



**SHREE SECURITIES
LIMITED**

19th Annual Report & Accounts

2011 - 2012

Annual Report 2011 - 2012

N O T I C E

TO THE SHAREHOLDERS

NOTICE is hereby given that the **19TH Annual General Meeting** of the Members of **M/s. Shree Securities Limited** will be held at its Registered Office at **3, Synagogue Street, 3rd Floor, Room No.: 18G, Kolkata - 700 001**, on **Monday, 27th Day of August, 2012** at **4.30 P.M.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Director's Report and Audited Profit & Loss account for the year ended **31st March, 2012** and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint Director in place of **Shri Shankar Kumar Chakraborty and Smt. Sangita Jalan** who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Registered Office:

3, Synagogue Street,
3rd Floor, Room No.: 18G,
Kolkata-700 001 (W.B)

Dated : 25th Day of June, 2012

By Order of the Board
Basant Kumar Sharma
Managing Director

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting.
 2. Members/Proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the Meeting Hall.
 3. The Register of Members and Share Transfer Books of the Company will remain closed from **20th day of August, 2012 to 27th day of August, 2012 (both days inclusive)** for the purpose of Annual General Meeting
 4. As measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of Annual Report at the Meeting.
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DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the **19TH Annual Report** of the Company together with Audited Accounts for the year ended on **31st March, 2012**.

1. FINANCIAL RESULTS:

(Fig. in ₹)

	CURRENT YEAR	PREVIOUS YEAR
PROFIT/(LOSS) BEFORE TAXATION	(3,35,279)	(3,88,853)
PROVISION FOR TAXES		
Current tax	(80,637)	(64,111)
Deferred Tax	43	71
PROFIT/(LOSS) AFTER TAX	(4,15,873)	(4,52,893)
Provision for Standard Assets (As per RBI Act)	(1,13,224)	33,201
Excess IT provisions written back	—————	—————
Brought forward from earlier years	(26,53,014)	(21,66,920)
Balance Carried To Balance Sheet	(32,00,946)	(26,53,014)

2. FUTURE PERFORMANCE:

In the year under review, the Company has incurred Loss of ₹ **3,35,279/-** Your Directors are identifying prospective areas and will make appropriate investments that will maximize the revenue of the company in the current Financial Year.

3. DIVIDEND:

In view of Loss, Your Directors do not recommend any dividend for the year.

4. AUDITORS:

The retiring Auditors **MAROTI & ASSOCIATES**, Chartered Accountants, Kolkata hold office till the conclusion of the Annual General Meeting and is eligible for reappointment.

5. DIRECTORS:

Shri Shankar Kumar Chakraborty and Smt. Sangita Jalan retires by rotation and being eligible, offers himself for re-appointment.

6. CORPORATE GOVERNANCE:

As required under clause 49 of the listing agreement with the Stock Exchange, the Report on Corporate Governance together with Auditors view regarding compliance of the SEBI code of Corporate Governance is annexed herewith.

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7. PERSONNEL:

Your Directors place on record the sense of appreciation for the valuable contribution made by the staff members of the company and hope that their continued support will help in achieving the goals of the Company. No employee of the company is in receipt of remuneration in excess of the limit prescribed under section 217(2A) of the Companies Act, 1956.

8. STATUTORY INFORMATION:

Particulars required to be furnished by the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:

1. CONSERVATION OF ENERGY	:	Nil
2. TECHNOLOGY ABSORPTION & ADOPTION	:	Nil
3. FOREIGN EXCHANGE EARNING & OUTGO	:	Nil

9. RESPONSIBILITY STATEMENT :

- i. In preparation of the annual accounts, the applicable Accounting Standards have been followed.
- ii. The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year.
- iii. 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 the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts on going concern basis.

10. ACKNOWLEDGEMENTS:

The Board wishes to place on record their gratitude for the co-operation and assistance received from all those who contributed by some means or other for the performance of the company and expect the same in the future.

For and on behalf of the Board

Basant Kumar Sharma Subhash Chandra Dadhich

Managing Director

Director

Place : **Kolkata**

Date : **25TH Day of June, 2012**

ANNEXURE - TO THE DIRECTORS' REPORT**CORPORATE GOVERNANCE REPORT**

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below.

A) MANDATORY REQUIREMENTS:**1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has implemented mandatory requirements of the code of Governance as mentioned in clause 49 of the Listing Agreement.

2) BOARD OF DIRECTORS

- a) The Board comprises of one executive and five non-executive Directors of whom three are independent directors.

The composition of the Board and other details relating to Directors are given below:

Name of the Director	Designation	Category of Directorship	No of other Directorship	No of other committee Membership
Mr. Subhash Chandra Dadhich	Director	Executive	9	———
Mrs. Mamta Dadhich	Director	Non Executive	8	———
Mr. Basant Kumar Sharma	Managing Director	Executive	9	———
Mr. Shrawan Kumar Jalan	Director	Non-Executive Independent	1	———
Mrs.Sangita Jalan	Director	Non Executive Independent		
Mr. Shankar Kumar Chakraborty	Director	Non-Executive Independent	———	———

- b) Appointment/Reappointment of Directors

Shri Shankar Kumar Chakraborty and Smt. Sangita Jalan who retires by rotation during the ensuing Annual General Meeting and is eligible for reappointment.

3) AUDIT COMMITTEE

The Composition procedure, role / function of the Audit Committee comply with the requirements of the Listing Agreement. The brief terms of reference of the Audit Committee includes the following:

Overseeing the Company's financial report process and disclosure of its financial information.

Review of quarterly and annual financial results before submission to the Board.

Disclosure with Statutory and Internal auditors about the nature and scope of audit and their observations.

Investigate any matter referred to by the Board.

The Composition of the Audit Committee:

MEMBERS	CATEGORY
Mr. Basant Kumar Sharma	Executive
Mrs. Mamta Dadhich	Non Executive
Mr. Shrawan Kumar Jalan	Non Executive

During the year under review 4 (four) meetings of the Audit Committee were held.

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4) REMUNERATION COMMITTEE :

The remuneration committee has been constituted by the Board of Directors to review and / or recommend the remuneration of the Executive Directors of the Company in accordance with the guidelines laid out by the statute and the listing agreement with the stock exchange.

During the year 2 meetings of the remuneration committee was held

The Composition of the said Committee is as follows:

MEMBERS	CATEGORY	No of meetings Attended
Mr. Shrawan Kumar Jalan	Non Executive	2
Mrs.Sangita Jalan	Non Executive	2
Mr. Shankar Kumar Chakraborty	Non Executive	2

Details of remuneration paid to the Managing Director

Name	Salary	Total amount paid as on 31.03.2012	Period of Service Contract
Mr. Basant Kumar Sharma	₹ 1,20,000/-	₹ 1,20,000/-	5 (Five) years From 10.02.2009

5) SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

The Shareholders/Investors Grievance Committee is to look into the specific Complaints received from the Shareholders of the Company.

The Composition of the said Committee is as follows:

MEMBERS	CATEGORY
Mr. Basant Kumar Sharma	Executive
Mrs. Mamta Dadhich	Non Executive
Mr. Shrawan Kumar Jalan	Non Executive

During the year under review 4 (four) meeting of the Shareholders/Investors Grievances Committee were held.

6) BOARD PROCEDURE

Composition:

At present the strength of the Board is 6 Directors. The Composition of the Board of Directors and their attendance at the Board Meeting and at the last Annual General Meeting is as follows:

Name of the Director	Nature of Director ship	No Of Board Meetings Attended	Attendance at the last AGM
Mr. Subhash Chandra Dadhich	Executive	7	YES
Mrs.Mamta Dadhich	Non Executive	7	YES
Mr. Basant Kumar Sharma	Executive	7	YES
Mr. Shrawan Kumar Jalan	Non-Executive Independent	4	YES
Mrs.Sangita Jalan	Non-Executive Independent	4	YES
Mr. Shankar Kumar Chakraborty	Non-Executive Independent	4	YES

Shree Securities Limited

During the financial year ending **31.03.2012**, 7 (Seven) meeting of the Board of Directors were held on **30.04.2011, 24.06.2011, 30.07.2011, 20.09.2011, 28.10.2011, 30.01.2012 & 05.03.2012**.

RESPONSIBILITIES:

At the Board meetings of the Company the directors are being provided information stipulated in clause 49 of the Listing Agreement. The Board has a formal schedule of matters reserved for its consideration, which includes reviewing performance. The Company has designated the required information system for the purpose.

BOARD MEETINGS:

The meeting of the Board of Directors are being held at regular intervals of not more than four months at the Company's Registered Office at Kolkata and are generally scheduled well in advance and the provisions under the Companies Act, 1956 and those under clause 49 of the Listing Agreement are followed in this regard. The Board meets at least once in a quarter to review quarterly performance and financial results. The agenda of the meeting is prepared and circulated to the directors in advance. The Members of the Board have access to all information pertaining to the Company and are free to recommend inclusion of any matter in the agenda for the discussions. Senior Executives/Directors of the Group Company are invited to attend the Board meeting for discussion and providing inputs and their views, as and when required.

7) GENERAL BODY MEETINGS

The previous three Annual General Meetings of the Company held on the dates, at time and venue given below:

Financial Year	Date	Time	Venue
2008 - 2009	29.09.2009	4.30 PM	56 , N.S. Road, 5 th Floor,Kolkata – 700 001
2009 - 2010	03.08.2010	4.15 PM	56 , N.S. Road, 5 th Floor,Kolkata – 700 001
2010 - 2011	09.09.2011	4.30 PM	3, Synagogue Street, 3 rd Floor, Kolkata-1

All special resolutions moved at the last Annual General Meeting were passed by a show of hands unanimously by all the members present at the Meeting and no special resolution was put through postal ballot.

8) DISCLOSURES

During the financial year ended **March 31, 2012** there were no materially significant related party transactions with the Company's Directors or their relatives.

The Company has complied with all the statutory requirements comprised in the Listing Agreements/ Regulations/ Guidelines/ Rules of the Stock Exchanges/ SEBI/ other Statutory Authorities.

9) MEANS OF COMMUNICATIONS

The quarterly/half-yearly and annual financial results of the Company are sent to the Stock Exchanges where the shares of the Company are listed immediately after they have been taken on record by the Board. The same are usually published in Asian Age/Financial Express & Kalantar Newspapers. The Company is also providing information relating to the material events from time to the investors and to the public at large by faxing the information to the Stock Exchanges as and when happened.

10) GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING:

Date : **27th Day of August, 2012**
Day : **Monday**
Time : **4.30 P.M.**
Venue : **3, Synagogue Street, 3rd Floor, Kolkata-700 001**

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DATE OF BOOK CLOSURE:

From : 20th day of August, 2012 to 27th day of August, 2012 (both days inclusive)

LISTING OF SECURITIES:

The Calcutta Stock Exchange Ltd. Code No.10029469
The Jaipur Stock Exchange Ltd. Code No. 979

LISTING FEES

The Company has paid listing fees for the financial year 2011-2012 to all the Stock Exchanges where the securities are listed.

DEMAT ISIN NUMBER FOR NSDL AND CDSL

ISIN number has been issued to Equity Shares by NSDL and CDSL is **INE397C01018**

THE REGISTRAR & SHARE TRANSFER AGENTS

Niche Technologies Pvt. Ltd.
D-511, Bagri Market,
71, B. R. B. Road, 5th Floor,
Kolkata-700001

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012:

Slab	No. of Shareholders		No. of Ordinary Shares	
	Total	% of Shareholders	Total	% of Shareholders
001-500	226	34.6095	28,912	0.0362
501-1000	28	4.2879	24,889	0.0312
1001-5000	116	17.7642	3,25,254	0.4076
5001-10000	64	9.8009	4,97,814	0.6238
10001-50000	115	17.6110	27,83,142	3.4876
50001-100000	17	2.6034	12,84,750	1.6100
100001 and above	87	13.3231	7,48,55,239	93.8036
Total	653	100.0000	79,800,000	100.0000

Category of Shareholders as on 31st March, 2012 :

CATEGORY	NO. OF SHARES	%
Public	24,020,71	3.010
Domestic Bodies Corporate	52975029	66.385
Clearing Member & Clearing Corpo.	200	0.000
Promoters & Associates	24,422,700	30.605
TOTAL	79,800,000	100.000

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

During the fiscal year 2011-12, there was sharp decline in growth of Indian economy in relation to previous year growth. The GDP rate sharply declined from 8.4% in 2010-11 to 6.2% in 2011-12 due to the impact of the global slowdown, high inflation and high interest rates apart from the high level of Fiscal and Current Account deficits. The tightened liquidity also affected the functioning of Capital markets. In order to control the soaring inflation and to strengthen the Indian economy, RBI introduced several fiscal measures during the year.

With the intervention of RBI, your Company expects a favorable market in the years to come at estimated growth in 2012-13 to be close to 7%.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments.

OUTLOOK

The economic slowdown had a significant bearing on the functioning and profitability of NBFCs in the medium term. But it has been estimated that in the long run there are vast opportunities for NBFCs. Hence, the Company is expecting to improve its performance and profitability in years to come.

OPPORTUNITIES & THREATS

Business opportunities for finance companies are enormous as the new areas and segments are being explored. A larger segment of customers remain unserved by Banks and large sized Finance Companies. Your Company on its part is also well poised to seize new opportunities as they come.

The major threat being faced by finance companies are regulatory changes, interest rates hiked by RBI, high inflation etc. The Company is also facing stiff competition from banks / financial institutions due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate.

RISKS & CONCERNS

As a NBFC, your Company's growth and profitability are dependent on the functioning of Capital Markets. The Company is exposed to several market risks like credit risk, liquidity risk and interest rate risk. The volatility of the capital markets in which your Company operates is also a major cause of concern to the Company.

INTERNAL CONTROL SYSTEM AND ADEQUACY

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

HUMAN RESOURCES

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

FINANCIAL PERFORMANCE

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

Place: KOLKATA

For and on behalf of board of directors

Date: 25th Day of June, 2012

Sd/-

(Basant Kumar Sharma)
Chairman

CEO/CFO CERTIFICATION

We have reviewed financial statements and the Cash Flow statement for the year and that to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
- ii. These statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

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

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

We have indicated to the Auditors and the Audit Committee:

1. Significant changes in the internal control during the year;
2. Significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For and on behalf of board of directors

Sd/-

(Basant Kumar Sharma)
(CEO /CFO/MD)

Place: Kolkata
Date : 25TH Day of June,2012

Shree Securities Limited

AUDITORS CERTIFICATE

To

The Members of

M/s. Shree Securities Limited

3, Synagogue Street, 3rd Floor, Room No.: 18G,

Kolkata - 700 001

We have examined the Compliance of the Conditions of Corporate Governance by **M/s. SHREE SECURITIES LIMITED** for the year ended on **March 31, 2012** as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination 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. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we confirm that the Company has generally complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance note issued by the institute of Chartered Accountants of India, we have to state that based on the report given by the Registrar of Company to the investor's Grievance Committee, there was no Investors' Grievance matter remaining unattended for more than 30 days as on **31st March, 2012**, against the Company.

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

For **MAROTI & ASSOCIATES**
Chartered Accountants

(M.K.MAROTI)

Proprietor

M. No.057073

Firm Reg. No : 322770E

Place : **Kolkata**

Date : **25th Day of June, 2012**

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AUDITORS' REPORT

To

The Members,

M/s. SHREE SECURITIES LIMITED

We have audited the attached Balance Sheet of **M/s. SHREE SECURITIES LIMITED**, as at **31st March, 2012** and also the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003 as amended, issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent it is applicable to the Company .

Further to our comments in the Annexure referred to in paragraph above, we state that :-

1. 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 ;
2. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books ;
3. The Balance Sheet , Statement of Profit & Loss and the Cash flow statement dealt with by this report are in agreement with the books of account ;
4. In our opinion, the Balance Sheet , Statement of Profit & Loss and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub Section (3C) of Section 211 of the Companies Act, 1956 ;
5. On the basis of written representations received from the Directors, as on **31st March, 2012**, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on **31st March, 2012** from being appointed as Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956 ;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies, and Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. In the case of Balance Sheet, of the state of affairs of the company as at **31st March, 2012**; and
 2. In the case of the Statement of Profit & Loss, of the **LOSS** for the Year ended on that date.
 3. In the Case of Cash flow statement of the Cash flows for the year ended on that date.

For **MAROTI & ASSOCIATES**
Chartered Accountants

(**M.K.MAROTI**)
Proprietor

M. No.057073

Firm Reg. No : 322770E

Place : **Kolkata**

Date : **25th Day of June, 2012**

ANNEXURES TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended on **31st March, 2012**.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) All the fixed assets have been physically verified by the management during the year which, in our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its business. As informed, no material discrepancies were noticed on such verification.
c) There was No disposal of fixed assets during the year
 2. The Company had no Inventories during the year hence clause 4 (II) (a) (b) and (c) are not applicable to it .
 3. a) The Company has not granted any secured / unsecured loans to parties covered in the Register maintained under Sec 301 of the Companies Act. Hence clause 4(III) (b) (c) and (d) are not applicable.
b) The Company has not taken secured / unsecured loans from Party covered in the Register maintained under Sec 301 of the Act Hence clause 4(III) (f) and (g) are not applicable .
 4. 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. Further on the basis of our examinations and according to the information and explanations given to us we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
 5. a) In our opinion and according to the information and explanations given to us we are of the opinion that the transactions in which Directors are interested as contemplated under Sec 299 of the Companies Act, 1956 and which required to be so entered in the register maintained under SEC 301 of the said Act, have been so entered
b) In our opinion and according to the information and explanations given to us the Company has not entered into any transaction made in pursuance of contracts or arrangements entered in the Register maintained under Sec 301 of the Companies Act 1956 exceeding Rs.5,00,000 / or more in respect of any party . Accordingly Paragraph (V) (b) of the order is not applicable.
 6. The Company has not accepted any deposits from the public. In our opinion and according to the information and explanations given to us the directives issued by the Reserve Bank of India and the provisions of sections 58A. 58AA or any other relevant provisions of the Act and the rules framed there under, to the extent applicable have been complied with.
 7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
 8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act,1956 in respect of services carried out by the Company
 9. a) According to the records examined by us, the company is regular in depositing with appropriate authorities undisputed Income Tax Wealth Tax, Service Tax, Custom Duty, Excise Duty, Investor Education Protection Fund, Cess and other statutory dues applicable to it.
As informed to us provisions relating to Provident Fund, Employees State Insurance, Sales Tax, are not applicable to it.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax Wealth Tax, Service Tax, Custom Duty, Excise Duty, Investor Education
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Protection Fund ,Cess and other statutory dues were outstanding at the year end for a period of more than Six Months from the date they became payable

As informed to us provisions relating to Provident Fund, Employees State Insurance, Sales Tax, are not applicable to it.

10. The Company has accumulated losses at the end of the Financial Year. However, the company has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of dues to financial institutions or bank. There were no outstanding debentures during the year
12. According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In respect of dealing / trading in shares in our opinion and according to the information and explanations given to us proper records have been maintained of the transactions and contracts and timely entries have been made therein in. The shares have been held by the Company in its own name
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The Company has not obtained any term loans. Accordingly clause 4(xvi) of the Order is not applicable
17. According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, we report that the Company has not utilized any funds raised on short term basis for long term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.
19. The Company did not have any outstanding debentures during the year. Accordingly, clause 4(xix) of the order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. Based upon audit procedures performed for the purposes of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported by the management during the year under audit.

For **MAROTI & ASSOCIATES**
Chartered Accountants

(M.K.MAROTI)
Proprietor

Place : **Kolkata**

Date : **25th Day of June, 2012**

M. No.057073
Firm Reg. No : 322770E

Shree Securities Limited

Auditor's Report of Non Banking Financial Companies

To
The Board of Directors
M/s. Shree Securities Limited
3, Synagogue Street, 3rd Floor, Room No.: 18G,
Kolkata – 700 001

Dear Sir,

In compliance with the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 we report that

A

1. The Company is engaged in the Business of Non Banking Financial Institution and it has obtained a certificate of Registration from the Bank
2. On the basis of our examination of current year Balance Sheet and profit and loss account we hereby report that Company is entitled to continue to hold such certificate of Registration in terms of its asset / income pattern as on **31ST March, 2012**.
3. On the basis of our examination of current years Balance Sheet and the immediately preceding current year balance sheet we report that the Company be classified based on its assets as **INVESTMENT COMPANY**.

B

1. The Board of Directors has passed a resolution for Non Acceptance of any Public Deposits
2. The Company has not accepted any deposit from the public during the year ended **31ST March, 2012**
3. The Company has complied with the prudential Norm relating to the Income Recognition, Accounting Standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non Banking Financial (Non Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions – 2007

The Company is not a systematically important company as defined in paragraph 2(1)(XIX) of the Non Banking Financial (Non Deposits Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions – 2007

For **MAROTI & ASSOCIATES**
Chartered Accountants

(M.K.MAROTI)

Proprietor

M. No.057073

Firm Reg. No : 322770E

Place : **Kolkata**

Date : **25th Day of June, 2012**

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BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No	31st March 2012 ₹	31st March 2011 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	798,000,000	798,000,000
(b) Reserves and Surplus	3	157,953,415	158,505,840
(2) Non Current Liabilities			
(a) Deferred Tax Liabilities	4	65	108
(3) Current Liabilities			
(a) Other current liabilities	5	90,585	85,802
(b) Short-term provisions	6	232,900	103,150
TOTAL		956,276,965	956,694,900
II. Assets			
(1) Fixed Assets			
(a) Tangible Assets	7	220	367
(2) Non-current assets			
(a) Non-current investments	8	846,457,000	941,731,500
(b) Long term loans and advances			
(3) Current assets			
(a) Short-term loans and advances	9	108,569,841	13,280,308
(b) Cash and cash equivalents	10	508,335	351,662
(c) Other current assets	11	741,569	1,331,063
TOTAL		956,276,965	956,694,900
SIGNIFICANT ACCOUNTING POLICIES	1		
OTHER NOTES ON ACCOUNTS	18		

In terms of our report of even date

FOR MAROTI & ASSOCIATES

(Chartered Accountants)

(M.K. MAROTI)

(Proprietor)

M.No : 057073

Firm Reg No : 322770E

For and on behalf of the Board

B. K. Sharma

S. C. Dadhich

R. K. Mohanty

Managing Director

Director

Company Secretary

Place : Kolkata

Date : 25th Day of June, 2012

Shree Securities Limited

**STATEMENT OF PROFIT & LOSS ACCOUNTS FOR THE YEAR
ENDED ON 31ST MARCH, 2012**

PARTICULARS	Note No	31st March 2012 ₹	31st March 2011 ₹
I REVENUE FROM OPERATIONS	12	1,035,399	940,908
II OTHER INCOME	13	1,404	-
III TOTAL REVENUE (I + II)		1,036,803	940,908
IV EXPENSES			
Employee Benefit Expenses	14	290,950	285,750
Depreciation and Amortization Expense	15	596,247	596,344
Other Expenses	16	489,379	447,667
TOTAL EXPENSES		1,376,576	1,329,761
V Profit Before Tax		(339,773)	(388,852.81)
VI TAX EXPENSES			
a. Current Tax		(80,637)	(64,111)
b. Deferred Tax		43	71
VII PROFIT / (LOSS) FOR THE PERIOD		(420,367)	(452,893)
VIII Earning Per Equity Share			
a. Basic	17	(0.005)	(0.006)
b. Diluted	17	(0.005)	(0.006)
SIGNIFICANT ACCOUNTING POLICIES	1		
OTHER NOTES ON ACCOUNTS	18		

In terms of our report of even date
FOR MAROTI & ASSOCIATES
(Chartered Accountants)

For and on behalf of the Board
B. K. Sharma S. C. Dadhich R. K. Mohanty
Managing Director Director Company Secretary

(M.K. MAROTI)
(Proprietor)

Place : **Kolkata**

Date : **25th Day of June, 2012**

M.No : 057073

Firm Reg No : 322770E

Annual Report 2011 - 2012

NOTE - 1

Significant Accounting Policies :

01. ACCOUNTING CONVENTIONS

The Financial Statements are prepared on Historical Cost Convention. Financial Statements are prepared in accordance with relevant presentational requirements of the Companies Act, 1956 and applicable mandatory Accounting Standards as notified by the Company.

02. FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation and impairment if any. Cost comprises the purchase price inclusive of duties, taxes, and incidental expenses upto the date, the asset is ready for its intended use..

03. DEPRECIATION

Depreciation on Fixed Assets are provided on Written Down Value Method at the rates prescribed in the Schedule-XIV of the Companies Act, 1956.

Depreciation on fixed assets added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / disposal.

In a case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

04. IMPAIRMENT OF FIXED ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

05. EARNING PER SHARE

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

06. INVESTMENTS

Investments are long-term investments, hence valued at cost.

07. RECOGNITION OF INCOME & EXPENDITURE

Income and expenditure are accounted for on accrual basis. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the shareholder's right to receive

08. CONTINGENCIES :

These are disclosed by way of notes on the Balance sheet. Provisions is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the finalization of accounts and material effect on the position stated in the Balance Sheet

09 PROVISIONING FOR STANDARD ASSETS :

The Reserve Bank of India vide Notification No **DNBS 223/CGM (US) 2011 DATED 17 JANUARY,2011** has issued direction to all **NBFCs** to make provision of **0.25%** on **STANDARD ASSETS** with immediate effect. Accordingly the Company has made provision @ **0.25%** on Standard Assets in accordance therewith.

10 PROVISIONING FOR DEFERRED TAXES :

The Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from “ timings difference ” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date . The Deferred Tax Asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

11 PRELIMINARY EXPENSES

Preliminary Expense is amortised over a period of Five years.

12 TAXES ON INCOME

Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax assets / liabilities on timing difference, being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

NOTE 18 OTHER NOTES ON ACCOUNTS

- 1 Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provision/payments have been made by the Company to such creditors, if any, and no disclosures thereof are made in these accounts.
- 2 Loans, advances and sundry debtors and sundry creditors balances are subject to confirmation by the respective parties
- 3 The management has assessed that there is no impairment of Fixed Assets requiring provision in the Accounts. Accordingly, there is no debit to the Profit & Loss Account for the impairment of Assets.
- 4 Deferred Taxation :

The Principal components of Deferred Tax Liabilities/(Assets) are :

	31.03.2012	31.03.2011
Opening Deferred Tax Liability	108	179
Reversed during the year	43	71
Closing Deferred Tax Liability	65	108

No Provision has been made for Deferred Tax Assets in respect of assessed unabsorbed speculation losses and unabsorbed long term capital loss in view on uncertainty that the said asset will be realised in the future.

5 Segment Report :

The Company is engaged in the business of Non-Banking Financial Services and there are no separate reportable segments as per Accounting Standard 17.

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6 Related Party Disclosure :

As per accounting standard 18 the information for related parties is given below:

Name of the related parties

ASSOCIATES

SUBSIDIARIES:-

1. Avit Exim Limited
2. Coolhut Traders Limited
3. Fabert Merchandise Limited
4. Footflash Trading Limited
5. Gabarial Enclave Limited
6. Gritty Marketing Limited
7. Jatashiv Developers Limited
8. Pawanshiv Niketan Limited

KEY MANAGEMENT PERSONNEL (KMP)

1. Basant Kumar Sharma

RELATIVES OF (K M P)

RELATED PARTY TRANSACTION				
Sl. No.	Nature Of Transaction	Relation	31/03/2012 (₹)	31/03/2011 (₹)
	Directors Remuneration			
1	Basant Kumar Sharma	Managing Director	120,000	120,000
2	Share Capital Allotment (Paid)			
	Avit Exim Limited	Subsidiary	10,500,000	—
	Coolhut Traders Limited	Subsidiary	10,500,000	—
	Fabert Merchandise Limited	Subsidiary	10,500,000	—
	Footflash Trading Limited	Subsidiary	10,500,000	—
	Gabarial Enclave Limited	Subsidiary	10,500,000	—
	Gritty Marketing Limited	Subsidiary	10,500,000	—
	Jatashiv Developers Limited	Subsidiary	500,000	—
	Pawanshiv Niketan Limited	Subsidiary	500,000	—

- 7 The Company has Complied this information based on the current information in its possession. As at 31.03.2012, No supplier has intimated the Company about its status as a Micro or Small enterprise or its Registration with the appropriate authority under

Amount due to Micro Small and Medium Enterprises as on 31.03.2012 ₹ NIL (PY ₹ NIL)

Shree Securities Limited

- 8 No provision has been made on account of leave salary as there are no leave to the credit of employees as at the end of the year.
- 9 During the year the following companies have become Wholly Owned Subsidiaries of the company:

<u>Name of the Company</u>	<u>Date of becoming WOS</u>
1. Avit Exim Limited	02.01.2012
2. Coolhut Traders Limited	02.01.2012
3. Fabert Merchandise Limited	02.01.2012
4. Footflash Trading Limited	02.01.2012
5. Gabarial Enclave Limited	02.01.2012
6. Gritty Marketing Limited	05.01.2012
7. Jatashiv Developers Limited	29.03.2012
8. Pawanshiv Niketan Limited	30.03.2012

10 <u>Provisioning as per AS 29</u>	<u>Amount</u>
TAXATION	
Opening	69,949
Add: Additions	80,637
Less: Adjustments	(64,111)
Closing	<u><u>86,475</u></u>

- 11 Previous Year figures have been regrouped, rearranged or recasted wherever considered necessary.
- 12 Particulars required to be furnished by the NBFCs as per paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by the RBI are given as per Annexure-B attached hereto.
- 13 Till 31st March, 2011 the Company was using pre revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012 the Revised Schedule VI notified under the Companies Act, 1956

For and on behalf of the Board

B. K. Sharma S. C. Dadhich R. K. Mohanty
Managing Director Director Company Secretary

In terms of our report of even date
FOR MAROTI & ASSOCIATES
(Chartered Accountants)
(M.K. MAROTI)
(Propreitor)

Place : **Kolkata**

Date : **25th Day of June, 2012**

M.No : 057073

Firm Reg No : 322770E

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NOTE FORMING PART OF THE BALANCE SHEET AS AT & PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31ST MARCH, 2012 ₹	31ST MARCH, 2011 ₹
NOTE - 2		
SHARE CAPITAL		
Authorised		
7,98,05,000 Equity Shares of ₹10/- each	798,050,000	798,050,000
Issued, Subscribed & Paid up		
7,98,00,000 Equity Share of ₹10/- each	798,000,000	798,000,000
	798,000,000	798,000,000

A
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	31ST MARCH , 2012		31ST MARCH , 2011	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	79,800,000	798,000,000	79,800,000	798,000,000
Shares issued during the year	—	—	—	—
Shares outstanding at the end of the year	79,800,000	798,000,000	79,800,000	798,000,000

B
TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity share having par value of ₹ 10 / per share. Each holder of Equity share is entitled to one vote per share

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

C
Details of shareholders holding more than 5% shares of the Company

NAME OF THE SHAREHOLDER	31ST MARCH , 2012		31ST MARCH , 2011	
	Nos	%	os	%
(EQUITY SHARES OF ₹ 10/ EACH FULLY PAID UP)				
MEGSHREE CREDIT PRIVATE LIMITED	17,040,000	21.35	17,040,000	21.35
FABER TREXIM PRIVATE LIMITED	7,030,000	8.81	7,030,000	8.81

As per the records of the Company , including its Register of Members and other declarations received from the shareholders regarding beneficial interest , the above shareholders represents legal ownership of shares

D.
SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Out of the above 74800000 (P.Y. 74800000) Equity Shares have been issued for consideration other than cash

Shree Securities Limited

	31st March, 2012	31st March, 2011
	₹	₹
NOTE - 3		
RESERVE & SURPLUS		
Amalgamation Reseve		
OP. Balance	161,134,330	161,134,330
A	161,134,330	161,134,330
Special Reserve		
OP. Balance	24,525	24,525
B	24,525	24,525
Profit & Loss Account		
OP. Balance	(2,653,014)	(2,166,920)
Add: Loss for the year	(420,367)	(452,893)
Add : Income tax for earlier years	(18,834)	—
Add: Contingency provision for standard Assets	(113,224)	(33,201)
C	(3,205,440)	(2,653,014)
TOTAL (A+B+C)	157,953,415	158,505,840
NOTE - 4		
NON CURRENT LIABILITIES		
DEFERRED TAX LIABILITIES		
TIMING DIFFERENCE		
Op. Balance	108	179
Add : Generated	—	—
Less: Reversed	(43)	(71)
Cls . Balance	65	108
NOTE - 5		
OTHER CURRENT LIABILITIES		
Liabilities For Expenses	90,585	85,802
	90,585	85,802
NOTE - 6		
SHORT TERM PROVISION		
Provision for Taxation	86,475	69,949
Contingency Provision for Standard Assets	146,425	33,201
	232,900	103,150
NOTE - 9		
SHORT TERM LOANS & ADVANCES		
(Unsecured , Considered good)		
Loans	58,569,841	13,280,308
Other Advances	50,000,000	—
	108,569,841	13,280,308
NOTE - 10		
CASH & CASH EQUIVALENTS		
Cash in hand (As certified)	103,252	41,991
Balances with Schedule Bank in Current Account	405,083	309,672
	508,335	351,662

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NOTE -11

OTHER CURRENT ASSETS

Tax Deducted At Source	177,069	170,463
Miscellaneous Expenditure	543,600	1,139,700
Deposits	20,900	20,900
	741,569	1,331,063

NOTE - 12

REVENUE FROM OPERATIONS

Interest (TDS ₹ 98,793/-(P.Y. ₹ 46,130 /-)	1,035,399	940,908
	1,035,399	940,908

NOTE - 13

OTHER INCOME

Interest on I.T. Refund	1,404	—
	1,404	—

NOTE - 14

EMPLOYEE BENEFIT EXPENSES

Salary & Bonus	170,950	165,750
Directors Remuneration	120,000	120,000
	290,950	285,750

NOTE - 15

DEPRECIATION & AMORTIASATION

Depreciation	147	244
Preliminary Expenses W/Off	596,100	596,100
	596,247	596,344

NOTE - 16

OTHER EXPENSES

Advertisement Expenses	14,854	12,243
Audit Fees	17,957	14,339
Bank Charges	635	335
Certification Fees	10,000	10,000
Computer Maintenance	12,000	12,000
Demat Expenses	1,102	689
Depository Expenses	110,300	110,300
Filing Fees	1,000	3,500
Internal Audit Fees	3,371	3,309
Legal & Professional Expenses	62,428	30,000
Listing Fees	165,240	165,240
Miscellaneous Expenses	19,867	16,121
Postage & Telegram	11,946	10,110
Printing & Stationery	39,386	32,789
Rates & Taxes	5,750	7,600
Transfer Agent Fees	13,544	19,092
	489,379	447,667

NOTE - 17

EARNING PER SHARE

Net Profit after tax as per Statement of Profit and Loss	(A)	(420,367)	(452,893)
weighted Average number of equity shares outstanding	(B)	79,800,000	79,800,000
Basic and Diluted Earnings per share (₹)	[A/B]	(0.005)	(0.006)
Face value per equity share (₹)		10	10

Note - 7

Description	As on	Gross Block			Depreciation			Net Block	
		Addition	Deletion	As on	Upto	For the year	Upto	As on	As on
31.03.2011	01.04.2011	Addition	Deletion	As on	Upto	For the year	Upto	As on	As on
				31.03.2012	31.03.2011	year	31.03.2012	31.03.2012	
Computer	51,750	—	—	51,750	51,383	147	51,530	220	367
Total	51,750	—	—	51,750	51,383	147	51,530	220	367
Previous Year	51,750	—	—	51,750	51,139	244	51,383	367	—

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Details of Investments

NOTE - 8

NON CURRENT INVESTMENTS

(Long Term, Non Trade, Valued at Cost)

	2011-12			2010-11		
	FACE VALUE	NO. OF SHARES	AMOUNT	FACE VALUE	NO. OF SHARES	AMOUNT
QUOTED SHARES						
SATYATEJ COMMERCIAL CO.LTD.	10	—	—	10	25,000	96,500
MANGALAM INDUSTRIAL FINANCE LTD.	10	1,074,500	32,235,000	10	994,500	29,835,000
SELLWIN TRADERS LIMITED	10	—	—	10	800,000	2,400,000
SUB TOTAL :		1,074,500	32,235,000		1,819,500	32,331,500
UNQUOTED SHARES						
AVIT EXIM LTD.	10	70,000	10,500,000	10	—	—
ADVENT DEALCOMM PVT. LTD.	10	26,500	10,600,000	10	76,500	30,600,000
AGARWAL TREXIM PVT.LTD.	10	169,750	67,900,000	10	37,500	15,000,000
ALBRIGHT AGENCIES PVT.LTD.	10	—	—	10	36,250	14,500,000
ALLIED TREXIM PRIVATE LIMITED	10	36,250	14,500,000	10	36,250	14,500,000
AMCO AGENTS PRIVATE LIMITED	10	—	—	10	139,250	55,700,000
ANUMODAN MERCHANTS PVT.LTD.	10	—	—	10	11,750	4,700,000
BIOSTAR DEALCOMM PVT. LTD.	10	—	—	10	17,250	6,900,000
BIVOLTINE MERCANTILES PVT. LTD.	10	120,625	48,250,000	10	—	—
BOSER MERCANTILES PVT. LTD.	10	41,250	16,500,000	10	41,250	16,500,000
BRENTWOOD MERCHANDISE PVT.LTD.	10	—	—	10	94,250	37,700,000
BRIGHTSTAR MERCANTILES PVT. LTD.	10	—	—	10	41,000	16,400,000
CARNEX VINIMAY PVT.LTD.	10	—	—	10	53,750	21,500,000
CAMPUS IMPEX PRIVATE LIMITED	10	21,000	8,400,000	10	21,000	8,400,000
CINDRELLA COMMODITIES PVT. LTD.	10	—	—	10	26,000	10,400,000
COOLHUT TRADERS LTD.	10	70,000	10,500,000	10	—	—
CREATIVE COMMODEAL PVT.LTD.	10	8,000	3,200,000	10	8,000	3,200,000
CHETANI VINEYOG PVT.LTD	10	—	—	10	33,750	13,500,000
DAGA INTERNATIONAL LTD.	10	—	—	10	112,500	45,000,000
DAGA MERCANTILE & FINANCE P LTD.	10	—	—	10	41,250	16,500,000
RESPONCE ENERGY LIMITED (FORMERLY: DINKAR MARKETING PVT. LTD.)	10	—	—	10	65,000	26,000,000
DOMINANT SALES & SERVICES PVT. LTD.	10	260,100	104,040,000	10	—	—
DURGAGAN VINCOM PVT.LTD.	10	—	—	10	31,000	12,400,000
FABERT MERCHANDISE LTD.	10	70,000	10,500,000	10	—	—
RESPONSE CAPITAL LIMITED (FORMERLY: FOLIAGE TRADE LINK PVT. LTD)	10	—	—	10	80,500	32,200,000
FOOTFLASH TRADING LTD.	10	70,000	10,500,000	10	—	—
FORTUNE TRADE & VYAPAAR PVT LTD.	10	11,750	4,700,000	10	30,750	12,300,000
FRONTIER VANIJYA PVT. LTD.	10	—	—	10	61,000	24,400,000
GABARIAL ENCLAVE LTD.	10	70,000	10,500,000	10	—	—

Shree Securities Limited

GAGANBASE SALES PVT. LTD.	10	111,100	44,440,000	10	35,000	14,000,000
GANGOTRI SYNTEX PVT.LTD.	10	—	—	10	52,500	21,000,000
GANPATI RIVERSIDE PVT.LTD.	10	186,250	74,500,000	10	-	-
GITANEEL COMMODITIES PVT.LTD.	10	—	—	10	75,000	30,000,000
GOLDEN ERA MERCHANTS PVT. LTD.	10	—	—	10	201,500	80,600,000
GRITTY MARKETING LTD.	10	70,000	10,500,000	10	—	—
HERITAGE TREXIM PRIVATE LIMITED.	10	23,750	9,500,000	10	23,750	9,500,000
INFRA VYAPAAR PVT. LTD.	10	—	—	10	9,250	3,700,000
JANITOR DISTRIBUTORS PVT.LTD.	10	—	—	10	77,000	30,800,000
JATASHIV DEVELOPERS PVT. LTD.	10	50,000	500,000	10	—	—
MOONCLUB MERCHANTS PVT.LTD.	10	—	—	10	15,000	6,000,000
NETWORTH VYAPAAR PRIVATE LIMITED.	10	—	—	10	10,000	4,000,000
NOBLECARE AGENCIES PRIVATE LIMITED. (RESPONCE RENEWABLE ENERGY LIMITED)	10	—	—	10	38,000	15,200,000
NOVAGOLD ADVISORY SERVICES PVT.LTD.	10	5,250	2,100,000	10	5,250	2,100,000
OASIS SYNTEX PVT. LTD.	10	—	—	10	24,250	9,700,000
ONTRACK MERCHANDISE PVT. LTD.	10	10,000	4,000,000	10	25,000	10,000,000
ONWARD DISTRIBUTORS PVT. LTD.	10	30,500	12,200,000	10	30,500	12,200,000
ORBIT DISTRIBUTORS PVT. LTD.	10	—	—	10	30,000	12,000,000
PAWANSHIV NIKETAN LTD.	10	50,000	500,000	10	—	—
PKD TRADING & INVESTMENT CO. PVT. LTD.	10	196,700	78,680,000	10	—	—
PLENTY NIRYAT PVT. LTD.	10	109,750	43,900,000	10	—	—
PRIYANKA TREXIM & COMMERCE P.LTD	10	—	—	10	73,750	29,500,000
QUANTAM SUPPLIERS PRIVATE LIMITED	10	—	—	10	8,750	3,500,000
QUARTZ MERCANTILE P. LTD	10	—	—	10	99,500	39,800,000
RIGHT COMMODITIES PRIVATE LIMITED	10	—	—	10	10,000	4,000,000
RIKZEN CONTRA PVT. LTD.	10	219,500	87,800,000	10	49,500	19,800,000
ROSEMOUNT MARKETING PVT. LTD.	10	—	—	10	12,500	5,000,000
SHULTON VYAPAAR P. LTD.	10	—	—	10	44,000	17,600,000
SILVERLAKE DEALERS PVT. LTD.	10	12,000	4,800,000	10	-	-
SNOWFALL AGENCIES PVT.LTD.	10	—	—	10	19,000	7,600,000
SREE GANESH FINCO & CREDIT PVT.LTD.	10	—	—	10	21,000	8,400,000
TRINCAS AGENCY & CREDIT PVT. LTD.	10	263,030	105,212,000	10	-	-
UNICON MANAGEMENT PRIVATE LIMITED.	10	12,500	5,000,000	10	12,500	5,000,000
YUKEN MERCHANDISE PVT. LTD.	10	—	—	10	53,500	21,400,000
ZED DEALCOMM PRIVATE LIMITED.	10	—	—	10	23,750	9,500,000
ZEN MERCHANTS PRIVATE LIMITED.	10	—	—	10	55,500	22,200,000
ZENSTAR MARKETING PRIVATE LIMITED.	10	—	—	10	42,500	17,000,000
SUB TOTAL :		2,395,555	814,222,000		2,273,500	909,400,000
GRAND TOTAL :		3,470,055	846,457,000		4,093,000	941,731,500
MARKET VALUE QUOTED SHARE :			32,235,000			39,211,500
BOOK VALUE QUOTED SHARE :			32,235,000			32,331,500

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2011

	31ST MARCH, 2012 ₹	31ST MARCH, 2011 ₹
1. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax (a)	<u>(339,773)</u>	<u>(388,853)</u>
Add :		
Preliminary Expenses W/O. 596,100	596,100	596,100
Depreciation 147	147	244
Sub Total - (b)	<u>596,247</u>	<u>596,344</u>
Operating Profit before Working Capital (a)+(b)	<u>256,474</u>	<u>207,491</u>
Changes		
Adjustments :		
Decrease in Inventories —	—	—
Increase in Current Liabilities 4,783	4,783	—
Decrease in Loans & advances (95,289,533)	(95,289,533)	(666,615)
Adjustment for IT provisions & Payments (82,945)	(82,945)	108,438
Adjustments For TDS (6,606)	(6,606)	—
Sub Total - (c)	<u>(95,374,301.00)</u>	<u>(558,177)</u>
Net Cash from Operating Activities A	(95,117,827)	<u>(350,686)</u>
2. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Investment 95,274,500	95,274,500	—
Net Cash from Investing Activities B	95,274,500	—
3. CASH FLOW FROM FINANCING ACTIVITIES		
Capital raised during the year —	—	—
Profit/(Loss) of Transferor Companies —	—	—
Amalgamation Reserve —	—	—
Preliminary Expenses —	—	—
Net Cash from Financing Activities C	—	—
Net Increase in Cash/Cash Equivalent A+B+C	<u>156,673</u>	<u>(350,686)</u>
Cash/Cash Equivalents (Opening)	<u>351,662</u>	<u>702,348</u>
Cash/Cash Equivalents (Closing)	<u>508,335</u>	<u>351,662</u>

For and on behalf of the Board

B. K. Sharma **S .C. Dadhich** **R. K. Mohanty**
 Managing Director Director Company Secretary

(M.K. MAROTI)
 (Proprietor)
 M.No : 057073

Place : Kolkata

Date : 25th Day of June, 2012

Firm Reg No : 322770E

Shree Securities Limited

ANNEXURE REFERRED TO IN NOTES OF ACCOUNTS OF SCHEDULE "B"

ANNEXED AS PER RESERVE BANK OF INDIA PRUDENTIAL NORMS SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY AS ON 31.03.2012 AS REQUIRED IN TERMS OF PARAGRAPH 13 OF A NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007

PARTICULARS

(₹ IN LACS)

LIABILITIES SIDE

	LOANS AND ADVANCES AVAILED BY THE NBFCS INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID	<u>AMOUNT OUTSTANDING</u>	<u>AMOUNT OVERDUE</u>
a	DEBENTURES		
	• SECURED	NIL	NIL
	• UNSECURED	NIL	NIL
	(OTHER THAN FALLING WITHIN THE MEANING OF PUBLIC DEPOSIT)		
b	DEFERRED CREDITS	NIL	NIL
c	TERM LOANS	NIL	NIL
d	INTER – CORPORATE LOANS AND BORROWINGS	NIL	NIL
e	COMMERCIAL PAPER	NIL	NIL
f	PUBLIC DEPOSIT	NIL	NIL
g	OTHER LOANS (SPECIFY NATURE)	NIL	NIL

ASSET SIDE

	BREAK UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES OTHER THAN THOSE INCLUDED IN (4) BELOW		<u>AMOUNT OUTSTANDING</u>
	• SECURED	NIL	NIL
	• UNSECURED	1085.70	1085.70
	BREAK UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES	NIL	NIL
1	LEASE ASSETS INCLUDING LEASE RENTALS UNDER SUNDRY DEBTORS		
	• FINANCIAL LEASE	NIL	NIL
	• OPERATING LEASE		NIL
2	STOCK ON HIRE INCLUDING HIRE CHARGES UNDER SUNDRY DEBTORS		
	• ASSETS ON HIRE	NIL	NIL
	• REPOSSESSED ASSETS		NIL
3	HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES	NIL	NIL
	• LOANS WHERE ASSETS HAVE BEEN REPOSSESSED	NIL	NIL
	• LOANS OTHER THAN ABOVE	NIL	NIL

BREAK UP OF INVESTMENTS

• CURRENT INVESTMENTS (STOCK IN TRADE)

1	QUOTED		
	• SHARES		
	EQUITY	NIL	NIL
	PREFERENCE	NIL	NIL
	• DEBENTURES AND BONDS	NIL	NIL
	• UNITS OF MUTUAL FUNDS	NIL	NIL
	• GOVERNMENT SECURITIES	NIL	NIL
	• OTHERS	NIL	NIL

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2	UNQUOTED • SHARES EQUITY PREFERENCE • DEBENTURES AND BONDS • UNITS OF MUTUAL FUNDS • GOVERNMENT SECURITIES • OTHERS	NIL NIL NIL NIL NIL NIL	NIL NIL NIL NIL NIL NIL
• LONG TERM INVESTMENTS			
1	QUOTED • SHARES EQUITY PREFERENCE • DEBENTURES AND BONDS • UNITS OF MUTUAL FUNDS • GOVERNMENT SECURITIES • OTHERS	322.35 NIL NIL NIL NIL NIL	322.35 NIL NIL NIL NIL NIL
2	UNQUOTED • SHARES EQUITY PREFERENCE • DEBENTURES AND BONDS • UNITS OF MUTUAL FUNDS • GOVERNMENT SECURITIES • OTHERS	8142.22 NIL NIL 27.00 NIL NIL	8142.22 NIL NIL 27.00 NIL NIL

BORROWER GROUP WISE CLASSIFICATION OF ALL LEASED ASSETS, STOCK ON HIRE AND LOANS AND ADVANCES

	CATEGORY	AMOUNT NET OF PROVISIONS		
		SECURED	UNSECURED	TOTAL
1	RELATED PARTIES			
	a. SUBSIDIARIES	NIL	NIL	NIL
	b. COMPANIES IN THE SAME GROUP	NIL	NIL	NIL
	c. OTHER RELATED PARTIES	NIL	NIL	NIL
2	OTHER THAN RELATED PARTIES	NIL	1085.70	1085.70
	TOTAL	NIL	1085.70	1085.70

INVESTOR GROUP WISE CLASSIFICATION OF ALL INVESTMENTS (CURRENT AND LONG TERM) IN SHARES AND SECURITIES (BOTH QUOTED AND UNQUOTED)

CATEGORY		MARKET VALUE / BREAK UP OF FAIR VALUE OR NAV	BOOK VALUE (NET OF PROVISION)
1	RELATED PARTIES		
	a. SUBSIDIARIES	640.00	640.00
	b. COMPANIES IN THE SAME GROUP	NIL	NIL
	c. OTHER RELATED PARTIES	NIL	NIL
2	OTHER THAN RELATED PARTIES	7824.57	7824.57
	TOTAL	8464.57	8464.57

OTHER INFORMATION

PARICULARS		AMOUNT
I)	GROSS NON- PERFORMING ASSETS	
	A RELATED PARTIES	NIL
	B OTHER THAN RELATED PARTIES	NIL
II)	NET NON- PERFORMING ASSETS	
	A RELATED PARTIES	NIL
	B OTHER THAN RELATED PARTIES	NIL
III)	ASSETS ACQUIRED IN SATISFACTION OF DEBTS	NIL

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT

	Avit Exim Ltd.	Cool Hot Traders Ltd.	Fabert Merchandise Ltd.	Footflash Trading Ltd.	Gabarial Enclave Ltd.	Gritty Marketing Ltd.	Jatashiv Developers Ltd.	Pawanshiv Niketan Ltd.
	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
1	FINANCIAL YEARS OF THE SUBSIDIARY COMPANY ENDED ON							
2	SHARES OF THE SUBSIDIARY COMPANY HELD ON THE ABOVE DATE AND EXTENT OF HOLDING							
	> EQUITY SHARES	70,000	70,000	70,000	70,000	70,000	50,000	50,000
	> EXTENT OF HOLDING	100%	100%	100%	100%	100%	100%	100%
3	THE NET AGGREGATE AMOUNT OF THE SUBSIDIARIES PROFIT/(LOSS) SO FAR AS IT IS CONCERNED WITH THE MEMBERS OF THE SHREE SECURITIES LIMITED	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	NOT DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS							
	FOR THE FINANCIAL YEAR OF THE SUBSIDIARY	(11,632)	(11,932)	(12,072)	(11,712)	(11,252)	(8,724)	(8,724)
	FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARY/ SINCE IT BECAME THE HOLDING COMPANY'S SUBSIDIARY	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	DEALT WITHIN THE HOLDING COMPANY'S ACCOUNTS							
	FOR THE FINANCIAL YEAR OF THE SUBSIDIARY	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	FOR THE PREVIOUS FINANCIAL YEARS OF THE SUBSIDIARY/ SINCE IT BECAME THE HOLDING COMPANY'S SUBSIDIARY	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	MATERIAL CHANGES, IF ANY BETWEEN THE END OF THE FINANCIAL YEAR OF THE SUBSIDIARY COMPANY AND THAT OF THE HOLDING COMPANY							
5	ADDITIONAL INFORMATION ON SUBSIDIARY COMPANIES							
	SHARE CAPITAL	7,00,000	7,00,000	7,00,000	7,00,000	7,00,000	5,00,000	5,00,000
	RESERVES & SURPLUS	97,88,368	97,88,068	97,87,928	97,88,288	97,88,748	(8,724)	(8,724)
	TOTAL ASSETS	1,04,89,492	1,04,89,192	1,04,89,372	1,04,89,412	1,04,89,872	5,37,400	5,32,400
	TOTAL LIABILITIES	1,04,89,492	1,04,89,192	1,04,89,492	1,04,89,412	1,04,89,872	5,37,400	5,32,400
	INVESTMENTS	1,02,00,000	1,02,00,000	1,02,00,000	1,02,00,000	1,02,00,000	-	-
	TURNOVER	-	-	-	-	-	-	-
	PROFIT BEFORE TAX	(11,632)	(11,932)	(11,752)	(11,712)	(11,252)	(8,724)	(8,724)
	PROFIT AFTER TAX	(11,632)	(11,932)	(11,752)	(11,712)	(11,252)	(8,724)	(8,724)

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CONSOLIDATED AUDITORS' REPORT

To

The Board of Directors,

M/s. SHREE SECURITIES LIMITED

We have audited the attached Consolidated Balance Sheet of **M/s. SHREE SECURITIES LIMITED**, (the "Company") and its subsidiaries as at **31st March, 2012** and also the Consolidated Statement of Profit & Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto .These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs. 64,006,192/- as at 31st March , 2012 and total revenues of Rs Nil for the year ended on that date and cash flows amounting to Rs 2,620,592for the year then ended . The financial statements have been audited by other auditors whose report has been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company management in accordance with the requirements of Accounting Standard–21, consolidate Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of **M/s. SHREE SECURITIES LIMITED** and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of **M/s. SHREE SECURITIES LIMITED** and its aforesaid subsidiaries, in our opinion, the consolidated financial statements together with notes thereon and attached thereto give a true and fair view in conformity with the accounting principles generally accepted in India :

1. In the case of the consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at **31st March, 2012**; and
2. In the case of the consolidated Statement of Profit & Loss, of the consolidated result of operations of the company and its subsidiaries for the Year ended on that date and
3. In the Case of the consolidated Cash flow statement, of the consolidated Cash flows of the company and its subsidiaries for the year ended on that date.

For MAROTI & ASSOCIATES

Chartered Accountants

(M.K.MAROTI)

Proprietor

M. No.057073

Firm Reg.No : 322770E

Place : **Kolkata**

Date : **25th Day of June, 2012**

Shree Securities Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

		Note No	31st March 2012 ₹
I.	EQUITY AND LIABILITIES		
	(1) Shareholder's Funds		
	(a) Share Capital	2	798,000,000
	(b) Reserves and Surplus	3	216,665,615
	(2) Non Current Liabilities		
	(a) Deferred Tax Liabilities	4	65
	(3) Current Liabilities		
	(a) Other current liabilities	5	184,577
	(b) Short-term provisions	6	232,900
	TOTAL		1,015,083,157
II.	Assets		
	(1) Non-current assets		
	(a) Fixed Assets	7	
	(i) Tangible Assets		220
	(ii) Intangible assets		58,800,000
	(b) Non-current investments	8	843,657,000
	(c) Long term loans and advances	9	58,569,841
	(2) Current assets		
	(a) Cash and cash equivalents	10	3,128,927
	(b) Short-term loans and advances	11	50,000,000
	(c) Other current assets	12	927,169
	TOTAL		1,015,083,157

SIGNIFICANT ACCOUNTING POLICIES

1

OTHER NOTES ON ACCOUNTS

19

In terms of our report of even date

FOR **MAROTI & ASSOCIATES**

(Chartered Accountants)

(M.K. MAROTI)

(Proprietor)

M.No : 057073

Firm Reg No : 322770E

For and on behalf of the Board

B. K. Sharma S. C. Dadhich R. K. Mohanty

Managing Director Director Company Secretary

Place : **Kolkata**

Date : **25th Day of June, 2012**

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CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

	PARTICULARS	Note No	31st March 2012 ₹
I	REVENUE FROM OPERATIONS	13	1,035,399
II	OTHER INCOME	14	1,404
III	TOTAL REVENUE (I + II)		1,036,803
IV	EXPENSES		
	Employee Benefit Expenses	15	290,950
	Depreciation and Amortization Expense	16	642,647
	Other Expenses	17	530,779
	TOTAL EXPENSES		1,464,376
V	Profit Before Tax		(427,573)
VI	TAX EXPENSES		
	a. Current Tax		(80,637)
	b. Deferred Tax		43
XV	PROFIT / (LOSS) FOR THE PERIOD		(508,167)
XVI	Earning Per Equity Share		
	a. Basic	18	(0.006)
	b. Diluted	18	(0.006)

SIGNIFICANT ACCOUNTING POLICIES

1

OTHER NOTES ON ACCOUNTS

19

For and on behalf of the Board

B. K. Sharma

S. C. Dadhich

R. K. Mohanty

Managing Director

Director

Company Secretary

In terms of our report of even date

FOR MAROTI & ASSOCIATES

(Chartered Accountants)

(M.K. MAROTI)

(Proprietor)

M.No : 057073

Firm Reg No : 322770E

Place : Kolkata

Date : 25th Day of June, 2012

Shree Securities Limited

NOTE - 1

Significant Accounting Policies :

01. ACCOUNTING CONVENTIONS

The Financial Statements are prepared on Historical Cost Convention. Financial Statements are prepared in accordance with relevant presentational requirements of the Companies Act, 1956 and applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956

02 PRINCIPLES OF CONSOLIDATION

- 1 The Consolidated financial statements relate to Shree Securities Limited (the 'Company') and its wholly owned subsidiaries. The consolidated financial statements have been prepared on the following basis:
 - (a) The financial statements of The company and its subsidiaries have been combined on a line-by-line basis by adding together The book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements".
 - (b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
 - (c) The excess of cost to the Company of its investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as goodwill, which will be amortised over a period of ten years commencing from the financial year after the year in which the company was incorporated.
- 2 The subsidiaries considered in the consolidated financial statements is:

<u>Name of the company</u>	<u>% voting power held as at 31st March,2012</u>
1. Avit Exim Limited	100
2. Coolhut Traders Limited	100
3. Fabert Merchandise Limited	100
4. Footflash Trading Limited	100
5. Gabarial Enclave Limited	100
6. Gritty Marketing Limited	100
7. Jatashiv Developers Limited	100
8. Pawanshiv Niketan Limited	100

03 FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation and impairment if any. Cost comprises the purchase price inclusive of duties, taxes, and incidental expenses upto the date, the asset is ready for its intended use.

04 DEPRECIATION

Depreciation on Fixed Assets are provided on Written Down Value Method at the rates prescribed in the Schedule-XIV of the Companies Act, 1956.

Depreciation on fixed assets added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / disposal.

In a case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

05 IMPAIRMENT OF FIXED ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net

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selling price and 'value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital.

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

06 EARNING PER SHARE

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year

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

07 INVESTMENTS

Investments are long-term investments, hence valued at cost. Investments other than in Subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

08 RECOGNITION OF INCOME & EXPENDITURE

Income and expenditure are accounted for on accrual basis . Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the shareholder's right to receive payment is established by the balance sheet date.

09 CONTINGENCIES :

These are disclosed by way of notes on the Balance sheet . Provisions is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end , till the finalization of accounts and material effect on the position stated in the Balance Sheet.

10 PROVISIONING FOR STANDARD ASSETS :

The Reserve Bank Of India vide Notification No **DNBS 223 / CGM (US) 2011 DATED 17 JANUARY, 2011** has issued direction to all **NBFCs** to make provision of **0.25%** on **STANDARD ASSETS** with immediate effect . Accordingly the Company has made provision @ **0.25%** on Standard Assets in accordance therewith.

11 PROVISIONING FOR DEFERRED TAXES :

The Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act , 1961.

Deferred Tax resulting from " timings difference " between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. The Deferred Tax Asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

12 PRELIMINARY EXPENSES

Preliminary Expense is amortised over a period of Five years.

13 TAXES ON INCOME

Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Tax is recognised, subject to consideration of prudence, in respect of deferred tax assets / liabilities on timing difference, being the difference between taxable income and accounting income that originated in one period and are capable of reversal in the coming year.

NOTE 19 OTHER NOTES ON ACCOUNTS

- 1 Based on the information / documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provision/payments have been made by the Company to such creditors, if any, and no disclosures thereof are made in these accounts.
-

Shree Securities Limited

- 2 Loans , advances and sundry debtors and sundry creditors balances are subject to confirmation by the respective parties
- 3 The management has assessed that there is no impairment of Fixed Assets requiring provision in the Accounts. Accordingly, there is no debit to the Profit & Loss Account for the impairment of Assets.
- 4 The Income Tax provision is provided as the tax provision provided in the books of the parent company.
- 5 Segment Report :
The Company is engaged in the business of Non-Banking Financial Services and there are no separate reportable segments as per Accounting Standard 17.

6 Related Party Disclosure :

As per accounting standard 18 the information for related parties is given below:

Name of the related parties

ASSOCIATES

HOLDING

Shree Securities Limited.

SUBSIDIARIES

1. Avit Exim Limited
2. Coolhut Traders Limited
3. Fabert Merchandise Limited
4. Footflash Trading Limited
5. Gabarial Enclave Limited
6. Gritty Marketing Limited
7. Jatashiv Developers Limited
8. Pawanshiv Niketan Limited

KEY MANAGEMENT PERSONNEL (KMP)

1. Basant Kumar Sharma

RELATIVES OF (K M P)

RELATED PARTY TRANSACTION

Sl. No.	Nature Of Transaction	Relation	31/03/2012 (Rs)
1	Directors Remuneration Basant Kumar Sharma	Managing Director	120,000

- 7 The Company has Complied this information based on the current information in its possession. As at 31.03.2012, No supplier has intimated the Company about its status as a Micro or Small enterprise or its Registration with the appropriate authority under
Amount due to Micro Small and Medium Enterprises as on 31.03.2012 RS NIL (PY RS NIL)

- 8 No provision has been made on account of leave salary as there are no leave to the credit of employees as at the end of the year.

9 Provisioning as per AS 29 Amount

TAXATION

Opening	69,949
Add: Additions	80,637
Less: Adjustments	(64,111)
Closing	<u>86,475</u>

- 10 This being the first financial year of consolidation there are no previous year figures.
-

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NOTE FORMING PART OF THE BALANCE SHEET AS AT & CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	31ST MARCH , 2012 ₹
NOTE - 2 SHARE CAPITAL	
Authorised 7,98,05,000 Equity Shares of ₹10/- each	798,050,000
Issued, Subscribed & Paid up 7,98,00,000 Equity Shares of ₹10/- each	798,000,000
	798,000,000

A

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	31ST MARCH, 2012	
	Nos	Amount
Shares outstanding at the beginning of the year	79,800,000	798,000,000
Shares issued during the year	—	—
Shares outstanding at the end of the year	79,800,000	798,000,000

B

TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity share having par value of ₹ 10 / per share . Each holder of Equity share is entitled to one vote per share

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

C

Details of shareholders holding more than 5% shares of the Company

NAME OF THE SHAREHOLDER (EQUITY SHARES OF RS 10/ EACH FULLY PAID UP)	31ST MARCH, 2012	
	Nos	%
MEGSHREE CREDIT PRIVATE LIMITED	17,040,000	21.35
FABER TREXIM PRIVATE LIMITED	7,030,000	8.81

As per the records of the Company , including its Register of Members and other declarations received from the shareholders regarding beneficial interest , the above shareholders represents legal ownership of shares

D.

SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Out of the above 7,48,00,000(7,48,00,000) equity shares have been issued for consideration other than cash

Shree Securities Limited

31ST MARCH, 2012

₹

NOTE - 3

RESERVES AND SURPLUS

Amalgamation Reseve

OP. Balance

161,134,330

A

161,134,330

Special Reserve

OP. Balance

24,525

B

24,525

Profit & Loss Account

OP. Balance

(2,653,014)

Add: Loss for the year

(508,167)

Add : Income tax for earlier years

(18,834)

Add: Contingency provision for standard Assets

(113,224)

C

(3,293,240)

Securities Premium

Addition during the year

58,800,000

D

58,800,000

TOTAL (A+B+C+D)

216,665,615

NOTE - 4

DEFERRED TAX LIABILITIES

TIMING DIFFERENCE

Op. Balance

108

Add : Generated

—

Less: Reversed

(43)

Cls . Balance

65

NOTE - 5

OTHER CURRENT LIABILITIES

Liabilities For Expenses

99,577

Advance received

85,000

184,577

NOTE - 6

SHORT TERM PROVISION

Provision for Taxation

86,475

Contingency Provision for Standard Assets

146,425

232,900

NOTE - 7

FIXED ASSETS

	Description	Gross Block			Depreciation/Amortisation			Net Block		
		As on	Addition	Deletion	As on	Upto	For the	Upto	As on	As on
		01.04.2011			31.03.2012	31.03.2011	year	31.03.2012	31.03.2012	31.03.2011
(i)	Tangible Assets									
	Computer	51,750	—	—	51,750	51,383	147	51,530	220	367
	Total	51,750	—	—	51,750	51,383	147	51,530	220	367
	Previous Year	51,750	—	—	51,750	51,139	244	51,383	367	—
(ii)	Intangible Assets									
	Goodwill	—	58,800,000	—	58,800,000	—	—	—	58,800,000	—
	Total	—	58,800,000	—	58,800,000	—	—	—	58,800,000	—

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NOTE - 8

Non-Current Investments

Equity Shares

(Unquoted and fully paid-up)

(Long term other than Trade)

	2011-12	
	<u>Qty.</u>	<u>₹</u>
ADVENT DEALCOMM PVT. LTD.	26,500	10,600,000
AGARWAL TREXIM PVT.LTD.	169,750	67,900,000
ALLIED TREXIM PRIVATE LIMITED	36,250	14,500,000
BIVOLTINE MERCANTILES PVT. LTD.	120,625	48,250,000
BOSER MERCANTILES PVT. LTD.	41,250	16,500,000
CAMPUS IMPEX PRIVATE LIMITED	21,000	8,400,000
CREATIVE COMMODEAL PVT.LTD.	8,000	3,200,000
DOMINANT SALES & SERVICES PVT. LTD.	260,100	104,040,000
FORTUNE TRADE & VYAPAAR PVT LTD.	11,750	4,700,000
GAGANBASE SALES PVT. LTD.	111,100	44,440,000
GANPATI RIVERSIDE PVT.LTD.	186,250	74,500,000
HERITAGE TREXIM PRIVATE LIMITED.	23,750	9,500,000
NOVAGOLD ADVISORY SERVICES PVT.LTD.	5,250	2,100,000
ONTRACK MERCHANDISE PVT. LTD.	10,000	4,000,000
ONWARD DISTRIBUTORS PVT. LTD.	30,500	12,200,000
PKD TRADING & INVESTMENT CO. PVT. LTD.	196,700	78,680,000
PLENTY NIRYAT PVT. LTD.	109,750	43,900,000
RIKZEN CONTRA PVT. LTD.	219,500	87,800,000
SILVERLAKE DEALERS PVT. LTD.	12,000	4,800,000
TRINCAS AGENCY & CREDIT PVT. LTD.	263,030	105,212,000
UNICON MANAGEMENT PRIVATE LIMITED.	12,500	5,000,000
	1,875,555	750,222,000
 Quoted Shares		
MANGALAM INDUSTRIAL FINANCE LTD.	3,114,500	93,435,000
	3,114,500	93,435,000
Total :	4,990,055	843,657,000
		Market Value
MANGALAM INDUSTRIAL FINANCE LTD.		93,435,000
MARKET VALUE OF QUOTED SHARES		93,435,000

Shree Securities Limited

31st March, 2012**₹****NOTE - 9****LONG TERM LOANS & ADVANCES**

(Unsecured , Considered good)

Loans

58,569,841

58,569,841**NOTE - 10****CASH & CASH EQUIVALENTS**

Cash in hand (As certified)

1,650,452

Balances with Schedule Bank in Current Account

478,475

Cheques in Hand

1,000,000

3,128,927**NOTE - 11****SHORT TERM LOANS & ADVANCES**

(Unsecured , Considered good)

Other Advances

50,000,000

50,000,000**NOTE -12****OTHER CURRENT ASSETS**

Tax Deducted At Source

177,069

Miscellaneous Expenditure

729,200

Deposits

20,900

927,169**NOTE - 13****REVENUE FROM OPERATIONS**

Interest (TDS Rs 98,793/-)

1,035,399

1,035,399**NOTE - 14****OTHER INCOME**

Interest on I.T. Refund

1,404

1,404**NOTE - 15****EMPLOYEE BENEFIT EXPENSES**

Salary

170,950

Directors Remuneration

120,000

290,950**NOTE - 16****DEPRECIATION & AMORTIASATION**

Depreciation

147

Preliminary Expenses W/Off

642,500

642,647

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NOTE - 17

OTHER EXPENSES	31st March, 2012
	₹
Advertisement Expenses	14,854
Audit Fees	26,949
Bank Charges	1,297
Certification Fees	10,000
Computer Maintenance	12,000
Data Processing Charges	20,000
Demat Expenses	5,048
Depository Expenses	110,300
Filing Fees	8,800
Internal Audit Fees	3,371
Legal Expenses	62,428
Listing Fees	165,240
Miscellaneous Expenses	19,867
Postage & Telegram	11,946
Printing & Stationery	39,386
Rates & Taxes	5,750
Transfer Agent Fees	13,544
	530,779

NOTE - 18

EARNING PER SHARE

Net Profit after tax as per Statement of Profit and Loss (A)	(508,167)
weighted Average number of equity shares outstanding (B)	79,800,000
Basic and Diluted Earnings per share (₹) [A/B]	(0.006)
Face value per equity share (₹)	10

For and on behalf of the Board
B. K. Sharma S. C. Dadhich R. K. Mohanty
Managing Director Director Company Secretary

In terms of our report of even date
FOR MAROTI & ASSOCIATES
(Chartered Accountants)

(M.K. MAROTI)
(Proprietor)

Place : **Kolkata**

Date : **25th Day of June, 2012**

M.No : 057073

Firm Reg No : 322770E

Shree Securities Limited

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

1.	CASH FLOW FROM OPERATING ACTIVITIES	<u>31.03.2012</u>
	Net Profit/(Loss) before Tax (a)	<u>(427,573)</u>
	Add :	
	Preliminary Expenses W/O.	642,500
	Depreciation	147
	Sub Total - (b)	642,647
	Operating Profit before Working Capital Changes (a)+(b)	215,074
	Adjustments :	
	Decrease in Inventories	—
	Increase/(Decrease) in Current Liabilities	184,577
	(Increase)/Decrease in Loans & advances	(108,590,741)
	Adjustment for IT Payments	39,147
	Adjustments For TDS	(195,903)
	Sub Total - (c)	(108,562,920)
	Net Cash from Operating Activities A	(108,347,846)
2.	CASH FLOW FROM INVESTING ACTIVITIES	
	(Increase)/Decrease in Fixed Assets	(367)
	(Increase) / Decrease in Investment	(902,457,000)
	Net Cash from Investing Activities B	(902,457,367)
3.	CASH FLOW FROM FINANCING ACTIVITIES	
	Increase in Capital	798,000,000
	Increase in Reserves	158,505,840
	Increase in Security Premium	58,800,000
	Preliminary Expenses	(1,371,700)
	Net Cash from Financing Activities C	1,013,934,140
	Net Increase in Cash/Cash Equivalent A+B+C	3,128,927
	Cash/Cash Equivalents (Opening)	—
	Cash/Cash Equivalents (Closing)	<u>3,128,927</u>

Note :

1. The above cash flow statement has been prepared under the indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements

2. Cash & Cash Equivalents Comprise

Cash on Hand	1,650,452
Balnce With Schedule Banks in current Account	478,475
Cheques In Hand	1,000,000
	<u>3,128,927</u>

For and on behalf of the Board

B. K. Sharma **S. C. Dadhich** **R. K. Mohanty**
 Managing Director Director Company Secretary

In terms of our report of even date
FOR MAROTI & ASSOCIATES
 (Chartered Accountants)

(M.K. MAROTI)
 (Propreitor)

Place : Kolkata

Date : 25th Day of June, 2012

M.No : 057073
 Firm Reg No : 322770E

E-MAIL ADDRESS REGISTRATION FORM

(In term of Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively Issued by Ministry of Corporate Affairs, Government of India)

(For shares held in physical form)

Niche Technologies Pvt. Ltd

D-511, Bagree Market,
71, B.R.B. Road, 5th Floor,
Kolkata - 700 001

I/We, Member(s) of Shree Securities Limited, hereby give my/our consent to receive electronically Annual Report(s) of General Meeting(s) and other document(s) that the Ministry of Corporate Affairs may allow to be sent in electronic mode

I/We request you to note my/our e-mail address as mention below. If there is any change in the e-mail address, I/We will promptly communicate to you.

Folio No.	
Name of the first/sole Member	
E-mail address (to be registered)	

Place :

Date:

(Signature of first/sole Member)

SHREE SECURITIES LIMITED
3, Synagogue Street, 3rd Floor, Room No.: 18G,
Kolkata-700 001, West Bengal

PROXY FORM

Member's Folio No. /DPID & CLID No. _____ No. of Shares _____

I/We _____ of _____

in the district of _____ being a member/members of the above named Company

hereby appoint _____ of _____

or failing him / her _____ of _____

as my / our proxy to attend and vote for me/us, on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 27th day of August, 2012 at 4.30 p.m. and any adjournment thereof.

Signed this _____ day of _____ 2012

Affix 1/-
Rupee
Revenue
Stamp

Signature _____

NOTE:

- 1) The Proxy form duly completed must reach at the Registered Office of the Company not less than 48 hours before the time of the meeting.
- 2) The form should be signed across the stamp as per the specimen signature registered with the Company.
- 3) A proxy need not be a Member of the Company.

SHREE SECURITIES LIMITED
3, Synagogue Street, 3rd Floor, Room No.: 18G,
Kolkata-700 001, West Bengal

ATTENDANCE SLIP

Member's Folio No. /DPID & CLID No. _____ No. of Shares _____

Mr. / Ms. / M/s. : _____

(Member's/Proxy's Name in BLOCK LETTERS)

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General meeting of the Company at the Registered Office of the Company at 3, Synagogue Street, 3rd Floor, Room No.:18G, Kolkata-700 001 on Monday, 27th day of August, 2012 at 4.30 p.m

Member's/Proxy's Name in BLOCK Letters

Member's/Proxy's signature

- NOTE:** 1) Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
2) Members/Proxy holders are requested to bring their copy of the Annual Report with them for the Meeting.