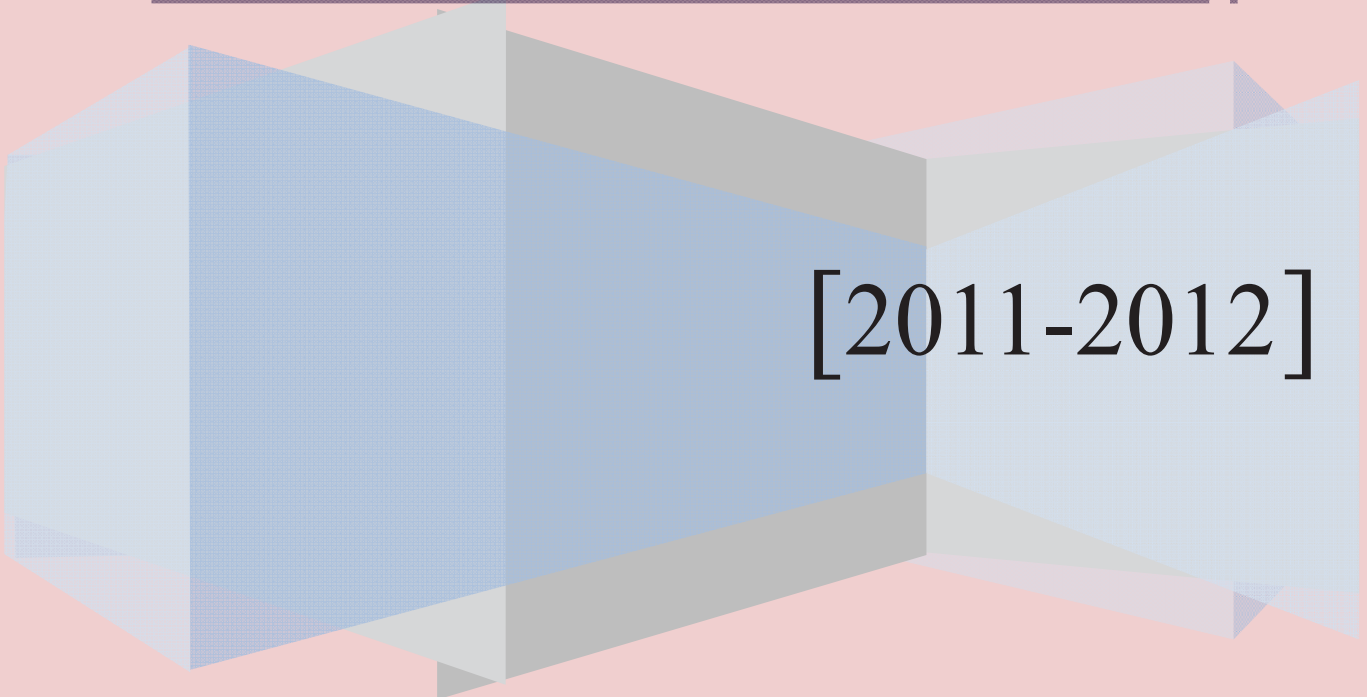


**SHREE NATH  
COMMERCIAL  
& FINANCE LTD**

**28th ANNUAL REPORT**



**[2011-2012]**

# Corporate Information

## BOARD OF DIRECTORS:

SHRI GIRRAJ KISHOR AGRAWAL	-	WHOLE TIME DIRECTOR
SMT TANU GIRIRAJ AGARWAL	-	DIRECTOR
SMT APRAJITA AGGARWAL	-	DIRECTOR
SHRI PROMOD DHAMIJA	-	DIRECTOR

## COMPANY SECRETARY:

VISHAKHA AJAY SOMAIYA

## BANKER:

AXIS BANK LTD  
STANDARD CHARTERED BANK

## AUDITORS:

M/S PRAVIN CHANDAK & ASSOCIATES,  
403, NEW SWAPANALOK CHS LTD,  
NATAKWALA LANE,  
BORIVALI (W), MUMBAI-400092

## REGISTERED OFFICE:

E/109, CRYSTAL PLAZA,  
NEW LINK ROAD, OPP. INFINITY  
MALL,  
ANDHERI (WEST),  
MUMBAI: 400053.

## REGISTAR & TRANSFER AGENT:

SHAREX DYNAMIC PRIVATE LIMITED,  
LUTHRA INDUSTRIAL PREMISES,  
UNIT NO. 1, SAFED POOL, ANDHERI (E),  
MUMBAI – 400 072

## CONTACT US:

[www.shreenathcommercial.com](http://www.shreenathcommercial.com)  
[shreenathcommercialfin@gmail.com](mailto:shreenathcommercialfin@gmail.com)(Email)

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of **Shree Nath Commercial & Finance Limited** will be held on 28<sup>th</sup> September 2012 at 3:00 P.M at Unit No. C-250, New Link Road, Link Road, Oshiwara Industrial Estate, Village Pahadi, Opp Goregaon Bus Depot, Goregaon (West), Mumbai 400104 to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Mrs. Aprajita Aggarwal as Director of the company, who retires by rotation and, being eligible, offers themselves for reappointment.
3. To appoint auditor and to fix his remuneration in consultation with the board.

### **SPECIAL BUSINESS :**

4. To Increase the Authorised Capital of the Company

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

“Resolved that pursuant to the provisions of Section 94(1)(a), 97 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 12,00,00,000/- (Rupees Twelve Crores Only) divided into 12,00,00,000 (Twelve Crores) Equity Shares of Rs. 1/- (Rupees One Only) each to Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) divided into 13,00,00,000 (Thirteen Crores) Equity Shares of Rs. 1/- (Rupees One Only) each.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 16 of the Companies Act, 1956, the existing Clause V of the Memorandum of Association with respect to Capital Clause be and is hereby deleted and in its place the following Clause V is substituted:

V.A The Authorised Share Capital of the Company is Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) divided into 13,00,00,000 (Thirteen Crores) Equity Shares of Rs. 1/- (Rupees One Only) each.’

B. Paid up Capital of the Company shall be minimum of Rs. 5,00,000 (Rupees Five lakhs only).”

“RESOLVED FURTHER THAT any of the directors of the Company and / or any one authorized on his behalf be and are hereby severally authorized to do all such deeds, acts, matters and things necessary to give effect to the above resolution including signing and filing the necessary forms with the Registrar of Companies, Mumbai in order to give effect to the above resolution.”

5. Allotment of Equity Shares on Preferential basis to Non-Promoters.

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

“Resolved that in accordance with the provisions of section 81, 81(1A) and other applicable provisions if any of the Companies act, 1956 and in accordance with the existing regulations issued by the Securities and Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permissions and / or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretarial of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or reenactment thereof, for the time being in force) and other applicable laws, and enabling provisions in the Memorandum and Articles of association of the company and the listing agreements entered into by the company with the stock exchange where the shares of the company are listed and subject to such terms and conditions as may be determined by the board of directors of the company (herein after referred to as “The Board” which expression shall include a committee, constituted for the time being in force, thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board , the consent and approval of the company be and is hereby accorded to Board and the Board be and is hereby authorized to offer, issue and allot on preferential basis, up to 1,00,00,000 (One Crore) Equity Shares of Face Value of Rs.1/- each at a premium of Rs. 27/- per share aggregating to Rs.28,00,00,000/- (Rupees Twenty Eight Crores only) to persons not falling under promoters group, being the price which is in accordance with the regulations for Preferential Issue contained in Chapter VII of the SEBI (issue of Capital and Disclosure Requirement) Regulations,2009, (SEBI ICDR Regulations”) persons mentioned below on a Preferential basis:

Sr. No	Name of the proposed Allottees	Address of the Proposed Allottees	No. of equity shares to be allotted	Category	Allottee is : QIB/MF/ FI/Trust/ Banks
1	Cordillera Realtors Pvt. Ltd.	101, First Floor,115 B-Munirka Village, New Delhi-110067	10,00,000	Non Promoter	No
2	Monalika Texfab Pvt. Ltd.	A-1/1, Shiv Park Khanpur, New Delhi- 110062	9,00,000	Non Promoter	No
3	Conventional Traders Pvt. Ltd.	101, First Floor,115 B-Munirka Village, New Delhi-110067	9,00,000	Non Promoter	No
4	Flummox Marketing Pvt. Ltd.	A-1/1, Shiv Park Khanpur, New Delhi- 110062	9,00,000	Non Promoter	No
5	Majestic Exim Pvt Ltd	Flat No. 48 Wing 5, 3rd Floor, Sundaram CHS, Near Radha Krishna High School, Sai Baba Nagar Borivali West, Mumbai-400092	9,00,000	Non Promoter	No
6	Algorithm Financial Services Pvt Ltd	Flat No. 48 Wing 5, 3rd Floor, Sundaram CHS, Near Radha Krishna High School, Sai Baba Nagar Borivali West, Mumbai-400092	9,00,000	Non Promoter	No
7	Sherwood Derivatives Pvt Ltd	604, Murlidhar Chambers 352, J.S.S. Road, Next to Thakurdwar Post Office, Mumbai- 400002	9,00,000	Non Promoter	No

8	Sherwood Futures Pvt Ltd	604, Murlidhar Chambers 352, J.S.S. Road, Next to Thakurdwar Post Office, Mumbai- 400002	9,00,000	Non Promoter	No
9	Sunlight Agency Pvt. Ltd.	16, Munshi Sadruddin Lane, First Floor, Kolkata- 700007, West Bengal	9,00,000	Non Promoter	No
10	Satguru Vinimay Pvt. Ltd.	16, Munshi Sadruddin Lane, First Floor, Kolkata- 700007, West Bengal	9,00,000	Non Promoter	No
11	Sampurna Dealcomm Pvt. Ltd.	16, Munshi Sadruddin Lane, First Floor, Kolkata- 700007, West Bengal	9,00,000	Non Promoter	No
		<b>TOTAL</b>	<b>1,00,00,000</b>		

"RESOLVED THAT the Equity Shares on Preferential basis shall be issued by the company on the following terms and conditions:"

The equity shares to be issued on preferential basis to above allottees shall be locked in for a period as prescribed under SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.

The entire amount of the value per share i.e. Rs. 28/- per share (Including a share premium of Rs. 27/- per share) to be paid at the time of application.

"RESOLVED FURTHER THAT for the purpose of giving effect to the said Special Resolution u/s. 81, 81(1A) and other applicable provisions of the Companies Act, 1956 the Board of Directors of the Company are hereby Authorized to take such steps and to do all such acts, deeds, matters and things and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as they deem fit and appropriate and give such directions / instructions as may be necessary to settle any question or difficulty for the offer / issue and allotment of Equity Shares in such manner as may be deemed fit and appropriate by the Board of Directors and or any legal / regulatory body, to be most beneficial to the company. "

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby Authorized to delegate any or all the powers conferred upon it by this resolution, to any committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorized by the Board."

"RESOLVED FURTHER THAT the shares referred to above shall in all respect rank pari-passu with the existing fully paid up equity shares of the company, provided that they shall confer on the holders of the right to dividend, if any, for the financial year in which they are allotted pari-passu from the date of allotment of new shares."

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby Authorized to determine the terms and conditions of the issue including face value, quantity, issue price (Including Price range), manner of calls etc. in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the company and to approach SEBI and / or any other competent authority to do all such acts, deeds, matters and things as may be necessary, appropriate and proper or expedient for giving effect to the above Resolution."

"RESOLVED FURTHER THAT the funds so raised shall be fulfill the additional fund requirements for capital expenditure including acquisition of companies /business, funding long term working capital requirements, marketing, setting up of offices abroad and for other approved corporate purposes. "

"RESOLVED FURTHER THAT the relevant date in relation to the shares for the purpose of determining the issue price under SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 relating to the shares issued on preferential basis shall be 29<sup>th</sup> August, 2012.

**REGISTERED OFFICE**

E/109, Crystal Plaza,  
New Link Road, Opp. Infinity Mall,  
Andheri (West),  
Mumbai: 400053.  
Date: 29/08/2012

**BY ORDER OF THE BOARD**

Sd/-  
Shri. Girraj Agrawal  
Chairman

**NOTES**

- 1) **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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) The Register of Members and the Transfer Book of the Company will remain closed from 27/09/2012 to 28/09/2012 (both days inclusive.)
- 3) Members / Proxies should bring attendance slip duly filled in for attending the meeting. Members are also requested to bring their copies of Annual Report.
- 4) Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat / physical form at Sharex India Private Limited, Luthra Industrial Premises, Unit No. 1, Safed Pool, Andheri (E), Mumbai – 400 072
- 5) Printed copies of the Balance Sheet, Profit and Loss Account, Director's Report, the Auditor's Report and every other documents required by the law to be annexed or attached to the Balance Sheet for the period ended 31st March, 2012 are enclosed herewith.
- 6) Members seeking any information with regard to accounts are requested to write to the company at least one week in advance so as to enable the management to keep the information ready.
- 7) Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48 hours before the meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES, 1956.**

**Item Nos 4:**

At present the Authorised Share Capital of the Company is Rs 12,00,00,000/- (Rupees Twelve Crores only) divided into 12,00,00,000 Equity Shares of Rs.1/- each. For the purpose of expansion of business, it is required to increase authorised share Capital of the Company from Rs. 12,00,00,000 (Rupees Twelve Crores only) to Rs. 13,00,00,000 (Rupees Thirteen Crores

only) Consequent upon the increase in the authorised Share Capital of the Company, its Memorandum of Association need appropriate alterations. Hence resolutions No. 4 is recommended by Directors for approval of the members.

None of the Directors of the Company is in any way concerned or interested in the said resolutions except the shares held by them.

**Item Nos 5:**

As per Section 81(1A) of the Companies Act, 1956, approval of shareholders in the General Meeting is required for allotment of shares on preferential basis and hence the resolution is placed before the shareholders.

The Directors recommended the resolution for your approval.

All the directors of the company may be deemed to be interested in this resolution to the extent securities that may be allotted if any.

The required disclosure as per 13.1A of SEBI ICDR Regulations regarding Proposed issue is as under:-

1) Objects of this issue: - The object of the issue is to fulfill the additional fund requirements for capital expenditure including acquisition of companies /business, funding long term working capital requirements, marketing and for other approved corporate purposes.

2) Intention of Promoters /Directors /Key management persons to subscribe to the offer:

There is no intention of the promoters / directors / key management person to subscribe to the offer.

3) Shareholding pattern before and after the issue:-

The shareholding pattern before and after completion of the proposed preferential issue would be as under:-

Sr. No.	Category	Pre – issue		Post – issue	
		No. of shares	% of Capital	No. of shares	% of Capital
A	Promoters Holding				
1	Indian Promoters	16850000	14.089	16850000	13.001
	Foreign Promoters	-	-		
2	Persons Acting in Concert	-	-		
	<b>Sub-Total</b>	<b>16850000</b>	<b>14.089</b>	<b>16850000</b>	<b>13.001</b>
B	Non-Promoter Holding				
1	Institutional investors	-	-	-	-
	Mutual Funds	-	-	-	-
	Banks, FIs, Insurance companies	-	-	-	-
	NRIS/OCBs	53190	0.044	53190	0.041
	FII's	-	-	-	-
	<b>Sub-Total</b>	<b>53190</b>	<b>0.044</b>	<b>53190</b>	<b>0.041</b>
2	Others				

	Private Body Corporates	19996610	16.72	29996610	23.14
	Indian Public	81695349	68.307	81695349	63.036
	Clearing Members	1004851	0.84	1004851	0.78
	<b>Sub-Total</b>	<b>102750000</b>	<b>85.867</b>	<b>112750000</b>	<b>86.99</b>
	<b>Grand Total</b>	<b>119600000</b>	<b>100.000</b>	<b>129600000</b>	<b>100</b>

Notes:-

The above shareholding pattern has been prepared on the basis of shareholding as on 24/08/2012 as provided by the Registrar and Share Transfer Agent.

The post- issue shareholding pattern has been arrived on the assumption that 1,00,00,000 equity shares to be issued to Non Promoters.

4) Proposed Time within which the allotment shall be completed.

The allotment of shares on Preferential basis shall be completed within 15 days from the date of shareholders approval provided where the allotment on preferential basis is pending on account of pendency of any approval by any regulatory authority or Central Government as per SEBI Regulations, the allotment shall be completed within 15 days from the date of such approval.

5) The Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by him:

The proposed allottees were interested to invest in our company and they approached us in the past when the company decided to raise funds by way of issue of preference share for expanding existing finance related activities and for working capital etc. Subsequently the company approached the allottees to find out their intention to subscribe to preferential issue and the proposed allottees have given their consent to subscribe to the same. The percentage of the post-preferential issue capital held by the proposed allottees is follows:-

Sr. No.	Name & Address	No. of shares		%		Category (Promoter /Non Promoter)
		Pre-Issue	Post-Issue	Pre-issue	Post-Issue	
1	Cordillera Realtors Pvt. Ltd. 101, First Floor,115 B-Munirka Village, New Delhi-110067	-	10,00,000	-	0.77%	Non-Promoter
2	Monalika Texfab Pvt. Ltd. A-1/1, Shiv Park Khanpur, New Delhi- 110062	-	9,00,000	-	0.69%	Non-Promoter
3	Conventional Traders Pvt. Ltd. 101, First Floor,115 B-Munirka Village, New Delhi-110067	-	9,00,000	-	0.69%	Non-Promoter
4	FlummoX Marketing Pvt. Ltd. A-1/1, Shiv Park Khanpur, New Delhi- 110062	-	9,00,000	-	0.69%	Non-Promoter
5	Majestic Exim Pvt Ltd Flat No. 48 Wing 5, 3rd Floor, Sundaram CHS, Near Radha	-	9,00,000	-	0.69%	Non-Promoter



	Krishna High School, Sai Baba Nagar Borivali West, Mumbai-400092					
6	Algorithm Financial Services Pvt Ltd Flat No. 48 Wing 5, 3rd Floor, Sundaram CHS, Near Radha Krishna High School, Sai Baba Nagar Borivali West, Mumbai-400092	-	9,00,000	-	0.69%	Non-Promoter
7	Sherwood Derivatives Pvt Ltd 604, Murlidhar Chambers 352, J.S.S. Road, Next to Thakurdwar Post Office, Mumbai-400002	-	9,00,000	-	0.69%	Non-Promoter
8	Sherwood Futures Pvt Ltd 604, Murlidhar Chambers 352, J.S.S. Road, Next to Thakurdwar Post Office, Mumbai-400002	-	9,00,000	-	0.69%	Non-Promoter
9	Sunlight Agency Pvt. Ltd. 16, Munshi Sadruddin Lane, First Floor, Kolkata-700007, West Bengal	-	9,00,000	-	0.69%	Non-Promoter
10	Satguru Vinimay Pvt. Ltd. 16, Munshi Sadruddin Lane, First Floor, Kolkata-700007, West Bengal	-	9,00,000	-	0.69%	Non-Promoter
11	Sampurna Dealcomm Pvt. Ltd. 16, Munshi Sadruddin Lane, First Floor, Kolkata-700007, West Bengal	-	9,00,000	-	0.69%	Non-Promoter

The Proposed allottees have not sold any shares during the 6 months period prior to the relevant date.

6) Lock-In: - The equity shares to be allotted on preferential basis shall be subject to lock in as per the applicable SEBI ICDR Regulations, 2009.

7) Change in the control or composition of the Board.

There will neither be any change in the composition of the Board nor any change in the control of the company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment.

8) Price of the issue:-

The shares are proposed to be allotted on preferential basis at a price of Rs.28/- per share including premium of Rs.27/- per share, which is higher than the price arrived at as per SEBI ICDR Regulations, 2009.

9) The Certificate issued by M/s Pravin Chandak & Associates, Auditor of the Company, as to the Pricing of the issue and that this preferential issue of securities is being made in accordance with the guidelines on Preferential Allotment issued by SEBI is being placed before the shareholders at the Meeting and also available for inspection at the Registered Office of the company during the business hours on any working days.

10) In view of the above, it is proposed to issue up to 1,00,00,000 (One Crore) equity shares each of Rs.1/- fully paid-up to Non promoters on preferential basis at the price of Rs28/- (Rs. Twenty Eight only) per share (Including a premium of Rs.27/- per share). This is higher than the minimum issue price calculated in accordance with the criteria given under the SEBI ICDR Regulations, 2009.

11) In terms of SEBI (ICDR) Regulations, 2009, Shree Nath Commercial and Finance Limited hereby undertakes that :

- It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

The Consent of the shareholders is being sought pursuant to the provision of section 81(1A) and other applicable provision of the companies Act, 1956, if any, and in terms of provisions of the Listing Agreements executed by the company with the Stock Exchange in India on which the company's shares are listed.

All the directors of the company may be deemed to be interested in this resolution to the extent securities that may be allotted if any.

The Board recommends the special resolution set out in the notice for approval by the members.

**REGISTERED OFFICE**

E/109, Crystal Plaza,  
New Link Road, Opp. Infinity Mall,  
Andheri (West),  
Mumbai: 400053.  
Date: 29/08/2012

**BY ORDER OF THE BOARD**

Sd/-  
Shri. Girraj Agrawal  
Chairman

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE  
FORTHCOMING ANNUAL GENERAL MEETING  
(In pursuance of Clause 49 (VI) (A) of the Listing Agreement)**

**Director seeking re-appointment**

1.

Name of the Director	Mrs. Aprajita Aggarwal
Date of Birth	19/07/1964
Date of Appointment.	28/09/2007
Expertise in any specific functional Area	Graduate
Qualification	Administration
Directorships held in other companies (excluding foreign – Companies)	1. Horizon Portfolio Limited 2. Sure Shot Securities and Credits Limited 3. Triumphant Financial Consultants Limited
Committee position held in other Companies	NIL

# BOARD OF DIRECTORS' REPORT

To  
The Members

Your Directors present their 28<sup>th</sup> Annual Report with Audited Statement of Accounts for the year ended on March 31, 2012.

## Financial Results

(Amt. In Lacs)

Particulars	Year Ended 31/03/2012	Year Ended 31/03/2011
Income	1475.69	2910.96
Profit before Dep. & Int.	(25.31)	124.88
Depreciation	17.50	17.51
Interest	0.00	0.00
Profit after Depreciation & Interest	(42.81)	107.37
Provision for Taxation	0.00	24.57
Provison for Tax (deferred)	0.19	8.61
Tax Adjustment for earlier years	1.40	0.00
Profit after Tax	(44.41)	74.19
Net profit/ (Loss)	(44.41)	74.19
Amount Available for Appropriation	(44.41)	74.19
Balance carried to Balance Sheet	(44.41)	74.19

## FINANCIAL HIGHLIGHTS

During the year Company's total sales including other income is Rs 1475.69 lacs as compared to Rs. 2910.96 lacs in the previous year and thereby registering an decrease of 49.31% as compared to the previous year. The Net Profit after tax was Rs. (44.41) Lacs against Rs. 74.19 Lacs in the previous year, registering an decrease of 159.86% as compared to the previous year.

## DIVIDEND

Your Directors are not declaring any dividend during the year under consideration.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mrs. Aprajita Aggarwal retire by rotation at the ensuing Annual General Meeting, and being eligible offers herself for reappointment.

During the year under consideration there was no change in composition of Board of Directors.

## DEPOSITS

Your company has not accepted any deposits within the meaning of Section 58A of The Companies Act, 1956.

## **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:

- (i) That in the preparation of the accounts for the financial year ended 31st March 2012 the applicable accounting standards have been followed, along with proper explanation relating to all material departures.
- (ii) That they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period.
- (iii) They have taken proper and sufficient care to the best of their knowledge and ability 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.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2012 on a going concern basis.

## **AUDITORS**

M/s Pravin Chandak & Associates, Chartered Accountants statutory auditors of the Company retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. The Company has received a certificate from them under Section 224(1-B) & 226(3) of the Companies Act, 1956.

## **AUDITORS REPORT**

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

## **FOREIGN EXCHANGE**

There is no inflow and outflow of Foreign Exchange.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and Technology absorption is not applicable.

## **PARTICULARS OF EMPLOYEE**

The information required under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975, forms part of this report - Not applicable.

## **LISTING OF SHARES**

Equity shares of your Company are listed on Bombay Stock Exchange only and the Company has paid the necessary Listing fees for the year 2012 – 2013.

## **SALE OF SUBSIDIARY**

The company sold its stake of 51% in its subsidiary M/s GSR Techno Consultancy Pvt. Ltd as per agreed by the Board of Directors in their meeting held on 22<sup>nd</sup> August, 2011.

## **SOFTWARE DEVELOPMENT**

The company is currently under development of online portal based software called rocguru.com. features of it are as below:

Rocguru.com is web based software which has been designed by keeping in mind to cope up with various Secretarial Compliances under one roof.

Basically it is an online portal which allows user to access his/her data from anywhere, any time so that the user will not be confined to any computer. It also allows the user to delegate task to colleagues and juniors with predefined path and limited access to the task which is assigned, which helps the owner of the license to fix the responsibility on a particular person in case of any mistake or misfeasance or mischief. It also allows the user to sub delegate the work to predefined person. In short, it is safe portal based software which provides the user accessibility. It alerts the user about the various compliances to be done periodically.

Rocguru Portal contains wide range of resolutions, Agenda laws, sections and procedures to be complied with for any particular act. It also covers various specimens of Covering letters, formats, Memorandum and Articles of Associations and many more.

Basically it will be helpful to professional people like CA/CS/ICWA specially the fresher to get him\her self well verse with various Company law section and procedures.

It helps in maintenance of:

- 1) Company Master Data and Directors detail.
- 2) History of the Company
- 3) Preparing of various Notices of Meeting.
- 4) Preparing of various Minutes of the company meeting
- 5) Various Statutory Registers of the Company
- 6) Annual Reports and Annual Returns.
- 7) Share Certificates.
- 8) Any many more things.

## **GREEN INITIATIVE IN CORPORATE GOVERNANCE'**

The ministry of corporate Affairs (vide circular nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken 'Green initiative in corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode.

Members are requested to support their green initiative by registering/updating their email addresses, in respect of shares held in dematerialised form with their respective depository participants and in respect of shares held in physical form with Companies RTA.

## **CORPORATE GOVERNANCE COMPLIANCE**

As required under the listing agreement with the stock exchange, corporate governance and management discussion and analysis report form part of this Annual Report.

**ACKNOWLEDGEMENT**

The Board of Directors wishes to express sincer thanks to Bankers, Shareholders, clients, Financial Institutions, customers, suppliers and employees of Companies for extending support during the year.

**FOR & ON BEHALF OF THE BOARD**

**PLACE: MUMBAI  
DATED:29/08/2012**

**Sd/-  
Girraj Agrawal  
(Chairman)**

# CORPORATE GOVERNANCE REPORT

## A) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparent dealings and integrity and compliance of rules and regulations. The Company firmly believes that good corporate governance is pre-requisite to meet the stakeholders' requirements and needs. The mandatory requirements of the code of Corporate Governance as per clause 49 of the listing agreement have been implemented by your Company.

## B) BOARD OF DIRECTORS

The Board Of Directors Comprises of Mr. Girraj Kishor Agrawal as Whole Time Director and Mrs. Tanu Giriraj Agarwal as Non Executive Director, Smt. Aprajita Aggarwal as Independent and Executive Director and Mr Promod Dhamija, as Independent and Non Executive Directors.

a) The composition of the Board of Directors and their attendance at the meetings during the period and at the last Annual General Meeting as also number of other directorships, membership of committees are as follows: -

Name of Director Chairman    Member	Status	No. of Board meetings Attended	Attendance at last AGM	No. of other Directorships	Committee Membership	
Mr. Girraj Kishor Agrawal	W.T.D	06	Yes	8	-	2
Mrs. Tanu Agarwal	P.N.E	06	Yes	9	-	6
Mrs. Aprajita Aggarwal	I.N.E.D	-	No	3	-	2
Mr. Promod Dhamija	I.N.E.D	01	Yes	2	2	2

W.T.D Whole Time Director  
I.N.E.D Independent Non Executive Director  
P.N.E Promoter Non Executive

### Notes:

During the period ended 31<sup>st</sup> March 2012, 6 Board Meetings were held on the following dates:

30/05/2011, 13/07/2011, 13/08/2011, 22/08/2011, 12/11/2011, and 14/02/2012.

## CODE OF CONDUCT

The board has laid down a code of conduct for Board members and senior management staff of the Company. The Board members and senior management staff have affirmed compliance with the said code of conduct.

## C) AUDIT COMMITTEE

The Audit Committee comprises of viz Mr. Promod Dhamija, non-executive Independent Director, is Chairman of Audit Committee, Mrs. Aprajita Aggarwal and Mrs. Tanu Giriraj Kishor Agarwal, Director is the members of the Committee.



Mrs. Vishakha Somaiya is the Secretary of the Committee.

\* During the year constitution of Audit Committee has been changed, Mrs. Tanu Giriraj Kishor Agarwal has been appointed as a member of Audit Committee in place of Mr. Girraj Kishor Agrawal.

The Committee met four times during the period ended 31<sup>st</sup> March 2012

The terms of reference of the Committee are as per the regulations set out in Clause 49 of the listing agreement with the Stock Exchanges and section 292A of the Companies Act, 1956 and inter alia it briefly includes review of quarterly and Annual financial statements, the statutory Auditor's Report on the financial statements, Internal audit reports, internal controls, Accounting policies and to generally interact with the Internal Auditors and Statutory Auditors.

#### **D) SHARE TRANSFER COMMITTEE**

The Committee comprises of Mr. Promod Dhamija, Mrs. Aprajita Aggarwal, and Mrs. Tanu Giriraj Kishor Agarwal. The Committee normally meets twice a month to approve transfer of shares and other shares related matters. Mr. Pramod Dhmanjia is the Chairman of the Committee.

\* During the year constitution of Share Transfer Committee has been changed, Mrs. Giriraj Kishor Agarwal has been appointed as a member of Audit Committee in place of Mr. Girraj Kishor Agrawal.

a) Terms of reference:

The Committee was constituted to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.

b) The composition of the Shareholders Grievance Committee is as follows:

Name of the Member	Position
Mr. Promod Dhamija	Chairman
Mrs. Aprajita Aggarwal	Member
Mrs. Tanu Giriraj Agrawal#	Member
Mr. Girraj Kishor Agrawal*	-

\* Ceased as a Member w.e.f. 12/11/2011

# Appointed as a member w.e.f. 12/11/2011

c) Name and Designation of Compliance Officer: Mr. Girraj Kishor Agrawal.

#### **E) REMUNERATION COMMITTEE**

Remuneration Committee comprises of Mr. Promod Dhamija, as Chairman of the committee and Mrs. Tanu Giriraj Kishor Agarwal and Mrs. Aprajita Aggarwal, Directors are committee members. During the year under review, no Meeting was held.

\* During the year constitution of Remuneration Committee has been changed, Mrs. Tanu Giriraj Kishor Agarwal has been appointed as a member of Remuneration Committee in place of Mr. Girraj Kishor Agrawal.

The details of remuneration paid to Chairman and whole time Director of the Company during the period ended 31<sup>st</sup> March 2012 are given below.

**No remuneration was paid to Directors during the period ended 31<sup>st</sup> March 2012**

## F) GENERAL BODY MEETINGS

a) The last three Annual General Meetings were held as under:-

Year/Period Ended	Date of Meeting	Time
31 <sup>st</sup> March 2009	18/09/2009	03:00 P.M.
31 <sup>st</sup> March 2010	23/08/2010	03:30 P.M.
31 <sup>st</sup> March 2011	10/08/2011	03.30 P.M

b) No Extra-Ordinary General Meeting of the shareholders was held during the year.

c) No Special Resolutions passed through postal ballot during the year.

## G) DISCLOSURES

1. During the period, there were no transactions materially significant with Company's promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large.

2. There were no instances of non-compliance on any matter related to the Capital Markets during the last three years.

## H) MEANS OF COMMUNICATION.

Quarterly, Half Yearly and Yearly financial results are sent to the Stock Exchanges immediately after they are approved by the Board.

## I) GENERAL INFORMATION FOR MEMBERS

(i). Annual General Meeting – The 28<sup>th</sup> Annual General Meeting of the Company will be held on 28/09/2012 at 03.00 p.m. in Mumbai

(ii) <b>Financial Calendar</b>	: Last AGM held on 10/08/2011
First Quarter Results Declared	: Second Week of August, 2011
Second Quarter Results Declared	: Second Week of November, 2011
Third Quarter Results Declared	: Second Week of February, 2012
Fourth Quarter Results Declared	: Last Week of May, 2012

(iii) Book Closure date: 27/09/2012 to 28/09/2012

(iv) Dividend payment date: Not applicable

- (v). (i) **Listing of Equity Shares:** Bombay Stock Exchange  
(ii) Listing fees is duly paid to the Bombay stock exchange Limited as per listing agreement.
- (vi). (i) Stock Code BSE CODE: 512105  
(ii) Demat ISIN Numbers in NSDL & CDSL INE 490J01024 for Equity Shares.

#### Stock Market Data at BSE

Month	High	Low	Close	No. of Shares
April 2011	31.90	20.35	26.8	1512255
May 2011	26.30	18.95	18.95	1023222
June 2011	24.30	18.60	23.05	864159
July 2011	23.50	17.95	17.95	1274993
August 2011	18.55	11.90	13.00	917355
September 2011	15.97	11.70	13.45	1043409
October 2011	13.40	8.47	8.47	1230023
November 2011	10.85	7.78	9.72	4408258
December 2011	12.70	8.63	9.34	2837411
January 2012	15.73	8.88	12.85	3227494
February 2012	15.00	8.26	9.11	730758
March 2012	13.05	8.51	11.08	963812

#### VII) REGD. OFFICE:

E-109 Crystal Plaza, New Link Road,  
Opp.Infinity Mall, Andheri (west), Mumbai 400053.

#### (VIII) REGISTRAR & TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

All documents, transfer deeds, demat requests and other communication in relation thereto should be addressed to the R & T Agents at its following address:

**Sharex Dynamic (India) Private Limited,**  
**Luthra Industrial Premises, Unit No. 1, Safed Pool,**  
**Andheri (E), Mumbai – 400 072**  
**Tel: 022 28515606**

Share transfers in physical form are processed within about 2 weeks from the date of receipt of the valid and completed documents.

**(IX) Investor Relation Officer:** Mr. Girraj Kishor Agrawal

**(X) Share Transfer System as per Listing Agreement and Companies Act, 1956**

**(XI) Distribution Of Shareholding As On 31<sup>st</sup> March 2012**

Shareholders			Shareholding	
No. of Shares	Nos.	%	Holding in Rs.	%
1-5000	910	51.88	977235	0.82
5001-10000	146	8.32	1257762	1.05
10001-20000	211	12.03	3465079	2.90

20001-30000	142	8.10	3733181	3.12
30001-40000	55	3.14	2021054	1.69
40001-50000	64	3.65	3131317	2.62
50001-100000	99	5.64	8418715	7.04
100001- and above	127	7.24	96595657	80.77
<b>Total</b>	<b>1754</b>	<b>100.00</b>	<b>119600000</b>	<b>100.00</b>

**Shareholding pattern as on 31.03.2012**

Category		No. of Shares held	Percentage of Shareholding
<b>A</b>	Promoter's Holding		
1	Promoters		
	- Indian Promoters	16850000	14.09
	- Foreign Promoters	-	-
2	Persons acting in concert	-	-
	Sub – Total	16850000	14.09
<b>B</b>	Non-Promoter's Holding	-	-
3	Institutional Investors	-	-
a)	Mutual Funds and UTI	-	-
b)	Banks, Financial Institutions, Insurance Companies	-	-
	(Central/State Govt. Institutions/Non Government Institutions)	-	-
<b>C</b>	FII's	-	-
	Sub – Total	-	-
4	Others	-	-
a)	Private Corporate Bodies	16340871	13.66
b)	Indian Public	86202513	72.08
c)	NRI's/OCB's	53390	0.04
d)	Any Other (Please specify) - <b>Clearing Members</b>	153226	0.13
	Sub-Total	102750000	85.91
	<b>Grand Total</b>	<b>119600000</b>	<b>100%</b>

**(XII) DEMATERIALISATION OF SHARES.**

As on 31<sup>st</sup> March 2012, **99.99%** of the Company's Shares representing **119599780** Share were held in dematerialized form and the balance **220** Shares were held in physical form.

**(XIII) INVESTOR CORRESPONDENCE:** For Transfer / dematerialisation of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debenture of the company.

**SHAREX DYNAMIC(INDIA) PRIVATE LIMITED,**

Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road,  
Safed Pool, Andheri (E), Mumbai – 400 072

**ADDRESS FOR CORRESPONDENCE**

The Company's Registered Office is situated at  
E-109 Crystal Plaza, New Link Road, Andheri (west), Mumbai 400053.

Shareholder's correspondence should be addressed to Transfer Agent, **SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository participants.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORTS**

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2012.

The management discussion and analysis have been included in consonance with the code of corporate governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

### **OVERVIEW**

The operations of the company are centred in the Finance and Share Trading. The Company deals in Shares and Securities. With strengthening of the economic environment, the Indian capital market is expected to perform well. The improved performance of the industrial and service sector and strong capital inflows witnessed robust growth in primary and secondary capital market and is expected to hold in the coming years.

### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

Indian Finance market size is estimated at Rs. 100 Trillion. Approximately one third of this demand is met through Share Market and the balance is met through Financers and lenders. The Industry is mainly dependent on the Investors sentiments. It is now prevailing good and getting healthy.

The finance industry where the company is also involved, major development have been taken place for past few decades in view of the fact that plethora of finance companies have come into existence with various finance products and there has been tremendous finance growth due to foreign collaboration, foreign equity participation etc, under Finance Division, dealing in equity shares and stock is the main activity of the company.

### **OPPORTUNITIES AND THREATS:**

Some of the key trends of the industry that are favourable to the company to exploit these emerging opportunities are:

1. Clients are more comfortable with uniform high quality and quick services and security process across the enterprise.
2. The company is also entering in the Information Technology enabled services. Since there is prospects for expanding further activities in this direction.
3. The company is also facing server competition from other Information Technology companies and software companies.

Some of the key changes in the industry unfavourable to the company are:

1. Heightened competition
2. Increasing cost of the product
3. High Regulatory fram works and Compliances.

### **INITIATIVES BY THE COMPANY**

The company has taken following initiatives'

1. Every effort is being made to locate new client base to boost its Finance Business.
2. The company is endeavouring to penetrate into new Financial Activities.
3. Your Company has taken initiative by entering in to the field of Software and Information technology. The company is currently under development of web based software called [www.rocguru.com](http://www.rocguru.com) which has been designed by keeping in mind to cope up with various Secretarial Compliances under one roof.

### **OUTLOOK**

The continual growth in the Finance sector is expected to give the necessary support to the Finance industry. The Company is making all efforts to accelerate growth in its business. It expects to improve its position in the market by focusing on technologically advanced and more profitable products/market segments and working aggressively in the areas of productivity, efficiency and cost reductions. The Company's foray into the new and high opportunity business segment of Software and IT enabled services to secure more revenue for coming years and your company is very optimistic about its efforts of making online portal based software called [www.rocguru.com](http://www.rocguru.com) which will be launched shortly.

### **RISK AND CONCERNS:**

The performance of capital market in India has a direct correlation with the prospect of economic growth and political stability. Though the growth projections for FY 2011-12 appear reassuring, there are certain downside risks such as pace and shape of global recovery, effect of withdrawal of fiscal stimulus and hardening of commodity prices. Our business performance may also be impacted by increased competition from local and global players operating in India, regulatory changes and attrition of employees. With growing presence of players offering advisory service coupled with provision of funds for the clients' needs, we would face competition of unequal proportion. We continuously tackle this situation by providing increasingly superior customized services.

In financial services business, effective risk management has become very crucial. Your Company is exposed to credit risk, liquidity risk and interest rate risks. Your company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analysed and reviewed at various levels of management through an effective information system.

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

1. Compliance of the company with applicable statutes, policies procedures, listing requirements and management guidelines.

2. All transaction are being accurately recorded and verified.
3. Adherence to applicable accounting standards and polices.

**HUMAN RESOURCES/INDUSTRY RELATIONS:**

The company provided excellent working environment so that the individual staff can reach his/her full potential.

The company is poised to take on the challenges and march towards accomplishing its mission with success.

The company maintained good Industrial/Business relation in market which enhanced the Creditworthiness of the Company.

**CAUTIONARY STATEMENT**

Statement in the Management Discussion and analysis describing the company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc. over which the company does not have any control.

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**SHREE NATH COMMERCIAL & FINANCE LIMITED**

1. We have examined the compliance of Corporate Governance by M/s. Shree Nath Commercial & Finance Ltd for the period ended on 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Pravin Chandak & Associates**  
**Chartered Accountants**

Sd/-  
Pravin Chandak  
Partner  
M.No.049391  
Place: Mumbai.  
Date: 29/08/2012



## AUDITOR'S REPORT

To  
The Members  
Shree Nath Commercial & Finance Limited

1. We have audited the attached Balance Sheet of Shree Nath Commercial & Finance Limited as at March 31, 2012 and also the Statement of Profit and Loss 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.
2. We have 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 mis-statements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of books of accounts and other records as we considered appropriate and as per the information and explanation provided to us by the Company management, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to in paragraph 3 above, we report as under:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
  - b. In our opinion, proper books of account as required by law, have been kept by the Company, so far as it appears from our examination of those books;
  - c. The Balance Sheet and the Statement of Profit and Loss and 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 by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 and/or Companies (Accounting Standards) Amendment Rules, 2008;
  - e. On the basis of written representation received from the directors of the Company as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31, 2012 from being appointed as director in terms of 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 the explanations given to us the said accounts read together with the Significant Accounting Policies

and Notes to Accounts, give the information as 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; In case of

- I. the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- II. the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- III. the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Pravin Chandak & Associates**  
**Chartered Accountants**  
**(Firm Registration No. 116627W)**

**Sd/-**  
**Pravin Chandak**  
**Partner Membership No. 049391**

**Place: Mumbai**  
**Date:29/08/2012**

## ANNEXURE TO THE AUDITOR'S REPORT

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SHREE NATH COMMERCIAL & FINANCE LIMITED ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) We have been informed that, the fixed assets have been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.  
(c) During the year the company has not disposed off a substantial part of its fixed assets and accordingly it has no effect on the going concern of the company.
- ii. (a) As informed to us, the inventories held in dematerialized form, have been verified by the management with the supportive evidence during the year. In our opinion the frequency of verification is reasonable.  
(b) In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination the records of inventory, we are of the opinion that Company is maintaining proper records of inventory. We are informed that no discrepancies were noticed on physical verification.
- iii. The Company has not granted/taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore clause 4(iii) of the order is not applicable.
- iv. There are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the providing of services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v. As informed, the particulars of Companies or arrangements referred to in Section 301 of the Act, that need to be entered into the register maintained u/s 301 has been so entered.
- vi. There are no public deposit accepted by the Company within the meaning of Section 58A and 58AA of the Companies Act, 1956 and therefore clause 4(vi) of the order is not applicable.
- vii. In our opinion, the Company has an internal audit system commensurate with size and nature of its business.
- viii. The Company does not belongs to list of Companies as prescribed under Section 209(1)(d) of the Companies Act,1956 and therefore clause 4(viii) of the order is not applicable.
- ix. a.
  - The Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues, as applicable to it, with the appropriate authorities.
  - The Company has no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory

dues, as applicable to it, as on March 31, 2012 for the period of more than six months from the date they become payable.

- b. The Company has no disputed amount payable in respect of income tax, value added tax, wealth tax, service tax, custom duty, excise duty cess and other statutory dues, as applicable to it, which have not been deposited on account of any dispute
- x. Accumulated losses of the company are not more than 50% of the networth of the company at the end of the financial year and it has incurred cash losses of Rs. 26,90,820/-in the current year however it has not incurred in any cash loss in the immediately preceding financial year.
- xi. The Company has not borrowed any fund from financial institutions, banks or debenture holders and therefore clause 4(xi) of the order is not applicable.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore clause 4(xii) of the order is not applicable.
- xiii. The Company is not a chit fund or a nidhi/ mutual benefit fund/ society and therefore clause 4(xiii) of the order is not applicable.
- xiv. The Company has maintained proper records of the transactions and contracts for dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investment have been held by the company, in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions and therefore clause 4(xv) of the order is not applicable.
- xvi. The Company not obtained any term loans and therefore clause 4(xvi) of the order is not applicable.
- xvii. According to the information and explanations given to us and on an overall examination of the cash flow statements and balance sheet of the company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
- xviii. 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 and therefore clause 4(xviii) of the order is not applicable.
- xix. The Company has not issued any debentures and therefore clause 4(xix) of the order is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. During the year no fraud on or by the Company has been noticed or reported and therefore clause 4(xxi) of the order is not applicable.

**For Pravin Chandak & Associates**  
**Chartered Accountants**  
**(Firm Registration No.116627W)**

**Sd/-**  
**Pravin Chandak**  
**Partner**  
**Membership No. 049391**

**Place: Mumbai**  
**Date: 29/08/2012**

## CEO / CFO CERTIFICATION

The Board of Directors,  
Shree Nath Commercial & Finance Ltd.  
E/109, Crystal Plaza, Opp. Infinity Mall,  
New Link Road, Andheri (west),  
Mumbai: 400053.

We hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2012 and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. No transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
  - a. Significant changes in internal control over financial reporting during the year.
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **SHREE NATH COMMERCIAL & FINANCE LTD**

Place: Mumbai  
Date: 29/08/2012

Sd/-  
Girraj Kishor Agrawal  
Director/CEO

## COMPLIANCE CERTIFICATE

To  
The Members of  
**SHREE NATH COMMERCIAL & FINANCE LIMITED**

It is hereby certified and examined that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March 2012.

For Shree Nath Commercial & Finance Ltd

**Registered Office:**  
E-109, Crystal Plaza,  
New Link Road, Opp. Infinity Mall,  
Andheri (West), Mumbai- 400 053.

Sd/-  
Girraj Kishor Agrawal  
Chairman / CEO

**Place: Mumbai**  
**Date: 29/08/2012**

**SHREENATH COMMERCIAL & FINANCE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	NOTES	31ST MARCH, 2012	31ST MARCH, 2011
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b><u>SHAREHOLDERS' FUNDS</u></b>			
Share Capital	2	11,96,00,000	11,96,00,000
Reserves and Surplus	3	(37,88,058)	6,53,502
<b><u>NON CURRENT LIABILITIES</u></b>			
Deferred Tax Liabilities		17,66,723	17,47,032
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>			
Short Term Borrowings	4	2,54,00,000	3,55,50,000
Trade Payables	5	49,802	53,23,603
Other Current Liabilities	6	1,088	4,756
<b>TOTAL</b>		<b>14,30,29,555</b>	<b>16,28,78,893</b>
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Fixed Assets			
Tangible Assets	7	69,27,190	86,77,930
Non Current Investments	8	-	25,50,000
Long Term Loans and Advances	9	6,89,375	6,89,375
<b><u>CURRENT ASSETS</u></b>			
Inventories	10	4,74,36,936	5,69,05,279
Trade Receivables	11	-	18,52,665
Cash and Cash Equivalents	12	43,06,335	51,97,932
Short Term Loans and Advances	13	8,36,69,718	8,70,05,712
<b>TOTAL</b>		<b>14,30,29,555</b>	<b>16,28,78,893</b>
Notes Forming Part Of Financial Statement	1 - 28		

For Pravin Chandak & Associates  
Chartered Accountants  
(Firm Registration No.116627W)

For and on behalf of the Board of Directors  
of Shreenath Commercial & Finance Limited

Sd/-  
Pravin Chandak  
Partner  
Membership No. 49391  
Place : Mumbai  
Date : 29/08/2012

Sd/  
Girraj K Agrawal  
Director

Sd/-  
Vishakha Somaiya  
Company Secretary

Sd/-  
Tanu Agarwal  
Director

**SHREENATH COMMERCIAL & FINANCE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

PARTICULARS	NOTES	31ST MARCH, 2012	31ST MARCH, 2011
<b><u>INCOME</u></b>			
Revenue from Operations	14	14,26,35,304	28,74,50,794
Other Income	15	49,33,472	36,45,180
<b>Total Income (I)</b>		<b>14,75,68,776</b>	<b>29,10,95,974</b>
<b><u>EXPENSES</u></b>			
Purchase of traded goods		13,70,22,533	25,22,43,609
(Increase)/decrease in inventories of traded goods		94,68,343	(1,30,98,438)
Employee Benefits Expense	16	26,24,288	29,87,368
Auditors Remuneration	17	12,758	8,255
Depreciation	7	17,50,740	17,50,740
Other Expenses	18	9,71,977	3,64,67,291
<b>Total Expenses (II)</b>		<b>15,18,50,638</b>	<b>28,03,58,826</b>
Profit for the year before Tax	(I - II)	<b>(42,81,862)</b>	1,07,37,148
Tax Expenses			
Current Tax		-	24,57,085
Taxes of Earlier Years		1,40,007	-
Deferred Tax		19,691	8,60,693
Profit/(Loss) for the period		<b>(44,41,560)</b>	74,19,370
Earning per equity share			
Basic		<b>(0.04)</b>	0.06
Diluted		<b>(0.04)</b>	0.06
<b>Notes Forming Part Of Financial Statement</b>	1-28		

**For Pravin Chandak & Associates**  
Chartered Accountants  
(Firm Registration No.116627W)

**For and on behalf of the Board of Directors**  
of Shreenath Commercial & Finance Limited

Sd/-  
**Pravin Chandak**  
Partner  
Membership No. 49391  
Place : Mumbai  
Date : 29/08/2012

Sd/  
**Girraj K Agrawal**  
Director

Sd/-  
**Vishakha Somaiya**  
Company Secretary

Sd/-  
**Tanu Agarwal**  
Director



**SHREENATH COMMERCIAL & FINANCE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
<b>Cash Flow from Operating Activities</b>				
<b>Profit Before Tax and Extraordinary items</b> (As per Profit and Loss Account)		(42,81,862)		1,07,37,148
Adjustments for:				
Depreciation		17,50,740		17,50,740
<b>Operating Profit before Working Capital Changes</b>		(25,31,122)		1,24,87,888
Adjustments for:				
(Increase)/Decrease in Inventories	94,68,343		32,26,275	
(Increase)/Decrease in Sundry Debtors	18,52,665		(1,30,98,438)	
(Increase)/Decrease in Other Receivable	37,76,912		(21,79,610)	
Increase/(Decrease) in Current Liabilities & Provision	(52,77,470)	98,20,450	(3,03,12,515)	(4,23,64,288)
Cash Generated From Operations		72,89,328		(2,98,76,400)
Less: Income Tax Paid		(5,80,925)		(66,24,595)
<b>Net Cash from / (Used in) Operating Activities A</b>		67,08,403		(3,65,00,995)
<b>Cash Flow from Investing Activities</b>				
Sale of Investments	25,50,000		-	
Purchases of Investments Others	-	25,50,000	(25,50,000)	(25,50,000)
<b>Net Cash from / (Used in) Investing Activities B</b>		25,50,000		(25,50,000)
<b>Cash Flow from Financing Activities</b>				
Received of Unsecured Loans	-		3,55,50,000	
Repayment of Unsecured Loans	(1,01,50,000)	(1,01,50,000)	-	3,55,50,000
<b>Net Cash from Financial Activities C</b>		(1,01,50,000)		3,55,50,000
<b>Equivalents (A+B+C)</b>		(8,91,597)		(35,00,995)
<b>Cash and Cash Equivalents - Opening Balance</b>		51,97,932		86,98,927
<b>Cash and Cash Equivalents - Closing Balance</b>		43,06,335		51,97,932

For Pravin Chandak & Associates  
Chartered Accountants  
(Firm Registration No.116627W)

For and on behalf of the Board of Directors  
of Shreenath Commercial & Finance Limited

Sd/-  
Pravin Chandak  
Partner  
Membership No. 49391  
Place : Mumbai  
Date : 29/08/2012

Sd/-  
Girraj K Agrawal  
Director

Sd/-  
Tanu Agarwal  
Director

Sd/-  
Vishakha Somaiya  
Company Secretary

**SHREENATH COMMERCIAL & FINANCE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

PARTICULARS	31ST MARCH, 2012	31ST MARCH, 2011
<b>2 Share Capital</b>		
<b><u>Authorised</u></b>		
120,000,000 (Previous year 120,000,000) Equity Shares of Rs. 1 each	<b>12,00,00,000</b>	12,00,00,000
<b>Total Authorised Share Capital</b>	<b>12,00,00,000</b>	12,00,00,000
<b><u>Issued, Subscribed and Paid up</u></b>		
119,600,000 (Previous year 119,600,000) Equity Shares of Rs. 1 each (Out of the above NIL (Previous year 59,800,000 Shares) issued as bonus shares during the year)	<b>11,96,00,000</b>	11,96,00,000
<b>Total Issued, Subscribed And Fully Paid Up Share Capital</b>	<b>11,96,00,000</b>	11,96,00,000

**a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Equity shares of Rs. 1 each	31st March, 2012		31st March, 2011	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the period	<b>11,96,00,000</b>	<b>11,96,00,000</b>	5,98,00,000	5,98,00,000
Issued during the period	-	-	5,98,00,000	5,98,00,000
Bought back during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>11,96,00,000</b>	<b>11,96,00,000</b>	11,96,00,000	11,96,00,000

**b. Terms/rights attached to equity shares**

The Company has only one class of Equity Shares having par value of Rs. 1 Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors are subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the**

Equity shares of Rs. 1 each fully paid	31st March, 2012		31st March, 2011	
	% holding in the		% holding in the	
	Numbers	class	Numbers	class
Arvind Danabhai Desai	<b>80,00,000</b>	<b>6.69</b>	<b>80,00,000</b>	<b>6.69</b>
Handful Investrade Pvt. Ltd.	<b>1,45,70,000</b>	<b>12.18</b>	<b>1,45,70,000</b>	<b>12.18</b>
Himmat Vinodchandra Bhatt	<b>63,96,377</b>	<b>5.35</b>	-	-
	<b>2,89,66,377</b>	<b>24.22</b>	2,25,70,000	18.87

**SHREENATH COMMERCIAL & FINANCE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

PARTICULARS	31ST MARCH, 2012	31ST MARCH, 2011
<b>3 Reserve &amp; Surplus</b>		
<b>Securities premium reserve</b>		
Balance as per last financial statements	-	4,96,42,650
Less: Utilised for bonus issue/fresh equity shares	-	4,96,42,650
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>General reserve</b>		
Balance as per last financial statements	-	23,000
Less: Utilised for bonus issue/fresh equity shares	-	23,000
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Balance as per last financial statements	<b>6,53,502</b>	33,91,481
Profit/ (loss) for the year	<b>(44,41,560)</b>	74,19,370
Less: Utilised for bonus issue/fresh equity shares	-	1,01,57,350
Less: Appropriations	-	-
<b>Closing balance</b>	<b>(37,88,058)</b>	<b>6,53,502</b>
<b>Total Reserves And Sur plus</b>	<b>(37,88,058)</b>	<b>6,53,502</b>
<b>4 Short Term Borrowings</b>		
<b>Unsecured Loans</b>		
Loans repayable on demand		
From banks	-	-
From other parties	<b>2,54,00,000</b>	3,55,50,000
<b>Total Short Term Borrowin gs</b>	<b>2,54,00,000</b>	<b>3,55,50,000</b>
<b>5 Trade Payables</b>		
Trade payables	<b>49,802</b>	53,23,603
<b>Total Trade Pa yables</b>	<b>49,802</b>	<b>53,23,603</b>
<b>6 Other Current Liabilities</b>		
Duties and taxes payable	<b>1,088</b>	4,756
<b>Total Other Current Liabilities</b>	<b>1,088</b>	<b>4,756</b>
<b>8 Non Current Investments</b>		
<b>Trade Investment in Subsidiary Company ( At Cost)</b>		
25,500 Equity Shares of Rs. 10 each of GSR Technologies Pvt Ltd	-	25,50,000
<b>Total Non Current Investments</b>	<b>-</b>	<b>25,50,000</b>

**SHREENATH COMMERCIAL & FINANCE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2012**

PARTICULARS	31ST MARCH, 2012	31ST MARCH, 2011
<b>9 <u>Long Term Loan and Advances</u></b>		
Unsecured, Considered Good Security deposits	6,89,375	6,89,375
<b>Total Long Term Loan And Advances</b>	<b>6,89,375</b>	<b>6,89,375</b>
<b>10 <u>Inventories</u></b>		
(As certified by management) Stock-in-trade	4,74,36,936	5,69,05,279
<b>Total Inventories</b>	<b>4,74,36,936</b>	<b>5,69,05,279</b>
<b>11 <u>Trade Receivables</u></b>		
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they Others	-	11,08,140
Unsecured, considered good	-	7,44,525
<b>Total Trade Receivables</b>	<b>-</b>	<b>18,52,665</b>
<b>12 <u>Cash and Cash Equivalents</u></b>		
Cash on hand	14,73,129	36,65,005
Balance with bank	28,33,206	15,32,927
<b>Total Cash And Cash E quivalents</b>	<b>43,06,335</b>	<b>51,97,932</b>
<b>13 <u>Short Term Loans and Advances</u></b>		
Loan and advances		
Loans and advances to related parties	-	-
Loans and advances to Others	7,84,37,012	8,22,13,923
Balance with statutory/government authorities	52,32,707	47,91,789
<b>Total Short Term Loans And Advances</b>	<b>8,36,69,718</b>	<b>8,70,05,712</b>

## SHREENATH COMMERCIAL & FINANCE LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2012

#### NOTE 7: FIXED ASSETS

ASSETS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	AS ON 01/04/2011	ADD/(DED.) DURING THE PERIOD	AS ON 31/03/2012	UPTO 01/04/2011	ADD / (DED.) DURING THE PERIOD	UPTO 31/03/2012	AS ON 31/03/2012	AS ON 31/03/2011
Computer	1,08,00,369	-	1,08,00,369	21,22,439	17,50,740	38,73,179	69,27,190	86,77,930
<b>TOTAL RS.</b>	<b>1,08,00,369</b>	<b>-</b>	<b>1,08,00,369</b>	<b>21,22,439</b>	<b>17,50,740</b>	<b>38,73,179</b>	<b>69,27,190</b>	<b>86,77,930</b>
<b>PREVIOUS YEAR</b>	1,08,00,369	-	1,08,00,369	3,71,700	17,50,739	21,22,439	86,77,930	1,04,28,669

**SHREENATH COMMERCIAL & FINANCE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH,**

PARTICULARS	31ST MARCH, 2012	31ST MARCH, 2011
<b>14 <u>Revenue From Operations</u></b>		
Sales	14,46,43,191	22,74,73,374
Consultancy Income	3,00,000	5,72,50,000
Profit/(Loss) on Share Trading	(23,07,887)	27,27,420
<b>Total Revenue from Operations</b>	<b>14,26,35,304</b>	<b>28,74,50,794</b>
<b>15 <u>Other Income</u></b>		
Dividend	1,09,525	-
Interest	48,23,948	35,64,721
Interest On FD	-	80,459
<b>Total Other Income</b>	<b>49,33,472</b>	<b>36,45,180</b>
<b>16 <u>Employee benefit expenses</u></b>		
Salaries	25,39,584	29,68,188
Staff welfare expenses	11,750	19,180
Stipend To Trainee	72,954	-
<b>Total Employee Benefit Expenses</b>	<b>26,24,288</b>	<b>29,87,368</b>
<b>17 <u>Auditors Remuneration</u></b>		
As Audit fee	10,000	8,255
For Certification	2,758	-
<b>Total Auditors Remuneration</b>	<b>12,758</b>	<b>8,255</b>
<b>18 <u>Other Expenses</u></b>		
Advertisement Expenses	20,196	2,75,180
Bank charges	13,345	7,169
Computer Hiring Charges	-	29,000
Conveyance Expenses	19,980	50,862
Demat & Share Transfer Charges	87,243	61,855
Electricity charges	33,410	52,120
Legal & Professional Fees	1,43,500	3,35,62,507
Listing Fees	40,000	65,000
Office Expenses	9,795	6,742
Postage & Courier	11,481	15,852
Printing & Stationery	19,346	21,434
Rent , Rates & Taxes	1,20,000	2,40,000
Repairs & Maintenance	14,951	18,550
ROC Expenses	1,500	4,21,000
Software Expenses	-	7,50,000
Stamp Duty	-	59,799
Telephone Expenses	6,766	5,500
Transaction Charges	3,31,056	8,24,720
Travelling Expenses	99,409	-
<b>Total Other Expenses</b>	<b>9,71,977</b>	<b>3,64,67,291</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention, on accrual basis. GAAP comprises mandatory Accounting Standards issued by the Companies (Accounting Standards) Amendment Rules, 2008 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.

#### b) 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. Any revision to the accounting estimates is recognized prospectively.

#### c) Revenue recognition

1. Income from Operation is recognized upon transfer of significant risks and rewards of ownership to the buyer.
2. Other Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
3. Dividend is recognized when the shareholders' right to receive payment is established at the balance sheet date.

#### d) Fixed Assets

Fixed assets are stated 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. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

#### e) Depreciation

Depreciation is provided using the Straight Line Method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956. In case of Software, the same is amortized over a period of five years.

#### f) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in

use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) **Investments**

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

h) **Employee benefits**

Provision for retirement benefits to employees was not provided on accrual basis, which is not in conformity with Accounting Standard-15 issued by ICAI and the amount has not been quantified because actuarial valuation report is not available. However, in the opinion of the management the amount involved is negligible and has no material impact on the Profit & Loss Account.

i) **Taxation**

Tax expense comprises of current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognized as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

j) **Foreign Currency Transactions**

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets and Current liabilities in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet.



Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

k) **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

l) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when an enterprise has a present obligation as a result of past event 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 are not discounted to its present value and are determined based on 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.

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

m) **Cash Flow Statement**

Cash flow statement has been prepared under the 'Indirect Method'. Cash and cash equivalents, in the cash flow statement comprise unencumbered cash and bank balances.

19. **CONTINGENT LIABILITY:**

	<b><u>2011-2012</u></b> <b><u>Amount in Rs.</u></b>	<b><u>2010-2011</u></b> <b><u>Amount in Rs.</u></b>
Contingent Liabilities not provided for	NIL	NIL

**20. EARNING PER SHARE:**

Earning per Share, as required by the Accounting Standard 20- "Earning Per Share" issued by the Institute of Chartered Accountants of India, is given below:

<b>Particulars</b>	<b><u>2011-12</u> Amount in Rs.</b>	<b><u>2010-11</u> Amount in Rs.</b>
Net profit for the period attributable to Equity Shareholders	(44,41,560)	74,19,370
Weighted Average No of Equity shares	11,96,00,000	11,96,00,000
Basic and Diluted Earnings Per Shares (face value of Rs. 1/-each )(Rs.)	(0.04)	0.06

**21. RELATED PARTY TRANSACTION:**

**List of Related Parties:-**

**a) Key Management person**

- i) G K Agrawal
- ii) Tanu Agrawal

**Transaction with Related Parties:-**

<b>Nature of Transaction</b>	<b><u>2011-2012</u> Amount in (Rs.)</b>	<b><u>2010-11</u> Amount in Rs.</b>
Rent	1,20,000	1,20,000
Remuneration	2,20,000	NIL

**22. MAJOR COMPONENTS OF DEFERRED TAX LIABILITIES:**

	<b><u>2011-2012</u> Amount in Rs.</b>	<b><u>2010-2011</u> Amount in Rs.</b>
Deferred Tax Liability on account of Depreciation	17,66,723	17,47,032
<b>Deferred Tax Liability</b>	<b>17,66,723</b>	<b>17,47,032</b>

- 23. Income in Foreign Currency NIL
- 24. Expenditure in Foreign Currency NIL
- 25. As per information available with the Company, none of the creditors has confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.
- 26. Debtors, Creditors, loan and advances balances are subject to confirmation and reconciliation.
- 27. Segment Information: The Company is engaged in single segment and there are no separate reportable segments as defined in AS-17.

28. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current's classification/ presentation.

AS PER OUR REPORT OF EVEN DATE  
FOR PRAVIN CHANDAK & ASSOCIATES  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD  
of Shree Nath Commercial & Finance Limited

Sd/-  
Pravin Chandak  
Partner  
M. No. 049391  
Firm Registration No. 116627W  
Place: Mumbai  
Date: 29/08/2012

Sd/-  
Girraj Agrawal  
Director

Sd/-  
Tanu Agarwal  
Director

Sd/-  
Vishakha Somaiya  
Compan Secretary

## SHREE NATH COMMERCIAL & FINANCE LTD

Registered Office: E-109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai-400 053.

### PROXY FORM

Reg. Folio No. \_\_\_\_\_ No. of Shares: \_\_\_\_\_  
D.P. I. D\* \_\_\_\_\_ Client ID\* \_\_\_\_\_

I / we \_\_\_\_\_ of \_\_\_\_\_ Being a shareholder/shareholders of Shree Nath Commercial & Finance Ltd Hereby appoint \_\_\_\_\_ or failing him/her \_\_\_\_\_ as my/our proxy to attend and vote for me / us and on my/ our behalf at the 28<sup>th</sup> Annual General meeting of the Company to be held on 28/09/2012 at 3:00 P.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of the shareholder \_\_\_\_\_

Note: The Proxy form duly completed and signed must be deposited at the registered office of the company not less than 48 hours before the time for holding the Meeting

\*Applicable for shares held in electronic form.

## SHREE NATH COMMERCIAL & FINANCE LTD

Registered Office: E-109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (West), Mumbai-400 053.

### ATTENDANCE SLIP 28<sup>th</sup> Annual General Meeting

Reg. Folio NO. \_\_\_\_\_ No. of shares held \_\_\_\_\_

Name of the Attending Member \_\_\_\_\_

D.P.I.D\* \_\_\_\_\_ Client I.D.\* \_\_\_\_\_

I/We hereby record my/our presence at the 28th Annual General Meeting of the company at Unit No. C-250, New Link Road, Link Road, Oshiwara Industrial Estate, Village Pahadi, Opp Goregaon Bus Depot, Goregaon (West), Mumbai 400104.

Signature of the shareholder(s), / Proxy/ Representative \_\_\_\_\_

Note:

- 1) Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same duly signed at the entrance.
- 2) Member/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

# BOOK POST

If undelivered please return to:

**REGISTERED OFFICE**

E/109, CRYSTAL PLAZA,  
NEW LINK ROAD, OPP. INFINITY MALL,  
ANDHERI (WEST), MUMBAI: 400053.

Web site: [www.shreenathcommercial.com](http://www.shreenathcommercial.com)

Email Id: [shreenathcommercialfn@gmail.com](mailto:shreenathcommercialfn@gmail.com)