



**SHREEYASH
INDUSTRIES LIMITED**

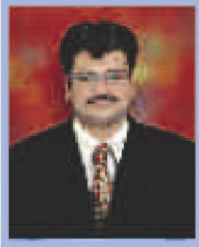


**ANNUAL REPORT
2012-13**

| | |
|---------------------------|--|
| BOARD OF DIRECTORS | <p>Hitesh M Patel Managing Director Manoj Kumar Director Gaurav Shah Additional Director Chendra Sheker Jadhav Additional Director Mudigonda Phaneesh Additional Director</p> |
| REGISTERED OFFICE | <p>5-8-272, Flat No.201, Ayesha Residency, Public Garden Road, Nampally, Hyderabad - 500 001</p> |
| AUDITORS | <p>M/s.Chakradhar & Nandan, Chartered Accountants</p> |
| BANKERS | <p>Axis Bank Limited Greenlands, Hyderabad.</p> |
| COMPLIANCE OFFICER | <p>Sunil Kumar Agarwal</p> |

What keeps us going....

ANNUAL REPORT 2012-2013



Hitesh M Patel
Managing Director

Our mission is based on our radical of creating innovative products that are unique giving an added value to our stake holders maintain for high quality standard enterprise.

Our Corporate Philosophy: T3 - Trust, Transparency and Teamwork. It symbolizes the mindset, ethics & commitment of the company.

Trust - We act with integrity and honesty, we practice what we profess and thereby build trust among ourselves and all our associates. We strongly believe that trust creates an atmosphere of mutual respect and support. We never compromise doing the right things at the right time consistently.

Transparency - We shall exhibit sincerity and accountability in all our activities. We will encourage active participation of all stakeholders in our decision-making process. We do practice justice and fair dealing at work.

Teamwork - We are passionate about our relationships. We work collaboratively with others and build strong relationships with clients, colleagues and within the community. We believe that excellence can be achieved only through teamwork. We believe in building teams committed to company goals.





NOTICE

NOTICE is hereby given that the 20th Annual General meeting of M/S. SHREEYASH INDUSTRIES LIMITED will be held on the Friday the 29th Day of November, 2013, at 11.00 A. M. at the Registered office of the Company at 5-8-272, Flat No. 201, Ayesha Residency, Public Garden Road, Nampally, Hyderabad - 500001 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Audited Profit & Loss Account for the period ended on that date together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Kumar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors and fix their remuneration and for this purpose pass the following resolution as ordinary resolution:

“RESOLVED THAT M/s. Chakradhar & Nandan, Chartered Accountants, Hyderabad, retiring Auditors of the Company be and are hereby re-appointed as auditors of the Company pursuant to the provisions of Section 224 of the Companies Act, 1956, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration.”

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modifications, the following resolutions as Ordinary resolution:

“RESOLVED THAT Mr. Gaurav Pankaj Shah, who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office as per Section 260 of the Companies Act, 1956, up to the ensuing Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”



5. To consider, and if thought fit, to pass, with or without modifications, the following resolutions as Ordinary resolution:

“RESOLVED THAT Mr. Chandra Sheker Jadhav, who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office as per Section 260 of the Companies Act, 1956, up to the ensuing Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

6. To consider, and if thought fit, to pass, with or without modifications, the following resolutions as Ordinary resolution:

“RESOLVED THAT Mr. Mudigonda Phaneesh, who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office as per Section 260 of the Companies Act, 1956, up to the ensuing Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing from a member, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

7. To consider, and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of section 269, 198, 309 and other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956 and other provisions thereto, as amended, the Company hereby accords its consent and approval for the appointment of Shri Hitesh M Patel as Managing Director of the Company with effect from 06.04.2013 for a period of 5 years without any remuneration.





“RESOLVED FURTHER THAT the Managing Director shall exercise substantial powers of management as defined under section 316 of the Companies Act, 1956 and shall act under the superintendence of the Board of Directors of the Company

“RESOLVED FURTHER THAT Shri Hitesh M Patel, Managing Director is further authorized to appoint any attorneys under General Power of Attorney or otherwise in ordinary course of business, as may be required from time to time, for and on behalf of the Company for the beneficial interest of the Company and he be further authorized to sign such Power of Attorney document or such other document as may be required on behalf of the Company.”

FURTHER RESOLVED THAT Board of Directors be and are hereby authorized to do all such acts, deeds, things as may be necessary in this regard.”

Place: 5-8-272, Flat No. 201, Ayesha Residency,
Public Garden Road, Nampally,
Hyderabad - 500001
Date: 24.10.2013

By Order of the Board

Sd/-

Hitesh M. Patel
Managing Director





NOTES :

1. A Member entitled to attend and vote is entitled to appoint Proxy to attend and vote instead of himself and the Proxy need not be the Member of the Company. The Proxies in order to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Members/proxies are requested to fill the attendance slips duly filled in for attending the meeting and bring their copies of the Annual Report to the meeting.
3. Members are requested to notify immediately any change in their address to our Share Transfer Agents.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th November, 2013 to 29th November, 2013 (both days inclusive)
5. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
6. Corporate Members intending to depute their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. Members are requested to write to the Company for any queries, regarding Accounts, so as to reach the Company at least ten days before the meeting, to enable the management to keep the information ready at the Meeting.
8. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
9. The information pertaining to the Directors proposed to be re-appointed are furnished below in terms of Clause 49 of the Listing Agreement with the Stock Exchanges:

PROFILES OF DIRECTORS:

Mr. Hitesh M Patel

has 8 years of experience in private equity placement, he has been involved in raising more than US \$50 MN by way of private equity placement, IPO, merger etc. He plays a key role in developing macro investments themes, understanding strengths and weaknesses of specific companies, and identifying superior management teams. post investment, he provides key strategic inputs on strengthening the business model of portfolio companies. He brings a very unique perspective of understanding the value drivers across industries and at the same time has a first-hand understanding of the challenges faced by small to mid-size companies as they scale their businesses.

Mr. Gaurav Pankaj Shah

He is a MBA from Welinkar Institute of Management and has done his graduation from R. A. Podar college of Commerce an economics. He has a decade of experience in financial markets and has been advising his clients with his in-depth knowledge on financial management.

**Mr. Phaneesh Mudigonda**

Born with a strong charisma and hunger to excel, Mr. Phaneesh Mudigonda is a symbol of performance, drive and affirmation. Prior to over a decade as the Director with Nandan Cleantec Biomatrix Ltd., he was standing counsel for Banks and reputed corporate houses such as Hindustan Lever, Stephan Chemicals, Hero Honda, Best & Crompton, AP Rayon and other MNCs. He holds a Graduate degree in Commerce and Law specialized in corporate, commercial, labor and industrial law.

Mr. Chandra Sheker Jadhav

Mr. C S Jadhav comes with over 20 years of experience in the field of advertising, public relations, product management, sales & distribution he currently heads the entire sales and marketing of Nutraceuticals and Biofuels division. As the Director Marketing of Nandan Cleantec Biomatrix Ltd., he has been instrumental in establishing a unique franchisee model in the Agro sector. He holds a Masters Degree in Business Administration & a diploma in Communication & Journalism. He additionally carries an MA in public and personnel management.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the companies Act, 1956)

Item No. 4, 5 and 6:

The Board of Directors of the Company appointed Mr. Gaurav Pankaj Shah, Mr. Chandra Shekhar Jadhav and Mr. Phaneesh Mudigonda as Additional Directors of the Company and they hold their respective offices up to the ensuing Annual General Meeting. The Board has received a notice in writing from members of the Company, under Section 257 of the Companies Act, 1956, proposing their appointment as Directors of the Company, liable to retire by rotation.

The Board of Directors recommends your approval in favor of these resolutions.

None of the Directors other than the appointees are concerned or interested in these resolutions.

Item No 7

The Board of Directors of the company in their meeting held on 06.04.2013 has appointed Mr. Hitesh M Patel as Managing Director of the Company for a period of Five years without any remuneration. The Company is planning to streamline





in to new businesses by acquiring other companies already in the said businesses namely Healthcare, natural minerals, Herbal products, Agricultural products through a scheme of merger. Shri Hitesh M Patel has vast experience in these lines of businesses and would play a vital role as Managing Director of the company in efficiently navigating the Company in these new markets and exploiting the available opportunities for growth.

The Board recommends your approval for item no. 7

None of the Directors except Shri Hitesh M Patel is in any way concerned or interested in the said resolution





DIRECTOR'S REPORT

To,

The Members

The Director's are pleased to submit their Twentieth Annual Report of the Company together with the Audited Balance Sheet and Profit & Loss Account for the Year ended 31st March, 2013.

INCORPORATION

The company was incorporated on 23rd June, 1993.

Registered Office

The company has located at following address.
5-8-272, Flat No. 201, Ayesha Residency,
Public Garden Road, Nampally,
Hyderabad - 500001

PRINCIPAL ACTIVITY

The company is principally engaged in the business of manufacturing , trading and exports of textiles, garments and made ups.





FINANCIAL RESULTS:

The performance during the year has been as under:

(Amounting Rs.)

| No. | Particulars | 2012-13 | 2011-12 |
|-----|--------------------------------------|----------------------|----------------------|
| 1. | Sales Turnover | 2,72,61,605 | 13,71,19,284 |
| 2. | Other Income | . | . |
| 3. | PBD I & T(+)/ LBDT (-) | (23,75,840) | 22,084 |
| 4. | Depreciation | 11,262 | 14,101 |
| 5. | Interest | . | . |
| 6. | P B T (+)/ L B T | 23,87,102 | 7,983 |
| 7. | Tax for the Year | . | . |
| 8. | Deferred Tax for the year | 1,362 | 1,633 |
| 9. | Def. Rev. Exp. W/Off | . | . |
| 10. | Net Profit(+)/ Loss (-) for the Year | (23,85,740) | 9,616 |
| 11. | Transfer to General Reserve | (4,73,10,708) | (4,49,24,968) |

PERFORMANCE AND REVIEW OF OPERATIONS:

Shreeyash Industries Ltd has been operating in very difficult markets. During the year under review the Company as a part of gaining footprint in the textiles market has commenced trading activities of textiles. The retail trade in India has not seen growth. In fact most of the top brands are reeling under this recession. Therefore the company is having a cautious outlook for the future.

During the year under review, the Company had a total sales turnover of Rs. 2,72,61,605/- as compared to Rs. 13,71,19,284/- in the previous year. This resulted into a



net loss of Rs. 23,85,740/- in the current year. During the 1st half of the year the company could conduct moderate business owing to its order book position. Regrettably during the 2nd half due to taxes and levies imposed on textiles and also due to general economic slowdown the company could not match same pace as of its 1st half. The Company is in the process to develop and diversify its business activities, in order to attain operational efficiency. Your Directors are confident and trying their best to increase the performance and profitability of the Company by way of progressive approach and dedicated management.

FUTURE OUTLOOK:

Considering the present financial scenario, it is evident that the Company is facing challenges pertaining to its business operations with a gradual decline in its productivity. In order to overcome from these circumstances, the Company is planning to revive its future course of action by diversification into multiple businesses by acquisition of certain business entities. In addition to that, the Company is scouting for integrating new lines of business by entering into an arrangement with some existing companies carrying on diverse objects from varied industries thus widening its business prospects and yield fruitful returns. In order to integrate the varied business, the Board has proposed a Scheme of Arrangement whereby the capital will be re-structured and business that are being acquired will be merged with the Company. The proposed merger is expected to lead to an increased value generation for the company. It is believed that the shareholder value of the companies after merger would be greater than the sum of the shareholder values of the parent companies. The proposed merger will result in cost efficiency through the implementation of economies of scale that can increase revenue and can reduce the cost of capital. This activity will also lead to tax gains and can even lead to a revenue enhancement through market share gain as the joint company will be able to generate more value than the separate companies, by the proposed merger the joint company benefits in terms of cost efficiency.

DIVIDENDS

There were no dividends paid, declared or proposed by the Company during the financial period.

RESERVES AND PROVISIONS

The loss has been transferred to free reserves



**DIRECTORS :**

During the year under review, Mr. Gaurav Pankaj Shah, Mr. P. S. Ranganath and Mr. C. S. Jadhav were appointed as Additional Directors by the Board u/s 260 of the Companies Act, 1956 and their term of office expires at ensuing Annual General Meeting. Company has received notices for their appointment as Directors liable to retire by rotation. Your Board recommends their appointment. Mr. Hitesh Mohanbhai Patel was appointed as Managing Director of the Company.

Mr. Suresh Nakula, Mr. Arun Kumar Bansal, Mr. Badi Ullah Baig and Mr. P. S. Ranganath resigned from the directorship of the Company. Mr. Manoj Kumar resigned as the Managing Director of the Company and continues to hold office as director of the Company. We sincerely thank them for their service and active role in Shreeyash and we wish them well for their future endeavors'.

AUDITORS:

Auditors of the Company M/s Chakradhar & Nandan, Chartered Accountants, Hyderabad, who are appointed as Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible for re appointment as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, the Board recommends their appointment.

FIXED DEPOSITS:

The company has not accepted deposits during the year, other than unsecured loans raised from Directors /Promoters.

DIRECTORS' RESPONSIBILITY STATEMENT:**Your Directors Confirm:**

- a) That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) 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 affairs of the company at the end of the financial year ended on 31st March, 2013 and of the loss of the company for that year.
- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records for the year ended 31st March 2013 in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.



- d) That the Directors had prepared the annual accounts on an ongoing basis.

PARTICULARS OF EMPLOYEES:

During the year under review, there were no employees drawing salaries more or equal to the limits laid under Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975, as amended

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

- a. **Conservation of Energy:** Since there were no operations during the year, there was no usage of energy. Therefore, there are NIL measures for conservation of energy.
- b. **Technology absorption:** There were no operations during the year. Hence the measures for Technology absorption are NIL.

- c. **Foreign Exchange Earnings & outgo:** (Value in Rs. lakhs)

| | | |
|---------------------------------|---|-----|
| Value of Imports (CIF basis) | : | NIL |
| Expenditure in Foreign currency | : | NIL |
| Earnings in Foreign Exchange | : | NIL |

SUBSIDIARY COMPANIES:

There are no subsidiaries to the Company as on date of the report.

LISTING:

The shares of your company are listed on Bombay Stock Exchange and Calcutta Stock Exchange and are trading regularly.

CODE OF CONDUCT:

The Company has adopted a uniform Code of Conduct for Directors and Senior Management and above Officers level to ensure ethical standards and ensure compliance to be laid down.

CORPORATE GOVERNANCE CODE:

The Code of Corporate Governance as per Clause 49 of the Listing Agreement is attached herewith. The Compliance Certificate on Corporate Governance received from the Statutory Auditor is given as Annexure to this report.





TECHNOLOGY ABSORPTION & ENERGY CONSERVATION:

Technology Absorption – Nil. There are no Imported Technologies.

The company is not energy intensive, however efforts for conservation of energy are an ongoing process and every effort is made so that optimum conservation of energy in all the areas of operations is ensured.

INDUSTRIAL RELATIONS:

Your company continues to enjoy cordial relations with the employees at all levels.

ACKNOWLEDGEMENTS:

Yours directors are thankful for the significant contribution made by the employees. Your directors also express their gratitude to the bankers and government agencies for their support and co-operation extended by them during the period under review and also look forward to have the incremental support in future.

**On behalf of the Board of Directors of
SHREEYASH INDUSTRIES LIMITED**

| | |
|-------------------------|-----------------------------|
| Sd/- | Sd/- |
| (Hitesh M Patel) | (Phaneesh Mudigonda) |
| Managing Director | Director |

Place: Hyderabad
Date: 24.10.2013





MANAGEMENT DISCUSSION & ANALYSIS

Industry Structure & Development

The Indian textile industry is one of the leading textile industries in the world. It contributes about 14% to industrial production, 4% to country's GDP and 17% to the country's export earnings. The textile industry provides direct employment to over 35 million people and is the second largest provider of employment after agriculture.

After two years of gradual consolidation due to the one of the worst recession ever to hit the economy, textile industry in India has fathomed on its own stable grounds and is poised at the threshold to take a giant leap in years to come.

There is no material change in the industrial structure with regard to the textile segments, which the company was mainly operating during the year.

Products such as cloth, used as bed sheets, hospital requirements and linen for and other areas are covered under the generic segment and are used in large hospitals. Besides the above, the general textiles are widely used across consumers and other consumption industries. In the above segment there are huge no. of competitors and the company operates with thin margins.

Opportunities and Threats

The potential size of Indian Textile Industry is expected to reach US\$220 billion by 2020. With consumerism and disposable income on the incline, the retail textile sector has witnessed rapid growth in the past decade. The Company has set all the plans to grab the opportunity and shore up its trading activity.

Outlook

The company has tried to make a stronghold on garments trading business and had planned to expand its business operations by streamlining into new business namely plantation, horticulture and herbal personal care products by acquiring the businesses already engaged in the said business activities. However the plans will be implemented during the current and results well be visible over next year. The Company has tied up for supply of Hospital Apparels to African countries and is also in talks for increasing the shirt manufacturing.

The Indian Economy provides a big opportunity to the company to market its products as recovery in the domestic company and select global economy could provide a boost to its top line.

However slow economic growth of Indian Economy could impact the performance of the company. However going forward since the company is venturing into a diversified segment involving a varied bouquet of products other than textiles shall augur well in the growth to the company.



The demand for the company's production is linked to the market demand both in India and globally. The current year outlook is not very encouraging due to the present weakness in the underlined economic scenario. The company is making efforts to improve the performance by cost reduction measures and demand generation.

Risk and concerns

The textile industry is self-reliant and complete in value chain, right from availability of raw materials to manufacture of garments. The major factors which impact the risk and credit quality of the industry are business volatility, Excellence in the product and assortment, diversified Product mix, geographical diversification, efficient procurement of raw materials, Cost Structure.

The frequent labor problems in any textile unit will impact the labor efficiency and the Profit of the company. Also the faster changing trends obsolete the stock.

Internal control systems and their adequacy

The Company has an advanced internal control system. The company has been making necessary improvements to its internal control system from time to time to keep it updated with the latest innovations in this field.

The internal control systems are aimed at promoting operational efficiencies. The Company is conducting internal audit at regular intervals to ensure that:

- Transactions are executed in accordance with the Company's policies and authorizations.
- Deployment of funds is in accordance with the Company's policies and Project Budgets.

The internal audit is conducted as per the requirement of the Company and the report is submitted to the Audit committee and to the Management.

The Audit committee with three independent and non-executive directors meets to investigate any matter relating to the internal control system and reviews the Internal Audit. The committee reviews the quarterly and half yearly financials before they are submitted to the Board of Directors.

The Company's internal control system keeps a regular check on the movable and immovable assets of the Company in order to protect them from loss or damage which may occur due to unauthorized usage/access.





Financial Condition

Share Capital

During the year under review, there was no further issue of shares and paid up capital of the Company stands at Rs. 5,43,56,000/-.

Secured Loans

The secured loans of the Company as at 31.03.2013 are NIL.

Fixed Assets

The net block of the Company as at 31.03.2013 is Rs.48, 318/-.

Human Resources

The Company strongly believes that a right workforce makes all the difference in catapulting an organization to the highest echelons of success and achievement. Company plans to build up a strong workforce once the Company resumes its business operations.

CAUTIONARY STATEMENT

Statement made in Management Discussion and Analysis report which seeks to describe the Objectives, projections, estimates, predictions may be considered to be forward looking statements and are stated as required by applicable laws and regulations. Actual results could differ from those expressed or implied and are determined by many factors including global and domestic demand - supply conditions, process, raw materials availability, tax laws, governmental policies and other statutes which may affect actual results which may be different from what the Directors envisaged in terms of future performance and outlook.





CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Code of Corporate Governance as has evolved over the years emanating from Listing Agreement entered into by the Company with the Stock Exchanges towards ensuring the Company to manage its affairs with diligence, transparency, responsibility and accountability. As a Policy, it is firmly believed that good corporate governance practices would ensure efficient conduct of the affairs and enhance stakeholder's value. As a part of the compliance of revised Clause 49 of Listing Agreement, the Company presents hereunder the required disclosures in the form of a Report for information of all the stakeholders.

2. BOARD OF DIRECTORS

The Company has 5 Directors out of which 4 are non-executive directors.

Composition and Category of Directors:

| Name | Designation | Category | No. of Directorships | Attendance at Board Meeting | Attendance at previous AGM |
|-------------------------------------|---------------------|--------------------|----------------------|-----------------------------|----------------------------|
| Mr. Hitesh Mohanbhai Patel * | Managing Director | Executive Director | - | - | NA |
| Mr. Phaneesh Mudigonda | Additional Director | Non-Exec Director | 6 | 3 | NA |
| Mr. Gaurav Pankaj Shah ** | Additional Director | Non-Exec Director | - | - | NA |
| Mr. C. S. Jadhav ** | Additional Director | Non-Exec Director | 6 | - | NA |
| Mr. P. S. Rangnath *** | Additional Director | Non-Exec Director | - | - | NA |
| Mr. Manoj Kumar **** | Director | Non-Exec Director | - | 7 | Yes |
| Mr. Arun Bansal **** | Director | Non-Exec Director | - | 5 | Yes |
| Mr. Badiullah Baig **** | Director | Non-Exec Director | - | 2 | No |
| Mr. Suresh Nakula **** | Additional Director | Non-Exec Director | - | 5 | No |

Notes:

*Appointed as Managing Director w.e.f 06.04.2013



**Appointed as Additional Director w.e.f 06.04.2013

***Appointed as Additional Director w.e.f 06.04.2013 and resigned w.e.f. 30.05.2013

****Resigned as the Managing Director w.e.f 06.04.2013

*****Resigned as Directors w.e.f. 06.04.2013

Meetings of the Board of Directors

The Board of Directors met 7 times during the financial year on 09.05.2012, 10.05.2012, 21.05.2012, 14.08.2012, 11.09.2012, 15.11.2012, 15.02.2013.

Information supplied to the Board

Board members are given agenda papers along with necessary documents and information in advance of each meeting of the Board and Committees. In addition to the regular business items, the following are regularly placed before the Board to the extent applicable.

- Quarterly and half yearly results of the Company.
- Minutes of the Audit Committee, Shareholders Committee meetings.
- Details of Agreements entered into by the Company
- Non – Compliance of any statutory or listing requirement

3. AUDIT COMMITTEE

Terms of Reference:

The terms of reference of the Audit committee include the following:

- a. To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- b. To oversee the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- c. To hold periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the company, internal control systems, scope of audit and observations of auditors.
- d. To make recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.
- e. To recommend the appointment and removal of external auditors, fixation of audit fees and also approval of fee for any other services by the auditors.
- f. To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice if necessary.



- g. To make recommendations to the Board on any matter relating to the financial management of the Company.

Composition

The Audit Committee of the Company consists of three members. All the members are Non-Executive Independent Directors. During the year under review, Mr. P. S. Ranganath was appointed as a member of the Committee. He resigned w.e.f 30.05.2013 and the Committee was re-constituted as under:

| Name of the Committee Members | Designation | Meetings Held | Attendance |
|-------------------------------|-------------|---------------|------------|
| Mr. Gaurav P. Shah* | Chairman | 5 | - |
| Mr. Phaneesh Mudigonda | Member | 5 | 3 |
| Mr. C. S. Jadhav * | Member | 5 | - |
| Mrs. Meena Agarwal ** | Member | 5 | 5 |
| Mr. Arun Bansal ** | Chairman | 5 | 5 |
| Mr. Suresh Nakula ** | Member | 5 | 5 |

Notes:

* Appointed on re-constitution w.e.f. 06.04.2013

** Resigned

During the financial year, the Audit Committee met on 09.05.2012, 14.08.2012, 15.11.2012, 5.12.2012, 15.02.2013,

4. REMUNERATION COMMITTEE:

Terms of Reference:

The Remuneration Committee constituted by the Company is responsible for looking into the remuneration payable to the Whole-time Directors and other Employees of the Company. The Non-Executive Directors of the Company are not entitled for any remuneration other than fee payable for attending Board & Committee Meetings. The Committee frames the policy on specific remuneration packages for Whole-time Directors including pension rights and compensation payments. The Committee also approves the Remuneration Policy for employees other than Whole-time Directors as may be recommended to it.

Composition

The Remuneration Committee of the Company comprises of three directors. During the year under review, Mr. P.S. Rangnath was appointed as a member of the Committee. He resigned w.e.f 30.05.2013 and the Committee was re-constituted as under:

| Name | Designation | Category |
|------------------------|-------------|------------------------|
| Mr. Phaneesh Mudigonda | Chairman | Non-Executive Director |
| Mr. Hitesh M. Patel* | Member | Executive Director |
| Mr. Gaurav P. Shah* | Member | Non-Executive Director |

**NOTES :**

* Appointed on re-constitution w.e.f 06.04.2013

Meetings of the Committee and Attendance

As there was no remuneration paid to the Directors, no meeting was held.

5. INVESTOR'S GRIEVANCE COMMITTEE**Composition as on date**

The Investor's Grievance Committee of the Company has been re-constituted with Three Directors viz.

- a. Mr. Gaurav Shah - Member
- b. Mr. Phaneesh Mudigonda - Chairman
- c. Mr. C. S. Jadhav - Member

All the investor complaints received by the Company during the financial year were resolved.

6. ANNUAL GENERAL MEETINGS**Details of previous Annual General Meetings**

| Day | Date | Time | Venue |
|--------|---------------------------------|----------|---|
| Monday | 30 th September 2010 | 11.00 AM | Hotel Tara International, Siddiamber Bazar, Hyderabad-500012 |
| Friday | 30 th September 2011 | 11.00 AM | 5-8-272, Flat No. 201, Ayesha Residency, Public Garden Road, Nampally, Hyderabad - 500001 |
| Monday | 31 st December 2012 | 11.00 AM | 5-8-272, Flat No. 201, Ayesha Residency, Public Garden Road, Nampally, Hyderabad - 500001 |

Details of special resolution passed - NIL**Postal ballot resolution- NIL****7. DISCLOSURES**

- a. No transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
- b. There has been no filing towards compliance by the Company on the matters relating to capital markets, particularly listing agreement compliance.



- c. The Company is in compliance with all the mandatory requirements and has fulfilled the non mandatory requirements as prescribed in Annexure - 1D of the revised Clause 49 of the Listing Agreement with Stock Exchanges.
- d. The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:

DECLARATION REGARDING CODE OF CONDUCT

To the Shareholders,

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Sd/-
HITESH M. PATEL
MANAGING DIRECTOR

Dated: 24.10.2013
Place: Hyderabad

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Shreeyash Industries Limited

I have reviewed the financial statements, read with the cash flow statement of Shreeyash Industries Limited for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that:

- A. (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that may be misleading;
- (ii) These statements present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.



- B. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee;
- Significant changes, if any, in the internal control over financial reporting during the year.
 - Significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes of the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

Dated: 24.10.2013

Place: Hyderabad

Sd/-
HITESH M PATEL
MANAGING DIRECTOR

- e. CEO Certification: The Managing Director has given a certificate as contemplated in Clause 49 of the Listing Agreement.
- d. The requirements of the Audit and other Committees as contemplated in Clause 49 have been complied with as per the report set above in respect of the same.

8. MEANS OF COMMUNICATION

The Company has published financial results for four quarters of previous financial year within time specified i.e. 48 hours as required by the Listing agreement, in Financial Express/ Business Standard (English News papers) and Surya/Andhra Prabha (Regional Language - Telugu Newspapers). No targeted presentations were made during the year under review. The Management Discussion & Analysis Report forms part of the Annual Report of the Company as required under the Listing Agreement.



9. GENERAL SHAREHOLDER INFORMATION

20TH Annual General Meeting Schedule: Friday, the 29th Day of November, 2013 at 11:00 A.M at 5-8-272, Flat No. 201, Ayesha Residency, Public Garden Road, Nampally, Hyderabad - 500001

i) Financial Calendar (Tentative):

| Financial Year (01.04.2013 to 31.03.2014) | Proposed date |
|--|----------------------|
| Un-audited Financial results for quarter ended 30.06.2013 | Upto 15.08.2013 |
| Un-audited Financial results for quarter ended 30.09.2013 | Upto 15.11.2013 |
| Un-audited Financial results for quarter ended 31.12.2013 | Upto 15.02.2014 |
| Un-audited Financial results for quarter ended 31.03.2014 | Upto 15.05.2014 |
| 21st Annual General Meeting | September, 2014 |

- ii) Dates of Book Closure (Period) : 26th November, 2013 to 29th November, 2013
(Both days inclusive)
- iii) Dividend Payment Date : NIL
- iv) Listing at Stock Exchanges : Bombay Stock Exchange (BSE)
- v) Listing Fees : The listing fees for the year 2013-2014 has been paid to the BSE.
- vi) Stock code : BSE-530219
CSE-Shreeyash Industries Limited.

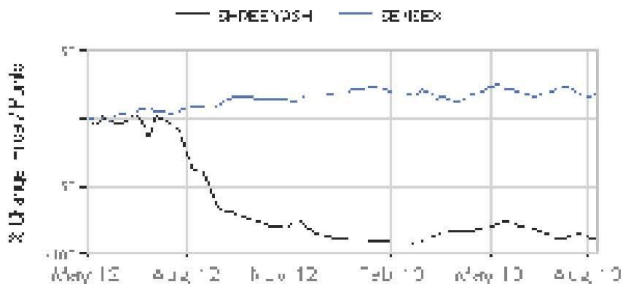


vii) **Market price Data:** Following are the market details of the Company on BSE :

| Month | High Price | Low Price | No. of shares traded |
|-----------------|------------|-----------|----------------------|
| April, 2012 | 35.95 | 25.95 | 301 |
| May, 2012 | 30.65 | 25.75 | 744 |
| June, 2012 | 31.60 | 25.10 | 1059 |
| July, 2012 | 31.00 | 23.50 | 2591 |
| August, 2012 | 27.00 | 14.15 | 2335 |
| September, 2012 | 13.45 | 8.09 | 544 |
| October, 2012 | 8.25 | 5.75 | 155 |
| November, 2012 | 7.24 | 5.40 | 189 |
| December, 2012 | 5.50 | 3.14 | 310 |
| January, 2013 | 3.20 | 2.70 | 244 |
| February, 2013 | 2.66 | 2.09 | 121 |
| March, 2013 | 4.63 | 2.14 | 155 |

viii) **Comparative performance :**

Index Comparison



ix) **Registrar & Share Transfer Agents:**

Big Share Services Private Limited
 306, Right Wing Amrutha Villa,
 Opp Yashoda Hospital, Raj Bhavan road,
 Somajiguda, Hyderabad - 500 082
 Phone No: 040-40144967



- x) **Share transfer system:** The Company's shares are traded in Demat form at the Stock Exchanges. Only off-market trades can be delivered in physical form. All shares received for transfer, etc are processed and returned to the shareholders within 21 days of receipt of lodgment.
- xi) **Distribution of Share holding:**

| Category (No. of shares) | Number of Holders | % of Total holders | Number of Shares | % of Total Capital |
|-----------------------------|-------------------------|-----------------------|---------------------|-----------------------|
| Upto 5000 | 1178 | 58.14413 | 396957 | 7.30291 |
| 5001-10000 | 410 | 20.23692 | 325678 | 5.99157 |
| 10001-20000 | 164 | 8.09477 | 252249 | 4.64068 |
| 20001-30000 | 57 | 2.81343 | 144820 | 2.66429 |
| 30001-40000 | 24 | 1.18460 | 87085 | 1.60212 |
| 40001-50000 | 43 | 2.12241 | 205153 | 3.77425 |
| 50001-100000 | 65 | 3.20829 | 488245 | 8.98236 |
| 100001 above | 85 | 4.19546 | 3535413 | 65.04182 |
| Total | 2026 | 100 | 5435600 | 100 |



xii) Shareholding pattern as on 31st March, 2013

| | Category | Total No. of Shares Held | Total Share holding as a % of Total No. of Shares |
|---|---|--------------------------|---|
| A | Shareholding of Promoter and Promoter Group | | |
| | 1. Indian | 3749 | 0.06897 |
| | 2. Foreign | 0 | 0 |
| | Total Shareholding of Promoter and Promoter Group(A) | 3749 | 0.06897 |
| B | Public Shareholding | | |
| | (1) Institutions -Financial Institutions/Banks | 158849 | 2.92238 |
| | Sub-Total | 158848 | 2.92238 |
| | (2) Non-Institutions -Bodies Corporate | 775472 | 14.26654 |
| | Individuals -Individual shareholders holding nominal share capital upto Rs.1 lakh | 1736970 | 31.95544 |
| | -Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 2709480 | 49.84694 |
| | Any Others(Specify) Non Resident Indians | 49500 | 0.91066 |
| | Clearing Members | 1580 | 0.02907 |
| | Sub Total | 5273002 | 97.00865 |
| | Total Public Shareholding (B) | 5431851 | 99.93103 |
| | Total (A)+(B) | 5435600 | 100 |
| C | Shares held by Custodians and against which Depository receipts have been issued | | |
| | (1) Promoter and Promoter group | 0 | 0 |
| | (2) Public | 0 | 0 |
| | Sub Total (C) | 0 | 0 |
| | Total (A)+(B)+(C) | 5435600 | 100.00 |



xiii) **Dematerialisation of shares:** The Company has entered into separate Tripartite Agreements with the Depositories viz. NSDL and CDSL along with M/s Big Share Services Private Limited. Physical transfers are handled in-house by the Company. As on 31st March, 2013, a total of **34,32,400 shares** i.e. **about 63.15% of the total shares have been dematerialized.**

ISIN: INE536C01011

xiv) **Outstanding Bonds/Convertible Instruments: NIL**

xv) **Address for communication:** No.5-8-272, 276 & 322, Ayesha Residency Public Garden road, Nampally, Hyderabad-500 001

E-mail: shreeyashindustries@gmail.com, info@shreeyashindustries.com

Registered Office Address: No.5-8-272, Flat No. 201, Ayesha Residency Public Garden road, Nampally, Hyderabad-500 001

**On behalf of the Board of Directors of
SHREEYASH INDUSTRIES LIMITED**

**Sd/-
(Hitesh M Patel)
Managing Director**

**Sd/-
(Phaneesh Mudigonda)
Director**

Place: Hyderabad

Date: 24.10.2013





Auditor's Certificate on Compliance with the Provisions of Corporate Governance pursuant to clause 49 of the Listing Agreement

To
The Members
Shreeyash Industries Limited
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by Shreeyash Industries Limited, Hyderabad, for the period ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described in the guidance note on certification of Corporate governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate governance as stipulated in the said clause. 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 explanation given to us, and based on our reliance upon the representations made by the management that were no transactions of material nature with the management or by relatives that may have political conflict with the interest of the Company at large.

We certify that the Company has complied in all material aspects with the conditions of the corporate governance as stipulated in the Listing Agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India we have to state that several investor grievances were pending for a period more than one month against the company as explained to us by the management.

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

For Chakradhar & Nandan
Chartered Accountants

Sd/-
(K.S.Nandan)
Partner
Membership No. 201123

Place: Hyderabad
Date: 30.05.2013



**CHAKRADHAR & NANDAN
CHARTERED ACCOUNTANTS**

**201 (Resi), Srinath Complex,
S.D.Road, Secunderabad – 500 003
Phones: 66317112, 66317598**

AUDITOR'S REPORT

To

The Members of

M/s. Shreeyash Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **SHREEYASH INDUSTRIES LIMITED, Hyderabad** which comprise the balance sheet as at March 31, 2013, and the statement of Profit and Loss, and a summary of significant accounting policies and other explanatory information.

Management 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 principles generally accepted in India, including accounting standards referred to in sub section (3C) of section 211 of Companies Act, 1956 ("Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements 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, but not for the purpose of expressing an opinion on the effectiveness of company's internal controls. 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanation 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 of Profit & Loss, of the Loss of the company for the year ended on March 31, 2013.

Report on other Legal and Regulatory requirements

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Companies Act, 1956 we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

1. 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet and statement of Profit and Loss dealt with by this report are in agreement with books of account.
 - d) In our opinion, the Balance Sheet and Statement of Profit & Loss comply with the accounting standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.





- e) On the basis of written representation received from the Directors, as on March 31, 2013 and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on March 31, 2013 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Chakradhar & Nandan
Chartered Accountants**

Sd/-
(K.S.Nandan)
Partner
Membership No. 201123

Place: Hyderabad
Date: 30.05.2013





ANNEXURE TO AUDITOR'S REPORT

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Companies Act, further report that:

- (i)
 - a. The company has maintained reasonable records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. There was no disposal of a substantial part of its fixed assets during the year.
- (ii) The Company at reasonable intervals has conducted physical verification of inventories. The procedures for physical verification of stocks followed by the Company are reasonable and adequate in relation to the size of the company and the nature of its business. The Company is maintaining reasonable records for the inventories and no material discrepancies were noticed on such verification.
- (iii)
 - a. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act accordingly, the provisions of clause 4(iii)(a) to (d) of the order are not applicable to the company and hence not commented upon.
 - b. According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act accordingly, the provisions of clause 4(iii)(e) to (g) of the order are not applicable to the company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas. However the internal controls need to be further strengthened to be in commensurate with the size and nature of its business. Getting confirmations of independent account balances from the third parties should be emphasized upon.



- (v) According to the information and explanations given and as informed by the management, there are no contracts or arrangements referred to in section 301 of the Act that need to be entered in to the register maintained under section 301.
- (vi) According to the information and explanations provided by the management, no deposits have been accepted by the company during the year. Other than interest free unsecured loans from promoters and directors of the company.
- (vii) The Company has no Internal Audit System.
- (viii) According to the information and explanations and representations given by the management, we have been informed that the company does not come under the purview of the rules made by the central government for the maintenance of cost records u/s 209 (1)(d) of the Act.
- (ix) a. The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and protection fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.
 - b. According to the explanations and information given to us there were no undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty etc outstanding for a period of more than six months from the date they became payable.
- (x) In our opinion, the company has accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, the company has not taken any loans from a financial institution, Bank, or issued any debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the company.



- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, no term loans were taken by the company.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Act. In our opinion, the prices at which shares have been issued is not pre-judicial to the interest of the company.
- (xix) The company has not issued any secured or unsecured bonds and debentures during the year.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

**For Chakradhar & Nandan
Chartered Accountants**

Sd/-
(K.S. Nandan)
Partner
Membership No. 201123

Place: Hyderabad
Date: 30.05.2013



**Balance sheet as on 31.03.2013**

(Amount in Rs.)

| Particulars | Note No. | Figures as at the end of current reporting period 31.03.2013 | Figures as at the end of previous reporting period 31.03.2012 |
|--|----------|--|---|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share capital | 1 | 54,356,000 | 54,356,000 |
| (b) Reserves and surplus | 2 | (47,372,825) | (44,987,085) |
| (c) Money received against share warrants | | - | - |
| (2) Share application money pending allotment | | - | - |
| (3) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 2,887,344 | 2,372,622 |
| (b) Deferred tax liabilities (Net) | | - | - |
| (c) Other Long-term liabilities | | - | - |
| (d) Long-term provisions | | - | - |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | | - | - |
| (b) Trade payables | 5 | 25,371,366 | 807,364 |
| (c) Other current liabilities | | - | - |
| (d) Short-term provisions | 6 | 365,295 | 1,058,420 |
| TOTAL | | 35,607,180 | 13,607,321 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 12 | 48,318 | 59,579 |
| (b) Non-current investments | | - | - |
| (c) Deferred tax assets (Net) | 4 | 2,995 | 1,633 |
| (d) Long term loans and advances | 7 | - | 7,991,681 |
| (e) Other non-current assets | | - | - |
| (2) Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 8 | - | 205,670 |
| (c) Trade receivables | 9 | 35,349,526 | 4,141,770 |
| (d) Cash and bank balances | 10 | 116,841 | 376,176 |
| (e) Short-term loans and advances | | - | - |
| (f) Other current assets | 11 | 89,500 | 830,812 |
| TOTAL | | 35,607,180 | 13,607,321 |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | Annexed | | |

This is the Balance Sheet referred to in our report of even date.

For **Chakradhar & Nandan**

Chartered Accountants

FRN : 0069058

Sd/-

(K.S Nandan)

Partner

Membership No. 201123

Place: Hyderabad

Date: 30.05.2013

For and on behalf of the Board of Directors

M/s. Shreeyash Industries Limited

Sd/-

(Hitesh M Patel)
Managing Director

Sd/-

(Phaneesh Mudigonda)
Director



SCHEDULES

Statement of Profit and loss for the year ended 31.03.2013

(Amount in Rs.)

| Particulars | Note No. | Figures for the current reporting period ended 31.03.2013 | Figures for the Previous reporting period ended 31.03.2012 |
|---|----------------|---|--|
| I. Revenue from operations | 13 | 27,261,605 | 137,119,284 |
| II. Other Income | 14 | - | - |
| III. Total Revenue (I +II) | | 27,261,605 | 137,119,284 |
| IV. Expenses: | | | |
| Cost of Materials Consumed | 15 | 26,116,611 | 132,232,669 |
| Purchases of Stock-in-Trade | | - | - |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | | - | - |
| Employee benefits expense | 16 | 441,061 | 745,432 |
| Financial costs | | - | - |
| Depreciation and amortization expense | 12 | 11,262 | 14,101 |
| Other expenses | 17 | 3,079,773 | 4,119,099 |
| Total Expenses | | 29,648,707 | 137,111,301 |
| V. Profit before exceptional and extraordinary items and tax | | (2,387,102) | 7,983 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | (2,387,102) | 7,983 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax (VII - VIII) | | (2,387,102) | 7,983 |
| X. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax Asset | | 1,362 | 1,633 |
| XI. Profit/(Loss) for the period from continuing operations (IX-X) | | (2,385,740) | 9,616 |
| XII. Profit/(Loss) from discontinuing operations | | - | - |
| XIII. Tax expense of discounting operations | | - | - |
| XIV. Profit/(Loss) from discounting operations (after tax) | | - | - |
| XV. Profit/(Loss) for the period (XI + XIV) | | (2,385,740) | 9,616 |
| XVI. Earning per equity share: | | | |
| (1) Basic | | (0.4389) | 0.0018 |
| (2) Diluted | | (0.4389) | 0.0018 |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | Annexed | | |

The Schedules referred to above form an integral part of the Statement of Profit and Loss Account.

For **Chakradhar & Nandan**
Chartered Accountants
FRN : 0069058

For and on behalf of the Board of Directors
M/s. Shreeyash Industries Limited

Sd/-
(K.S Nandan)
Partner
Membership No. 201123
Place: Hyderabad
Date: 30.05.2013

Sd/-
(Hitesh M Patel)
Managing Director

Sd/-
(Phaneesh Mudigonda)
Director



1 SHARE CAPITAL

(Amount in Rs.)

| PARTICULARS | 2012-13 | | 2011-12 | |
|--|---------------|-------------------|---------------|-------------------|
| | Number | Value | Number | Value |
| a) Authorized Share Capital | | | | |
| 6000000 Equity Shares of Rs .10 each | | 60,000,000 | | 60,000,000 |
| ___Preference Shares of Rs _ each | | - | | - |
| Total | | 60,000,000 | | 60,000,000 |
| b) Issued Capital, Subscribed & Fully Paid up | | | | |
| 5435600 Equity Shares of Rs.10/- each | | 54,356,000 | | 54,356,000 |
| ___Preference Shares of Rs _ each | | - | | - |
| Total | | 54,356,000 | | 54,356,000 |
| c) Reconciliation of the number of shares outstanding | | | | |
| Equity Shares | Number | Value | Number | Value |
| Shares outstanding at the beginning of the year | 5,435,600.00 | 54,356,000.00 | 5,435,600.00 | 54,356,000.00 |
| Shares issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the year end | 5,435,600.00 | 54,356,000.00 | 5,435,600.00 | 54,356,000.00 |

2 RESERVES AND SURPLUS

Amount in Rs.

| Particulars | 2012-13 | | 2011-12 | |
|--|---------|---------------------|---------|---------------------|
| | Number | Value | Number | Value |
| General Reserve | | | | |
| Opening Balance | | 750000 | | 750000 |
| Profit and Loss Account | | | | |
| Opening Balance | | (44,924,968) | | (44,934,584) |
| (+) Net profit/(Net Loss) for the current year | | (2,385,740) | | 9,616 |
| (+) Transfer from reserves | | - | | - |
| (-) Proposed Dividends | | - | | - |
| (-) Interim Dividends | | - | | - |
| (-) Transfer to reserve | | - | | - |
| Closing Balance | | (47,310,708) | | (44,924,968) |
| Miscellaneous Expenditure | | | | |
| | | 812,117 | | 812,117 |
| RESERVES AND SURPLUS TOTAL | | (47,372,825) | | (44,987,085) |

3 LONG TERM BORROWINGS

Amount in Rs.

| Particulars | 2012-13 | | 2011-12 | |
|----------------------------------|---------|---------------------|---------|---------------------|
| | Number | Value | Number | Value |
| Term Loans | | | | |
| Secured Loans From Banks | | | | |
| Secured Loans From Others | | | | |
| | | - | | - |
| Unsecured From others | | | | |
| Directors | | 1,588,915.00 | | 1,074,193.00 |
| Directors friends and Relatives | | 1,298,429.00 | | 1,298,429.00 |
| | | 2,887,344 | | 2,372,622 |
| Total | | 2,887,344.00 | | 2,372,622.00 |

**4 DEFERRED TAX ASSETS (NET)**

(Amount in Rs.)

| Particulars | 2012-13 | 2011-12 |
|--------------------|-----------------|-----------------|
| Deferred tax Asset | 2995 | 1633 |
| Total | 2,995.00 | 1,633.00 |

5 TRADEPAYABLES

Amount in Rs.

| Particulars | 2012-13 | 2011-12 |
|------------------|-------------------|----------------|
| Sundry Creditors | 25,371,366 | 807,364 |
| Total | 25,371,366 | 807,364 |

6 SHORT-TERM PROVISIONS

Amount in Rs.

| Particulars | 2012-13 | 2011-12 |
|---------------------------------|----------------|------------------|
| Provision for employee benefits | - | - |
| Others (Specify nature) | - | - |
| Audit fee payable | 136,520 | 106,520 |
| Consultancy payable | 1,04,775 | |
| Creditors For Expenses | - | 579,250 |
| Salary Payable | 124,000 | 372,650 |
| Total | 365,295 | 1,058,420 |

7 LONG TERM LOANS AND ADVANCES

Amount in Rs.

| Particulars | 2012-13 | 2011-12 |
|---------------------------------------|----------|------------------|
| Loans and advances to related parties | | |
| Other advances | | (6,150) |
| Harit Textiles | | 8,000,000 |
| Manoj Kumar | | 20,000 |
| Meena Agarwal | | (22,169) |
| Total | - | 7,991,681 |

8 INVENTORIES

Amount in Rs.

| Particulars | 2012-13 | 2011-12 |
|------------------|----------|----------------|
| a) Closing Stock | - | 205,670 |
| Total | - | 205,670 |

**9 TRADE RECEIVABLES**

(Amount in Rs.)

| Particulars | 2012-13 | 2011-12 |
|--|-------------------|------------------|
| a) Trade receivables outstanding for a period less than six months | - | - |
| b) Trade receivables outstanding for a exceeding six months | 35,349,526 | 4,141,770 |
| Total | 35,349,526 | 4,141,770 |

10 CASH AND BANK BALANCES

(Amount in Rs.)

| Particulars | 2012-13 | 2011-12 |
|-------------------------------------|----------------|----------------|
| I. Cash and Cash Equivalents | | |
| a) Balances with banks | | |
| i) In Current Accounts | - | 280,963 |
| b) Cash on hand | 116,841 | 95,213 |
| Total | 116,841 | 376,176 |

11 OTHER CURRENT ASSETS

(Amount in Rs.)

| Particulars | 2012-13 | 2011-12 |
|--------------------------|---------------|----------------|
| Deposits | 75,000 | 75,000 |
| Other Advances | - | 665,873 |
| Prepaid Rent | 14,500 | - |
| Other Amounts Receivable | - | - |
| Advance for Expenses | - | - |
| Tds Receivable | - | 89,939 |
| Total | 89,500 | 830,812 |



NOTES TO THE FINANCIAL STATEMENTS

13 REVENUE FROM OPERATIONS

In respect of Company other than Finance Company

(Amount in Rs.)

| PARTICULARS | For the period ended 31.03.2013 | For the period ended 31.03.2012 |
|--------------|---------------------------------|---------------------------------|
| a) Sales | 27,261,605 | 137,119,284 |
| Total | 27,261,605 | 137,119,284 |

14 OTHER INCOME

(Amount in Rs.)

| PARTICULARS | For the period ended 31.03.2013 | For the period ended 31.03.2012 |
|-----------------|---------------------------------|---------------------------------|
| Interest Income | - | - |
| Other Income | - | - |
| Total | - | - |

15 COST OF MATERIALS CONSUMED

(Amount in Rs.)

| PARTICULARS | For the period ended 31.03.2013 | For the period ended 31.03.2012 |
|-----------------------|---------------------------------|---------------------------------|
| Raw Material Consumed | | |
| Item A | | |
| Opening Stock | 205,670 | - |
| Other Adjustments | - | - |
| Add: Purchases | 25,910,941 | 132,438,339 |
| Less: Closing Stock | - | 205,670 |
| Consumption | 26,116,611 | 132,232,669 |

16 EMPLOYEE BENEFITS EXPENSES

(Amount in Rs.)

| PARTICULARS | For the period ended 31.03.2013 | For the period ended 31.03.2012 |
|--|---------------------------------|---------------------------------|
| a) Salaries, Wages and Bonus | 434,000 | 725,500 |
| b) Contribution to provident and other funds | - | - |
| EPF | - | - |
| ESI | - | - |
| c) Expenses on ESOP and ESPP | - | - |
| d) Gratuity and Leave Encashment | - | - |
| e) Staff welfare Expenses | 7,061 | 19,932 |
| Total | 441,061 | 745,432 |



17 OTHER EXPENSES

| PARTICULARS | For the period ended 31.03.2013 | For the period ended 31.03.2012 |
|---|------------------------------------|------------------------------------|
| a) Rent | 165,000 | 162,000 |
| b) Business Promotion | 4,994 | 6,080 |
| c) Office Maintenance | 17,775 | 45,650 |
| d) Conveyance | 473 | 34,043 |
| e) Vehicle Maintenance | 11,376 | - |
| f) Postage & Couriers | 9,317 | 41,455 |
| g) Legal & Listing Fee | 61,858 | 154,205 |
| h) Consultancy charges | 236,886 | 302,665 |
| I) Electricity Charges | 920 | 1,758 |
| J) Office Expenses | - | 17,447 |
| k) Printing & Stationery | 1,818 | 32,663 |
| l) Advertising and publicity | 57,845 | 52,240 |
| m) Travel Expenses | 5,400 | 19,550 |
| n) Telephone, fax expenses | 13,734 | 48,464 |
| o) General expenses | 2,449,874 | 3,101,289 |
| p) AGM Exp & AMC Accounting Software | 5,550 | 9,350 |
| q) Bank Charges & CDSL & NSDL | 4,953 | 38,760 |
| r) ROC Filing Fee & Website Designing Fee | 2,000 | 31,500 |
| s) Directors' Fees | - | - |
| t) Auditor's Remuneration | - | - |
| For Statutory Audit Fee | 30,000 | 20,000 |
| For Taxation matters | - | - |
| For company law matters | - | - |
| For management services | - | - |
| For other services | - | - |
| For reimbursement of expenses | - | - |
| Total | 3,079,773 | 4,119,099 |

NOTES TO THE FINANCIAL STATEMENTS

12 FIXED ASSETS

(Amount in Rs.)

| FIXED ASSETS | Gross Block (at cost) | | | | Depreciation / Amortization | | | Net Block | | |
|---------------------------|--------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------|-----------------|---------------------------------|---------------------|---------------------|---------------------|
| | Cost as at 01.04.2012 | Additions During the Year | Deletions During the Year | Total Cost as at 31.03.2013 | As at 01.04.2012 | For the year | Deletions during the year | As at 31.03.2013 | As at 31.03.2012 | As at 31.03.2013 |
| a) Tangible Assets | | | | | | | | | | |
| Plant and Machinery | - | - | - | - | - | - | - | - | - | - |
| Furniture and Fitting | 57,396 | - | - | 57,396 | - | 10,389 | - | 10,389 | 57,396 | 47,007 |
| Printer | 2,184 | - | - | 2,184 | - | 874 | - | 874 | 1,310 | 1,310 |
| Computers | - | - | - | - | - | - | - | - | - | - |
| Others (Specify Nature) | - | - | - | - | - | - | - | - | - | - |
| Total | 59,580 | - | - | 59,580 | - | 11,262 | - | 11,262 | 58,706 | - |

48,318



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

BASIS OF PREPARATION

The Financial statements of the company have been prepared in accordance with the generally accepted accounting principles in india (indian GAAP). The company has prepared these financial statements to comply in all material respects 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 an accrual basis and under the historical cost convention. The company is a small and medium sized company (SMC) as defined in the general instructions in respect of Accounting standards notified under the companies Act 1956. Accordingly the Company has compiled with Accounting standards as applicable to an SMC.

CHANGE IN ACCOUNTING POLICIES

Presentation and Disclosure of Financial Statements during the year ended 31st March 2012, the revised schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of Financial statements. The adoption of Revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous years figures in accordance with the requirements applicable in the current year.

TANGIBLE FIXED ASSETS

Fixed assets are started at cost, net of accumulated depreciation and accumulated impairment of losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and Rebates are deducted in arriving at the purchase price. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the statement of profit and loss when the asset is derecognized.

DEPRECIATION OF TANGIBLE FIXED ASSETS

Depreciation on fixed assets is calculated on a written down value basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the schedule XIV to the Companies Act, 1956, whichever is higher.

INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The carrying value of Intangible asset is reviewed for impairment annually when the asset is not in use or otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed as incurred.

REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**OTHER NOTES:****1. FIXED ASSETS:**

To state Fixed Assets at cost of acquisition inclusive of inward freight duties, taxes and incidental expenses related to acquisition.

2. VALUATION OF INVENTORY:

Cost or Market value whichever is lower and certified by the management.

3. DEPRECIATION:

The Depreciation is calculated on Written down method under Schedule xiv of the Companies Act, 1956.

4. RECOGNITION OF INCOME & EXPENDITURE:

Revenues/Incomes and Costs/Expenditures are generally accounted on the basis of as they are earned or incurred.

5. REVENUE RECOGNITION:

All the Expenses and income is recognized on accrual basis and provision is made for all known losses and liabilities. Revenue is recognized as per billings made to customers.

6. During the year No operations/ Production in the company.

| | | |
|---------------------------------------|------------------|----------------|
| 7. Auditors Remuneration | 2012-2013 | 2011-12 |
| Audit fee | Rs. 30000 | Rs. 20000 |
| (Including reimbursement of expenses) | | |



| | Current Year | Previous Year |
|---|--------------|---------------|
| 8. Expenditure in Foreign currency Foreign Currency out go | Nil | NIL |
| Value on Imports on CIF Value | | |

9. Previous Figures are regrouped/ rearranged wherever necessary when compared to the current year figures.

10. Particulars of Employees in accordance with Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) – NIL

11. Retirement benefits have not been provided in the books of accounts.

12. The Company has reviewed certain old debit balances carrying forward for long and based on the review, the Company has written off the following, as there is no chance of recovery. Hence written off

| <u>Head of Account (Debits)</u> | <u>Amount(Rs)</u> |
|---------------------------------|-------------------|
| Bad Debts | 2350000/- |

As per our Report of Even Date
For **Chakradhar & Nandan**
Chartered Accountants

Sd/-
(K.S Nandan)
Partner
Membership No. 201123

for and on behalf of the Board of Directors of
M/s. Shreeyash Industries Limited

Sd/-
(Hitesh M Patel)
Managing Director

Sd/-
(Phaneesh Mudigonda)
Director

Place: Hyderabad
Date: 30.05.2013





CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

| Particulars | As at 31.03.2013 | As at 31.03.2012 |
|---|-----------------------------|-----------------------------|
| Net Profit/Loss Before Tax and Extraordinary Items | (2,387,102) | 7,983 |
| Adjustments for: | | |
| Depreciation | 11,262 | 14,101 |
| Miscellaneous Expenditure Written Off | - | 751,289 |
| Loss on sale of Assets | - | - |
| Financial Expenses | - | - |
| Operating profit before working capital changes | (2,375,840) | 773,373 |
| Adjustment for: | | |
| (Increase)/Decrease in Inventories | 205,670 | -205,670 |
| (Increase)/Decrease in Sundry debtors | (32,511,605) | 5,047,960 |
| (Increase)/Decrease in Other Current Assets | 8,739,142 | (8,036,682) |
| Increase/(Decrease) in Current Liabilities | 25,168,576 | 1,190,014 |
| Cash generated from Operations | (774,057) | (1,231,005) |
| Financial Expenses Paid | | |
| Net Cash Flow from Operating Activities (A) | (774,057) | (1,231,005) |
| Purchase of Fixed Assets | - | -3600 |
| Sale of Fixed Assets | - | - |
| Cash flows from Investing Activities (B) | - | (3,600) |
| Cash flow from Financing Activities | | |
| Proceeds from Long Term Borrowings | 514,722 | 1,028,765 |
| Working Capital Borrowings | - | - |
| Hire-Purchase Finance | - | - |
| Net Cash flow from Financing Activities (C) | 514,722 | 1,028,765 |
| Net increase in cash and cash Equivalent (A+B+C) | (259,335) | (205,840) |
| Cash and Cash Equivalent as at beginning of the year | 376,176 | 582,016 |
| Cash and Cash Equivalent as at end of the year | 116,841 | 376,176 |

For & On behalf of Board of Directors

Sd/-
Hitesh M. Patel
Managing Director

For Chakradhar & Nandan

Chartered Accountants

Sd/-

(K.S.Nandan)

Partner

Membership No : 201123

Firm Regn. No. 006905 S

SHREEYASH INDUSTRIES LIMITED

5-8-272 FLAT NO.201 AYESHA RESIDENCY PUBLIC GARDEN ROAD NAMPALLY
HYDERABAD-500 001.

Twentieth Annual General Meeting on Friday, 29th November, 2013, 11.00 AM at 5-8-272, Flat No. 201
Ayesha Residency Public Garden Road, Nampally, Hyderabad-500001.

Regd. Folio No./Client_ID..... No. of Shares hold.....

I certify that I am a registered shareholder/proxy for the registered share holder of the Company.

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company at 5-8-272, Flat No. 201 Ayesha Residency Public Garden Road, Nampally, Hyderabad-500 001. On Friday, 29th November, 2013.

Member's/Proxy's name in Block Letter Member's/Proxy's Signature
Note: Please fill this attendance slip and hand it over at the Entrance of the HALL

----- (TEAR HERE) -----

SHREEYASH INDUSTRIES LIMITED

5-8-272 FLAT NO.201 AYESHA RESIDENCY PUBLIC GARDEN ROAD NAMPALLYHYDERABAD-500 001.

FORM OF PROXY

I/We..... of..... in the district of
.....being a member/members of the above mentioned
company hereby appoint or failing him.....of
.....in the district of.....as my / our proxy to vote for me / us on my behalf at the
Twentieth Annual General Meeting of the Company to be held on Friday, 29th November, 2013 at 11.00 AM.
Signed thisday.....2013

Regd. Folio No./Client_ID

Signature.....



Book-Post



SHREEYASH INDUSTRIES LIMITED

**Registered Office Address: No.5-8-272, Flat No. 201,
Ayesha Residency Public Garden Road,
Nampally, Hyderabad-500001**