



**SHREE
SHALEEN
TEXTILES
LIMITED**

**Annual Report
2012 – 2013**

SHREE SHALEEN TEXTILES LIMITED

Annual Report 2012 – 2013

BOARD OF DIRECTORS

Mr. Dilip Lodha - Managing Director

Mr. Ravikant Sharma

Mr. Arunkumar Saboo

Mr. Madhu Sharma
(appointed w.e.f.08.03.2013)

Mr. Bajranglal Sharma
(resigned w.e.f.08.03.2013)

REGISTERED OFFICE

2nd Floor, Satwant Villa,
Aarey Road, Goregaon (West)
Mumbai – 400062, Maharashtra

STATUTORY AUDITORS

Satish Soni & Co.
Mumbai, Maharashtra

SHARE TRANSFER AGENT

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

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SHREE SHALEEN TEXTILES LIMITED

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NOTICE

NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SHREE SHALEEN TEXTILES LIMITED WILL BE HELD ON MONDAY, 30TH SEPTEMBER, 2013 AT 11.30 AM AT 2ND FLOOR, SATWANT VILLA, AAREY ROAD, GOREGAON (WEST), MUMBAI – 400062 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, the Profit and Loss Account for the year ended as on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ravikant Sharma who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

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

SPECIAL BUSINESS

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

“ RESOLVED THAT Mr. Madhu Sharma, was appointed as Additional Director of the Company by the Board of Director as per Article of Association of the Company and Section 260 of the companies Act 1956, and who hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing proposing his candidature for the office of the Director , under section 257 of the companies Act, 1956 and who being eligible for appointment to the office of Director, be and is hereby appointed as Independent Director of the company liable to retire by rotation.”

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

Place: Mumbai
Date: 14.08.2013

Sd/-
Dilip Lodha
Managing Director

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NOTES:

1. The details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed / reappointed at the Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The proxies to be effective should be deposited at the Registered Office of the Company not less than Forty Eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain close from Thursday, 26th September, 2013 to Monday, 30th September, 2013.(Both Days Inclusive)
5. All members are requested to intimate changes, if any, in their registered address, immediately to the Registrar & Transfer Agents, Purva Sharegistry India Pvt. Ltd. or to their depository participants in case shares are held in depository form.
6. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
7. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.

By order of the Board
for Shree Shaleen Textiles Limited

Place: Mumbai
Date: 14.08.2013

Sd/-
Dilip Lodha
Managing Director

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

Name of the Director	Date of Birth	Date of Appointment	Expertise in specific functional area	Qualification	No. of Equity Shares held in the Company
Mr. Ravikant Sharma	01/05/1961	23/05/1994	Accountancy and Taxation	B.Com	Nil
Mr. Madhu Sharma	26/12/1974	08/03/2013	Accounts	B.Com	Nil

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DIRECTORS' REPORT

To the Shareholders,

Your Directors take pleasure in presenting the Annual Report and the audited accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2013 is summarised below:

(Rs. in Lacs)

Particulars	2012 - 13	2011 - 12
Sales and Other Income	117.69	78.18
Profit before Depreciation and Tax	52.59	(17.15)
Depreciation	0.04	0.03
Profit / (Loss) before Tax	52.63	(17.18)
Provision for Tax	10.00	3.00
Profit / (Loss) after Tax	42.63	(20.18)

Profit brought forward from previous year

RESULTS OF OPERATIONS

During the year your Company has achieved total revenue of Rs.117.69 Lacs as compare to Rs.78.18 Lacs in the corresponding previous financial year and the Company has incurred net profit of Rs.42.63 Lacs as compared to net loss of Rs.20.18 Lacs in the corresponding previous financial year.

DIVIDEND

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

CHANGES IN THE CAPITAL STRUCTURE

During the year, the Sub division of each equity shares of the company of face value of Rs. 10/- each to face value of Rs. 2/- each approved by the Shareholders in the Extraordinary General Meeting dated 22.02.2013 with the view to broad base the investor base by encouraging the participation of the investors and also with a view to increase the liquidity of the equity shares of the company.

PREFERENTIAL ISSUE:

During the financial year pursuant to shareholders approval at Extraordinary General Meeting held on 16th August, 2012 the Board of Director have allotted 31,35,000 Equity Shares of Rs.10 each at premium of Rs.1.50 each to certain investors and consequently, the Paid-up capital increased from Rs.13,50,00,000 to Rs.16,63,50,000.

FIXED DEPOSITS:

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

BOARD OF DIRECTORS AND CHANGE IN MANAGEMENT:**i). Composition of Board of Directors:**

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

ii). Changes during the Financial Year:

Mr. Madhu Sharma as appointed as Additional Director of the Company w.e.f. 8th March, 2013. He will be appointed as Director Lieble to retire by rotation in the ensuing Annual General Meeting with the approval of Shareholders. Mr. Bajranglal Sharma resigned as Director of the Company w.e.f. 8th March, 2013.

CORPORATE GOVERNANCE:

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year under review;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts for the year under review, on a 'going concern' basis.

AUDITORS:

M/s. Satish Soni & Co., Chartered Accountants, Mumbai, the auditors of the company are retiring at the conclusion of the ensuing Annual General Meeting of the company and being eligible offer themselves for reappointment as Auditors. The Company has received certificate to the effect that their appointment, if made, would be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956.

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ENERGY CONSERVATION, TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 30.05.2013

Sd/-
Dilip Lodha
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

However, during the year 2012-13, the industry witnessed a significant slowdown in textiles production due to a combination of factors such as slowdown in demand, high raw material prices, piling up of stocks, etc.

BUSINESS OVERVIEW

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

OPPORTUNITIES AND THREATS

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

Pricing Pressure due to competition / competitive bidding

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

Raw material

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

Manpower

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

FINANCIAL AND OPERATING PERFORMANCE:

The total income of the Company for the year 2012-13 was at Rs.117.69 lacs compared to Rs. 78.18 lacs during the previous year. The Company has incurred Net profit of Rs. 42.63 lacs during the year as against Net loss of Rs. 20.18 lacs for the previous year. The Company expects to earn increased revenues in the near future.

RISKS, INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

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

ABILITY TO HIRE, TRAIN AND RETAIN PEOPLE

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

CAUTIONARY STATEMENT

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

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

We have examined the compliance of the conditions of Corporate Governance by Shree Shaleen Textiles Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchanges Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For M/s Satish Soni & Co.
Chartered Accountants

Place: Mumbai
Date: 30.05.2013

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

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REPORT ON CORPORATE GOVERNANCE FOR THE F.Y. 2012 – 13

1. COMPANY'S PHILOSOPHY:

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

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

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

2. BOARD OF DIRECTORS:

2.1 Composition:

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

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

During the year 12 Board Meetings were held and the gap between two meetings did not exceed four months. The dates were: 09.04.2012, 16.04.2012, 12.05.2012, 16.07.2012, 14.08.2012, 10.09.2012, 29.09.2012, 07.11.2012, 17.11.2012, 28.01.2013, 14.02.2013, 08.03.2013, 14.02.2013, 08.03.2013

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

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

2.2 Composition of Board and attendance record:

Name of Director	Category of Directorship	Attendance at		No. of other Directorships and other Committee Memberships / Chairmanship		
		Board Meetings	Last AGM	Other Directorships #	Committee Memberships ##	Committee Chairmanships
Mr. Bajranglal Sharma (Resigned w. e. f. 08.03.13)	Non- Executive Chairman	11	yes	1	-	-
Dilip Lodha	Managing Director	11	yes	-	-	-
Mr. Arunkumar Saboo	Non-Executive, Independent	11	yes	-	-	-
Mr. Ravikant Sharma	Non-Executive, Independent	7	No	1	-	-
Mr. Madhu Sharma (Appointed w.e.f.08.3.13)	Non-Executive, Independent	1	No	-	-	-

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

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

3. AUDIT COMMITTEE:

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

Mr. Madhu Sharma
Mr. Arunkumar Saboo
Mr. Ravikant Sharma

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

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

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

4. REMUNERATION COMMITTEE:

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

Mr. Arunkumar Saboo
Mr. Ravikant Sharma
Mr. Madhu Sharma

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

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

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

DETAILS OF SHARES HELD:

The shares held by the Directors of the Company as on 31st March 2013 is given below: N.A

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

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

Mr. Madhu Sharma
Mr. Arunkumar Saboo
Mr. Dilip Lodha

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

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

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

Address:

2nd Floor, Satwant Villa, Aarey Road,

Goregaon (West), Mumbai – 400062

Phone: 022 - 4023 6801 - 07, Fax: 022- 4023 6808

Email: shreeshaleentex@gmail.com

6. ANNUAL GENERAL MEETINGS:

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

AGM / EGM	Date	Time	Venue
EGM	22/02/2013	11.00am	2 nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, Maharashtra
AGM	29/09/2012	3.30pm	2 nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, Maharashtra
EGM	16/08/2012	3.30pm	2 nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, Maharashtra
EGM	12/06/2012	3.30pm	2 nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, Maharashtra
EGM	21/03/2012	2.30pm	2 nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, Maharashtra
AGM	27/09/2011	3.00 pm	401-B Lotus House, 4 th floor 33-A, New Marine Lines, Mumbai – 400 020, Maharashtra
AGM	30/09/2010	3.30 pm	401-B Lotus House, 4 th floor 33-A, New Marine Lines, Mumbai – 400 020, Maharashtra

Following Special Resolutions were passed in the Extraordinary General Meeting held during the financial year.

Extra Ordinary General Meeting 12.6.2012

Appointment of Mr. Dilip Lodha a Managing Director of the Company.

Extra Ordinary General Meeting 16.8.2012

Authority to the Board to offer / issue / allot on preferential basis upto 35,35,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each at premium of Rs. 1.50 each for cash.

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

7. DISCLOSURES:

- 1.1 There were no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management or their relatives etc. that would conflict with the interests of the Company except as reported in the Annual Report.
- 1.2 No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- 1.3 All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- 1.4 The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.

8. MEANS OF COMMUNICATION :

- a). The quarterly un-audited financial results are published in leading English and Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the company.
- b). The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, segment / product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

9. GENERAL SHAREHOLDERS INFORMATION:**A. Annual General Meeting**

Date and Time : 30th September, 2013 at 11.30 AM

Venue : 2nd Floor, Satwant Villa,
Aarey Road, Goregaon (West),
Mumbai – 400062, Maharashtra

8. Dates of Book Closure : Thursday, 26th September, 2013 to Monday, 30th September, 2013.(Both Days Inclusive)

B. Financial Calendar 2013-14 (Tentative):

First quarterly results : August, 2013
Second quarterly results : November, 2013
Third quarterly results : February, 2013
Annual results for the year ending on 31.03.2014 : May, 2014
Annual General Meeting for the year 2014 : September, 2013

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a. Listing on Stock Exchanges:

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

The Company has paid Annual Listing Fees as applicable, to the BSE for the financial year 2013-14.

Script Code Equity : 505513

ISIN:- EQUITY : INE703L01026

b. Market Price Data:

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

Month	BSE Limited (BSE)	
	High (in Rs. per share)	Low (in Rs. per share)
April 2012	5.35	4.2
May 2012	7.49	5.61
June 2012	8.25	7.86
July 2012	10.51	8.66
August 2012	11.58	11.03
September 2012	14.74	12.15
October 2012	21.73	15.47
November 2012	31.85	22.80
December 2012	38.60	33.40
January 2013	65.65	40.50
February 2013	101.50	68.90
March 2013	111.85	23.45

*Face Value sub-divided in to 5 Equity Share of Rs.2 each w.e.f. 6.3.2013

c. Registrar & Share Transfer Agents:

Purva Sharegistry (India) Pvt. Ltd.

Unit no. 9, Shiv Shakti Ind. Estate, J.R. Boricha marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai 400 011

Tel: 91-22-2301 6761 / 8261 ; Fax : 91-22-2301 2517

E-mail: busicmp@vsnl.com; Website: www.purvashare.com

d. Distribution of Shareholding:

The distribution of shareholding as on 31st March, 2013 is given below:

Sr. No	No of Equity Shares	No. of Shareholders	No. of Shares Face Value Rs.2	% of Total shares
1.	1 - 5,000	22	12390	0.01
2.	5,001 - 10,000	4	20000	0.02
3.	10,001 - 20,000	18	174980	0.21
4.	20,001 - 30,000	2	24090	0.03
5.	30,001 - 40,000	10	196550	0.24
6.	40,001 - 50,000	3	75000	0.09
7.	50,001 - 1,00,000	32	1517200	1.82
8.	1,00,001 & Above	129	81154790	97.57
	TOTAL	220	83175000	100.00

e. Dematerialisation of Shares and Liquidity:

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

Particulars of Shares	Equity Shares of Rs.2 each	
	Number	% of total
Dematerialised form		
NSDL	41712455	50.15%
CDSL	31717295	38.13%
Sub Total	73429750	88.28%
Physical form	9745250	11.72%
Total	83175000	100.00%

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

10. CORPORATE ETHICS

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

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

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

b. Declaration affirming compliance of Code of Conduct:

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

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

c. Code of Conduct for Prevention of Insider Trading:

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

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d. Compliance Certificate by Auditors:

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

AS PROVIDED UNDER CLAUSE 49 OF THE LISTING AGREEMENT, THE BOARD MEMBERS HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT FOR THE YEAR ENDED 31.03.2013.

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

Place: Mumbai
Date: 30.05.2013

Sd/-
Dilip Lodha
Managing Director

SHREE SHALEEN TEXTILES LIMITED

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SATISH SONI & CO.
Chartered Accountants

15/1, 2nd Floor, Metro House, Colaba, Mumbai -400001

Tel: +91 22 3290 3287 Fax: +91 22 2287 6467 Cell: 09322693989, email: scsoni@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
SHREE SHALEEN TEXTILES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SHREE SHALEEN TEXTILES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information

required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet and Statement of Profit and Loss 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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **SATISH SONI & CO.**
Chartered Accountants
(Firm's Reg.No -109333w)
□ Sd--

(Satish Soni)
Proprietor
Membership No. 44391
Place: Mumbai
Date: 30th May, 2013

SHREE SHALEEN TEXTILES LIMITED

Annual Report 2012 – 2013

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph [1] of the Auditors' Report of even date

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details & situation of Fixed Assets.
 - b. All the fixed assets have been physically verified by the management during the year & there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
 - c. During the year, the Company has written off the entire value of the fixed assets.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of verification of inventories followed by the management are reasonable in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of Inventories. As explained to us, no discrepancies have been noticed on physical verification of inventories with the book records
3. The Company has not granted /taken any loans, secured or unsecured, to /from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 except interest free unsecured loan granted to its subsidiary. The Maximum Balance outstanding and the year end balance was Rs. 3,33,61,422/-.
4. In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to the purchase of inventories, fixed assets and equipments & for sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956.
 - a. Based on audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions of purchase & sale of goods and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 as aggregating during the year to Rs. 5,00,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under..
7. The Company does not have a formal system of internal audit but there are adequate checks and controls at all levels.
8. The Central Government has not prescribed for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the Company.
9. In respect of the statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
 - b. There were no undisputed amount payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues which have remained outstanding as at 31st March, 2013 for a period more than six months from the date they became payable except Rs. 50,00,000/- Income –tax related to Assessment year 2011-12.
10. The Company has neither accumulated losses nor it has not incurred cash losses during the financial year covered by our audit though the company had incurred cash loss in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. In our opinion and according to the information & explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund, a nidhi, mutual benefit fund or a society.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not taken any term loan. Accordingly clause 4(xvi) of the Order is not applicable to the Company.

17. According to the information and explanations given to us and on an overall examination of the Balance -sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. The Company has not raised any long-term funds during the year.
18. 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 during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures. Accordingly clause 4(xix) of the Order is not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **SATISH SONI & CO.**
Chartered Accountants
(Firm's Reg.No –109333w)

--Sd--

(Satish Soni)

Proprietor

Membership No. 44391

Place: Mumbai

Date: 30th May, 2013

SHREE SHALEEN TEXTILES LIMITED

Annual Report 2012 – 2013

Balance Sheet as at 31 March, 2013

Amount in Rs.

PARTICULARS	Note No.	31 March, 2013	31 March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	166,350,000	6,750,000
Reserves and surplus	3	10,058,459	129,342,792
		176,408,459	136,092,792
Current liabilities			
Short-term borrowings	4	11,234,035	1,450,000
Trade payables	5	30,408,101	33,447,211
Other current liabilities	6	3,254,629	2,940,298
Short-term provisions	7	8,250,000	7,250,000
		53,146,765	45,087,509
		229,555,224	181,180,301
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	Nil	3,757
		Nil	3,757
Non-current investments	9	10,635	10,635
Long-term loans and advances	10	159,832,116	119,103,399
Other non-current assets	11	1,083,280	1,453,174
		160,926,031	120,567,208
Current assets			
Inventories	12	296,055	227,020
Trade receivables	13	3,547,761	12,080,777
Cash and cash equivalents	14	1,287,148	367,797
Short-term loans and advances	15	63,137,135	47,570,448
Other current assets	16	361,094	363,294
		68,629,193	60,609,336
		229,555,224	181,180,301
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For Satish Soni & Co
Chartered Accountants

For and on behalf of the Board of Directors

--Sd--

Satish Soni
Proprietor

Place : Mumbai
Date : 30.05. 2013

--Sd--

Dilip Lodha
(Managing Director)

Place : Mumbai
Date : 30.05. 2013

--Sd--

Madhu Sharma
(Director)

SHREE SHALEEN TEXTILES LIMITED

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Statement of Profit and Loss for the year ended 31 March, 2013

	Note No.	Year ended 31 March, 2013	Year ended 31 March, 2012
Income			
Revenue from operations (gross)	17	5,954,697	4,786,810
Other income	18	5,745,543	2,830,821
Changes in inventories of stock-in-trade	19	69,035	200,937
Total revenue		11,769,275	7,818,568
Expenses			
Purchases of stock-in-trade	20	5,011,800	4,293,201
Employee benefits expense	21	361,062	480,199
Depreciation and amortisation expense	8	3,757	1,335
Finance Costs	22	344,400	-
Other expenses	23	785,088	4,762,265
Total expenses		6,506,107	9,537,000
Profit before tax		5,263,168	(1,718,432)
Tax expense:			
Current tax expense for current year		1,000,000	300,000
		1,000,000	300,000
Profit for the year		4,263,168	(2018432.32)
Earnings per share			
Basic		0.06	(0.05)
See accompanying notes forming part of the financial statements			
In terms of our report attached.			
For Satish Soni & Co. (Chartered Accountants)		For and on behalf of the Board of Directors	
--Sd-- Satish Soni (Proprietor)	--Sd-- Dilip Lodha (Managing Director)	--Sd-- Madhu Sharma (Director)	
Place : Mumbai Date : 30.05. 2013	Place : Mumbai Date : 30.05. 2013		

SHREE SHALEEN TEXTILES LIMITED

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Cash Flow Statement for the year ended 31 March, 2013

Particulars	As at 31 March, 2013 (Rupees)	As at 31 March, 2012 (Rupees)
A) Cash flow from operating activities		
Net Profit before tax	5263168	(1718432)
Adjustments for:		
Depreciation and amortisation	3757	1335
Provision for diminution in value of Investment	0	3918675
Brokerage & Discount	(66695)	(583116)
Interest (income)	(5616599)	(744729)
Dividend (income)	(4250)	(2275)
Net (gain) / loss on sale of investments	0	0
Contract Fee	0	(1500700)
Operating profit / (loss) before working capital changes	(420619)	(629243)
Changes in working capital:		
Inventories	(69035)	(200937)
Trade receivables	8533016	39479953
Other non-current assets	369894	(1453174)
Other current assets	2200	(363294)
Trade payables	(3039110)	370808
Other current liabilities	314331	2933498
Short-term provisions	1000000	300000
Cash generated from operations	6690676	40437611
Net income tax (paid) / refunds	(1000000)	(300000)
Net cash flow from / (used in) operating activities (A)	5690676	40137611
B) Cash flow from financing activities		
Proceeds from issue of Share Capital	31350000	4750000
Share Premium Money received	4702500	92625000
Long-term loans and advances	(40728717)	(119101163)
Short-term loans and advances	(15566687)	(28361534)
Short-term Borrowings	9784035	1440000
Net cash flow from / (used in) financing activities (B)	(10458869)	(48647697)
C) Cash flow from investing activities		
Proceeds from sale of long-term investments	0	0
Brokerage & Discount	66695	583116
Interest (income)	5616599	744729
Dividend (income)	4250	2275
Proceeds from sale of long term investments	0	0
National Security Deposit	0	0
Contract Fee	0	1500700
Net cash flow from / (used in) investing activities (C)	5687544	2830820
D) Net Increase/Decrease) in Cash & Cash Equivalents (A+B+C)	919351	(5679265)
E) Cash & Cash Equivalents as at 31/03/2012	367797	6047062
F) Cash & Cash Equivalents as at 31/03/2013	1287148	367797
Net Increase/Decrease) in Cash & Cash Equivalents (A+B+C)	919351	(5679265)
Components of Cash & Cash Equivalents (As per Note : 14)		
Cash on Hand	779055	22634
Balance with Banks		
- In Current Accounts	508093	345163
Total Cash & Cash Equivalents	1287148	367797
The above statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statements In terms of our report attached.		
For Satish Soni & Co Chartered Accountants --Sd-- Satish Soni Proprietor Place : Mumbai Date : 30.05. 2013	For and on behalf of the Board of Directors --Sd-- Dilip Lodha (Managing Director) Mumbai Date : 30.05. 2013	
--Sd-- Madhu Sharma (Director)		

SHREE SHALEEN TEXTILES LIMITED

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Notes forming part of the financial statements

Note	Particulars
Corporate information	
Shree Shaleen Textiles Limited (The Company) is a public company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange of India.	
1	Significant accounting policies
a	<p>Basis of accounting and preparation of financial statements</p> <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
b	<p>Use of estimates</p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
c	<p>Tangible fixed assets</p> <p>Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.</p>
d	<p>Depreciation and amortisation</p> <p>Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.</p>
e	<p>Inventories</p> <p>Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.</p>
f	<p>Cash and cash equivalents (for purposes of Cash Flow Statement)</p> <p>Cash and cash equivalents for the cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.</p>
g	<p>Investments</p> <p>Investments, which are readily realizable and intended to be held for not more than one year from the balance sheet date are classified as current investments. All other investments are classified as non-current investments. However the carrying amount is reduced to recognize a decline, other than temporary, in the value of long-term investments by a charge to the statement of profit and loss. Current investments are stated at lower of cost or fair market value determined on individual investment basis.</p>

Note	Particulars
h	<p>Revenue recognition</p> <p><u>Sale of goods</u> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.</p> <p><u>Income from services</u> Income from services are recognized as and when the services are rendered.</p> <p><u>Other income</u> Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p>
i	<p>Segment reporting</p> <p>Company considers business segment as its primary segment. The Company's operations are predominantly relates to trading and accordingly, this is the only primary reportable segment.</p> <p>Company considers business segment as its secondary segment. The Company's operations are predominantly within India and accordingly, this is the only secondary reportable segment.</p>
j	<p>Earnings per share</p> <p>Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.</p> <p>For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.</p>
k	<p>Taxes on income</p> <p>Income-tax expenses (current and deferred) is accrued in accordance with Accounting Standard 22 - Accounting for taxes on income issued by the Institute of Chartered Accountants of India. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence on timing difference, being the difference between the taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent years</p> <p>Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been in force for the year. Such assets and liabilities are reviewed at each Balance Sheet date.</p>
l	<p>Provisions and contingencies</p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
m	<p>Share issues expenses</p> <p>Share issue expenses and redemption premium are adjusted against the Securities Premium Account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.</p>

SHREE SHALEEN TEXTILES LIMITED

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SHREE SHALEEN TEXTILES LIMITED Notes forming part of the financial statements

Particulars	As at 31 March, 2013	As at 31 March, 2012
2: Share capital		
(a) Authorised 100,000,000 (20,000,000) Equity shares of Rs. 2/- (Rs. 10/-) each with voting rights	200,000,000	200,000,000
(b) Issued, Subscribed and fully paid up 83,175,000 (675,000) Equity shares of Rs. 2/- (Rs. 10/-) each with voting rights	166,350,000	6,750,000
Total	166,350,000	6,750,000

The Company has only one class of shares referred to as equity shares having a par value of Rs. 2/-. Each holder of equity shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares	Amount-Rs	No. of Shares	Amount-Rs
Number of shares at the beginning	675,000	6,750,000	200,000	2,000,000
Add: Shares issued during the year as Bonus & Preferential Issue	15,960,000	159,600,000	475,000	4,750,000
Number of shares at the end	16,635,000	166,350,000	675,000	6,750,000
Number of shares at the end after split to Rs 2/-	83,175,000	166,350,000	-	-

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

Name of Shareholders	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares	% held	No. of Shares	% held
Sarvodaya Impex P Ltd	9,585,000	11.52%	95,850	14.20%
Number of shares at the end	9,585,000	11.52%	95,850	14.20%

Particulars	As at 31 March, 2013	As at 31 March, 2012
3 : Reserves and surplus		
(a) Securities premium account		
Opening balance	92,625,000	Nil
Add : Premium on issue of equity shares by the company	4,702,500	92,625,000
Less : Utilised during the year for:		
Issuing bonus shares	(92,625,000)	-
Closing balance	4,702,500	92,625,000
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	36,717,792	38,736,224
Add: Profit / (Loss) for the year	4,263,168	(2,018,432)
Less : Utilised during the year for:		
Issuing bonus shares	35,625,000	0
Closing balance	5,355,959	36,717,792
Total	10,058,459	129,342,792

SHREE SHALEEN TEXTILES LIMITED

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SHREE SHALEEN TEXTILES LIMITED
Notes forming part of the financial statements

Particulars	As at 31 March, 2013	As at 31 March, 2012
4 : Short-term borrowings		
Loans repayable on demand- Unsecured		
From Others	11,234,035	1,450,000
From related Parties	-	-
Unsecured	-	-
	11,234,035	1,450,000
5 : Trade payables		
Others	30,408,101	33,447,211
	30,408,101	33,447,211
6 : Other current liabilities		
Advance from Customers	-	47,597
Application/Call Money received due for refund	3,179,960	2,870,000
<u>Statutory dues payable</u>		
MVAT	-	2,976
Profession tax	4,575	4,725
Tax deducted at source	70,094	15,000
	3,254,629	2,940,298
7 : Short Term Provisions		
Provision for current tax (Net of Advances Tax)	8,250,000	7,250,000
	8,250,000	7,250,000
9 : Non-current investments		
Trade Investments (Valued at Cost unless otherwise stated)- Quoted		
56900 (56900) Equity Shares of Acids and Chemicals Ltd (Fully paid-up)	3,683,460	3,683,460
6700 (6700) Equity Shares of IDBI (Partly paid-up)	243,750	243,750
150 (150) Equity Shares of Banswara Syntex Ltd (Fully paid-up)	2,100	2,100
Total Non-current investments	3,929,310	3,929,310
Less: Provision for diminution in value of Investments	(3,918,675)	(3,918,675)
	10,635	10,635
10 : Long Term Loans & Advances		
(Unsecured, Considered Good)		
Loans, Advances and Deposits to Related Parties	16,518,978	16,518,978
Inter Corporate Loans, Advances & Deposits	10,700,000	5,000,000
Others	132,613,138	97,584,421
	159,832,116	119,103,399

SHREE SHALEEN TEXTILES LIMITED

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SHREE SHALEEN TEXTILES LIMITED
Notes forming part of the financial statements

Particulars	As at 31 March, 2013	As at 31 March, 2012
11 : Other Non-Current Assets		
Unamortised Expenses		
Share issue expenses	1,083,280	1,453,174
	1,083,280	1,453,174
12 : Inventories		
(as taken, valued & certified by the Management)		
Finished Goods (at lower of cost or net realizable value)	296,055	227,020
	296,055	227,020
13 : Trade receivables		
(Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding six months	1,602,225	10,089,182
Others	1,945,536	1,991,595
	3,547,761	12,080,777
14 : Cash and cash equivalents		
Cash on hand	779,055	22,634
Balances with banks		
In current accounts	368,093	345,163
In Fixed Deposit	140,000	Nil
	1,287,148	367,797
15 : Short-term loans and advances		
Income tax payments & TDS	2,287,861	1,723,742
Loans, Advances and Deposits to Related Parties	16,842,444	23,987,444
Inter Corporate Loans, Advances & Deposits	23,900,000	9,707,432
Loans & Advances to suppliers & Others	129,830	129,830
Other Advances & Balances		
Unsecured, considered good	19,977,000	12,022,000
	63,137,135	47,570,448
16 : Other Current Assets		
Unamortised Expenses		
Share issue expenses	361,094	363,294
	361,094	363,294

SHREE SHALEEN TEXTILES LIMITED
Notes forming part of the financial statements
8 : Fixed assets

Assets	Gross block		Accumulated depreciation and impairment			Net Block	
	Balance as at 1 April, 2012	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation / expense for the year	Balance as at 31 March, 2013	Balance as at 31 March, 2012	
Tangible Assets- Owned							
Computer	16,882	16,882	16,221	661	16,882	0	661
Furniture & Fixtures	4,719	4,719	1,623	3,096	4,719	0	3,096
Total	21,601	21,601	17,844	3,757	21,601	0	3,757
Previous year	21,601	21,601	16,509	1,335	17,844	3,757	5,092

SHREE SHALEEN TEXTILES LIMITED

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Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
17 : Revenue from operations		
Sale of Products (Indigenous Sales)		
Traded Goods		
Products & Commodities- Cloth	5,148,276	4,786,810
Products & Commodities- Yarn	806,421	-
	5,954,697	4,786,810
18 : Other Income		
Contract Fees	-	1,500,700
Brokerage & Discount	66,695	583,116
Dividend Income	4,250	2,275
Profit on Sale of Long Term Investments	-	-
Interest Received	5,616,599	744,729
Miscellaneous Income	57,999	-
	5,745,543	2,830,821
19 : Changes in Inventories of Stock-in-trade		
Inventories at the end of the year		
Traded Goods	296,055	227,020
Inventories at the beginning of the year		
Traded Goods	227,020	26,083
Stock Increased /(Decreased)	69,035	200,937
20 : Purchases of Stock in trade		
Products & Commodities- Cloth	4,226,851	4,293,201
Products & Commodities- Yarn	784,949	-
Total	5,011,800	4,293,201
21 : Employee benefits expense		
Salaries and wages	357,958	454,779
Staff Welfare	3,104	25,420
Total	361,062	480,199
22 : Finance Costs		
Interest Paid	344,400	-
	344,400	-
23 : Other expenses		
Advertisement & Publicity	16,980	15,800
Amortisation of share issue expenses	361,094	Nil
Bank Charges	3,870	31,725
Telephone & Telex Charges	6,742	5,365
Conveyance Exp.	23,332	35,202
Listing Fees	-	17,050
Office & General Expenses	-	2,838
Rent	30,000	36,000
Rates and taxes	36,867	-
Depository & Share Transfer Charges	71,904	-
Auditors Remuneration		
Statutory Audit Fees	56,180	33,708
Other Services	22,472	22,472
Printing and stationery	26,152	10,228
Bombay Stock Exchange (BSE)	50,000	137,875
Provision for diminution in value of Investments	-	3,918,675
Business promotion	-	53,543
Donations and contributions	2,500	2,900
Legal and professional	38,118	280,951
Miscellaneous expenses	38,877	1,57,933
Total	785,088	4,762,265

SHREE SHALEEN TEXTILES LIMITED

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SHREE SHALEEN TEXTILES LIMITED
Notes forming part of the financial statements

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
24 : Contingent liabilities	Nil	Nil
25 : Dues to Micro, Small and Medium Enterprises Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
26 : Deferred Tax Liability (Net)		
Deferred Tax Liability on account of difference in depreciation as per tax books and financial books	Nil	Nil
Total	Nil	Nil
27 : Expenditure in foreign currency	Nil	Nil
28 : Earnings in foreign exchange	Nil	Nil
29 : Related party transactions		
Details of related parties:		
Description of relationship	Names of related parties	
Key Management Personnel (KMP) and their relatives	Mr. Ravikant Sharma - Director	
	Mr. Madhu Sharma - Director	
	Mr. Arunkumar Saboo- Director	
	Mr. Dilip Lodha - M.Director	
* Relatives of KMP	Mrs. Uma Ravikant Sharma *	
# Companies in which KMP & their relatives are Directors	Shekhawati Syntex P Ltd # Lawson Trading Co P Ltd #	
Note: Related parties have been identified by the Management.		
Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:		
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Rent paid		
Mrs. Uma Ravikant Sharma	30,000	36,000
Outstanding at the year end :Loans & Advances		
Loans & Advances		
Shekhawati Syntex P Ltd	16,518,978	16,518,978
Lawson Trading Co P Ltd	16,842,444	23,987,444

SHREE SHALEEN TEXTILES LIMITED

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30 : Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges		
Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:		
Name of the party	Amount outstanding as at 31 March, 2013	Maximum balance outstanding during the year
Shekhawati Syntex P Ltd	16,518,978	16,518,978
Lawson Trading Co P Ltd	16,842,444	30,262,444
31 : Earnings per share		
	For the year ended 31 March, 2013	For the year ended 31 March, 2012
<u>Basic</u>		
Continuing operations		
Net profit / (loss) for the year from continuing operations	4263168	(2018432)
Less: Preference dividend and tax thereon		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	4263168	(2018432)
Weighted average number of equity shares	73540813	37812500
Par value per share	10	10
Earnings per share from continuing operations - Basic	0.06	(0.05)
32 : Previous year's figures		
Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.		

For Satish Soni & Co.
Chartered Accountants

--Sd--

Satish Soni
Proprietor
Place : Mumbai
Date : 30.05. 2013

For and on behalf of the Board of Directors

--Sd--

Dilip Lodha
Managing Director

Place : Mumbai
Date : 30.05. 2013

--Sd--

Madhu Sharma
Director

SHREE SHALEEN TEXTILES LIMITED

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SHREE SHALEEN TEXTILES LIMITED

Regd. Off.: 2nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062

Attendance Slip

Name of the attending Member (In Block Letters): _____

Folio No : _____

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

No. of Shares held : _____ (in words) _____

I hereby record my presence at the Annual General Meeting of the Company at 2nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai- 400062 on Monday, 30th Day of September, 2013 at 11.30 AM and at any adjournment thereof.

Member's/Proxy's Signature

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

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

SHREE SHALEEN TEXTILES LIMITED

Regd. Off.: 2nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062

PROXY FORM

I/We of..... being a Member/Members of the above named Company, hereby appointor failing him..... as my / our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, 30th September, 2013, at 11.30 A.M. and at any adjournment thereof.

Signed this day of 2013.

Folio No: _____ No. of Shares: _____

DP ID: _____ Signature _____

Affix Re.
1.00
Revenue
Stamp

N.B.: This proxy must be deposited at the Registered Office of the Company 2nd Floor, Satwant Villa, Aarey Road, Goregaon (West), Mumbai – 400062, at least 48 hours before the meeting.

BOOK POST

If undelivered, return to :

SHREE SHALEEN TEXTILES LIMITED

Regd. Off.: 2nd Floor, Satwant Villa, Aarey Road,
Goregaon (West), Mumbai – 400062, Maharashtra