

ANNUAL REPORT
2013-14

SHREENATH INVESTMENT COMPANY LIMITED

Registered Office:

801-802 DALAMAL TOWER, NARIMAN POINT
MUMBAI - 400 021

SHREENATH INVESTMENT COMPANY LIMITED

801-802, 8th Floor, Dalamal Tower,
Free Press Journal Marg, Nariman Point, Mumbai – 400021
CIN - L67120MH1979PLC022039

DIRECTOR'S REPORT

To,
The Members of Shreenath Investment Company Limited

The Directors has pleasure in presenting the Annual Report and the Audited Statement of Accounts for the year ended 31st March 2014.

PROFIT/LOSS FOR THE YEAR:

The company has made the profit of Rs.20,12,479/- during the year ended on 31st March 2014 after providing for Income Tax.

PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration exceeding the prescribed limit set out in the provisions of Section 217(2A) of the Companies Act, 1956.

AUDITORS:

The members are required to appoint the auditors and fix their remuneration. M/s. Khimji Kunverji & Co. the auditors of the company, retires at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

DIRECTORS:

Mr. Shailesh Kamdar and Mr. Mukul Goyal retire by rotation and, being eligible offers for re-appointment.

RESPONSIBILITIES STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm:

- That the applicable accounting standards have been followed in the preparation of the annual accounts.
- 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 true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

SHREENATH INVESTMENT COMPANY LIMITED

801-802, 8th Floor, Dalamal Tower,
Free Press Journal Marg, Nariman Point, Mumbai – 400021
CIN - L67120MH1979PLC022039

- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSITS

The Company has not accepted deposits from the public or its employees during the year under review

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE, EARNINGS and OUTGO:

There is no foreign exchange, earning and outgo under review. The information regarding conservation of energy and technology absorption are not applicable to the company.

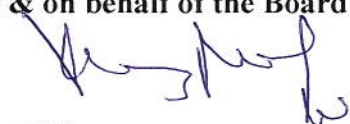
REPORT ON CORPORATE GOVERNANCE

In accordance with the Listing Agreements with the Stock Exchanges, the Report on Corporate Governance in accordance with Clause 49 of the Listing Agreements along with the Auditors Certificate is annexed to and forms a part of this Report.

CERTIFICATE UNDER SECTION 383A - from a Company Secretary in Whole-time Practice.

In accordance with the provisions of section 383A of the Companies Act, 1956, a certificate from Rashmikan N shah and associates, Company Secretary in Whole-time Practice, certifying that the Company has complied with all the provisions of the Companies Act, 1956 is given in the Annexure II and forms a part of this Report.

For & on behalf of the Board



Vikas H Mapara
Director
DIN: 00211580

Place: Mumbai
Dated: 31st May, 2014

INDEPENDENT AUDITOR'S REPORT

THE MEMBERS OF SHREENATH INVESTMENT COMPANY LIMITED

1. Report on the Financial Statements

We have audited the attached Balance Sheet of SHREENATH INVESTMENT COMPANY LIMITED (hereinafter referred to as 'the Company') as at March 31, 2014, and also the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under Companies Act 1956 ("the Act") read with general circular 08/2014 dated 4th April 2014 of the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Other Notes on Accounts and those appearing elsewhere in the accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- 4.6.1 in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- 4.6.2 in the case of the Statement of Profit and Loss, of the profit for the year ended on that date ; and
- 4.6.3 in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date

5. Report on Other Legal and Regulatory Requirements

- 5.1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



5.2 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with the Accounting Standards notified under Companies Act 1956 ("the Act") read with General Circular 08/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs;
- e) On the basis of the written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of section 274 (1)(g) of the Act

For and on behalf of
KHIMJI KUNVERJI & Co
Chartered Accountants
Firm Registration No. 105146W

KM

Mumbai,
Dated: May 31, 2014


R. V. CHANIYARI
PARTNER (F -31083)



Annexure referred to in paragraph 5 of our report of even date

Re: SHREENATH INVESTMENT COMPANY LIMITED

- i.
 - a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
 - b) The Company has physically verified its fixed assets which in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were observed during the physical verification.
 - c) The Company has not disposed off a substantial part of its fixed assets during the year.
- ii. The Company did not hold inventory during the year and hence Clauses (ii) (a), (b) and (c) of the Order, are not applicable to the company
- iii. The Company has neither given nor taken any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 301 of the Act. Hence, clauses (iii) (b), (c) and (d),(f),(g) of the Order, are not applicable to the Company
- iv. In our opinion and according to the information and explanations given, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of examination of the books and records of the Company and according to the information and explanations given, and as per the checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor we have been reported for any continuing failure to correct major weaknesses in the internal control system relating to the aforesaid. During the year the Company has neither purchased any inventory nor sold any goods, hence we have not commented on same
- v. Based on the audit procedures applied and according to the information and explanations given, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under that section. Hence clause (v)(b) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given, the Company has not accepted deposits from public in terms of the provisions of Section 58A and 58AA of the Act. No order has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal
- vii. In view of the existing internal controls and low volume of transactions during the year, the Company did not deem it necessary to have a formal Internal Audit System during the year
- viii. As informed, the Company is not required to maintain Cost Records under Clause (d) of sub section (1) of Section 209 of the Act
- ix.
 - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Service Tax, Cess and other material Statutory Dues applicable to it. There were no arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

As informed, statutory dues in the nature of wealth tax, provident fund, investor education and protection fund, employees state insurance, sales tax, custom duty, excise duty are not applicable to the Company.
 - b) According to the information and explanations given to us, there are no dues of income tax, service tax, cess and any other material Statutory dues which have not been deposited on account of any dispute.




As informed, statutory dues in the nature of wealth tax, sales tax, custom duty, excise duty are not applicable to the Company

- x. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in current financial year or in the immediately preceding financial year
- xi. According to the information and explanations given, the Company has not taken loans from financial institutions and banks nor has the company issued any debentures, hence clause 4(xi) of the Order is not applicable to the Company
- xii. According to the information and explanations given, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- xiii. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provision of clause 4(xiii) of the order is not applicable to the Company
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, provision of clause 4 (xiv) of the order are not applicable to the Company
- xv. According to information and explanations given, the Company has not given guarantees for loans taken by others from banks or financial institutions
- xvi. According to the information and explanations given, the company has not raised any term loans. Accordingly, provision of clause 4(xvi) of the Order is not applicable to the Company
- xvii. According to the information and explanation given and on 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
- xviii. The Company has not made preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Act
- xix. According to the information and explanations given, the company has not issued any debentures. Therefore, the provision of clause 4(xix) of the Order is not applicable to the Company
- xx. The Company has not raised any money through a public issue during the year
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor we have been informed of such case by the management

Mumbai,
Dated: May 31, 2014

For and on behalf of
KHIMJI KUNVERJI & CO
Chartered Accountants
Firm Registration No. 105146W


R. V. CHANIYARI
PARTNER (F -31083)

SHREENATH INVESTMENT COMPANY LIMITED

Balance Sheet as on 31 March, 2014

(Amount in INR)

Particulars	Note No.	As At	
		31-Mar-14	31-Mar-13
Equity And Liability			
<u>Shareholder's Fund</u>			
Share Capital	1	2,500,000	2,500,000
Reserves and Surplus	2	66,464,888	64,154,457
		68,964,888	66,654,457
<u>Non Current Liability</u>			
Deferred Tax Liability (Net)	3	-	20,973
		-	20,973
<u>Current Liability</u>			
Other current liabilities	4	133,605	50,562
Short term Provisions	5	92,506	149,268
		226,111	199,830
Total		69,190,999	66,875,260
ASSETS			
<u>Non- Current Assets</u>			
Fixed assets- Tangible Assets	6		
Gross Block		6,440,342	6,440,342
Less:- Accumulated Depreciation		3,448,485	2,970,028
		2,991,857	3,470,314
Non-current Investments	7	57,334,054	57,334,054
Deferred Tax Asset (Net)	3	16,390	-
Long term Loans and Advances	8	589,490	589,490
		60,931,791	61,393,858
<u>Current Assets</u>			
Current Investments	9	6,673,172	4,980,174
Cash and Bank balances	10	631,436	191,197
Short term Loans and Advances	11	2,636	18,975
Other Current Assets	12	951,965	291,056
		8,259,208	5,481,402
Total		69,190,999	66,875,260
Significant accounting policies	15		
Other notes to accounts	16		

Notes referred to above form an integral part of the accounts.

As per our attached report of even date.

For and on behalf of
KHIMJI KUNVERJI & CO.
 Firm Registration No. 105146W
 Chartered Accountants

R. V. CHANIYARI
 Partner (F-31083)

For and on behalf of the Board of Directors
SHREENATH INVESTMENT COMPANY LIMITED

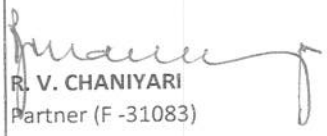


Director

Director

Place : Mumbai
 Date : May 31, 2014

SHREENATH INVESTMENT COMPANY LIMITED
Statement of Profit & Loss For the Year ended March 31, 2014

(Amount in INR)

Particulars	Note No.	For the Year ended	
		31-Mar-14	31-Mar-13
Other Income	13	3,532,166	2,650,489
		3,532,166	2,650,489
Depreciation	5	478,457	333,112
Other Expenses	14	653,593	646,040
		1,132,050	979,152
Profit Before Tax		2,400,116	1,671,337
TAX EXPENSES:			
Current Tax		425,000	275,000
Deferred Tax Liability		(37,363)	20,973
		387,637	295,973
PROFIT FOR THE YEAR		2,012,479	1,375,364
EARNING PER EQUITY SHARE:	16.1		
BASIC		8.05	5.50
DILUTED		8.05	5.50
(Face value per share Rs 10 (Previous Year Rs 10))			
Notes referred to above form an integral part of the accounts.			
As per our attached report of even date.			
For and on behalf of KHIMJI KUNVERJI & CO. Firm Registration No. 105146W Chartered Accountants		For and on behalf of the Board of Directors SHREENATH INVESTMENT COMPANY LIMITED	
 R. V. CHANIYARI Partner (F -31083)		 Director	 Director
Place : Mumbai			
Date : May 31, 2014			

(Amount in INR)

1 Share Capital

Particulars	As At	
	31-Mar-14	31-Mar-13
Authorized		
250,000 (Previous year 250,000) Equity Share of Rs 10 Each Fully Paid up	2,500,000	2,500,000
Issued, Subscribed And Fully Paid Up		
250,000 (Previous year 250,000) Equity Shares of Rs. 10 Each Fully Paid up	2,500,000	2,500,000
	2,500,000	2,500,000

(Amount in INR)

Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As At March 31, 2014		As At March 31, 2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Outstanding at the beginning of the year	250,000	2,500,000	250,000	2,500,000
Add:- Issued during the year	-	-	-	-
Outstanding at the end of the year	250,000	2,500,000	250,000	2,500,000

Shareholders More Than 5% of equity share of the Company

There are no shareholders holding more than 5% of shares in the current as well as Previous Year

Rights, Preferences and restrictions attached to each class of shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

In the last 5 years preceding the balance sheet date,

No shares have been allotted as fully paid shares without payment being received in cash.

No shares allotted as fully paid shares by way of bonus shares.

No calls are unpaid by directors or officers.

2 Reserves and Surplus

(Amount in INR)

Particulars	As At	
	31-Mar-14	31-Mar-13
Capital Reserve		
Balance at the beginning of the year	865,530	865,530
Add:- Addition during the year	-	-
Balance at the end of the year	865,530	865,530
Surplus In Profit And Loss Account		
Balance at the beginning of the year	63,288,927	61,913,563
Add:- Addition during the year	2,012,479	1,375,364
Add:- Excess provision for tax written back	297,952	-
Balance at the end of the year	65,599,358	63,288,927
Total Reserves	66,464,888	64,154,457

3 Deferred Tax

(Amount in INR)

Particulars	As At	
	31-Mar-14	31-Mar-13
Deferred Tax (Asset) / Liability		
Depreciation	(16,390)	20,973
Total	(16,390)	20,973

4 Other current liabilities

(Amount in INR)

Particulars	As At	
	31-Mar-14	31-Mar-13
Creditors For Expenses (Refer Note 16(5))	25,281	45,506
Statutory Dues	108,324	5,056
Total	133,605	50,562



(Amount in INR)

5 Short term Provisions

Particulars	As At	
	31-Mar-14	31-Mar-13
Provision for Taxation (Net of Advance Tax Rs. 25,72,494, Previous Year Rs 1,11,85,732)	92,506	149,268
Total	92,506	149,268

6 Fixed Assets

(Amount in INR)

Tangible Assets				
Particulars	Buildings	Furniture and Fixtures	Office Equipment	TOTAL
Gross Block				
As at 1st April 2012	3,428,342	-	12,000	3,440,342
Additions	-	1,700,000	1,300,000	3,000,000
Deletions/Adjustment	-	-	-	-
As at 31st March 2013	3,428,342	1,700,000	1,312,000	6,440,342
Additions	-	-	-	-
Deletions/Adjustment	-	-	-	-
As at 31st March 2014	3,428,342	1,700,000	1,312,000	6,440,342
Accumulated Depreciation				
As at 1st April, 2012	2,624,916	-	12,000	2,636,916
For the year	40,171	178,719	114,222	333,112
Deletions/Adjustment	-	-	-	-
As at 31st March 2013	2,665,087	178,719	126,222	2,970,028
For the year	38,163.00	275,352.00	164,942.00	478,457
Deletions/Adjustment	-	-	-	-
As at 31st March 2014	2,703,250	454,071	291,164	3,448,485
Net book amount as at 31 March 2013	763,255	1,521,281	1,185,778	3,470,314
Net book amount as at 31 March 2014	725,092	1,245,929	1,020,836	2,991,857

(*) Includes 20 shares of Dalamal Tower Premises Co-operative Society Ltd of Rs.50 each aggregating to Rs.1,000

7 Non-current investments- (At Cost)

(Amount in INR)

NON TRADE INVESTMENTS - QUOTED

Investment in Equity Instrument	As At March 31, 2014		As At March 31, 2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
EQUITY SHARES OF Rs. 2 EACH				
Bharat Forge Limited	200,000	49,792,740	200,000	49,792,740
Essel Propack Ltd	80,000	2,778,219	80,000	2,778,219
EQUITY SHARES OF Rs. 10 EACH :				
Coal India Limited	7,631	1,869,595	7,631	1,869,595
ONGC Limited	22,764	2,845,500	22,764	2,845,500
Redex Protech Limited	11,000	135,500	11,000	135,500
Axis Capital Markets (I) Ltd	4,800	48,000	4,800	48,000
Sub Total		57,469,554		57,469,554
Less: Provision in Diminution of Shares				
Redex Protech Limited		(135,500)		(135,500)
Sub Total		(135,500)		(135,500)
Total		57,334,054		57,334,054

AGGREGATE BOOK VALUE

QUOTED

57,334,054

57,334,054

UNQUOTED

57,334,054

57,334,054

Aggregate Market Value of the Quoted Investments

98,561,542

75,249,013



8 Long term loans and advances (Amount in INR)

Particulars	As At	
	31-Mar-14	31-Mar-13
Unsecured Considered Good		
Security Deposit	589,490	589,490
Total	589,490	589,490

9 Current Investment

(Amount in INR)

NON TRADE INVESTMENTS - QUOTED

Investment in Mutual Fund	As At March 31, 2014		As At March 31, 2013	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Hdfc Cmf- Saving Plan (Daily dividend)	627,390	6,673,172	-	-
HDFC High Interest Fund - Short Term Plan-Dividend	-	-	475,010	4,980,174
Total		6,673,172		4,980,174

10 Cash & Bank Balance (Amount in INR)

Particulars	As At	
	31-Mar-14	31-Mar-13
Cash and Cash Equivalent		
Cash in hand	1,392	1,532
Bank Balance With Scheduled Banks		
In Current Accounts	630,044	189,665
Total	631,436	191,197

11 Short term loans and advances (Amount in INR)

Particulars	As At	
	31-Mar-14	31-Mar-13
Unsecured Considered Good		
Other Advances	-	14,832
Prepaid Expenses	2,636	4,143
Total	2,636	18,975

12 Other current assets (Amount in INR)

Particulars	As At	
	31-Mar-14	31-Mar-13
Dividend Receivable	96,747	291,056
Rent Receivable	855,218	-
Total	951,965	291,056

13 Other Income (Amount in INR)

Particulars	Year Ended	
	31-Mar-14	31-Mar-13
Dividend And Other Income		
on Long term Investments	1,419,661	1,087,440
on Current Investments	386,985	407,201
Profit/(Loss) on sale of Mutual Fund	(112,580)	(13,852)
Rent	1,838,100	1,169,700
Total	3,532,166	2,650,489

14 Other Expenses (Amount in INR)

Particulars	Year Ended	
	31-Mar-14	31-Mar-13
Advertisement	44,821	39,204
Professional Fees	36,098	48,720
Rates & Taxes(*)	25,541	5,987
Society Maintenance Charges(*)	452,823	444,048
Listing Fees	15,000	17,904
Interest	252	303
Bank Charges	-	2,486
Auditors Remuneration:		
Audit Fees	28,090	25,000
Tax Matter Fees	22,472	62,388
Out of Pocket Exp.	2,250	-
Repairs & Maintenance	12,149	-
Miscellaneous Expenses	14,097	-
Total	653,593	646,040

(*) Includes in above are the expenses amounting to Rs 97,780, which pertain to prior period.



Handwritten signature in blue ink.

Shreenath Investment Company Limited
As on 31st March, 2014

Note:-15

Significant Accounting Policies

1. Background

The Company's shares are listed on Bombay Stock Exchange Ltd ('BSE'). On January 18, 1999, BSE has suspended the trading in the Company's shares on account of non-compliance with Listing Agreement with BSE.

2. Basis of Preparation of Financial Statement

The Financial Statements are prepared under historical cost convention on an accrual basis and in compliance with all material aspects of the Notified Accounting Standard by Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

3. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

4. Revenue Recognition

Dividend income on investments is accounted for when the right to receive the payment is established. Rent Income on property is recognized on accrual basis. Profit on sale of Investment is recognized at the time of redemption/sale.

5. Fixed Assets

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

6. Depreciation/ Amortisation

Depreciation on fixed assets is provided on written down value method at the rate specified under Schedule XIV to the Companies Act, 1956 except mobile phone, which is fully depreciated in the year of purchase. Depreciation on assets added/ disposed during the year has been provided with reference to the date of addition/ disposal.

7. Impairment of Assets

The Carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss if any is charged to Profit and Loss Account in the year in which an asset is identified as impairment. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or has decreased.



Shreenath Investment Company Limited

8. Investments

Long term Investments are stated at cost after deducting provision, if any, made for diminution, other than temporary, in the values.
Current Investments are stated at lower of cost and market/ fair value.

9. Taxation

Provision for current tax is made on the basis of Estimated Taxable Income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets are recognized on unabsorbed losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profit.

10. Cash and Cash equivalents:

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

11. Contingent Liabilities:

Contingent Liabilities as defined in AS 29 on "Provision, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as contingent liability. Contingent assets are neither recognized nor disclosed in the financial statements.

Note:-16

Other notes to Accounts

1. Earning per share (EPS) is calculated as under:

Particulars	2013-2014	2012-2013
(a) Profit taken for basic/ diluted Earnings per share (in Rs.)	20,12,479	13,75,364
(b) No. of Equity shares for basic/ diluted Earnings per share	2,50,000	2,50,000
(c) Earnings per Share (a/b) (in Rs.)	8.05	5.50
(d) Nominal value of shares (In Rs.)	10	10

2. Disclosure in respect of Related Parties pursuant to Accounting Standard 18:

A. List Of related Party

Key Managerial Person (KMP)

Vikas Mapara

B. Enterprise having Common KMP

Visual Percept Solar Private Limited



Shreenath Investment Company Limited

C. Transactions With Related Party

(Amt in INR)

Transaction	Relationship	Current Year	Previous Year
Rent Received			
Visual Percept Solar Private Limited	KMP having significant influence	10,02,600	11,69,700
Total		10,02,600	11,69,700

3. Contingent Liability as on 31.03.2014

(Amt in INR)

Contingent Liabilities not provided for in respect of the following:	Current Year	Previous Year
Income Tax demand raised for AY. 2011-12	12,180	NIL
TOTAL	12,180	NIL

4. Leases:

Operating Lease: Assets given on operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss Account over the Lease term. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

5. Information related to Micro, Small and Medium Enterprises Development Act, 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no outstanding balance due to such parties at period end. (Previous year Nil).

6. Segment Information:

Segment has been identified in accordance with the Accounting Standard 17 (AS-17) on Segment Reporting, taking into account the organization structure as well as differential risks & returns of these segments. The Company has considered business segment as Primary Segment. There are no secondary reportable segments. Details of segment information are given in **Annexure I**.

7. The Company's shares are listed on Bombay Stock Exchange Ltd ('BSE'). On January 18, 1999, BSE has suspended the trading in the Company's shares on account of non compliance with Listing Agreement with BSE. However the application for revocation of suspension is in process.
8. Previous Year's figure have been regrouped/ rearranged to confirm to the current Year's presentation, wherever necessary.

For and on behalf of the Board of Directors
SHREENATH INVESTMENT COMPANY LIMITED



Director



Director

Place : Mumbai
Date : May 31, 2014



Annexure I

SHREENATH INVESTMENT COMPANY LIMITED
Cash Flow Statement For the Year ended March 31, 2014

(Amount in INR)

Particulars	For The Year Ended			
	31-Mar-14		31-Mar-13	
A Cash Flow from Operating Activities				
Net Profit before tax		2,400,116		1,671,337
Adjustments For:				
Depreciation	478,457		333,112	
Loss/(Profit) on sale of Mutual Fund held as current investment	112,580		13,852	
Dividend Income	(1,806,646)		(1,494,641)	
Interest on TDS	-	(1,215,609)	-	(1,147,677)
Operating Profit before working Capital Changes		1,184,507		523,660
Adjustments For Working Capital Changes				
Decrease / (Increase) in Short Term Loans & Advances	16,339		(13,413)	
Decrease / (Increase) in Other Current Assets	(855,218)		-	
(Decrease) / Increase in Other Current Liabilities	83,043	(755,836)	(541)	(13,954)
Cash Generated From Operations		428,671		509,706
Income Tax paid		183,810		477,660
NET CASH FLOW FROM OPERATING ACTIVITIES		244,861		32,046
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Asset	-		(3,000,000)	
Purchase of Current Investment	(1,805,578)		-	
Dividend Income Received	2,000,955		1,237,731	
Sale of Current Investment	-		1,835,878	
Long term advances Loans and Advances	-		(486,000)	
NET CASH FLOW FROM INVESTING ACTIVITIES		195,377		(412,391)
C CASH FLOW FROM FINANCING ACTIVITIES				
Net Increase/(Decrease) in Cash & Cash Equivalent		440,239		(380,345)
Add: Opening Balance of Cash & Cash Equivalent		191,197		571,543
Closing Balance of Cash & Cash Equivalent		631,436		191,197

Notes:

The cash flow statement has been prepared under the 'Indirect Method' as set out in AS 3 - "Cash Flow Statement" and notified in Companies (Accounting standards) Rules, 2006 (as amended).

	2013-14	2012-13
1) Cash and Cash Equivalent includes:		
Cash, cheque in hand and remittance in transit	1,392	1,532
Balance with Banks	630,044	189,665
	<u>631,436</u>	<u>191,197</u>

2) Previous Year's figure have been regrouped/ rearranged to confirm to the current Year's presentation, wherever necessary

As per our attached report of even date

For and on behalf of
KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered Accountants

For and on behalf of the Board of Directors
SHREENATH INVESTMENT COMPANY LIMITED

Director

Director

R. V. CHANIYARI
Partner (F -31083)

Place : Mumbai
Date : May 31, 2014