



SHREE MANUFACTURING COMPANY LIMITED

**ANNUAL REPORT
2012 - 13**

Board of Directors

Mr. Vishal Dedhia	Executive Director
Ms. Namrata Malu	Independent Director
Mr. Mahendra Ganatra	(appointed on 7 th April, 2013)
Mr. Shane Ahmed Warsi	(appointed on 11 th March, 2013)
Mr. Bharat Mohta	(resigned on 7 th April, 2013)
Mr. Jaichand Jhawar	(resigned on 11 th May, 2013)
Mr. K.K. Mohta	(resigned on 28 th August 2012)
Mr. Vaibhav Bhatler	(resigned on 28 th August 2012)

Auditors

Mr. 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: 02223016761/8261
Fax: 02223012517
Email ID: busicomp@vsnl.com
Website: www.purvashare.com

Annual General Meeting

Day - Friday
Date - 27th September, 2013
Venue- 9, Brabourne Road, 7th Floor, Kolkata-700 001
Time - 11.30 a.m.

SHREE MANUFACTURING COMPANY LTD

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

NOTICE is hereby given that the Thirty-Sixth 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 Friday, the 27th September, 2013 at 11.30 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2013 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 Ms. Namrata Malu, 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. Mahendra Ganatra, 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.”

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

By order of the Board
For SHREE MANUFACTURING CO LTD

Dated: 11th May, 2013
Place: Kolkata
Notes:

Sd/-
Vishal Dedhia
Director

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 of the Notice is annexed hereto.

4. The Register of Members of the Company will remain closed from 23rd September, 2013 to 27th September, 2013 (both days inclusive).

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

Item No: 4

Mr. Mahendra Ganatra was appointed by the Board as an Additional director of the Company with effect from 07th April, 2013. He 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 Mr. Mahendra Ganatra as a Director of the Company. Mr. Ganatra 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. Mahendra Ganatra 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 seeking re-appointment is as under:

	Ms. Namrata Malu	Mr. Mahendra Ganatra
Profile of the Director	Ms. Malu is an MBA graduate and has a vast experience in the field of financial consultancy.	Mr. Ganatra is a degree holder in B.A. He has versatile experience in banking & finance and market development.
Date of joining the Board	August 28, 2012	April 07, 2013
Other Directorships held	NIL	Cochin Technopark Limited Sarat Mining Limited Amradeep Industries Limited Saianand Commercial Limited Sword-Edge Commercials Limited Parichay Investments Limited Gurudev Bio-Matrix Limited

SHREE MANUFACTURING COMPANY LIMITED**ANNUAL REPORT 2012-13****4**

Other Committee memberships held	NIL	NIL
No. of shares held in their own name	NIL	NIL

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

By order of the Board
For SHREE MANUFACTURING CO LTD

Sd/-

Dated: 11th May, 2013
Place: Kolkata

Vishal Dedhia
Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report for the financial year ended 31st March 2013.

FINANCIAL RESULTS

	(Rupees in lacs)
Profit for the year	228.30
Less : Loss brought forward from the previous year	1192.45
	=====
Balance carried to Balance Sheet	(964.15)

ACTIVITIES

The Board of Directors of your Company is pleased to inform you that the trading in the equity shares of the Company was successfully resumed on Bombay Stock Exchange (BSE) during the year under review. BSE revoked the suspension in the securities of Company w.e.f. 6th December, 2012.

Your directors are positive about the Company's operations and are making their best efforts to implement the cost reduction measures to the extent feasible.

CHANGE IN MANAGEMENT AND CONTROL OF THE COMPANY

During the year under review, M/s.Edge Consultancy Services LLP ("Acquirer") have acquired 34,12,597 equity shares of Rs.10/- each, representing 62.04% equity stake and voting rights accompanied with effective management control of the Company from erstwhile promoters by entering into Share Purchase Agreement and after complying with the requirements of Open Offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

DIVIDEND

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

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION & 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have 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 your Company at the end of the financial year ended 31st March 2013 and of the profits of your Company for that year;
- (iii) that the Directors have 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 your Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

Your Company has not accepted any fixed deposit.

LISTING OF SHARES

The Company's shares are listed on the stock exchanges of Kolkata and Mumbai.

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 Section 217 of the Companies Act, 1956.

DIRECTORATE

During the year under review, Mr. Bharat Mohta and Mr. Jaichand Jhawar resigned from the directorship of the Company w.e.f. 07th April, 2013 & 11th May, 2013. The Board appreciates and places on record the valuable contribution, guidance and advice received from them.

Mr. Shane Ahmed Warsi was appointed as an additional director of the Company w.e.f. 11th March 2013, and his tenure of office of Additional director expires at the ensuing Annual General Meeting to be held on 27th September 2013. In this connection, the Company has not received any correspondence from Mr. Shane Ahmed Warsi showing his intention to continue on the Board and his appointment as a Director at the ensuing Annual General Meeting. In view of this, the Board has in its meeting held on 11th May 2013 decided **NOT TO** recommend the appointment of Mr. Shane Ahmed Warsi as a Director to the members of the Company. As a consequence, Mr. Shane Ahmed Warsi shall cease to hold office of Additional Director from the conclusion of the ensuing Annual General Meeting to be held on 27th September 2013.

Mr. Mahendra Ganatra was appointed as 'Additional Director' of the Company w.e.f. 07th April 2013 to hold the office till the conclusion of the ensuing Annual General Meeting. The Company has received notice under Section 257 for his appointment as Director in the forthcoming Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Ms. Namrata Malu retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The board recommends the re-appointment which will be beneficial to the company.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors seeking re-appointment at the ensuing Annual General Meeting are provided in the Annual report.

AUDITOR AND AUDITOR'S OBSERVATION

Mr. Sanjay Kumar Maheswary, Chartered Accountant, Mumbai retire at the forthcoming Annual General Meeting and is eligible for re-appointment. The certificate under Section 224(1B) of the Companies Act, 1956 has been obtained as required.

Auditor's observation and Management's explanation to the Auditor's observation –

The Directors refer to the Auditor's observation in the Auditor's Report and as required under Section 217(3) of the Companies Act, 1956, provide their explanation as under:

(I) EROSION OF NET WORTH OF THE COMPANY DUE TO ACCUMULATED LOSSES

Your directors wish to state that the Company is taking all the necessary steps to protect further erosion. The management believes that the business loss is a temporary phenomenon and is working towards the revival of the Company.

(II) OTHER OBSERVATIONS

With reference to the other observations made by the Auditor in his Report, your Directors wish to state that the relevant notes forming part of Company's Accounts are self explanatory and hence do not require any further explanation from the Board.

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 Board of Directors takes this opportunity to thank all the shareholders of the Company for their confidence and belief in the Company.

On behalf of the Board of Director

Sd/-

Dated : 11th May, 2013

Place: Kolkata

Vishal Dedhia

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, 2013**

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. Vishal Dedhia (appointed on 28 th August 2012)	Whole-time Director	8	5	Nil	Nil
Mr. Shane Ahmed Warsi (appointed on 11 th March, 2013)	Additional Director	8	Nil	5	Nil
Ms. Namrata Malu (appointed on 28 th August 2012)	Independent Director	8	2	Nil	Nil
Mr. Bharat Mohta (resigned on 7 th April 2013)	Promoter Director	8	7	3	Nil
K. K. Mohta (resigned on 28 th August 2012)	Promoter Director	8	3	4	1
Vaibhav Bhatte (resigned on 28 th August 2012)	Independent Director	8	3	1	Nil
Mr. Jaichand Jhawar (resigned on 11 th May, 2013)	Independent Director	8	8	Nil	Nil

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

All Directors except Mr.K.K. Mohta, Mr.Vaibhav Bhatte, Mr.Mahendra Ganatra and Mr.Shane Ahmed Warsi, were present at the last Annual General Meeting held on September 25, 2012.

- Board Meetings held during the financial year**

Board Meetings were held during the year 2012-2013 on following dates:

- (1) 12th April, 2012
- (2) 12th May, 2012
- (3) 14th August, 2012
- (4) 28th August, 2012
- (5) 25th September, 2012
- (6) 9th November, 2012
- (7) 12th February, 2013
- (8) 11th March, 2013

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.