



**SHREE MANUFACTURING
COMPANY LIMITED**

ANNUAL REPORT
2011-12

Board of Directors

Shri Bharat Mohta	
Shri K. K. Mohta	(resigned on 28 th August, 2012)
Shri Vaebhav Bhatler	(resigned on 28 th August, 2012)
Shri Jaichand Jhawar	(appointed on 18 th February, 2012)
Shri Vishal Dedhia	(appointed on 28 th August, 2012)
Ms. Namrata Malu	(appointed on 28 th August, 2012)

Auditors

Shri Sanjay Kumar Maheswary
Chartered Accountant

Registered Office

9, Brabourne Road,
7th Floor,
Kolkata 700 001

Registrar & Share Transfer Agents

M/s. Purva Sharegistry (I) Pvt. Ltd

Address: Unit No. 9, Shiv Shakti Ind. Estate
J.R. Boricha Marg, Opp. Kasturba Hospital Lane
Lower Parel (East), Mumbai 400 011
Tel: 022-23016761/8261
Fax: 022-23012517
Email ID: busicomp@vsnl.com
Website: www.purvashare.com

Annual General Meeting

Day	-	Tuesday
Date	-	25 th September, 2012
Venue	-	9, Brabourne Road, 7 th Floor, Kolkata 700 001
Time	-	11.30 AM

SHREE MANUFACTURING COMPANY LTD

Regd.Office: 9, Brabourne Road, 7th Floor,Kolkata 700 001

NOTICE is hereby given that the Thirty-fifth Annual General Meeting of the Members of the Company will be held at its Registered Office at 9,Brabourne Road, 7th floor, Kolkata 700 001, on Tuesday, the 25th September, 2012 at 11.30 AM to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2012 and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Bharat Mohta, who retires by rotation and is eligible for re-election;
3. To appoint Auditors of the Company and to fix their remuneration.

Special Business

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:
“RESOLVED THAT in accordance with the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Mr. Jaichand Jhawar, who was appointed as an Additional director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company,” whose period of office will be liable to retire by rotation.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:
“RESOLVED THAT in accordance with the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Mr.Vishal Dedhia, who was appointed as an Additional director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company,” whose period of office will not be liable to retire by rotation.
6. To consider and if thought fit to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:
“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act (including any amendment thereto or re-enactment thereof for the time being in force), Mr.Vishal Dedhia be and is hereby appointed as “Executive Director” of the Company for a period of 3 (Three) years commencing from 1st September 2012, upon the terms and conditions as set out below, with liberty to the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any Committee of Board constituted to exercise its powers including the powers conferred by this resolution) To alter and vary such terms, subject to the limits specified under Schedule XIII to the companies Act,1956.

SALARY:

Basic Salary shall be Rs. 60,000/- (Rs. Sixty Thousand) per year.

PERQUISITES:

Mr. Vishal Dedhia shall not be entitled to any perquisites

COMMISSION:

Mr. Vishal Dedhia shall not be entitled to any commission.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary, alter or modify from time to time, the remuneration payable to Mr. Vishal Dedhia subject to ceilings laid down in Section 198, 309 and Schedule XIII to the Companies Act, 1956 without the further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

1. To consider and if thought fit to pass with or without modification(s), the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Ms. Namrata Malu, who was appointed as an Additional director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.” whose period of office will be liable to retire by rotation.

Registered Office
9, Brabourne Roa
7th Floor Kolkata 700 001

By order of the Board
For SHREE MANUFACTURING CO LTD
Sd/-

Dated: 28th August, 2012
Place: Kolkata

BHARAT MOHTA
Director

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. Such proxy need not be a Member of the Company.
2. The instrument of proxy in order to be effective must be deposited at the Company's registered office not less than 48 hours before the meeting.
3. An Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 4 to 7 of the Notice, is annexed hereto.
4. The Register of Members of the Company will remain closed from 19th September, 2012 to 25th September, 2012 (both days inclusive).

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No: 4

Mr. Jaichand Jhawar was appointed by the Board as an Additional director of the Company with effect from 18th February, 2012. He holds office upto the date of the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/-proposing the appointment of Mr.Jaichand Jhawar as a Director of the Company. Mr.Jhawar is not disqualified to be Director of the Company.

The Board recommends the resolution for approval by members.

None of the directors of the Company except Mr. Jaichand Jhawar is concerned or interested in the resolution.

Item No: 5

Mr. Vishal Dedhia was appointed by the Board as an Additional director of the Company with effect from 28th August, 2012. He holds office upto the date of the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/-proposing the appointment of Mr.Vishal Dedhia as a Director of the Company. Mr. Dedhia is not disqualified to be Director of the Company

The Board recommends the resolution for approval by members.

None of the directors of the Company except Mr. Vishal Dedhia is concerned or interested in the resolution.

Item No.6:

At the meeting of the Board of Directors of the Company held on 28th August, 2012, the Board has appointed Mr.Vishal Dedhia, a M B A having vast experience in the fields of financial managements, as Whole Time Director designated as Executive Director for a period of 3 (Three) years with effect from 1st, September, 2012 as approved by the Remuneration Committee, subject to approval of the Shareholders in Annual General Meeting.

The Board recommends the resolution for approval by members.

None of the directors of the Company except Mr. Vishal Dedhia is concerned or interested in the resolution.

In case of inadequacy of Profit or loss Mr.Vishal Dedhia will get minimum remuneration as permissible under Schedule XIII of the Companies Act, 1956.

The relevant resolution concerning appointment of Mr.Vishal Dedhia, as Executive Director in the accompanying Notice may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Item No: 7

Ms. Namrata Malu was appointed by the Board as an Additional director of the Company with effect from 28th August, 2012. She holds office up to the date of the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing the appointment of Ms. Namrata Malu as a Director of the Company. Ms. Namrata Malu is not disqualified to be Director of the Company

The Board recommends the resolution for approval by members.

None of the directors of the Company except Ms. Namrata Malu is concerned or interested in the resolution.

Details of Directors seeking appointment / re-appointment

The information required under Clause 49 (IV) (G) of the Listing Agreement (relating to Corporate Governance) with respect to the Director being appointed and Directors retiring by rotation and being eligible for seeking re-appointment is as under:

	Mr. Bharat Mohta	Mr. Jaichand Jhavar	Mr. Vishal Dedhia	Ms. Namrata Malu
Profile of the Director	He is B.Com and holds a Diploma in Business Management. He has a wide experience in the field of Operations and Management.	He holds a degree of B.Com. Mr. Jaichand Jhavar, being the experienced member on the board, contributes with his insights in management of the Company.	He holds a Degree of Masters in Business Administration (MBA). Mr. Dedhia has a wide experience in the fields of financial management and intricacies of Capital Market.	Ms. Malu is an MBA Graduate and has a vast experience in the field of financial consultancy.
Date of joining the Board	June 29, 1998	February 18, 2012	August 28, 2012	August 28, 2012
Other Directorships	1. The Indian Wood Products Co Ltd 2. Arvind Engineering Works Ltd 3. Indian Glass & Electricals Ltd	1.M K Rasayan Pvt Ltd 2. Swati Rasayan Pvt Ltd 3. Jubilent Inv Co Pvt Ltd	1. Willingdon Properties Pvt. Ltd. 2. Willingdon Realities Pvt. Ltd. 3. RBD Properties Pvt. Ltd. , now converted to RBD Properties LLP.	NIL
No. of shares held	Nil *	Nil	Nil	Nil

* Pursuant to Share Purchase Agreement dated April 14, 2012, Mr.Bharat Mohta sold his entire shareholding of 100,000 equity shares to M/s. Edge Consultancy Services LLP ("the firm"). Mr.Vishal Dedhia is a designated partner of the firm.

Registered Office By order of the Board
9, Brabourne Roa
7th Floor Kolkata 700 001

For SHREE MANUFACTURING CO LTD
Sd/-

Dated: 28th August, 2012
Place: Kolkata

BHARAT MOHTA
Director

DIRECTORS REPORT

Your Directors present the Annual Report and Audited accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS	(Rs. in lacs)
Loss for the year	0.95
Add: Loss Brought forward from the previous year	1191.50
	=====
Balance Carried to Balance Sheet	1192.45

GENERAL

Your directors foresee huge financial and business opportunities to revive the operations of the Company and are making best efforts in tapping the available resources.

DIVIDEND

Considering the present financial status of the Company, your directors do not recommend any dividend for the year under report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis Report is appended to this Report.

CORPORATE GOVERNANCE

A separate report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this report.

ENVIRONMENT AND SAFETY & INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.

In view of the present state of affairs of your company, there is no matter for reporting on Environment Safety and Information pursuant to Sec.217 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

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

In preparation of Annual Accounts, the applicable accounting standard has been followed along with proper explanation relating to material departure.

The Directors have selected such accounting policies and applied them consistently and made judgements 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 financial year and the loss of the Company for that period.

The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The Directors have prepared the Annual Accounts on a going concern basis as described in note 3 of Schedule 5.

FIXED DEPOSIT

The Company has not accepted any fixed deposit.

LISTING OF EQUITY SHARES ON STOCK EXCHANGES

The Company's shares are listed on the Stock Exchanges of Kolkata and Mumbai.

DIRECTORATE

During the year under review Mr.K K Mohta, and Mr.Vaebhav Bhattar resigned from the Board with effect from 28th August,2012. The Board appreciates and place on record for the valuable contribution, guidance and advise received from them.

Mr.Bharat Mohta, retire by rotation under Articles of Association of the Company and being eligible offer himself for re-appointment.

Mr.Vidhal Dedhia and Ms. Namrata Malu, were appointed as additional Directors w.e.f. 28th August,2012, to hold such office till the conclusion of the ensuing Annual General Meeting. The Company has received notices under sec.257 for their appointment as Directors in the forthcoming Annual General Meeting. The recommends their appointments will be beneficial to the Company. Mr. Vishal Dedhia has also been appointed as Executive Director of the Company and his appointment is subject to approval in the ensuing Annual General Meeting.

AUDITORS

The retiring Auditor, Mr.Sanjay Kumar Maheswary, Chartered Accountant, being eligible offers himself for re-appointment. The Certificate under sub-section 1B of Sec.224 of Companies Act,1956 has been obtained as required.

AUDITORS REPORT

The notes to the Accounts, referred to in the Auditors Report, are self explanatory under section 217(3) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There are no employees who are in receipt of salary in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

ACKNOWLEDGEMENTS

Your Directors wish to place on record the confidence and belief shown by the Shareholders in the Company and would like to extend sincere thanks to them.

On behalf of the Board

Place : Kolkata

BHARAT MOHTA

Dated 28th August, 2012

Director

REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on Corporate Governance is aimed at assisting the management in the efficient conduct of its business in a fair and transparent manner.

It envisages attainment of higher levels of transparency, greater accountability and equity in all facets of its operations and its interactions with its stakeholders and the community at large.

2. BOARD OF DIRECTORS

- **Composition as on 31st March, 2012**

NAME	CATEGORY	NO. OF MEETINGS HELD DURING THE LAST FINANCIAL YEAR	NO. OF MEETINGS ATTENDED	NUMBER OF MEMBERSHIPS IN BOARDS OF OTHER COMPANIES *	NO. OF MEMBERSHIPS / CHAIRMANSHIPS IN OTHER COMMITTEES*
Mr. K. K. Mohta	Promoter Director	5	5	4	1
Mr. Bharat Mohta	Promoter Director	5	5	3	Nil
Mr. Vaebhav Bhattar	Independent Director	5	5	1	Nil
Mr. Jaichand Jhwar (appointed w.e.f. 18 th February, 2012)	Independent Director	5	1	3	Nil

* Excludes directorship in Private Limited Companies, Section 25 Companies, Foreign Companies and Memberships of Managing Committees of various Chambers / Bodies.

All the directors except Mr. Jaichand Jhwar were present at the last Annual General Meeting held on September 24, 2011.

- **Board Meetings held during the financial year**

Board Meetings were held during the year 2011-2012.

The dates on which the said Meetings were held are as follows:

- (1) 30th April, 2011
- (2) 11th August, 2011
- (3) 24th September, 2011
- (4) 22nd November, 2011
- (5) 18th February, 2012

3 COMMITTEES OF THE COMPANY

A. AUDIT COMMITTEE

The Audit Committee comprises of 3 directors. The Chairman of the Audit Committee is a Non-executive and Independent Director.

The terms of reference stipulated by the Board to the Audit Committee and contained under the revised Clause 49 of the Listing Agreement are briefly described below:

- a. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend the appointment, reappointment and, if required, replacement or removal of Statutory Auditors, fixation of the audit fees and approving payments for any other services.
- c. Review with Management, the annual and quarterly financial statement before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any in accounting policies and practices and reasons for the same.
 - Major accounting entries based on exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing & other legal requirements concerning financial statements.
 - Disclosure of any related party transactions.
 - Qualification in draft audit report.
- d. Review with Management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
- e. Review the adequacy of internal audit function, including if applicable, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- f. Discussions with the Internal Auditors of any significant findings and follow-up thereon.
- g. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- h. Discussions with Statutory Auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- i. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- j. Review the Company's financial and risk management policies.
- k. Review the following information:
 - Management discussion analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to the internal control weaknesses;
 - The appointment, removal and remuneration of the chief internal auditors; and
 - The financial statements, in particular, the investment made by unlisted subsidiary companies.

B. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Investor Grievance Committee comprises of 3 directors. The Chairman of the Shareholders'/Investors' Grievance Committee is a Non-executive and Independent Director.

The present composition of the Shareholders'/Investors' Grievance Committee is as follows:

Name	Designation
Mr. Jaichand Jhawar	Chairman
Mr. Vaebhav Bhatler	Member
Mr. K. K. Mohta	Member

The Committee looks into redressal of shareholders' and investors' complaints/grievances. The Committee also looks into complaints concerning transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service.

During the year, Nil complaints were received from the shareholders and these have been resolved to date.

Outstanding complaints as on 31st March 2012 were Nil.

Compliance Officer:

Mr. Bharat Mohta is the Compliance officer of the Company in terms of the listing agreement executed by the Company with the Stock Exchanges

4. GENERAL BODY MEETINGS

During the last three years, your Company's Annual General Meetings (AGMs) were held at the registered office of the Company on the following dates

- 1) Saturday, September 24, 2011 at 11.30 a.m.
- 2) Wednesday, September 29, 2010 at 3.30 p.m.
- 3) Tuesday, September 29, 2009 at 3.30 p.m.

All resolutions including the special resolutions at AGMs are generally passed by way of show of hands. No postal ballots were used for voting at these meetings.

5. DISCLOSURES

- a) There were no materially significant related party transactions made by the Company with its promoters, directors or relatives or the management, their subsidiaries etc., which have potential conflict with the interests of the Company at large.
- b) No strictures or penalties have been imposed on the Company either by SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital market.
- c) The Management Discussion & Analysis Report forms part of this Annual Report.

6. MEANS OF COMMUNICATION

The quarterly and half-yearly unaudited financial results are forthwith communicated to all the Stock Exchanges with whom the Company has listing agreement as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in the newspapers in English and Bengali.

7. GENERAL SHAREHOLDERS INFORMATION

* Annual General Meeting	
Date	21st September, 2012
Time	11.30 AM
Venue	9, Brabourne Road, 7th Floor, Kolkata 700 001
* Financial Calendar	April to March
Financial reporting for the quarter ending June, 2012	August 2012
Financial reporting for the quarter ending September, 2012	November 2012
Financial reporting for the quarter ending December, 2012	February 2013
Financial reporting for the quarter ending March, 2013	May 2013
Date of Book Closure	19th September 2012 to 25th September 2012 (both days inclusive)
Registered Office	9, Brabourne Road, 7th Floor, Kolkata 700 001
Dividend Payment Date	No dividend proposed to be declared at the ensuing Annual General Meeting
Listing on Stock Exchange	Bombay Stock Exchange Limited Kolkata Stock Exchange Limited
Stock Code (The Stock Exchange, Mumbai)	BSE Limited 503863 KSE Limited 29043
ISIN No.	N.A.

There was no trading in the shares of the Company in any stock exchange during the financial year.

Distribution of Shareholding:

The distribution of shareholding of the Company as on 31st March 2012 was as follows:

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
1-500	10,938	98.08	4,96,903	9.03
501-1000	149	1.34	1,17,627	2.14
1001-2000	40	0.36	54,669	0.98
2001-3000	2	0.02	4,929	0.09
3001-4000	3	0.03	9,800	0.18
4001-5000	1	0.01	5,000	0.09
5001-10000	1	0.01	6,000	0.11
10001 and above	17	0.15	48,00,349	87.27
Total	11,152	100	55,00,277	100

The shareholding pattern of the Company as on 31st March 2012 was as follows:

Category	No. of shares	% of total capital
Promoters	3428449	62.33%
NRIs, OCBs and FII's	Nil	Nil
Financial Institutions, Mutual Funds, Banks & Insurance Companies	1312636	23.87%
Domestic Corporate Bodies/Trusts	31802	0.58%
General Public including shares in transit	727390	13.22%
Total	5500277	100%

Dematerialization of shares :

The Company has established no connectivity with either of the depositories as on 31st March, 2012.

Outstanding ADRs/GDRs/Warrants

As of date, the Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

Address for correspondence:

Shree Manufacturing Company Limited

9, Brabourne Road,

7th Floor,

Kolkata 700 001

Tel: 033 2242-4752 / 49

Fax: 033 2242-6799

8. CODE OF CONDUCT

The Company has established code of conduct for its Board Members and Senior Management personnel.
All the Board members and senior management personnel have complied with the code of conduct.

Kolkata
Dated: 28th August, 2012

On behalf of the Board of Directors
BHARAT MOHTA
Director

Certificate

Based on our knowledge and information provided to us, we hereby certify that there are no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's Code of Conduct. We certify that the report of the Director's on Corporate Governance reflect Company's compliance with the mandatory and other conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

For Shree Manufacturing Company Limited

Sd/-

Place : Kolkata
Date: 28th August, 2012

Bharat Mohta
Director

CEO/CFO Certification

We have reviewed financial statements and the Cash Flow statement for the year 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 comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee :

1. Significant changes in internal control during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which they 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.

For Shree Manufacturing Company Limited

Sd/-

Place : Kolkata
Date: 28th August, 2012

Bharat Mohta
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The key areas of Management Discussion and Analysis are given below.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2011-12 witnessed a steep decrease in the GDP growth from 8% in 2010-11 to 6.4% in 2011-12. The Indian rupee weakened sharply in the second half of 2011-12 and capital inflows reduced. Weaker currency further led to inflationary situation in the economy.

Your Company was also affected by the slow growth of economy.

OUTLOOK

Indian economic growth moderated with GDP growing by 6.4% in comparison to 8% in the previous financial year on account of high inflation and interest rates and weaker currency. However the demand for textile will continue to expand as growing population will fuel consumption. With the easing of monetary policy by RBI, an impetus to growth is expected.

OPPORTUNITIES & THREATS

The demand and growth in the market for the quality textile products across the globe is increasing. The government and RBI measures are likely to boost the economic growth in India.

Competition from the global market and fluctuating cotton prices are real threats to the industry. Non-availability of skilled manpower coupled with high labour cost prevailing in the country is adding to the ever increasing costs of production.

INTERNAL CONTROL SYSTEM AND ADEQUACY

Internal control systems and procedures in the Company are commensurate with the size and the nature of Company's business and are regularly reviewed and updated by incorporating changes in regulatory provisions in order to safeguard the assets and to ensure reliability of financial reporting.

HUMAN RESOURCES

The Company continues to give priority to its human assets. The Company provides a fair and equitable work environment to all its employees. The Company is continuously working to create and nurture an atmosphere which is highly motivated and result oriented.

FINANCIAL PERFORMANCE

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

Place: Kolkata
Date: 28th August 2012

For Shree Manufacturing Company Ltd
Sd/-
Bharat Mohta
Director

Sanjay Kumar Maheswary
Chartered Accountant

21, Sarkar Bye Lane, Kolkata 700 007
Phone 033-22413506 Mobile: 9231508470

AUDITORS REPORT

TO THE MEMBERS OF
SHREE MANUFACTURING COMPANY LIMITED

1. I report that I have audited the attached Balance Sheet of Shree Manufacturing Company Limited as at 31st March, 2012 signed by me under reference to this report and the related statement of Profit & Loss AND the Cash Flow Statement for the year ended on that date which are in agreement with books of accounts.

I have conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from materials 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 management, as well evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis of my opinion.

2. *Your attention is drawn to the following notes as referred to the said financial statements.*
 - 2.1 *Note No.2.9 regarding management perception of preparation of accounts on "Going Concern Basis" which "in my opinion may not be so in view of present state of financial affairs of the Company.*
 - 2.2 *Note No.2.4(a) regarding non-provision of interest on un-secured loan, the impact of which is not ascertainable.*
 - 2.3 *Note No.2.1(d) regarding pending action against redemption of preference shares, etc*
3. In my opinion and to the best of my information and according to the explanation given to me the Balance Sheet and statement of Profit and Loss AND the Cash Flow Statement read together with the other notes appearing on Schedule 5 attached thereto, give in prescribed manner, the information required by the Companies Act, 1956 (The Act) and also give respectively, subject to paragraph 2 above a true and fair view of the state of affairs of the Company as at 31st March, 2012 and its Loss for the year ended on that date.
4. I have obtained all the information and explanation to the best of my knowledge and belief, were necessary for my audit. In my opinion, proper books of account have been kept as required by law so far as appears

from my examination of the books. These accounts have been prepared in compliance with the applicable Accounting Standards referred to in Section 211(3C) of "The Act"

As per the information and explanations given and taken on record by the Board, I report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as Directors in terms of section 274(1)(g) of "The Act" as amended.

5. As required by the Companies (Auditor's Report) Order 2003 issued by the Government of India and on the basis of such checks as I considered appropriate and in view of none existence of any manufacturing activities during the year, and according to the information and explanations given to me, I further report that:
- i) During the year under review, the Company did not held any Fixed Assets; therefore the reporting requirement in respect thereof is not applicable.
 - ii) As the inventory during the year was NIL, the requirement of reporting on physical verification discrepancy and valuation is not applicable for the year under review.
 - iii) According to the information and explanations given to me, I report as under:
 - a) During the year the Company has not granted any loan to any company, firms, or other party covered in the Register maintained U/s. 301 of the Companies Act, 1956. Therefore the reporting requirement of relevant portion of the order is not applicable to the Company.
 - b) The Company had taken in an earlier year unsecured loan from 2 (two) parties covered in the register maintained U/s.301 of the Companies Act, 1956 aggregating Rs.25.43 lacs (**read with point 2.2 above**), which remains the same on the Balance Sheet date. The maximum amount outstanding at any time during the year was Rs.25.43 lacs. There was no stipulation for repayment of such Loans. In the circumstances I am unable to comment / compute the overdue amount on such Loan. The other terms and conditions are prima-facie not prejudicial to the interest of the Company.
 - iv) During the year under review, the Company has not purchased any inventory item or fixed assets.
 - v) As there is no contract / arrangement / transactions during the year, with any party which requires recording in 301 Register, no further comments in this regard is offered.
 - vi) The Company has not accepted any deposits from the public during the year under review. In the circumstances no further reporting is required.
 - vii) In absence of any manufacturing activities during the year under review, the Internal Audit was *not considered necessary by the management*
 - viii) In absence of any manufacturing activities during the year under review, the cost audit was not considered necessary by the management.
 - ix) The Company was regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Excise Duty, Cess and other materials statutory dues as applicable to the Company with the appropriate authorities

According to the information and explanation given to me, no undisputed amounts is payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance fund, Income Tax, Sales Tax, Excise Duty, Cess and other material statutory dues as applicable to the Company were outstanding at the year end for a period more than six months from the date they became payable.

- x) The Company has incurred cash loss during the year as well as in the immediately preceding financial year. The *accumulated losses have eroded* the net worth of the Company.
- xi) Since there was no loan outstanding during the year from banks, financial institutions, the reporting requirement in this respect is not applicable.
- xii) As informed and explained to me, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other security.
- xxi) Based on information and explanations furnished by the management, which have been relied upon by me, there were no frauds on or by the Company noticed or reported during the year.

Clause Nos. xiii to xv and xvi to xx of the aforesaid Order are not applicable to the Company during the year.

Place: Kolkata
Dated: 28th August, 2012

SANJAY KUMAR MAHESWAR
Chartered Accountant
Membership No.51625

SHREE MANUFACTURING CO LTD
REGISTERED OFFICE : 9 BRABOURNE ROAD, KOLKATA - 700 001
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTE NO.	FOR THE YEAR ENDED 31.03.2012 (Rs.)	FOR THE YEAR ENDED 31.03.2011 (Rs.)
INCOME			
Sundry Credit balances and liabilities no longer required written back		-	97,748
TOTAL		-	97,748
EXPENSES			
Rates and Taxes		1900	1900
Printing and Stationery		6570	6097
Postage, Telegram and Telephone		2424	2719
Legal and Professional Service Charges		3514	2142
Auditors Remuneration			
As Auditors		25000	25000
For Certification		20000	0
Listing fee		32500	32500
Miscellaneous Expenses		2748	1920
Sundry doubtful debit balances w/off		0	37924
		94656	110202
Loss for the year		(94,656)	(12,454)
Basic & Diluted Earnings Per Equity Share - par value Rs.10 per share	2.11	(0.001)	(0.002)
Significant Accounting policies and Notes to financial Statements	1 & 2		

In terms of attached report of even date

For and on behalf of the Board

Sanjay Kumar Maheswary
Chartered Accountants
Membership No. 51625

Bharat Mohta }
 }
 }
J C Jhawar } Directors
 }
 }
Vishal Dedhia }

Kolkata
Date : 28th August 2012

SHREE MANUFACTURING CO LTD
REGISTERED OFFICE : 9 BRABOURNE ROAD, KOLKATA - 700 001
BALANCE SHEET AS AT 31ST MARCH,2012

	NOTE NO.	AS AT 31.03.2012 (Rs.)	AS AT 31.03.2011 (Rs.)
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	2.1	83,665,920	83,665,920
Reserves & Surplus	2.2	(112,490,843)	(112,396,186)
		(28,824,923)	(28,730,266)
<u>Non Current Liabilities</u>			
Other Long term liabilities	2.3	1,340,016	1,340,016
<u>Current Liabilities</u>			
Short term borrowings	2.4	24,901,750	24,901,750
Trade Payables	2.5	2,269,905	2,269,905
Other Current Liabilities	2.6	369,163	307,699
		28,880,834	28,819,370
<u>TOTAL</u>		55,911	89,104
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash & Cash Equivalents	2.7	8,226	41,419
Short Term Loans and Advances	2.8	47,685	47,685
<u>TOTAL</u>		55,911	89,104
Significant Accounting policies and Notes to financial Statements			
	1&2		

In terms of attached report of even date

For and on behalf of the Board

Sanjay Kumar Maheswary
Chartered Accountants
Membership No. 51625

Bharat Mohta }
} }
} }
J C Jhawar } Directors
} }
} }
Vishal Dedhia }

Kolkata
Date : 28th August 2012

SHREE MANUFACTURING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012
PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT

	2011-12 Rs.	2010-11 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before tax but after Extra Ordinary Item	(94656)	(12454)
Adjustment for		
Sundry balances written off	0	37924
Liabilities no longer required and sundry Balances Written back	0	(97748)
	(94656)	(72278)
Adjustment for		
Trade and other receivables	0	(37924)
Trade Payables	61463	32500
	61463	(5424)
Cash Generated from operations	(33193)	(77702)
Net Cash Flow from Operating Activities	(33193)	(77702)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	---	---
Net Cash used in investing activities	---	---
C. CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in Unsecured Loans	---	---
Net cash used in Financing Activities	---	---
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	(33193)	(77702)
Opening Cash & Cash equivalents	41419	119121
Closing cash & cash equivalents	8226	41419
	(33193)	(77702)
Represented by		
a) Cash in hand	1084	2217
b) Balance with Banks	7142	39202
	8226	41419

Notes:

- Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India
- Previous year's figures have been regrouped/rearranged where necessary.

Place: Kolkata
Dated: 28th August, 2012

SANJAY KUMAR MAHESWARY
Chartered Accountant

On behalf of the Board
Bharat Mohta
J C Jhavar
Vishal Dedhia
Directors

SHREE MANUFACTURING COMPANY LIMITEDAccounts for the year ended 31st March, 2012**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS****1. SIGNIFICANT ACCOUNTING POLICIES:**a) **FIXED ASSETS**

Fixed Assets are stated at cost less depreciation. Depreciation on Fixed Assets is provided on straight-line method at applicable rates specified in Schedule XIV of the Companies Act, 1956. However there is no Fixed Assets as on Balance Sheet date.

b) **INVENTORIES**

Normally inventories are valued at lower of cost or net realizable value. However there is no Stock at the year-end.

c) **GRATUITY & LEAVE ENCASHMENT**

Gratuity & Leave encashment liability is accounted for on Cash basis, as computed by the Company

d) **RECOGNITION OF INCOME AND EXPENDITURE**

Items of Income and Expenditure are recognized on prudent and accrual basis.

e) **INCOME-TAX**

Income Tax Liability for the period comprises current and deferred tax (if any)

The Provision for Income Tax is based on the basis of estimated taxable income. The Company provides for deferred tax as and when such situation arises using the liability method, based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current income tax provision.

2. NOTES ON FINANCIAL STATEMENT:

	As at March 31, 2012 (Rs.)	As at March 31, 201 (Rs.)
.1 Share Capital		
<u>Authorised</u>		
300000 12% Cumulative Redeemable Preference Shares of Rs.100 each	30000000	30000000
7000000 Equity shares of Rs.10each	<u>70000000</u>	<u>70000000</u>
	<u>100000000</u>	<u>100000000</u>

SHREE MANUFACTURING COMPANY LIMITED
NOTES ON FINANCIAL STATEMENTS

2.1 Share Capital contd.....

	As at March 31, 2012 (Rs.)	As at March 31, 201 (Rs.)
<u>Issued and Subscribed, fully paid up</u>		
287000 12% Cumulative Redeemable Preference Shares of Rs.100 each	28700000	28700000
5500277 Equity Shares of Rs.10 each	55002770	55002770
Less: Calls in Arrears	<u>(36850)</u>	<u>(36850)</u>
	<u>83665920</u>	<u>83665920</u>

2.1(a) 276109 Equity shares of Rs.10 each have been allotted as fully paid up pursuant to a contract without payment being received in Cash

2.1(b) The Company has one class of equity shares with equal voting and dividend right and also have 12% CRPS with preferential right of distribution in case of dissolution.

2.1(c) Name of the Share holder holding	%	No.of shares	%	No.of shares
5% or more Equity shares				
1. Indian Glass & Electricals Ltd	12.23	6722829	12.23	672829
2. Chetna Wood Products Pvt Ltd	7.04	386995	7.04	386995
3. Acma Industrial Project Pvt Ltd	6.48	356500	6.48	356500
4. Security Company Ltd	23.86	1312872	23.86	1312872
5. Hemant M Meghani	12.73	699975	12.73	699975
6. I C I C I Bank Ltd	6.36	350025	6.36	350025

2.1(d) In an earlier year the company had issued 287000 12% Cumulative Redeemable Preference Shares of Rs.100 each as fully paid up pursuant to a contract without payment being received in Cash but redeemable at par in three equal installments during the years 2004-05, 2005-06 & 2006-07. But the same has not been redeemed till date due to financial constraints faced by the Company. Similarly in absence of cash accruals and carried forward losses the arrear of Cumulative Preference Dividends Rs. 423.38 lacs (Rs.397.55 lacs) has not been provided .as at the date of the balance sheet

The entire Preference shares are hold by Mrs.Savita Mohta

SHREE MANUFACTURING COMPANY LIMITED
NOTES ON FINANCIAL STATEMENTS

2.2 Reserve & Surplus

	As at March 31, 2012 (Rs.)	As at March 31, 201 (Rs.)
Capital Suspense (Refer note (a) below)	1975430	1975430
Capital Reserve (Refer note (b) below)	3278309	3278309
Central Subsidy	<u>1500000</u>	<u>1500000</u>
	<u>6753739</u>	<u>6753739</u>
Debit Balance of Profit & Loss statement		
Opening Balance	(119149926)	(119237471)
Add: Loss for the Current year	(94656)	(12454)
Closing Balance	<u>(119244582)</u>	<u>(119149925)</u>
Total	<u>(112490843)</u>	<u>(112399186)</u>

(a) The Amount of Rs.19.75 lacs (Rs.19.75 lacs) standing to the credit of Capital Suspense Account required to be converted into paid up equity capital of the Company by issue of 1,99,345(1,99,345) fully paid up Equity Shares of Rs.10 each for consideration other than cash to the resident stock holders of erstwhile Indian Copper Corporation Limited, Holding 7,49,860 (7,49,860) units of stock as and when they will surrender their stock certificates as per the agreement dated 3rd January,1977 entered into with the liquidators of Indian Copper Corporation Limited (in Member's Voluntary Liquidation)

(b) Capital Reserve amounting to Rs.32,78,841 represents the excess of assets over liabilities taken over from the Liquidators of Indian Copper Corporation Limited (in Member's Voluntary Liquidation, hereinafter referred to as ICCL) as per the agreement dated 3rd January,1977.

(i) Being the excess assets over liabilities taken by the Company and credited to Capital Reserve Account in 1977	Rs 4,40,245 (4,40,,245)
(ii) Tax refund and interest recovered relating to erstwhile said ICCL for assessment year 1975-76, 1976-77 and credited to Capital Reserve Account in 1978	5,49,518 (5,49,518)
(iii) Outstanding dividends for the year 1970 and 1971 declared by the erstwhile said ICCL, credited to the Capital Reserve account in the year 1979	2,85,838 (2,85,838)
(iv) Outstanding fractional entitlement of Bonus Shares issued in 1954, 1956 and 1966 by the erstwhile said ICCL, credited to Capital Reserve Account in 1979	3,240 (3,240)

SHREE MANUFACTURING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

(b) Contd...

(v) Surplus tax provision arising out of the Appellate Tribunal Judgement in favour of aforesaid ICCL in respect of the period from 1 st January 1972 to 20 th Setpemner, 1972	(Rs.)
the relative taxes having been paid by its successor Hindustan Copper Ltd. The	20,00,000
Income Tax Departments appeal before the Calcutta High Court against the	<u>(20,00,000)</u>
aforesaid judgment has been disposed in favour of the Company	<u>32,78,841</u>
	<u>(32,78,841)</u>

	As at	As at
	March 31, 2012	March 31, 201
	(Rs.)	(Rs.)

2.3 Non Current Liabilities**Unsecured**

Other Long Term Liabilities	<u>1340016</u>	1340016
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2.4 Current Liabilities

Unsecured from bodies Corporate

(Refer note (a) below)	<u>24901750</u>	<u>24901750</u>
------------------------	-----------------	-----------------

- (a) In view of present financial situation, the above unsecured loan taken on short term basis but could not be repaid and the company is also not in a position to pay interest on unsecured loans for the period as well as for earlier years In the circumstances no provision is made for interest payable on such loan the amount of which is not ascertainable at this stage.

2.5 Trade payable

(Refer note (a) below)	<u>2269905</u>	<u>2269905</u>
------------------------	----------------	----------------

- a) Out of the above a sum of Rs.21.94 lacs represents very old balances of raw material and store suppliers for which neither an approach has been made by the suppliers nor their balance confirmation and / or their status as SME could be obtained. Hence the balance appearing in the books of account are taken as correct.

2.6 Other Current Liabilities

Liabilities for Expenses

Statutory Liabilities	364663	305199
	<u>4500</u>	<u>2500</u>
	<u>369163</u>	<u>307699</u>

SHREE MANUFACTURING COMPANY LIMITED
NOTES ON FINANCIAL STATEMENTS

	As at March 31, 2012 (Rs.)	As at March 31, 201 (Rs.)
2.7 Cash & Cash Equivalent		
Cash in hand	1084	2217
Balance with Schedule Bank	<u>7142</u>	<u>39202</u>
<u>8226</u>	<u>41419</u>	
2.8 Short Tem Loans & Advances		
Unsecured Considered doubtful		
Tax deducted at source	<u>47685</u>	<u>47685</u>

2.9 In an earlier year, on complete erosion of net worth of the company, it was referred to BIFR. While implementing the BIFR order, it disposed off its entire assets and cleared secured and unsecured creditors in the best possible manner. The Company has since been released from SICA.

There being no activity, operation and staff in the Company, some of the requirements could not be implemented, but the management is still desirous to revive the company a fresh which largely depends on getting opportunity and finance for which efforts are going on. Accordingly the accounts have been prepared on going concern basis.

2.10 (a) No income tax provision is considered necessary in view of loss for the year as well as carried forward losses of earlier years.

b) On the basis of the Income-tax return filed and assessment done creation of deferred tax assets on carry forward losses is not considered necessary as future operations are uncertain.(AS-22)

2.11 In absence of balance confirmation certificates from the parties the debit / credit balance as appearing in the books of accounts are taken as correct.

2.12 Computation of Basic & Diluted Earning per Equity Shares of Rs.10 each
(AS 20)

Loss Attributable to Equity Shareholder = Rs.94,656 = (0.001)

No.of Equity share 5500277

2.13. The Segment reporting (AS-17) --- presently not applicable to the Company

SHREE MANUFACTURING COMPANY LIMITED
NOTES ON FINANCIAL STATEMENTS

2.14 Related party Disclosure

- I) List of Related Parties - a) Indian Glass & Electricals Ltd &
b) Arvind Engineering Works Ltd
- II) Key Managerial Personnel - Mr.K K Mohta & Mr.Bharat Mohta Directors
- III) Transactions with related parties - Unsecured Loans from Indian Glass & Electricals Ltd -- Opening & closing balance Rs. 11,65,000/- (Not bearing interest)

2.15 The Company do not have any assets requiring provisions for impairment of loss (AS-28).

2.16 Quantitative and other information pursuant to the provisions of Schedule VI to the extent presently applicable to the Company NIL (NIL)

2.17 Previous years figures have been re-arranged and / or re-grouped wherever necessary for better presentation

In terms of attached report of even date

Kolkata

Dated: 28th August 2012

SANJAY KUMAR.MAHESWARY

Chartered Accountant

On behalf of the Board

Bharat Mohta

J C Jhavar

Vishal Dedhia

(Directors)

SHREE MANUFACTURING COMPANY LIMITED

ATTENDANCE SLIP

SHREE MANUFACTURING COMPANY LIMITED

Registered Office: 9, Brabourne Road (7th Floor), Kolkata 700 001

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional attendance slips on request.

L.F. No:

Name and address: _____

I hereby record my presence at the 35th Annual General Meeting of the Company at 9, Brabourne Road (7th Floor), Kolkata 700 001

Signature of the Holder / Proxy

PROXY FORM

SHREE MANUFACTURING COMPANY LIMITED

Registered Office: 9, Brabourne Road (7th Floor), Kolkata 700 001

L.F. No:

I/We.....of.....
.....being a member / members of SHREE MANUFACTURING
COMPANY LIMITED hereby appoint
of.....or failing him
of.....as my / our Proxy to vote for me / us and on my / our
behalf, at the 35th Annual General Meeting of the Company to be held at 11.30 a.m. on Tuesday, 25th September,
2012 and at any adjournment thereof.

As witness my / our hand(s) thisday of.....2012

.....
[Signature(s) of the shareholder(s)]

Affix one rupee
revenue stamp

Note: The proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

SHREE MANUFACTURING COMPANY LIMITED

BOOK-POST

SHREE MANUFACTURING COMPANY LIMITED
9, Brabourne Road,
7th Floor, Kolkata 700 001