>	<b>21,601</b>	<b>16,509</b>	<b>1,335</b>	<b>17,844</b>	<b>3,757</b>	<b>5,092</b>
<b>Previous year</b>	<b>21,601</b>	<b>Nil</b>	<b>21,601</b>	<b>13,648</b>	<b>2,861</b>	<b>16,509</b>	<b>5,092</b>	<b>Nil</b>



**SHREE SHALEEN TEXTILES LIMITED**  
Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Note 18 Revenue from operations</b>		
<b>a) Sale of Products (Indigenous Sales)</b>		
<b>Traded Goods</b>		
Products & Commodities- Cloth	4,786,810	26,392,333
	<b>4,786,810</b>	<b>26,392,333</b>
<b>Note 19 Other Income</b>		
Contract Fees	1,500,700	Nil
Brokerage & Discount	583,116	168,345
Dividend Income	2,275	2,129,301
Profit on Sale of Long Term Investments	Nil	46,839,195
Interest Received	744,729	355,417
	<b>2,830,821</b>	<b>49,492,258</b>
<b>Note 20 Changes in Inventories of Stock-in-trade</b>		
<b>Inventories at the end of the year</b>		
Traded Goods	227,020	26,083
<b>Inventories at the end of the year</b>		
Traded Goods	26,083	Nil
<b>Stock Increased /(Decreased)</b>	<b>200,937</b>	<b>26,083</b>
<b>Note 21 Purchases of Stock in trade</b>		
Products & Commodities- Cloth	4,293,201	36,752,676
<b>Total</b>	<b>4,293,201</b>	<b>36,752,676</b>
<b>Note 22 Employee benefits expense</b>		
Salaries and wages	454,779	412,216
Staff Welfare	25,420	58,508
<b>Total</b>	<b>480,199</b>	<b>470,724</b>
<b>Note 23 Other expenses</b>		
Advertisement & Publicity	15,800	5,501
Bank Charges	31,725	424
Directors Sitting Fees	12,000	Nil
Telephone & Telex Charges	5,365	5,013
STT Charges	Nil	100,870
Conveyance Exp.	35,202	51,107
Listing Fees	17,050	Nil
Office & General Expenses	2,838	4,233
Rent	36,000	Nil
Rates and taxes	Nil	61,181
Demat Charges	Nil	26,218
Auditors Remuneration		
Statutory Audit	33,708	25,000
Other Services	22,472	Nil
Printing and stationery	10,228	9,122
Bombay Stock Exchange (BSE)	137,875	Nil
Provision for diminution in value of Investments	3,918,675	Nil
Business promotion	53,543	24,348
Donations and contributions	2,900	Nil
Legal and professional	280,951	94,040
Miscellaneous expenses	145,933	76,078
<b>Total</b>	<b>4,762,265</b>	<b>1,00,000</b>



Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Note 24 Contingent liabilities</b>	Nil	Nil
<b>Note 25 Dues to Micro, Small and Medium Enterprises</b>		
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
<b>Note 26 Deferred Tax Liability (Net)</b>		
Deferred Tax Liability on account of difference in depreciation as per tax books and financial books	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Note 27 Expenditure in foreign currency</b>	Nil	Nil
<b>Note 28 Earnings in foreign exchange</b>	Nil	Nil

**Note 29 Related party transactions**

**Details of related parties:**

**Description of relationship**

Key Management Personnel (KMP) and their relatives

**Names of related parties**

Mr. Ravikant Sharma - Director  
 Mr. Bajranglal Sharma - Director  
 Mr. Arunkumar Saboo- Director  
 Mr. Dilip Lodha - M.Director  
 Mrs. Uma Ravikant Sharma \*  
 Shekhawati Syntex P Ltd #  
 Lawson Trading Co P Ltd #

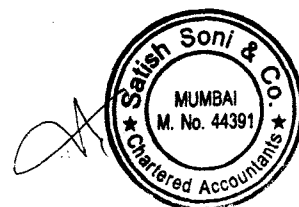
\* Relatives of KMP

# Companies in which KMP & their relatives are Directors

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Director Sitting Fees</b>		
Mr. Raikant Sharma	4,000	Nil
Mr. Bajranglal Sharma	4,000	Nil
Mr. Arunkumar Saboo	4,000	Nil
	<b>12,000</b>	<b>Nil</b>
<b>Outstanding at the year end :Loans &amp; Advances</b>		
<b>Loans &amp; Advances</b>		
Shekhawati Syntex P Ltd #	16,518,978	16,518,978
Lawson Trading Co P Ltd #	23,987,444	28,887,444



**Particulars**

**For the year  
ended 31  
March, 2012**

**For the year  
ended 31 March,  
2011**

**Note 30 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges**

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

<b>Name of the party</b>	<b>Amount outstanding as at 31 March, 2012</b>	<b>Maximum balance outstanding during the year</b>
Shekhawati Syntex P Ltd #	16,518,978	19,018,978
Lawson Trading Co P Ltd #	23,987,444	30,887,444

**Note 31 Earnings per share**

	<b>Amount outstanding as at 31 March, 2012</b>	<b>Maximum balance outstanding during the year</b>
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	-2018432	31400678
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	-2018432	31400678
Weighted average number of equity shares	378125	200000
Par value per share	10	10
Earnings per share from continuing operations - Basic	-5	157

**Note 32 Previous year's figures**

The Revised Schedule VI has become effective from April 01, 2011 for the preparation of financial statements. This significantly impacted the disclosure and presentation made in financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For Satish Soni & Co.**  
Chartered Accountants



*[Signature]*  
**Satish Soni**  
Proprietor

**For and on behalf of the Board of Directors**

*[Signature]*  
**Director**

*[Signature]*  
**Director**

Place : Mumbai  
Date : 31 Aug 2012

Place : Mumbai  
Date : 31 Aug 2012

**SHREE SHALEEN TEXTILES LTD.  
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**SHREE SHALEEN TEXTILES LIMITED**

**Regd. Off.:** 2<sup>nd</sup> Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062

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**Attendance Slip**

Name of the attending Member (In Block Letters): \_\_\_\_\_

Folio No : \_\_\_\_\_

Name of the Proxy : \_\_\_\_\_  
(To be filled in if the Proxy attends instead of the Member)

No. of Shares held : \_\_\_\_\_ (in words) \_\_\_\_\_

I hereby record my presence at the Annual General Meeting of the Company at 2<sup>nd</sup> Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062 on Saturday, 29<sup>th</sup> Day of September, 2012 at 3.30 PM and at any adjournment thereof.

\_\_\_\_\_  
Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

{NOTE: Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same at the entrance after the same has been duly signed}

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**SHREE SHALEEN TEXTILES LIMITED**

**Regd. Off.:** 2<sup>nd</sup> Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062

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**PROXY FORM**

I/We ..... of..... being a Member/Members of the above named Company, hereby appoint .....or failing him..... as my / our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday, 29<sup>th</sup> September, 2012, at 3.30 p.m. and at any adjournment thereof.

Signed this ..... day of ..... 2012.

Folio No: \_\_\_\_\_ No. of Shares: \_\_\_\_\_

DP ID: \_\_\_\_\_ Signature \_\_\_\_\_

Affix Re. 1.00 Revenue Stamp
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**N.B.:** This proxy must be deposited at the Registered Office of the Company 2<sup>nd</sup> Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, at least 48 hours before the meeting.

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**BOOK POST**

**If undelivered, return to:**

**SHREE SHALEEN TEXTILES LIMITED**  
**Regd. Off.:** 2<sup>nd</sup> Floor, Satwant Villa, Aarey Road,  
Goregaon (West), Mumbai – 400062, Maharashtra