

32nd **ANNUAL REPORT**

2012



Group

SHREYANS INDUSTRIES LIMITED

INSPIRING US



LATE SH. D.K. OSWAL
(1940 - 2007)

We live by your values.
Honesty, Generosity, Compassion and Selflessness.

BOARD OF DIRECTORS

SH. RAJNEESH OSWAL, Chairman and Managing Director
 SH. VISHAL OSWAL, Vice Chairman and Managing Director
 SH. KUNAL OSWAL, Whole Time Director
 SH. A.K CHAKRABORTY
 SH. R. C. SINGAL
 SH. M.L. GUPTA
 DR. N. J. RAO
 SH. ANIL KUMAR, Executive Director and C.E.O

COMPANY SECRETARY

MR. VIPIN KUMAR BHATIA

BANKERS

STATE BANK OF PATIALA
 STATE BANK OF HYDERABAD
 IDBI BANK LTD.

STATUTORY AUDITORS

M/s. S.C. VASUDEVA & CO., NEW DELHI

REGISTRAR & TRANSFER AGENTS

M/s. SKYLINE FINANCIAL SERVICES (P) LIMITED
 D-153/A, 1ST FLOOR OKHLA INDUSTRIAL AREA PHASE - I
 NEW DELHI - 110020

REGISTERED & CORPORATE OFFICE

VILLAGE - BHOLAPUR. P.O. SAHABANA
 CHANDIGARH ROAD, LUDHIANA- 141123. (PUNJAB)

WORKS

1. SHREYANS PAPERS, AHMEDGARH, DISTT. SANGRUR (PB.)
2. SHREE RISHABH PAPERS, VILLAGE BANAH, DISTT. S. B. S. NAGAR (PB.)

BRANCHES

1. 4-J & E, GOPALA TOWER,
25, RAJENDRA PLACE, NEW DELHI-110008
2. 302, RAHEJA CHAMBERS,
NARIMAN POINT, MUMBAI-400021

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NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the members of the Company will be held on Thursday, the 30th day of August, 2012 at 11.00 A.M. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana to transact the following business.

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. R.C.Singal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Anil Kumar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS**5. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Rules made there under, including any statutory modification or re-enactment thereof, consent of the Company be and is hereby accorded for the appointment of Sh. Kunal Oswal, as the Whole time Director of the Company for a period of five years w.e.f. 1st August, 2012 to 31st July 2017 on the remuneration, terms and conditions as approved by the remuneration committee and set out in the explanatory statement to this notice and agreement, to be entered into between the Company and Sh. Kunal Oswal, draft of which is submitted to this meeting, and the same are hereby specifically approved."

"RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter, increase or vary the terms and conditions of the said remuneration and/ or agreement in such form and manner or with such modifications as the Board may deem fit and as may be acceptable to Sh. Kunal Oswal, without referring the same to the General Meeting again, subject to comments/ approvals, if any, required in this regard."

"RESOLVED FURTHER THAT where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Sh. Kunal Oswal, as Whole time Director of the company, the remuneration aforesaid shall be paid as the minimum remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions."

6. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

" RESOLVED THAT pursuant to Section 314 and other Applicable provisions, if any, of the Companies Act, 1956 , and subject to the approval of Central Government, if so required, consent of the company be and is hereby accorded to the appointment of Mrs. Priti Oswal as Chief Manager, Welfare w.e.f. 01.06.2012 at Basic Salary Rs. 30000/- P.M. and other perquisites/ benefits as per company's rules.

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to sanction at their own discretion and with the approval of Central Government, wherever necessary, increments, grade etc, as they may deem fit and proper."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and to do such acts, deeds, and things as may be necessary to give effect to the forgoing resolution."

7. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

" RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 , and subject to the approval of Central Government, if so required, consent of the company be and is hereby accorded to the appointment of Mrs. Shikha Oswal as Chief Manager, Welfare w.e.f. 01.06.2012 at Basic Salary Rs. 30000/- P.M. and other perquisites/ benefits as per company's rules.

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to sanction at their own discretion and with the approval of Central Government, wherever necessary, increments, grade etc, as they may deem fit and proper."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and to do such acts, deeds, and things as may be necessary to give effect to the forgoing resolution."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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 LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer books of the Company shall remain closed from Saturday, the 25th day of August, 2012 to Thursday the 30th day of August, 2012 (both days inclusive), for the purpose of AGM , for both physical and electronic segments.
3. Members/proxies are requested to bring their copy of Annual Report to the Meeting.
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Company, so as to reach the registered office of the Company at least 10 days before the date of the meeting so that information required may be made available at the time of the Meeting.
5. Members are requested to :
 - (I) Quote their folio number/Client ID & DP-ID in all correspondence with the company.
 - (II) Notify immediately to the company any change in their address/mandate, if any.
 - (III) REGISTER THEIR E. MAIL ID WITH THE COMPANY OR ITS REGISTRAR OR THEIR DEPOSITORY PARTICIPANT TO ENABLE THE COMPANY TO SEND THE NOTICES AND OTHER REPORTS THROUGH E.MAIL.
6. Shares of the Company are available for De-Materialization under **ISIN - INE231C01019**. Members who have not opted for De-Materialization are requested to do so in their own interest.
7. Shareholders/ Proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the Meeting Hall.

8. Please note that the meeting is for members or their proxies only. Please avoid being accompanied by non-members and children.

By order of the Board
For Shreyans Industries Limited
Sd/-

Place : Ludhiana
Dated : 28th May, 2012

Vipin Kumar Bhatia
(Company Secretary)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING FOR ITEM NO. 5

Company has appointed Sh. Kunal Oswal as Whole time Director w.e.f. 1st August 2007 at AGM held on 27th September, 2008. The term of his present appointment is expiring on 31st July 2012.

The Board of Directors at its meeting held on 28th May, 2012, has approved the re- appointment of Sh. Kunal Oswal as Whole Time Director for the period of five years i.e. from 1st August, 2012 to 31st July, 2017, on such remuneration as mentioned here under and on such terms and conditions as set out in the draft agreement which is open for inspection at Registered office of the Company on any working day between 10.30 A.M. to 12.30 P.M.

The remuneration of Sh. Kunal Oswal is subject to the approval of Shareholders in terms of section 198, 269, 309, 310 and 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Principal terms of remuneration of Sh. Kunal Oswal as approved by the remuneration committee of the Company for a period of five years starting from 1st August, 2012 are as follows

(1) SALARY: Sh. Kunal Oswal, Whole time Director shall be paid a salary of Rs. 1,25,000/- only per month, w.e.f. 01.08.2012.

(2) PERQUISITES AND ALLOWANCES

(i) The expenditure pertaining to gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/ clarifications as may be issued by the Ministry of Corporate Affairs, subject to maximum of 10% of basic salary.

(ii) Reimbursement of expenses on medical treatment incurred by the appointee and his family subject to ceiling of one month salary in a year or five months salary over a period of five years.

(iii) Fee of clubs subject to a maximum of two clubs, excluding admission and life membership fees and maximum of Rs. 25000/- P.A.

(iv) Premium not to exceed Rs. 10,000/- per annum for personal accident insurance.

(v) Leave travel concession for self and family members as per company's rules.

(vi) Provision of Car for official -cum- personal use.

(3) In addition to the perquisites as aforesaid, Sh. Kunal Oswal, Whole time Director shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:

(i) Contribution to Provident Fund, Super Annuity Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of the tenure.

(4) Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Sh. Kunal Oswal, Whole Time Director during the course of and in connection with the business of the Company.

(5) No sitting fees shall be paid to Sh. Kunal Oswal, Whole Time Director for attending the meeting of Board of Directors or any Committee thereof.

(6) MINIMUM REMUNERATION

In the event of inadequacy or absence of profits in any financial year during his tenure, Sh. Kunal Oswal, Whole Time Director will be entitled to above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration.

7. The appointment of Sh. Kunal Oswal as whole time director of the company is for five years w.e.f. 01.08.2012. However, he shall continue to be a director liable to retire by rotation.

The above shall also be treated as an Abstract and Memorandum of Interest under section 302 of the Companies Act, 1956.

Necessary resolution is proposed at item no. 5 of the above said agenda as a special resolution.

Directors of your company recommend the above resolution for your consideration and approval.

NOTICE OF INTEREST

None of the Directors, except Sh. Kunal Oswal, the appointee himself and Sh. Rajneesh Oswal and Sh. Vishal Oswal being relatives of Sh. Kunal Oswal is in any way interested in the proposed resolution

FOR ITEM NO. 6

Mrs. Priti Oswal is working as Manager, Welfare in the company.

Board of Directors of the company on the recommendation of Remuneration Committee, has approved the elevation of Mrs. Priti Oswal to the Post of Chief Manager, Welfare, at its meeting held on 28th May, 2012. Mrs. Priti Oswal is wife of Sh. Rajneesh Oswal, Chairman & Managing Director.

Provisions of Section 314(1)(b) of the Companies Act, 1956 require the approval of company at General Meeting by special resolution for holding of office or place of profit by a relative of the Director. The proposed remuneration of Mrs. Priti Oswal is well within the limits prescribed under the Directors Relative (Office or Place of Profit) Rules, 2011. It is also proposed to seek authority in favour of Board of Directors of the company to give increments/promotions to the appointee without referring to the General Meeting again, subject to Central Govt. approval, if required, irrespective to the tenure and length of employment.

Necessary resolution is proposed at item no. 6 of the above said agenda as special resolution.

Directors of your company recommend the passing of above resolution.

NOTICE OF INTEREST

None of the directors, except Sh. Rajneesh Oswal, Sh. Vishal Oswal, and Sh. Kunal Oswal, being relatives of Mrs. Priti Oswal, is in any way deemed to be interested in the proposed resolution.

FOR ITEM NO. 7

Mrs. Shikha Oswal is working as Manager, Welfare in the company.

Board of Directors of the company on the recommendation of Remuneration Committee, has approved the elevation of Mrs. Shikha Oswal to the Post of Chief Manager, Welfare, at its meeting held on 28th May, 2012. Mrs. Shikha Oswal is wife of Sh. Vishal Oswal, Vice-Chairman & Managing Director.

Provisions of Section 314(1)(b) of the Companies Act, 1956 require the approval of company at General Meeting by special resolution for holding of office or place of profit by a relative of the Director. The proposed remuneration of Mrs. Shikha Oswal is well within the limits prescribed under the Directors Relative (Office or Place of Profit) Rule, 2011. It is also proposed to seek authority in favour of Board of Directors of the company to give increments/promotions to the appointee without referring to the General Meeting again, subject to Central Govt. approval, if required.

Necessary resolution is proposed at item no. 7 of the above said agenda as special resolution.

Directors of your company recommend the passing of above resolution.

NOTICE OF INTEREST

None of the directors, except Sh. Rajneesh Oswal, Sh. Vishal Oswal, and Sh. Kunal Oswal, being relatives of Mrs. Shikha Oswal, is in anyway deemed to be interested in the proposed resolution.

Re-appointment/Appointment of Directors

At the ensuing Annual General Meeting, Sh. R.C. Singal and Sh. Anil Kumar, Directors of the Company will retire and being eligible, offer themselves for re-appointment. Further it is proposed to re-appoint Sh. Kunal Oswal as Whole time Director of the Company. Information as per clause 49 of the Listing Agreement on Corporate Governance is given below.

Sh.R.C.Singal aged about 58 years is an Independent Non-Executive Director of the Company with effect from July 28, 2000. He is a Fellow Member of The Institute of Company Secretaries of India and an Associate Member of The Institute of Cost and Works Accountants of India. He is also a member of All India Management Association and Certified Associate of Indian Institute of Bankers. He is a past President of the Ludhiana Stock Exchange Association Limited and a former Chairman of Northern India Regional Council of The Institute of Company Secretaries of India. He has to his credit a vast experience of more than thirty years in the field of Corporate Planning and Capital Market. Sh. R.C. Singal is Chairman of Audit Committee and Share transfer cum Investor Grievances committee and member of Remuneration Committee of the Board of Directors the company.

Sh. R.C.Singal is Director in following companies:

RCS Financial Technology Ltd. ,

Bhandari Hosiery Exports Ltd.

RCS Consultants Pvt. Ltd.

RCS Securities Pvt. Ltd.

RCS Share Brokers Ltd.

Nishant Global Limited

Supreme Texmart Limited.

Raj Agro Mills Ltd.

Malwa Industries Ltd.

Ludhiana Commodities Trading Services Limited

Oswal Spinning & Weaving mills Limited

RCS Investments

SPS Investments

Sh. R.C.Singal is holding 250 equity shares in the company, directly or through family members.

Sh. Anil Kumar aged 62 years is the Executive Director & CEO of the Company. He joined the Company as General Manager and was inducted to the Board as an Executive Director on 30th August 1988. He holds a degree in Engineering from Punjab University, Chandigarh and has done Masters in Business Administration from Punjab University. He has vast experience in the field of Finance and General Administration. Sh. Anil Kumar is also holding office of director in M/s Sohrab Spinning Mills Limited.

Sh. Kunal Oswal aged about 38 years has joined the Board of Directors in January 2007. Thereafter he was appointed as Whole time Director of the company at Board meeting held on 29.07.2007. He is a Commerce Graduate. Sh. Kunal Oswal is brother of Sh. Rajneesh Oswal, Chairman & Managing Director and Sh. Vishal Oswal Vice Chairman & Managing Director. Sh. Kunal Oswal is holding the Office of Director in the following companies.

1. Adeep Investment Co.

2. Virat Investment & Mercantile Co.

3. Jagvallah Parasnath Capital Investment (P). Ltd.

4. Achin Investment & Mercantile Co.

5. Levina Investment & Mercantile Co.

6. Ojasvi Investment & Mercantile Co.

7. Lime Lite consultants (P) Ltd.

8. Noble Share Trading (P) Ltd.

9. Sulzer Investments (P) Ltd

DIRECTORS' REPORT

Dear Members,
Your Directors are pleased to present the 32nd Annual Report on the business and operations of the Company along with audited statements of accounts for the year ended 31st March 2012.

Financial Results	(Rs. in Lacs)	
	2011-12	2010-11
Total Revenues	27684.90	25984.20
Profit before interest & depreciation	1902.19	1778.97
Less: Financial Cost	612.07	498.32
Gross Profit	1290.12	1280.65
Less: depreciation	914.44	866.88
Net profit before tax	375.68	413.77
Provision for current taxes	82.90	119.00
Deferred taxes	14.38	[178.44]
Taxes relating to prior year	50.48	1.16
Net profit after tax	227.92	472.05

CORPORATE REVIEW

During the year under review, paper market remained stable. However, prices of caustic soda, one of the main chemicals consumed in paper making, rose sharply, which was partly offset by lower prices of wheat straw, the major fibrous raw material for manufacturing of paper. Total revenues increased by little more than 6% due to marginally higher production and prices of finished goods. During the year under review your Company was able to earn higher PBIDT of Rs.1902.19 lacs, against Rs.1778.97 lacs of last year, however because of higher incidence of financial charges, depreciation and incidence of income tax, the net profit was lower at Rs.227.92 lacs as compared to Rs.472.05 lacs. Your Directors are pleased to inform that the initial results after completion of modernization-cum-expansion project at Ahmedgarh paper division have been very encouraging which will be reflected in working for years to come.

PERFORMANCE REVIEW**SHREYANS PAPERS**

As mentioned above, a modernization-cum-expansion project costing approx. Rs.2300.00 lacs was undertaken at this unit to augment the production capacity and also to build-up capability to produce surface sized papers. Total production in this division was 36578 MTs as compared to 35702 MTs of last year despite closure of three weeks. Total revenues of this unit were Rs.15654.01 lacs as compared to Rs.14746.83 lacs of last year were higher by 6%.

SHREE RISHABH PAPERS

Production of Shree Rishabh Papers at 28702 MTs was marginally higher as compared to 27660 MTs of last year and also total revenues were Rs.12030.89 lacs as compared to Rs.11237.37 lacs, thus showing an increase of approx. 7%. The operations of the unit remained satisfactory during the year under review.

FINANCIAL REVIEW

Your Company undertook a modernization-cum-expansion project at Shreyans Papers with a capital outlay of Rs.2300.00 lacs which was partly financed by raising an additional term loan of Rs.1400.00 lacs from State Bank of Patiala. The balance expenditure was met through internal accruals. Your Company also raised additional working capital funds to

meet the increased requirements during the year under review. All debts of the Company were serviced as per schedule.

FUTURE PLANS/PROSPECTS

Full impact of modernization-cum-expansion project done at Shreyans Papers would come during the current financial year and as per indications available this should result in significant improvement in terms of total production, revenues and profitability of the Company. Your Company also plans to undertake a de-bottlenecking CAPEX plan in both the units during the current year to further improve the working of the Company.

DIVIDEND

Your Directors feel that there is a need to conserve resources for future plans and regret their inability to recommend any dividend for the current year.

DEPOSITS

At the end of the year, fixed deposits from the public were outstanding to the tune of Rs.532.62 lacs which are well within the limits prescribed under section 58 A of the Companies Act, 1956 read with Rules 3[2][I] and [II] of the Companies [Acceptance of Deposits] Rules, 1975. There were no overdue deposits as on 31st March 2012.

DIRECTORS

Shri Anil Kumar and Shri R C Singal, Directors of the Company, liable to retire by rotation at the forthcoming Annual General Meeting under clause 113 of Article of Association of the Company and being eligible, offer themselves for reappointment.

AUDITORS

M/s S.C. Vasudeva & Company, New Delhi, Auditors of the Company shall retire at the forthcoming Annual General Meeting and are eligible for reappointment.

COST AUDITORS

The Board of Directors have appointed M/s Vipin Maini, as Cost Auditors of your Company for auditing the cost accounts records for the financial year 2011-12 under provisions of Section 224[1B] and 233B of the Companies Act, 1956.

AUDITORS' REPORT

The auditors' report on the accounts of the Company for the year under review requires no comments.

INDUSTRIAL RELATIONS

The company maintained healthy, cordial and harmonious industrial relations at all levels.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217[2AA] of the Companies Act, 1956, your Directors confirm that:

A] in the preparation of the annual accounts, applicable accounting standards have been followed and there has been no materials departure.

B] The selected accounting policies were applied consistently and the Directors 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 as at March 31, 2012 and of the profits of the Company for the year ended on that date.

C] Proper and sufficient care has been taken 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

D] Annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate Chapter on Corporate Governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliance forms part of this report.

CONSERVATIONS OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217[1][e] of the Companies Act, 1956 read with Rule 2 of the Companies [Disclosure of particulars in the report of Board of Directors] Rules 1988, the particulars relating to conservation of energy, technology, absorption and foreign exchange earning and outgo forming part of the Report are also annexed.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the contributions made by the employees through their dedication, hard work and commitment in achieving your Company's performance. In an increasingly competitive environment, the collective dedication of employees is delivering superior and sustainable shareholder value. Your Directors also acknowledge the support and co-operation extended by the Financial Institutions, Analysts, Banks, Government Authorities, Customers, Vendors, Shareholders and Investors at large and look forwards to their continued support.

FOR AND ON BEHALF OF THE BOARD

(RAJNEESH OSWAL)
CHAIRMAN AND MANAGING DIRECTOR

Place: Ludhiana
Date: 28th May 2012

DISCLOSURE OF PARTICULARS UNDER SECTION 217 [1][E] OF THE COMPANIES ACT, 1956 UNDER THE COMPANIES [DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS], RULE 1988**CONSERVATION OF ENERGY**

Energy conservation is on-going process in the company. Lower consumption of power and fuel during the year proves the efforts made by the Company in conservation of energy. Further corrective steps have been taken from energy conservation point of view.

FROM A**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

PARTICULARS	Unit	Current Year	Previous Year
(A) POWER AND FUEL CONSUMPTION			
1. ELECTRICITY			
(a) Purchased	KWH in lac	237.68	173.37
Total Amount	Rs. in lac	1489.53	1093.35
Rate/KWH	Rs.	6.27	6.31
(b) Own Generation			
Through Turbo Generator	KWH in lac	581.59	658.47
Through Diesel Generator	KWH in lac	0.28	2.05
KWH/Ltr. of Diesel	KWH	2.12	2.62
Fuel Cost/KWH	Rs. in lac	18.23	13.81
(For D.G. Set Only)			
2. RICE HUSK & OTHER AGRO FUELS			
Quantity	MT	136923	145008
Total Amount	Rs. in lac	5525.81	5127.05
Avg. Rate/ M.T.	Rs.	4036	3536
3. COAL			
Quantity	MT	2583	8438
Total Amount	Rs. in lac	110.30	375.94
Avg. Rate/ M.T.	Rs.	4270	4455
(B) CONSUMPTION PER UNIT OF PRODUCTION			
PAPER *			
Electricity (KWH/MT)		1255	1316
Rice Husk & Other Agro Fuels (MT/MT)		2.097	2.289
Coal		0.040	0.133

* Includes consumption of Power & Fuel in Chemical Recovery Plant and Power Generation Plant

FORM B**RESEARCH AND DEVELOPMENT (R&D)****EXPENDITURE ON R & D**

(a) Capital	Rs. in lac	0.00	0.00
(b) Recurring	Rs. in lac	102.92	93.17
(c) Total	Rs. in lac	102.92	93.17

C. TECHNOLOGY ABSORPTION

Your company is keeping a close eye on the new product development in paper and upgradation of technology in existing products. Upgradation and automation in various areas of plant and machinery is continuously carried out.

D. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange earning	Rs. in lac	924.67	652.45
Less : Foreign Exchange Outgo	Rs. in lac	2223.98	1268.03
Net Foreign Exchange earning	Rs. in lac	[1299.31]	[615.58]

MANAGEMENT DISCUSSIONS AND ANALYSIS OVERVIEW

Financial statements of the company have been prepared in compliance with the requirements of the Companies Act, 1956 and generally accepted accounting principles in India. There are no material departures from the prescribed accounting standards in the adoption of accounting standards. The management of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as various estimates and judgements used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis so that financial

statements reflect in a true and fair manner, the form and substance of transactions and reasonably present the company's state of affairs and profits for the year. Indian economy demonstrated its resilience and recovered much faster than other economies. Further rising costs and inflation is a matter of concern and we hope that with normal monsoon predicted for this year and other actions being considered by the Government, at least the food inflation should come down. In any case, the industry has to find ways of compensating inflation led cost increases through better efficiencies and increased productivity.

**BUSINESS ORGANISATION
CORPORATE PHILOSOPHY**

Company primarily operates as manufacturer of Writing and Printing Paper using agricultural residues as main raw material. Company strives to be considered a market leader in its field of operation and endeavours to keep pace with the latest available technology so that it can achieve operating parameters, which are benchmark for the industry. Besides achieving excellence in its operation, Company believes in maintaining value adding partnership with all the stake holders and responding to the expectations of society at large.

INDUSTRY OUTLOOK

The global paper industry is concentrated in North America, Europe and Asia. The US is a leading producer, producing over 100 million tones per annum, nearly a third of the world's paper production. The Asian paper market is growing faster than Europe and America; Asia is expected to account for 38 percent of global paper consumption by 2015. Asia's principal paper producing and consuming markets are Japan, China, India, Malaysia, Singapore and Thailand.

Although the overall industry's demand/capacity ratio remained low in last year, it is expected to increase over five years as economies revive, led by developing countries. Paper and paper board consumption increased in Asia and Africa although the rate of increase was slower as users gradually shifted to online content.

SWOT ANALYSIS**Strengths**

1. Excellent operating parameters.
2. Highly qualified, motivated and professionally competent workforce.
3. Easy accessibility and proximity to raw material sources.
4. Both units fully compliant to environmental laws.
5. Adequate marketing network and large presence in institutional and international market.
6. Good acceptability in market place.

Weaknesses

1. Paper industry highly cyclic in nature.
2. Limited product range in lower end of paper market.
3. Prices and availability of basic raw materials, highly dependent on vagaries of nature.
4. Lower level of technology vis-à-vis competition in nearby regions.

Opportunities

1. Increase in demand of paper on account of increase in per capita consumption due to increase in GDP and literacy levels.
2. Price competitiveness, which can cater to growing educational sector requirements.
3. Opportunities in export market in nearby countries on account of price advantage vis-a-vis distant suppliers.
4. Production of better quality paper will bring in newer segment of market under fold of the Company.

Threats

1. Adverse changes in Government policies.
2. Continuous fall in import tariff creating tough competition from international suppliers.
3. Build up of large paper manufacturing capacities with 'State-of-Art' technology in nearby regions, which will lower the pricing of imports into the country

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a proper and adequate internal control system to safeguard and protect against loss from unauthorized use or disposition and to ensure that all transactions are authorized, recorded correctly and adequately. The company's internal controls are supplemented by an extensive programme of internal audits, review by

management and documented policies, guidelines and procedures. Internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets.

The internal audit report, plans, significant audit findings and compliance with accounting standards is in turn reviewed by the Company's Audit Committee to ensure proper audit coverage and adequate consideration along with execution of the auditors' recommendations.

RISKS AND MANAGEMENT PERCEPTION

Apart from the regular business risks inherent in any business, there are some risks specific to the paper industry. First, in developed countries, with the penetration of the internet for many end usages, paper is getting substituted. While such economic maturities will not be seen in Company's primary markets of India and South East Asia in the near future, such technology based interventions remain a risk.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The human resources development function of the Company is guided by a strong set of values and policies. Your company strives to provide the best work environment with ample opportunities to grow and explore. Your company maintains a work environment that is free from any harassment.

Company enjoys excellent relationship with its personnel and considers them as an essential part of the organization. Development and well being of people working for the Company has been a corner stone of management policy. This is reflected through very low employees' turnover at all levels including workers, staff, officers and managers.

Company lays special emphasis on staff training and retraining through internal workshops and also nominating staff/officers to various training programmes. As on 31st March 2012, Company has 1321 employees consisting of 76 managers, 353 staff/officers and 892 workers.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Your company, in collaboration with a local NGO in Ahmedgarh, has set up an Eye Hospital. Besides contributing in setting up of this hospital, financial assistance is extended on monthly basis. Eye care is provided to needy persons on subsidized rates/free of cost.

Your company is also involved with various educational institutions for providing scholarship to deserving students on recommendations of the managements of such institutions.

Your company actively participates with number of NGOs for holding medical check-up camps, sports events and other social activities.

Your Company provides fire fighting services, as and when need arises, in nearby areas through its own fire tender and fire fighting staff.

OUTLOOK

The Company is excited in its outlook. The various initiatives coupled with process stabilization and capacity expansion are expected to yield handsome results. The Company keeps on exploring various avenues for growth and toward this the management is exploring the possibility of restructuring the existing business. The eco-friendly technology, massive capacities, motivated manpower makes our outlook optimistic.

CAUTIONARY STATEMENT

This discussion contains certain forward looking statements based on current expectations, which entail various risk and uncertainties that could cause the actual results to differ materially from those reflected in them. The actual could be materially different from the ones stated in this report. Market data and product information contained in this report is gathered from published and unpublished reports and their accuracy cannot be assured.

REPORT ON CORPORATE GOVERNANCE**Company's Philosophy**

At Shreyans, we believe that corporate governance is a powerful medium of serving the long term interests of all the stakeholders. The company seeks to achieve the goal by ensuring that timely and accurate disclosures are made in an easily understood manner on all matters relating to the financial situation, performance, ownership and governance of the company.

The company is in compliance with the requirements of the guidelines on corporate governance stipulated under clause 49 of the Listing Agreement. The company has adopted a Code of Conduct for members of the Board and senior management and the same has been posted on the website of the company. All Directors and other officials have affirmed in writing their adherence to the above code.

Board of Directors

The company has an Executive Chairman and the number of independent directors is not less than half of the total strength of the Board. The company has complied with the requirements of Clause 49 of the listing agreement in respect of composition of Board of Directors. None of the independent directors have any material pecuniary relationship or transactions with the company.

The Board of Directors met five times during the Financial Year 2011-12 on 28th May, 2011, 20th July, 2011, 11th August, 2011, 11th November 2011 and 10th February, 2012.

Composition, nature of directorship, their attendance at Board Meetings and last AGM, number of directorships in other companies, memberships in committees across all companies in which they are directors as on March 31, 2012 are given in the following table:

Name & Designation of the Director	Category	Board Meetings attended during the year	Attendance of last AGM (30.08.2011)	No. of Other Directorship	Membership of the other Board Committees
Sh. Rajneesh Oswal Chairman & Managing Director	ED	5	Present	5	2
Sh. Vishal Oswal Vice Chairman & Managing Director	ED	5	Present	4	--
Sh. Kunal Oswal Wholtime Director	ED	5	Present	6	--
Sh. Anil Kumar Executive Director & CEO	ED	5	Present	1	--
Sh. R. C. Singal	NED(I)	5	Present	12	10 (4)
Sh. A. K. Chakraborty	NED(I)	4	Not Present	1	3
Sh. M. L. Gupta	NED(I)	4	Not Present	1	3
Dr. N.J.Rao	NED(I)	2	Not Present	--	--

*ED--Executive Director, NED(I)Non Executive Independent Director. The figure given in bracket is for the number of chairmanship held. No. of committees also include the non mandatory committees.

During the year, all the relevant information required, were placed before the Board and decisions taken at the Board Meeting are promptly communicated to the concerned Unit(s)/ Department(s). Actions taken on the decisions on the previous meeting are reported at the succeeding meeting of the Board. Board periodically reviews the compliance of various laws and regulations applicable to the company.

Audit Committee

The company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

All the financial statements of the company are first reviewed by the Audit Committee before presentation to the Board of Directors. Audit committee discusses the reports of Statutory Auditors, Internal Auditors as well as Cost Auditors of the company. The appointment of Statutory and Cost Auditors are recommended by the Audit Committee. Audit Committee also reviews the company's financial and risk management policies, management discussion and analysis of financial condition, results of operations and statement of significant related party transactions at periodic basis.

The Audit committee has met four times during the Financial Year 2011-12. The meetings were held on 28th May, 2011, 11th August, 2011, 11th November 2011 and 10th February, 2012. The Chairman of the Audit committee attended the 31st Annual General Meeting held on 30th August, 2011.

The details of attendance at Audit Committee meetings are given in the following table:

Name of Member	Meetings Held	Meetings Attended
Sh. R. C. Singal (Chairman)	4	4
Sh. A. K. Chakraborty	4	4
Sh. M. L. Gupta	4	4

Remuneration Committee:

The company has constituted a Remuneration Committee to evaluate compensation and benefits for Executive Directors, their relatives and to frame policies related thereto. The present committee comprises three independent non executive directors. Two meetings of the Remuneration Committee were held during the Financial Year 2011-12 on 28th May, 2011 and 7th January, 2012 respectively. The committee was reconstituted at the Board meeting held on 28th May, 2011 and Sh. A.K.Chakraborty was inducted as member of the committee

The details of attendance at Remuneration Committee meetings are given in the following table:

Name	Meeting held	Meeting attended
Sh. M. L. Gupta (Chairman)	2	2
Sh. A.K. Chakraborty	2	1
Sh. R. C. Singal	2	2
Dr.(Mrs) H. K. Bal \$	2	0

\$ Dr. (Mrs.) H.K.Bal ceased to be member of committee upon acceptance of her resignation from the Board at the Board meeting held on 28.05.2011.

DETAILS OF MANAGERIAL REMUNERATION FOR THE YEAR 2011-12**A. Executive Directors****(Amount In Rupees)**

Name	Designation	Remuneration (in Rs.)				
		Basic Salary	Provident Fund	Other Benefits	Performance Incentive	Total
Sh. Rajneesh Oswal	Chairman and Managing Director	6800000	816000	185613	---	7801613
Sh. Vishal Oswal	Vice- Chairman and Managing Director	6800000	816000	185225	---	7801225
Sh. Kunal Oswal	Whole time Director	1200000	144000	4088	---	1348088
Sh. Anil Kumar	Executive Director and CEO	2753846	330462	1816969	2340769	7242046

The appointment and remuneration of the Managing Directors and Executive Director & CEO are subject to the respective agreements. Notice period from either party has been fixed at six months. Company shall be liable to pay severance fee as per the individual contract.

Executive Director & CEO Sh. Anil Kumar is entitled to the performance incentive, as may be decided by the Board, along with fixed salary in terms of resolution passed at the Annual General Meeting held on 30th August, 2011.

Managing Directors and Whole time Director are entitled for the fixed salary as per respective approval of shareholders obtained at Annual General Meeting held on 27.09.2008 and 30.08.2011 respectively.

B. Non- Executive Directors**(Amount In Rupees)**

Name	Category	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Total
Sh. A.K. Chakraborty	Director	24000	15000	39000
Sh. R. C. Singal	Director	30000	54000	84000
Sh. M. L. Gupta	Director	24000	18000	42000
Dr. N. J. Rao	Director	12000	Nil	12000

The Non Executive Directors are paid the sitting fee or reimbursement of out of pocket expenses incurred by them for attending the meeting of Board or any committee thereof. The sitting fee amount is within the limits prescribed under the Companies Act, 1956 and rules made there under. No other payment is made to the any of the Non Executive Director.

No stock option has been given to any of the Directors, including Executive Directors.

Share Transfer-cum-Investor Grievance Committee

The Board has formed an investors' Grievance Committee named as Share Transfer-cum-Investor Grievance Committee to specifically look into the redressal of investors' complaint like transfer of shares, non receipt of balance sheet or non receipt of credit of shares into the De mat account etc. The committee also approves issue of duplicate share certificate(s) and oversees and reviews all matters connected with the share transfer.

The Share Transfer cum Investor Grievance Committee is headed by a Non-Executive Director Sh. R.C.Singal and met twelve times during the Financial Year 2011-12. The detail of members and their attendance are given in the table

Name of Member	Meetings Held	Meetings Attended
Sh. R. C. Singal (Chairman)	12	12
Sh. Rajneesh Oswal	12	11
Sh. Anil Kumar	12	12
Sh. Kunal Oswal	12	12

Sh. V.K.Bhatia, Secretary of the company is Compliance Officer.

The company has designated the e.mail id "cs@shreyansgroup.com" for the purpose of registering complaints by investors electronically. This e.mail id is displayed on the company's website.

The details regarding the investor's complaints are as under

Particulars	No. of Complaints
Pending as on 01-04-2011	1
Received during the year	26
Resolved during the year	26
Pending as on 31-03-2012	1

General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date of A.G.M.	Time	Venue
2010-11	30th August, 2011	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123
2009-10	28th September, 2010	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123
2008-09	30th September, 2009	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123

The Details of special resolutions passed at the above meetings are as under

Date of A. G. M.	Subject matter of Special Resolution
30th August, 2011	1. To create security in favor of lenders to the company. 2. Re- Appointment of Sh. Rajneesh Oswal as Chairman & Managing Director. 3. Re- Appointment of Sh. Vishal Oswal as Vice Chairman & Managing Director. 4. Re- Appointment of Sh. Anil Kumar as Executive Director & CEO

During the last three years no resolution was passed through Postal Ballot.

Further no such resolution is proposed to be placed for the shareholders approval in the forthcoming Annual General Meeting, which requires the passing of resolution through Postal Ballot.

Disclosures

a) The details of related party transactions are placed before Audit Committee and these are disclosed in the Notes on Account to the Balance Sheet. For the year 2011-12, there was no transaction of material nature with related parties, which are not in the normal course of business..

b) The company is in compliance with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to the capital market during the last three years. The company has complied with all mandatory requirements of clause 49 of listing agreement on corporate governance and the non mandatory requirement relating to the remuneration committee to the extent detailed above. The company has followed accounting treatment as prescribed in Accounting Standards applicable to the Company.

c) There were no penalties or strictures imposed on the company by Stock exchanges or SEBI, any statutory authority on any matter related to the above.

- d) As on 31st March, 2012 Sh. R.C.Singal is holding 250 equity shares, directly or through family members. No other non executive director is holding any equity shares of the company.
- e) The company has a Whistle Blower Policy in place for employees to report concerns about unethical behavior. No personnel have been denied to approach the Management or the Audit Committee on any issue.
- f) Sh. Rajneesh Oswal, Chairman & Managing Director, Sh. Vishal Oswal Vice Chairman & Managing Director and Sh. Kunal Oswal, Wholetime Directors are real brothers. No other director is having any relationship with each other.
- g) Company has filed cost audit reports for the year 2010-11 through the cost auditor of the company.
- h) As on date of this report the Company has 1800 equity shares, in physical form, issued in the year 1982, which are unclaimed by 35 shareholders. Company has sent notices to these holders at their address registered with the company. Unclaimed shares, if any, shall be kept in suspense account in compliance to the provision of amended clause 5A of the Listing Agreement.
- i) The Management Discussion & Analysis Report as reviewed by the Audit Committee is set out in annexure forming part of Director's Report.

Means of Communication

The quarterly, half yearly and Annual Financial results were published in The Economic Times and Deshsevak. The same were sent to the Stock Exchanges and also placed at website of the Company, www.shreyansgroup.com.

General Shareholders Information**(i) Annual General Meeting**

Date & Time: Thursday, the 30th day of August, 2012 at 11.00 A.M.

Place: Regd. office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana - 141 123.

(ii) Financial Year

The company's Financial Year starts from 1st April every year and conclude on 31st March, next year.

(iii) **Book Closure:** From Saturday, the 25th day of August, 2012 to , Thursday the 30th day of August , 2012 (both days inclusive)

(iv) Company has not declared any dividend during the year 2011-12.

(v) Listing Details:

The Equity shares of the Company are listed at the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited

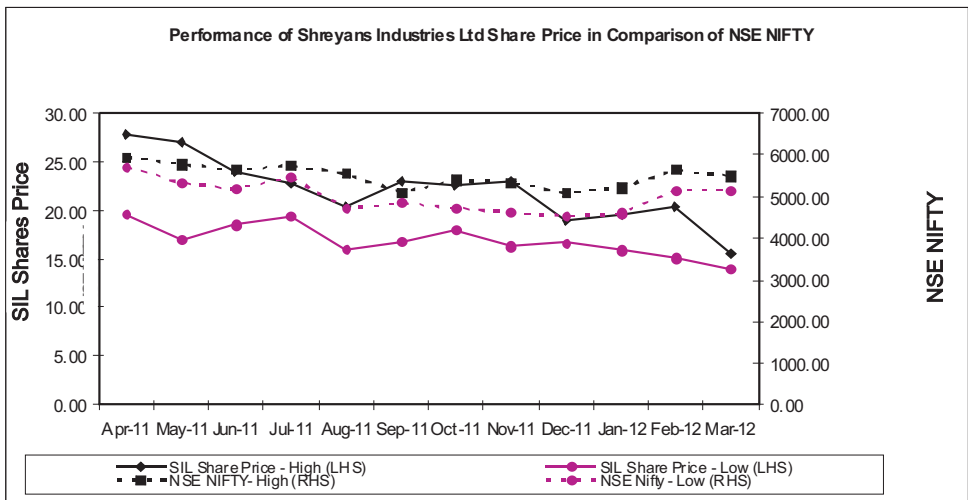
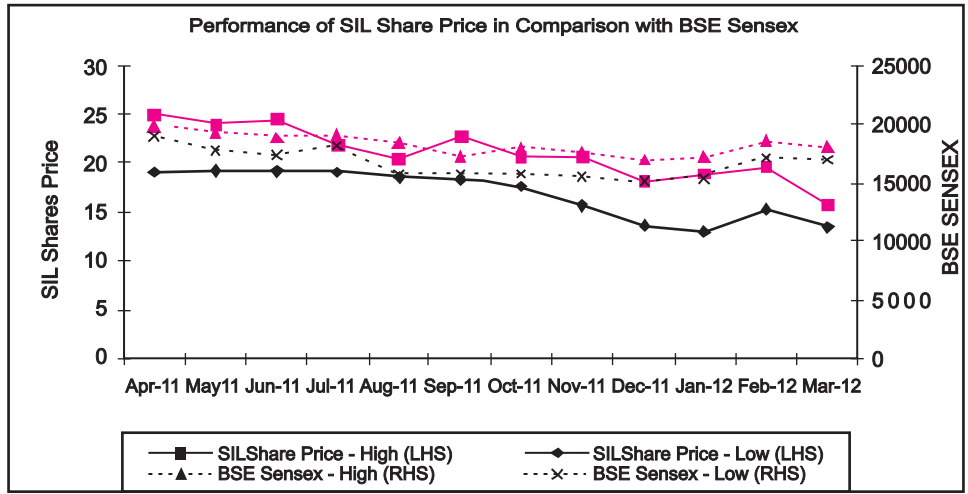
Stock Code is as under :

Bombay Stock Exchange Limited	516016
National Stock Exchange of India Limited	SHREYANIND
ISIN Number	INE231C01019
Corporate Identification Number	L17115PB1979PLC003994

Company has paid up to date listing fee to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited . The issuer Fee has also been paid upto date to both depositories, i.e. National Securities Depository Limited and Central Depository Services (India) Ltd.

(vi) **Market Price data :** The monthly high and low stock quotations during the last Financial Year at BSE and NSE are given below along with comparison to Broad Based BSE Sensex

Month & Year	Share price at Bombay Stock Exchange		Share Price at National Stock Exchange	
	High	Low	High	Low
Apr - 11	24.95	19.10	27.90	19.50
May - 11	24.00	19.30	27.00	17.05
Jun - 11	24.50	19.25	24.00	18.50
Jul - 11	22.00	19.05	22.70	19.45
Aug - 11	20.50	18.55	20.35	16.00
Sep - 11	22.80	18.30	23.00	16.80
Oct - 11	20.75	17.70	22.60	18.00
Nov - 11	20.70	15.75	23.00	16.25
Dec - 11	18.10	13.70	19.00	16.65
Jan - 12	18.90	13.05	19.50	15.80
Feb - 12	19.80	15.25	20.40	15.05
Mar - 12	15.80	13.50	15.40	14.00



(vii) Registrar and Share Transfer Agents :
The details of Registrar & Transfer Agents are as under

Name : Skyline Financial Services (P) Ltd.
Address : D-153/A 1st Floor, Okhla Industrial Area, Phase -1
New Delhi-110020
Phone No. : 011-26812682-83-84
Fax No. : 011-26812682
Contact Person : Mr. Subhash Aggarwal, Director.

(viii) Share Transfer System:

The company's shares are in compulsory dematerialized list and are transferable through depository system. Shares in physical form are processed by M/s Skyline Financial Services Pvt. Ltd., the Registrar and Transfer Agents and approved by the Share Transfer-cum-Investor Grievance Committee. The share transfers are generally processed within a period of 15 days from the date of receipt of transfer documents by M/s Skyline Financial Services Pvt. Ltd.

Shareholders who hold shares in the physical form and wish to make/ change nomination in respect of their shares in the company, as permitted under Section 109A of the Companies Act, 1956 may submit the Registrars & Transfer Agents of the company the prescribed Form 2B.

(ix) The distribution of company's share holding is as follows :

NO OF SHARES		PHYSICAL FORM			D-MAT FORM		
		NO OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENTAGE OF SHARE CAPITAL HELD	NO OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENTAGE OF SHARE CAPITAL HELD
From	To						
1	500	13696	969834	7.02	3974	377957	2.73
501	1000	52	34470	0.25	150	124151	0.90
1001	2000	8	11285	0.08	79	118324	0.86
2001	3000	2	4100	0.03	31	79297	0.57
3001	4000	0	0	0.00	12	42388	0.31
4001	5000	1	4450	0.03	15	71881	0.52
5001	10000	2	12900	0.09	27	193111	1.40
10001	Above 10001	3	2265550	16.39	77	9514852	68.82
TOTAL		13764	3302589	23.89	4365	10521961	76.11

(x) As on 31.03.2012, 76.11% of total paid up capital of the company is held with depositories in de materialized form. The Equity shares of the company are regularly traded at the BSE and NSE.

(xi) The Company has not issued any GDR's / ADR's. The company has not allotted any equity share during the Financial Year 2011-12.

(xii) Location of Plants:

(i) Shreyans Papers, Ahmedgarh, Distt. Sangrur(Pb).

(ii) Shree Rishabh Papers, Vill. Banah, Distt. S. B. S. Nagar (Pb.)

(xiii) Address for Correspondence:

Registered Office:

Shreyans Industries Limited

Vill. Bholapur, P.O.Sahabana,

Chandigarh Road, Ludhiana (India) - 141 123

Ph. (0161) 2685271, 272

Fax. 91-161-2685270

Email : att@shreyansgroup.com

cs@shreyansgroup.com

Website : www.shreyansgroup.com

To,
The Members,
Shreyans Industries Ltd.
Ludhiana

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Directors and Senior Management Personnel as approved by the Board, for the Financial Year ended 31st March, 2012 in terms of clause 49 (1)(D)(ii) of the Listing Agreement entered with the Stock Exchanges.

Place : Ludhiana

Date : 28th May 2012

(RAJNEESH OSWAL)
CHAIRMAN AND MANAGING DIRECTOR

AUDITOR'S REPORT

To
The Shareholders,
Shreyans Industries Limited

1. We have audited the attached balance sheet of Shreyans Industries Limited as at 31st March, 2012 and also the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. 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.

3. As required by the Companies (Auditor's Report) Order, 2003 as 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 of the said order.

4. Further to our comments in the annexure referred to in paragraph 3 above, 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standard referred to in companies (Accounting Standard) rules, 2006 read together with sub section (3C) of section 211 of the Companies Act; 1956.

e) On the basis of the 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 director is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

f) In our opinion and to the best of our information and according to the explanations given to us, the said

accounts read together with the significant accounting policies and other 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:

(i) in the case of balance sheet, of the state of affairs of the company as at 31st March, 2012;

(ii) in the case of statement of profit and loss, of the profit for the year ended on that date; and

(iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

FOR S. C. VASUDEVA & CO.
Chartered Accountants
(Firm Reg. No. 000235N)

Place : Ludhiana
Dated: 28th May 2012

(Sanjiv Mohan)
Partner
M. No. 86066

Annexure to the Auditor's Report

(Referred to in paragraph 3)

(i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) According to information and explanations given to us, the company has adopted a policy of physical verification of fixed assets once in every three year's The entire block of fixed assets has been physically verified by the management during the year. The discrepancies noticed on such verification where not material have been properly dealt in the books of account. In our opinion, the frequency of physical verification of the fixed assets is reasonable having regard to size of the company and nature of its business.

c) According to the information and explanations given to us the company has not disposed off substantial part of its fixed assets during the year.

(ii)(a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management as evidenced by the written procedures and instructions are reasonable and adequate in relation to the size of the company and nature of its business.

c) On the basis of our examination of the records of the inventories, In our opinion the company is maintaining proper records of inventories. The discrepancies noticed on physical verification as compared to book records were not material and have been properly dealt with in the books of account.

(iii)(a) According to the information and explanations given to us, the company has not granted loans secured or unsecured to companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4 (iii) (b) (c) and (d) of the above said order are not applicable to the company.

(b) The company has taken unsecured loans from five parties covered in the register maintained under section

301 of the Companies Act, 1956. The amount involved in the transactions is ₹ 134.87 lacs. The amount payable as at the close of the year is ₹ 124.87 lacs.

(c) According to the information and explanations given to us, the rate of interest and other terms and conditions in respect of unsecured loans taken by the company, are not prima-facie prejudicial to the interest of the company.

(d) In our opinion and according to the information and explanations given to us, the payment of principal amount and interest in respect of the aforesaid loans is regular.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

(v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangement the particulars of which need to be entered in the register maintained under that section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(v) of the above said order are not applicable to the company

(vi) According to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975 with regard to deposits accepted from the public. According to the information given to us, no order has been passed by the

Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

(viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix)(a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to the company, if any, have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012, for a period of more than six months from the date they became payable.

(b) According to the records of the company, the disputed statutory dues aggregating to ₹ 10,80,63,078 that have not been deposited on account of matters pending before the appellate authorities in respect of income tax and excise duty are as follow :

S. No.	Statute	Nature of Dues	Disputed Amount (Rs.)	Forum where Dispute is pending.
1.	Central Excise Act, 1944	Excise Duty	105324626	Custom, Excise & Service Tax Appellate Tribunal, New Delhi
2.	Central Excise Act, 1944	Excise Duty	202248	Commissioner (Appeals) Chandigarh
3.	Central Excise Act, 1944	Excise Duty	52718	Joint Commissioner, Chandigarh
4.	Central Excise Act, 1944	Excise Duty	143300	Assistant Commission, Ropar
5.	Income Tax Act, 1961	Income Tax	2340186	Commissioner of Income Tax (Appeal), Ludhiana

According to the information and explanations given to us there are no dispute in respect of sales tax, service tax, custom duty, wealth tax and cess.

(x) The company does not have accumulated losses as at 31st March 2012. The latter part of the question relating to net worth is thus not applicable to the company. Further, the company has not incurred cash losses during the financial year covered under audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks, financial institutions or debenture holder's.

(xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the above said order are not applicable to the company.

(xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the above said order are not applicable to the company.

(xiv) According to the information and explanations given to us, the company has not dealt or traded in share, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the above said order are not applicable to the company.

(xv) 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. Accordingly, the provisions of clause 4(xv) of the order are not applicable to the company.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

(xvii) In our opinion and according to information and

explanations given to us and on an overall examination of the balance sheet of the company, we report that short term funds of ₹ 482.66 lacs have temporarily been utilised for long term purpose.

(xviii) According to the information and explanations given to us, the company has not made any preferential allotment to the parties and companies covered in the register maintained under section 301 of Companies Act, 1956.

(xix) According to the information and explanations given to us, the company has not issued debentures during the year. Accordingly the provisions of clause 4 (xix) of the above said order are not applicable to the company.

(xx) According to the information and explanations given to us, the company has not raised any money by way of public issue during the year. Accordingly the provisions of clause 4 (xx) of the above said order are not applicable to the company.

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For S. C. Vasudeva & Co.
Chartered Accountants
Firm Reg. No. 000235N**

**Place: Ludhiana
Dated: 28th May, 2012**

**(Sanjiv Mohan)
Partner
M. No. 86066**

**Practicing Company Secretary Certificate on Compliance with the condition of
Corporate Governance under clause 49 of the Listing Agreement**

To
The Members
Shreyans Industries Limited

We have examined the compliance of conditions of corporate governance by Shreyans Industries Limited ("the Company") for the year ended on 31st March, 2012 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 was limited to review of procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the presentation made by the Directors and Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

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

**For P.S. Bathla & Associates
Company Secretaries**

**(P.S. Bathla)
CP No. 2585**

**Place : Ludhiana
Dated : 28th May, 2012**

BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	Note No.	As at 31 March 2012 (Rs. in lacs.)	As at 31 March 2011 (Rs. in lacs.)
I EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS :			
a) Share capital	1	1,382.47	1,382.47
b) Reserves and surplus	2	5,455.74	5,227.82
		<u>6,838.21</u>	<u>6,610.29</u>
(2) Non-current liabilities			
a) Long-term borrowings	3	1,699.98	1,197.83
b) Deferred tax liabilities (net)	4	2,003.76	1,989.38
c) Other long-term liabilities	5	61.20	65.81
d) Long-term provisions	6	726.44	702.15
		<u>4,491.38</u>	<u>3,955.17</u>
(3) Current liabilities			
a) Short-term borrowings	7	2,272.81	1,267.18
b) Trade payables	8	3,479.34	3,000.04
c) Other current liabilities	9	2,208.10	2,196.85
d) Short-term provisions	10	58.54	78.44
		<u>8,018.79</u>	<u>6,542.51</u>
		<u>19,348.38</u>	<u>17,107.97</u>
	TOTAL		
II ASSETS			
(1) Non-current assets			
a) Fixed assets	11		
a) Tangible assets		11,309.92	9,860.01
b) Intangible assets		3.72	4.86
c) Capital work-in-progress		412.40	267.56
		<u>11,726.04</u>	<u>10,132.43</u>
b) Non-current investments	12	2.02	2.02
c) Long-term loans and advances	13	513.41	956.99
d) Other non-current assets	14	16.18	40.72
		<u>12,257.65</u>	<u>11,132.16</u>
(2) Current assets			
a) Current investments	15	8.43	19.84
b) Inventories	16	2,986.06	2,409.86
c) Trade receivables	17	2,639.84	2,125.65
d) Cash and bank balances	18	302.70	243.04
e) Short-term loans and advances	19	1,153.70	1,177.42
f) Other current assets		----	----
		<u>7,090.73</u>	<u>5,975.81</u>
		<u>19,348.38</u>	<u>17,107.97</u>
	TOTAL		

See accompanying notes forming part of the financial statements

As per our report of even
date attached
For S.C. VASUDEVA & CO.
(Firm Reg. No. 000235N)(SANJIV MOHAN)
Partner M.No. 86066(R.P. GUPTA)
Sr.Gen. Manager
Finance
& Accounts(VIPIN KUMAR BHATIA)
Company Secretary(ANIL KUMAR)
Executive
Director
& CEO(VISHAL OSWAL)
Vice Chairman and
Managing Director(RAJNEESH OSWAL)
Chairman and
Managing DirectorPLACE : LUDHIANA
DATE : 28th May, 2012

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	Note No.	For the year ended 31 March 2012 (Rs. in lacs.)	For the year ended 31 March 2011 (Rs. in lacs.)
I Revenue from operations (Gross)	20	28,763.40	26,418.17
Less : Excise duty		1179.33	837.58
Revenue from operations (Net)		27,584.07	25,580.59
II Other Income	21	100.83	403.61
III Total revenue (I + II)		27,684.90	25,984.20
IV Expenses :			
(a) Cost of material consumed	22	13,361.78	12,527.71
(b) Purchase of stock-in-trade	23	0.94	46.75
(c) Changes in inventories of finished goods, work in progress and stock-in-trade	24	100.33	(126.85)
(d) Employee benefits expense	25	2,465.44	2,494.43
(e) Finance cost	26	612.07	498.32
(f) Depreciation and amortisation expenses		914.44	866.88
(g) Other expense	27	9,854.22	9,263.19
Total expenses		27,309.22	25,570.43
(V) Profit before exceptional and extraordinary items and tax (III - IV)		375.68	413.77
(VI) Exceptional items		----	----
(VII) Profit before extraordinary items and tax (V - VI)		375.68	413.77
(VIII) Extraordinary items		----	----
(IX) Profit before tax (VII - VIII)		375.68	413.77
(X) Tax expense			
a) -Current tax		82.90	119.00
b) -Deferred tax		14.38	(178.44)
c) -Tax of earlier year		50.48	1.16
Profit for the year (IX - X)		227.92	472.05
Earning per Equity share of Rs. 10/- each			
- Basic		Rs. 1.65	Rs. 3.41
- Diluted		Rs. 1.65	Rs. 3.41

See accompanying notes forming part of the financial statements

As per our report of even date attached
For S.C. VASUDEVA & CO.
(Firm Reg. No. 000235N)

(SANJIV MOHAN)
Partner M.No. 86066

For and on behalf of the board of directors of
Shreyans Industries Limited

(R.P. GUPTA) Sr.Gen. Manager Finance & Accounts	(VIPIN KUMAR BHATIA) Company Secretary	(ANIL KUMAR) Executive Director & CEO	(VISHAL OSWAL) Vice Chairman and Managing Director	(RAJNEESH OSWAL) Chairman and Managing Director
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PLACE : LUDHIANA
DATE : 28th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	For the year ended 31 March 2012 (Rs. in Lacs)	For the year ended 31 March 2011 (Rs. in Lacs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per statement of profit a	375.68	413.77
Adjustment for :		
Depreciation	914.44	866.88
Interest Income	(63.63)	(71.24)
Dividend received	(0.03)	(0.02)
Net gain on sale of investments	(0.59)	(20.59)
Interest Expenses	544.61	468.90
Loss / (Profit) on Sale/Discard of fixed assets (Net)	5.32	1.33
Excess Provision Written Back	(7.66)	(16.16)
Allowance for doubtful debts and advances(Net)	0.69	(289.14)
Sundry Balances Written off (Net)	(28.51)	0.39
Allowance for diminution in value of investment	1.41	0.16
Operating Profit before Working Capital changes	1366.05	940.51
Adjustment for		
(Increase)/ Decrease in trade & other receivables	(505.43)	125.14
(Increase)/ Decrease in Inventories	(576.20)	(408.23)
Increase/(Decrease) in trade & other payables	523.11	1202.25
Cash generated from operations	1183.21	2273.44
Direct Taxes paid (Net of Refund)	(50.33)	(72.74)
Net Cash from operating activities	1132.88	2200.70
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2518.69)	(544.04)
(Increase)/ Decrease in capital advance	421.34	(415.07)
Proceeds from sale of investment	10.59	10.59
Proceeds from sale of fixed assets	5.32	0.68
Subsidy received	----	23.30
Dividend received	0.03	0.02
Interest received	40.16	62.44
Net cash used in investing activities	(2041.25)	(862.08)
	(908.37)	1338.62
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from the long term borrowings (Net)	456.31	(1412.76)
Proceeds from the Short term borrowings (Net)	1041.18	365.61
Interest paid	(529.46)	(462.82)
Net cash from financing activities	968.03	(1509.97)
Net increase in cash & cash equivalents	59.66	(171.35)
Cash and cash equivalents at beginning of year	243.49	414.84
Cash and cash equivalents at the end of year	303.15	243.49

As per our report of even
date attached
For S.C. VASUDEVA & CO.
(Firm Reg. No. 000235N)

(SANJIV MOHAN)
Partner M.No. 86066

For and on behalf of the board of directors of
Shreyans Industries Limited

(R.P. GUPTA)
Sr.Gen. Manager
Finance
& Accounts

(VIPIN KUMAR BHATIA)
Company Secretary

(ANIL KUMAR)
Executive
Director
& CEO

(VISHAL OSWAL)
Vice Chairman and
Managing Director

(RAJNEESH OSWAL)
Chairman and
Managing Director

PLACE : LUDHIANA
DATE : 28th May, 2012

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**Note 1 : Share Capital**

PARTICULARS	As at 31 March 2012		As at 31 March 2011	
	Number of shares	(Rs. in lacs.)	Number of shares	(Rs. in lacs.)
(a) authorised				
Equity Shares of Rs. 10/- each (par value)	19000000	1900.00	19000000	1900.00
Redeemable Cummulative	100000	100.00	100000	100.00
Preference Shares of Rs. 100 each				
	<u>19100000</u>	<u>2000.00</u>	<u>19100000</u>	<u>2000.00</u>
(b) issued and subscribed				
Equity Shares of Rs 10/- each	13825000	1382.50	13825000	1382.50
TOTAL	<u>13825000</u>	<u>1382.50</u>	<u>13825000</u>	<u>1382.50</u>
(C) PAID UP				
Equity Shares of Rs. 10/- each	13824550	1382.46	13824550	1382.46
Add : Forfeited Shares	----	0.01	----	0.01
(Amount Orginally Paid Up)				
TOTAL	<u>13824550</u>	<u>1382.47</u>	<u>13824550</u>	<u>1382.47</u>

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

Equity shares

At the beginning of the reporting period	13825000	1382.50	13825000	1382.50
Add: Issued during the period	0	0.00	0	0.00
Outstanding at the end of the reporting period	<u>13825000</u>	<u>1382.50</u>	<u>13825000</u>	<u>1382.50</u>

b) Terms/ rights attached to equity shares

The company presently has one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and then equity shareholder is entitled to the dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

The rate of dividend on preferential shares is decided by the Board of directors as and when issued. Preferential shares as and when issued shall have the cumulative right to receive dividend as and when declared and shall have preferential right of repayment of amount of capital.

The company has not declared dividend during the year ended March 31, 2012.

c) Detail of Shares held by holding company, the ultimate holding company their subsidiaries and associates

There is no holding /ultimate holding company of the company and therefore no subsidiary/associate of holding / ultimate holding Company.

d) Aggregate number and class of share allotted as fully paid-up pursuant to contract(s) without payment being received in cash.**e) Aggregate number and class of share allotted as fully paid-up by way of bonus shares****f) Aggregate number and class of share bought back for the period of five year immediately preceding the balance sheet date:**

	As at 31 March 2012	As at 31 March 2011
	Number of shares	Number of shares
Equity shares allotted as fully paid up by way of bonus shares	----	----
Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	----	----
Equity shares bought back by the Company	----	----
	<u>----</u>	<u>----</u>

e) Detail of shares held by each shareholder holding more than 5% shares

Class of share / Name of share holder	Number of shares held	As at 31 March 2012 % holding	Number of shares held	As at 31 March 2011 % holding
(a) Class of share	equity shares		equity shares	
(b) Name of shareholder				
i) Jagvallabh Parasnath Capital Investment (P) Ltd.	883,751.00	6.39	883,751.00	6.39
ii) Adeep Investment Company	708,245.00	5.12	708,245.00	5.12
iii) Ojesvi Investment & Mercantile Company	752,500.00	5.44	752,500.00	5.44
iv) Lavina Investment & Mercantile Company	753,250.00	5.45	753,250.00	5.45
v) Mood Dealers Pvt. Ltd	2,060,000.00	14.90	2,060,000.00	14.90

Note 2 : Reserves and surplus

Particulars	As at 31 March 2012 Rs. in lacs		As at 31 March 2011 Rs. in lacs	
(a) Capital reserve				
Balance as per last financial statements				
i) Capital Subsidies	64.49		64.49	
ii) Capital Profit on re-issue of forfeited shares	<u>2.09</u>	66.58	<u>2.09</u>	66.58
(b) Capital redemption reserve				
Balance as per last financial statements		0.01		0.01
(c) Securities premium account				
Balance as per last financial statements		1,923.75		1,923.75
(d) Debenture redemption reserve				
Balance as per last financial statements	---		208.50	
Less: Transferred to surplus in statement of profit and loss	<u>---</u>	---	<u>208.50</u>	---
(e) Other reserves				
i) General reserve				
Balance as per last financial statements		2,011.50		2,011.50
ii) Surplus i.e. balance in statement of profit and loss				
Balance as per last financial statements	1,225.98		545.43	
Add: Transferred from debenture redemption reserve	---		208.50	
Profit for the year transferred from statement of profit and loss	<u>227.92</u>		<u>472.05</u>	
Net surplus in the statement profit and loss		<u>1,453.90</u>		<u>1,225.98</u>
Total Reserves and surplus		<u>5,455.74</u>		<u>5,227.82</u>

* The Capital subsidies are grant received from central government and state government and are treated as promoter contribution for setting up of new industrial projects.

Note 3 : Long Term borrowing

Particulars	As at 31 March 2012 Rs. in lacs		As at 31 March 2011 Rs. in lacs	
a) Term loans (Secured)				
i) From banks	1,517.61		965.07	
ii) From financial institutions	---		17.94	
iii) From others	4.76		11.78	
b) Deposits (Unsecured)				
- From related parties (refer note 41)	43.75		12.57	
- From public	<u>133.86</u>		<u>190.47</u>	
		<u>1,699.98</u>		<u>1,197.83</u>

a) Details of security for term loans

i) Term loans from banks and financial institutions are secured by a joint equitable mortgage created or to be created on immovable properties both present and future, situated at Ahmedgarh and Banah in the state of Punjab and hypothecation of whole of movable plant and machinery, machinery spares, tools and accessories and other movable, both present and future (save and except book debts) subject to the charge created or to be created by the company in favour of its bankers for its working capital loans. Term loans from banks and financial institutions are also personally guaranteed by promoter directors of the company.

ii) Term loans from others are secured by way of hypothecation of vehicles purchased out of such loans

b) Terms of repayment of term loans from banks

- i) Term loan from IDBI Bank Limited amounting to Rs.89.04 lacs (including current maturities of long term debt) carries interest @ 12.25%. The loan is repayable in 3 quarterly instalments of Rs. 29.68 lacs each.
- ii) Term loan from ICICI Bank Limited amounting to Rs.218.10 lacs (including current maturities of long term debt) carries interest @ 12.25%. The loan is repayable in 3 quarterly instalments of Rs. 72.70 lacs each.
- iii) Term loan from State Bank of Patiala amounting to Rs.81.70 lacs (including current maturities of long term debt) carries interest @ 14.00%. The loan is repayable in 2 quarterly instalments of Rs. 50.00 lac and Rs. 31.70 lacs.
- iv) Term loan from State Bank of Patiala amounting to Rs.600.00 lacs (including current maturities of long term debt) carries interest @ 13.25%. The loan is repayable in 8 quarterly instalments of Rs. 75.00 lacs each.
- v) Term loan from State Bank of Patiala amounting to Rs.1400.00 lacs (including current maturities of long term debt) carries interest @ 14.00%. The loan is repayable in 20 quarterly instalments of Rs. 70.00 lacs each.
- vi) Vehicle loan from ICICI Bank Limited amounting to Rs.2.61 lacs (including current maturities of long term debt) carries interest @ 9.26%. The loan is repayable in 20 monthly instalments (including interest) of Rs. 14150/- each .
- vii) Vehicle loan from ICICI Bank Limited amounting to Rs.7.56 lacs (including current maturities of long term debt) carries interest @ 11.19%. The loan is repayable in 59 monthly instalments (including interest) of Rs. 16725/- each .
- viii) Vehicle loan from ICICI Bank Limited amounting to Rs.15.48 lacs (including current maturities of long term debt) carries interest @ 10.57%. The loan is repayable in 35 monthly instalments (including interest) of Rs. 51600/- each .
- ix) Vehicle loan from HDFC Bank Limited amounting to Rs.1.95 lacs (including current maturities of long term debt) carries interest @ 11.00%. The loan is repayable in 20 monthly instalments (including interest) of Rs. 10705/- each .
- x) Vehicle loan from HDFC Bank Limited amounting to Rs. 2.76 lacs (including current maturities of long term debt) carries interest @ 11.10%. The loan is repayable in 24 monthly instalments (including interest) of Rs. 12880/- each .
- xi) Vehicle loan from HDFC Bank Limited amounting to Rs.2.99 lacs (including current maturities of long term debt) carries interest @ 11.25%. The loan is repayable in 26 monthly instalments (including interest) of Rs. 13020/- each .
- xii) Vehicle loan from HDFC Bank Limited amounting to Rs.9.05 lacs (including current maturities of long term debt) carries interest @ 10.73%. The loan is repayable in 29 monthly instalments (including interest) of Rs. 35550/- each .
- xiii) Vehicle loan from HDFC Bank Limited amounting to Rs.1.33 lacs (including current maturities of long term debt) carries interest @ 9.25%. The loan is repayable in 11 monthly instalments (including interest) of Rs. 12650/- each .

c) Terms of repayment of term loans from financial institutions

- i) Term loan from LIC of India amounting to Rs.13.80 lacs (including current maturities of long term debt) carries interest @ 12.25%. The loan is repayable in 3 quarterly instalments of Rs. 4.60 lacs each.
- ii) Term loan from LIC of India amounting to Rs.4.14 lacs (including current maturities of long term debt) carries interest @ 0%. The loan is repayable in 3 quarterly instalments of Rs. 1.38 lacs each.

d) Terms of repayment of term loans from others

- i) Vehicle loan from Kotak Mohindra Prime Limited amounting to Rs.1.84 lacs (including current maturities of long term debt) carries interest @ 9.70%. The loan is repayable in 8 monthly instalments (including interest) of Rs. 23827/- each .
- ii) Vehicle loan from TATA Capital Service Limited amounting to Rs. 9.94 lacs (including current maturities of long term debt) carries interest @ 9.95%. The loan is repayable in 22 monthly instalments (including interest) of Rs. 49950/- each

Note 4 : Deferred tax liabilities (net)

PARTICULARS	As at 31 March 2012 (Rs. in lacs.)	As at 31 March 2011 (Rs. in lacs.)
Deferred tax liabilities (Net)		
Impact of difference between tax depreciation charged for the financial reporting period	2189.69	2165.88
Gross deferred tax liability	2189.69	2165.88

PARTICULARS	As at 31 March 2012 (Rs. in lacs.)	As at 31 March 2011 (Rs. in lacs.)
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis Gross deferred tax asset	185.93	176.50
	<u>185.93</u>	<u>176.50</u>
Net deferred tax liability	<u>2003.76</u>	<u>1989.38</u>
Note 5 : Other long term liabilities		
Others :		
Advances against sale of cars	45.51	55.26
Due to employees	15.69	10.55
	<u>61.20</u>	<u>65.81</u>
Note 6 : Long term provisions		
Provision for employee benefits :		
- Gratuity (net)	627.24	598.16
- Leave encashment	99.20	103.99
	<u>726.44</u>	<u>702.15</u>
Note 7 : Short term borrowing		
- From banks		
Secured*	1441.79	1063.69
Unsecured**	596.80	0.00
Deposits (Unsecured) (refer note 41)		
- From related parties	68.55	76.28
- From public	165.67	127.21
	<u>2272.81</u>	<u>1267.18</u>

Details of security of loans repayable on demand (secured)

*Secured loans repayable on demand from banks are secured by hypothecation of stocks of raw materials, finished goods, bills receivables, book debts and all other movable assets of the company and further secured by way of second charge on the immovable assets situated at village Banah and at Ahmedgarh and also personally guaranteed by the two promotor directors of the company.

** Unsecured loan repayable on demand are secured by the personal security of a promoter director of the company and carries interest @ 14.75%

Terms of repayment of short term borrowings

- i) Working capital borrowings from banks are repayable on demand and carries interest @ 3% over base rate
- ii) Unsecured loans from related parties repayable within one year carries interest @ 0 to 11%.
- iii) Unsecured loans from public repayable within one year carries interest @ 0 to 11%

Note 8 :Trade payable

Trade Payables		
Acceptances	586.63	738.60
Other than acceptances	2,892.71	2,261.44
	<u>3,479.34</u>	<u>3,000.04</u>

Note 9 : Other current liabilities

Current maturities of Long term debt*	1,060.71	1,071.00
Interest accrued but not due on borrowings	48.28	38.92
Interest accrued and due on borrowings	5.97	0.59
Other payables		
-Statutory remittances**	54.77	53.62
-Due to Employees	272.36	243.34
-Expense payable	332.17	312.60
-Payable on purchases of fixed assets	67.75	33.26
-Advances from customers	366.09	443.52
	<u>2,208.10</u>	<u>2,196.85</u>

*Current maturities of Long term debt includes deposits from public and related parties amounting to 120.79 lacs (Previous year : Rs. 59.81 lacs) and for secured also refer (note no. 3(b),(c) and (d))

** Statutory remittance includes contribution to provident fund and ESIC, tax at source, excise duty, vat, service tax etc.

PARTICULARS	As at 31 March 2012 (Rs. in lacs.)	As at 31 March 2011 (Rs. in lacs.)		
Note 10 : Short term provisions				
Provision for employee benefits :				
Leave encashment	<u>58.54</u>	<u>78.44</u>		
Note 11 : Fixed Assets	<u>58.54</u>	<u>78.44</u>		
GROSS BLOCK				
	Balance As at 01 April 2011	Additions	Disposal of assets	Other Adjustment
A.Tangible assets				
a) Free hold land*	308.20	0.00	0.00	0.00
b) Lease hold land	0.70	0.00	0.00	0.00
c) Buildings	1992.96	227.89	0.00	0.00
d) Plant and equipments	15259.08	2070.07	47.56	0.00
e) Office equipment	134.25	5.00	6.81	0.00
f) Furniture and fixtures	79.68	5.94	0.00	0.00
g) Vehicles	409.22	64.95	17.47	0.00
Total (A)	<u>18184.09</u>	<u>2373.85</u>	<u>71.84</u>	<u>0.00</u>
B.Intangible Assets				
Computer Software	27.44	0.00	0.00	0.00
Total (B)	<u>27.44</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Grand Total(A+B)	<u>18211.53</u>	<u>2373.85</u>	<u>71.84</u>	<u>0.00</u>
Previous year	<u>17527.98</u>	<u>690.93</u>	<u>7.38</u>	<u>0.00</u>

ACCUMULATED DEPRECIATION/AMORTISATION					NET BLOCK		
Balance As at 31 March 2012	Balance As at 01 April 2011	Deprecation / amortisation expenses for the year	Eliminated of disposal of assets	Other adjustments	Balance As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
308.20	0.00	0.00	0.00	0.00	0.00	308.20	308.20
0.70	0.16	0.01	0.00	0.00	0.17	0.53	0.54
2220.85	666.30	53.68	0.00	0.00	719.98	1500.87	1326.66
17281.59	7364.02	807.20	44.79	0.00	8126.43	9155.16	7895.06
132.44	85.26	9.81	2.42	0.00	92.65	39.79	48.99
85.62	55.90	3.91	2.77	0.00	57.04	28.58	23.78
456.70	152.44	38.69	11.22	0.00	179.91	276.79	256.78
<u>20486.10</u>	<u>8324.08</u>	<u>913.30</u>	<u>61.20</u>	<u>0.00</u>	<u>9176.18</u>	<u>11309.92</u>	<u>9860.01</u>
27.44	22.58	1.14	0.00	0.00	23.72	3.72	4.86
27.44	22.58	1.14	0.00	0.00	23.72	3.72	4.86
<u>20513.54</u>	<u>8346.66</u>	<u>914.44</u>	<u>61.20</u>	<u>0.00</u>	<u>9199.90</u>	<u>11313.64</u>	<u>9864.87</u>
<u>18211.53</u>	<u>7485.14</u>	<u>866.88</u>	<u>5.36</u>	<u>0.00</u>	<u>8346.66</u>	<u>9864.87</u>	<u>0.00</u>

Notes

- 1 *Includes Rs 35.09 lacs being the cost of land exchanged with the forest department land for providing an open drain for carrying effluent
- 2 ** Represents proportionate premium for acquisition of lease hold land being amortised over the period of lease.
- 3 Subsidy amounting to Rs. Nil (previous year Rs. 23.30 lacs) related to fixed assets is deducted from the gross value of the asset concerned
4. Intangible assets are not internally generated.

PARTICULARS	As at 31 March 2012 Rs. in lacs.	As at 31 March 2011 Rs. in lacs.
Note 12 : Non current investments		
a) Trade (At cost unless otherwise stated)		
Investments in equity instruments of associates		
1980000 (Previous year 1980000) equity shares of M/s Adinath Textiles Limited of Rs 10 each fully paid up	314.80	314.80
Less: Provision for diminution in value of Investment	314.80	314.80
	----	----
Others (At cost unless otherwise stated)		
Investment in equity instruments		
i) Quoted		
180 (Previous year 180) equity shares of ICICI Bank Ltd of Rs 10/- each fully paid-up	0.13	0.13
50 (previous year 50) equity shares of Himachal Fibres Ltd of Rs. 10/- each fully paid-up	0.02	0.02
Less: Provision for diminution in value of Investment	0.02	0.02
50 (Previous year 50) equity shares of Shiva Papers Ltd of Rs. 10/- each fully paid-up	0.01	0.01
Less: Provision for diminution in value of Investment	0.01	0.01
50 (Previous year 50) equity shares of Priyadarshani Spg & Weaving Mills Of Rs. 10/- each fully paid-up	0.01	0.01
Less: Provision for diminution in value of Investment	0.01	0.01
50 (Previous year 50) equity shares of Aurangabad Paper Mill Ltd of Rs. 10/- each fully paid-up	0.02	0.02
Less: Provision for diminution in value of Investment	0.02	0.02
50 (Previous year 50) equity shares of Pashupati Spng. & Weaving Ltd of Rs. 10/- each fully paid-up	0.03	0.03
Less: Provision for diminution in value of Investment	0.03	0.03
01 (Previous year 1) equity share of The Karnal Co-operative Sugar Ltd. Of Rs. 100/- each fully paid-up	0.00	0.00
Less: Provision for diminution in value of Investment	0.00	0.00
ii) Unquoted		
5 (Previous year 5) equity shares of Raheja Chamber Premises Society Ltd. of Rs 50/- each	0.01	0.01
23500 (Previous year 23500) equity shares of M/s Fountain Tie Up (P) Ltd. Of Rs. 10/- each fully paid-up	1.88	1.88
	<u>2.02</u>	<u>2.02</u>
1. Aggregate amount of Quoted Investments	2.22	2.22
2. Market Value of Quoted Investments	1.60	1.60
3. Aggregate amount of Unquoted Investments	1.88	1.88
4. Aggregate provision made for diminution in value of Investments	314.89	314.89

PARTICULARS	As at 31 March 2012 Rs. in lacs.	As at 31 March 2011 Rs. in lacs.
Note 13 : Long term loans and advances		
(Unsecured considered good)		
Capital advances	9.50	430.84
Security deposits		
PSPCL	143.34	103.48
Others	1.05	1.04
Loans and advances to employees	5.79	6.53
Prepaid expenses	0.81	3.71
MAT credit entitlement	<u>352.92</u>	<u>411.39</u>
	<u>513.41</u>	<u>956.99</u>
Note 14 : Other non-current assets (unsecured considered good)		
Bank balances (non current) (refer note no. 18)	0.45	0.45
Interest accrued on fixed deposits	0.15	0.11
Advance tax (Net of provision for taxation Rs. 885.95 lacs (previous year Rs.769.80 lacs))	15.58	40.16
	<u>16.18</u>	<u>40.72</u>
Note 15 : Current Investments		
Current investments : (At lower of cost and fair value)		
Investment in mutual funds		10.00
Nil (Previous year 43,516.101) units of Rs. 10/- each fully paid-up of SBI -Magnum Comma Fund-Growth scheme of SBI Mutual Fund	----	
1,00,000 units(previous year 1,00,000) of Rs. 10/- each fully paid-up of SBI PSU Fund Growth scheme of SBI Mutual Fund	10.00	10.00
Less: Provision for diminution in value of Investment	<u>1.57</u>	<u>0.16</u>
	<u>8.43</u>	<u>9.84</u>
	<u>8.43</u>	<u>19.84</u>
1. Aggregate amount of current investments	10.00	20.00
2. Market value of current investments	8.43	19.84
3. Aggregate provision for diminution in value of other current Investments	1.57	0.16
Note 16 : Inventories (At lower of cost and net realisable value)		
Raw materials (includes in transit Rs. 4.26 lacs (Previous Year Rs. 11.17 lacs)	872.28	895.60
Work-in-progress	165.60	222.94
Finished Goods	109.33	152.32
Stores and Spares (includes in transit Rs. 24.44 lacs (Previous Year Rs. 34.08 lacs)	1,838.85	1,139.00
	<u>2,986.06</u>	<u>2,409.86</u>
Note 17 : Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Secured, Considered Good	2.50	9.01
- Unsecured, Considered Good	332.83	351.90
Doubtful	198.71	198.01
Less: Allowances for doubtful trade receivables	<u>198.71</u>	<u>198.01</u>
	335.33	360.91
Other trade receivables		
- Secured, Considered Good	17.23	12.67
- Unsecured, Considered Good	<u>2,287.28</u>	<u>1,752.07</u>
	<u>2,304.51</u>	<u>1,764.74</u>
	<u>2,639.84</u>	<u>2,125.65</u>

PARTICULARS	As at 31 March 2012 Rs. in lacs.		As at 31 March 2011 Rs. in lacs.	
Note 18 : Cash and bank balances				
Cash and cash equivalents				
a) Balances with banks				
- In current accounts	79.31		50.58	
b) Held as margin money				
- Deposit with maturity of less than three months	10.00		7.60	
c) Cheques, drafts on hand	17.95		0.09	
d) Cash on hand	<u>36.13</u>	143.39	<u>30.42</u>	88.69
e) Other Bank Balances				
Held as margin money				
-Deposits with maturity more than three months but less than twelve months		159.31		133.10
-Deposits with more than twelve months maturity		<u>0.45</u>		<u>21.70</u>
		<u>303.15</u>		<u>243.49</u>
Less: Amounts disclosed as other non current assets (refer note 14)		<u>0.45</u>		<u>0.45</u>
		<u>302.70</u>		<u>243.04</u>
Note 19 : Short term loans and advances				
(Unsecured, considered good, unless otherwise stated)				
Intercompany deposits		300.00		300.00
Others:				
Loans and advances to suppliers		214.50		196.41
Loans and advances to employees		27.10		26.38
Prepaid expenses		63.73		49.68
Security deposits		2.67		1.59
Interest receivables				
Interest accrued on deposit held as margin money / security		13.07		9.90
Others		53.40		33.14
Other recoverables :				
- Balance with government department	453.32		541.45	
- Others	25.91		18.87	
- Considered Doubtful	<u>1.43</u>		<u>1.43</u>	
	<u>480.66</u>		<u>561.75</u>	
Less: Allowances for Doubtful Advances	<u>1.43</u>	479.23	<u>1.43</u>	560.32
		<u>1,153.70</u>		<u>1,177.42</u>
Note 20 : Revenue from operations				

PARTICULARS	As at 31 March 2012 Rs. in lacs.		As at 31 March 2011 Rs. in lacs.	
Sale of products		28,535.69		26,209.47
Sale of services		----		----
Other operating revenues :				
- Export incentives		53.26		39.73
- Miscellaneous sales		<u>174.45</u>		<u>168.97</u>
Revenue from operations (gross)		<u>28,763.40</u>		<u>26,418.17</u>
Less : Excise duty		<u>1,179.33</u>		<u>837.58</u>
Revenue from operations (net)		<u>27,584.07</u>		<u>25,580.59</u>
Details of products sold :				
a) Manufactured goods				
Paper		26,368.78		24,367.21
Soda Ash		<u>2165.92</u>		<u>1,788.03</u>
Total - sale of manufactured goods		<u>28,534.70</u>		<u>26,155.24</u>

PARTICULARS	For the year ended 31 March 2012 (Rs. in lacs.)	For the year ended 31 March 2011 (Rs. in lacs.)
b) Traded goods		
Paper	----	41.20
Wood Pulp	----	1.17
Other Dyes & Chemicals	0.99	11.86
Total - sale of traded goods	<u>0.99</u>	<u>54.23</u>
Total - sale of products	<u>28,535.69</u>	<u>26,209.47</u>
Note 21 : Other income		
Interest income (Gross)(TDS Rs. 2.52 Lac (previous year Rs. 1.92 Lac)	54.71	47.76
Dividend income		
From current investments	0.03	0.02
Net gain on sale of current investments	0.59	20.59
Net gain on foreign currency transactions	5.12	5.79
Other non-operating income		
Rent received	0.31	0.32
Allowance for doubtful trade receivable written back	----	290.57
Trade payables written back	29.98	6.11
Claims received (net of expenses)	----	0.34
Provisions no longer required written back	7.66	16.16
Prior period items	----	5.03
Miscellaneous	2.43	10.92
	<u>100.83</u>	<u>403.61</u>
Note 22 : Cost of material consumed		
Waste paper	61.35	119.73
Wood Pulp	1,436.11	1,091.17
Straws/Grasses	4,290.32	5,358.04
Caustic Lye	5,024.61	3,346.02
Chlorine	229.35	335.33
Other dyes and chemicals	2,320.04	2,277.42
	<u>13,361.78</u>	<u>12527.71</u>
Note 23 : Purchase of stock-in-trade		
Paper	33.72
Wood Pulp	1.17
Other dyes and chemicals	0.94	11.86
	<u>0.94</u>	<u>46.75</u>
Note 24 : Changes in inventories of finished goods, work-in-progress and stock in trade		
Inventories at the beginning of the year		
Work-in-progress	222.94	132.72
Finished goods	<u>152.32</u>	<u>115.69</u>
	375.26	248.41
Inventories at the end of the year		
Work-in-progress	165.60	222.94
Finished goods	<u>109.33</u>	<u>152.32</u>
	274.93	375.26
	<u>100.33</u>	<u>(126.85)</u>

PARTICULARS	For the year ended 31 March 2012 (Rs. in lacs.)		For the year ended 31 March 2011 (Rs. in lacs.)	
	Qty (Mt)	Amount	Qty (Mt)	Amount
Details of inventory :				
Work-in-progress				
Paper	----	150.21	----	201.43
Soda Ash	----	15.39	----	21.51
		<u>165.60</u>		<u>222.94</u>
Finished goods				
Paper	325	102.28	231	78.20
Soda Ash	83	7.05	840	74.12
		<u>109.33</u>		<u>152.32</u>
Note 25 : Employees benefits expenses				
Salaries and wages		2,172.24		2,219.80
Contribution to provident and other funds		230.69		211.95
Staff welfare expense		62.51		62.68
		<u>2,465.44</u>		<u>2,494.43</u>
Note 26 : Finance costs				
Interest expense (net of interest received Rs 8.92 lacs TDS Rs. 0.55 lacs (previous year Rs. 23.48 lacs TDS Rs. 0.24 lacs)		535.69		445.42
Other borrowing costs		76.38		52.90
		<u>612.07</u>		<u>498.32</u>
Note 27 : Other expenses				
Consumption of stores and spares		301.29		277.30
Power and fuel		7,189.29		6,687.47
Packing material expenses		580.33		512.03
Repairs to plant and machinery		736.80		754.32
Rent		6.61		6.86
Building repairs and maintenance		43.94		53.02
Insurance		38.50		36.96
Rates and taxes		52.30		37.94
Directors' Fee		1.77		1.80
Auditors' Remuneration:				
Audit fee		2.50		2.00
Tax audit fee		0.75		0.50
Reimbursement of expenses		0.81		0.49
In other capacity		0.86		0.72
Sundry balance written off		1.47		6.50
Prior period items		2.99		----
Allowances for doubtful trade receivables and advances		0.69		1.43
Allowance for diminution in value of investment		1.41		0.16
Net loss on sale of fixed assets		5.32		1.33
Miscellaneous		886.59		882.36
		<u>9,854.22</u>		<u>9,263.19</u>

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES**Note 28 : Contingent liabilities and provisions (to the extent not provided for)****I Contingent Liabilities**

	Particulars	As at 31 March 2012	As at 31 March 2011
(i)	Monies for which company is liable for payment	1052.25	34.83
(ii)	Bank Guarantees and Letters of credit outstanding	809.28	837.43
(iii)	Others	----	----

II Commitments

i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 33.37 lacs (Previous year Rs. 971.90 lacs)

ii) The company has executed bonds for an aggregate amount of Rs. 15.00 lacs (Previous Year Rs. 14.00 lacs) in favour of President of India under section 56(2) and 67 of the Customs Act, 1962 and Central Excise and Salt Act, 1944, for fulfillment of the obligation under the said Acts

Note 29 : a) The company has contested the additional demand in respect of excise duty amounting to Rs. 1119.12 lacs (Previous years Rs. 998.61 lacs). As against this, a sum of Rs. 61.90 lacs (Previous year Rs. 61.90 lacs) is deposited under protest and has been included under the head 'Advances recoverable in cash or in kind'. The company has filed an appeal/petition with the appellate authorities and is advised that the demands are not in accordance with the law. Pending decision thereof, no provision has been made in books of account.

*b) The company has contested the additional demand in respect of Income Tax amounting to Rs. 46.90 lacs (Previous year 46.90 lacs). Pending appeal with appellate authorities, no provision has been made in the books of account as the company is hopeful to get the desired relief in appeal. As against this a sum of Rs. 23.50 lacs (Previous year Rs. 11.50 lacs) is deposited under protest.

Note 30 : The company is a single segment company engaged in manufacture of Writing and Printing Paper. Accordingly the disclosure requirement as contained in the Accounting Standard AS (17) on "Segment Reporting" prescribed by the Companies (Accounting Standards) Rules 2006 are not applicable.

Note 31 : The amount of Rs. 1179.33 lacs (Previous year Rs. 837.58 lacs) being the excise duty deducted from the sales is relateable to the sales made during the year. Difference of increase / (decrease) of excise duty on inventory amounting to Rs. (0.38) lacs (Previous year Rs. 7.00 lacs) recognised in statement of profit and loss and shown under Miscellaneous expenses in note no. 27 other expenses is relateable to difference between closing inventory and opening inventory

Note 32 : Earning Per Share.

Particulars	As at 31 March 2012	As at 31 March 2011
Net profit attributable to equity share holders(Rs. In lacs)	227.92	472.05
No. of weighted average equity shares outstanding during the period.	13824550	13824550
The aggregate of the weighted average no. of equity shares and weighted average no. of dilutive potential equity shares.	----	----
Normal value of equity shares	Rs. 10/-	Rs. 10/-
Earning per share - Basic	Rs. 1.65	Rs. 3.41
--Diluted	Rs. 1.65	Rs. 3.41

Note 33 : In accordance with the Accounting Standard 28 "on Impairment of Assets" the company has assessed on the balance sheet date whether there are any indications (as listed in paragraph 8 to 10 of the Standard) with regard to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

Note 34 : Prior Period items are as follows:-

Particulars		For the year ended 31 March 2012 Rs. In lacs	For the year ended 31 March 2011 Rs. In lacs
Prior period income			
(i)	Telephone expenses	0.05	0.12
(ii)	Export benefits & incentives	0.00	0.32
(iii)	Interest received	0.00	6.56
(iv)	Manufacturing expenses	0.53	0.00
(v)	Insurance claims received	0.39	0.00
Total		0.97	7.00
Prior period expenses			
(i)	Manufacturing expenses	0.00	0.45
(ii)	Financial expenses	0.06	0.00
(iii)	Selling expenses	1.50	0.19
(iv)	Miscellaneous expenses	1.04	1.05
(v)	Rates and taxes	0.28	0.00
(vi)	Personnal expenses	1.00	0.28
(vii)	Director travelling	0.08	0.00
Total		3.96	1.97
Prior period items (Net)		(2.99)	5.03

Note 35 : The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under :

Sr. No.	Particulars	(Rs in lacs)	
		As at 31 March, 2012	As at 31 March, 2011
(i)	Principal amount due and remaining unpaid	33.32	23.68
(ii)	Interest due on (1) above and the unpaid interest	---	---
(iii)	Interest paid on all delayed payments under the MSMED Act	---	---
(iv)	Payments made beyond the appointed day during the year	---	---
(v)	Interest due and payable for the period of delay other than (3) above	---	---
(vi)	Interest accrued and remaining unpaid	---	---
(vii)	Amount of further interest remaining due and payable in succeeding years	---	---

Note 36 : Intangible assets comprises of software have been amortized @ 20% on straight line basis as the useful life thereof has been estimated to be not more than five years.

Note 37 : Detail of foreign currency exposure that has not been hedged by a derivative instrument or otherwise is given below.

	As at 31 March 2012	As at 31 March 2011
Against Debtors (US Dollars)	Nil	77,136.00
Against Loan (US Dollars)	Nil	1,50,000.00
Against Creditors (US Dollars)	2,23,634.11	1,14,203.04
Against Creditors (GBP)	32,000.00	Nil

Note 38 : The company has leased facilities under non cancellable operating lease arrangements with a lease term of three years which are subject to renewal at mutual consent thereafter. The lease rent expenses recognised during the year amounts Rs. 6.55 lac (previous year 6.55 lac.)

The future minimum lease payment in respect of non cancellable operating lease as at 31st March, 2012 for each of the following periods,

		(Rs in lac)
(i)	Not Later than one year	5.41
(ii)	Later than one year but not later than five years	Nil
(iii)	Later than five years	Nil

Note 39 : Rs. 45.29 lacs (previous year Rs. Nil lacs) being amount of borrowing cost capitalized during the year.

Note 40 : Employee Benefits

The summarized position of post-employment benefits and long term employee benefits recognized in the profit and loss account and Balance Sheet in accordance with AS[15] is as under:-

(a) Changes in the present value of the obligations

(Rs. In Lacs)

	As on 31.03.2012		As on 31.03.2011	
	GRATUITY (Funded)	LEAVE ENCASHMENT (Un funded)	GRATUITY (Funded)	LEAVE ENCASHMENT (Un funded)
Present Value of obligation as at beginning of the year	751.89	104.00	583.37	83.15
Interest Cost	63.76	7.32	45.19	5.27
Current Service Cost	48.72	49.24	45.34	45.63
Benefits Paid	(36.13)	(39.66)	(36.87)	(34.59)
Actuarial loss/(gain) on obligations	(15.92)	(21.70)	114.86	4.54
Present Value of obligation as at close of the year	812.32	99.20	751.89	104.00

(b) Change in Fair value of Plan Assets

	31.03.2012	31.03.2011
	GRATUITY (Funded)	GRATUITY (Funded)
Fair Value of Plan Assets as at beginning of the year	153.73	144.65
Expected return on Plan Assets	14.85	13.06
Employer's Contributions	56.05	33.55
Benefits Paid	(38.85)	(37.23)
Actuarial (Loss)/gain on obligations	(0.70)	(0.30)
Fair Value of Plan Assets as at close of the year	185.08	153.73

Reconciliation of the change in Fair Value of Plan Assets in respect of unfunded leave encashment is not required

(c) Amount recognized in Balance Sheet

	As on 31.03.2012		As on 31.03.2011	
	GRATUITY (Funded)	LEAVE ENCASHMENT (Un funded)	GRATUITY (Funded)	LEAVE ENCASHMENT (Un funded)
Estimated Present value of obligations as at the end of the year	812.32	99.20	751.89	104.00
Fair value of Plan Assets as at the end of the year	185.08	0.00	153.73	0.00
Unfunded Net Liability recognized in Balance Sheet	627.24	99.20	598.16	104.00

(d) Expenses Recognized in Profit and loss account

	As on 31.03.2012		As on 31.03.2011	
	GRATUITY (Funded)	LEAVE ENCASHMENT (Un funded)	GRATUITY (Funded)	LEAVE ENCASHMENT (Un funded)
Current Service Cost	48.72	49.24	45.34	45.63
Interest Cost	63.76	7.32	45.19	5.27
Expected return on Plan Assets	(14.85)	0.00	(13.06)	0.00
Net Actuarial (Gain)/Loss recognized in the year	(15.22)	(21.70)	115.16	4.54
Total expenses recognized in profit and loss account	82.41	34.86	192.63	55.44

(e) Principal actuarial assumption at the balance sheet date (expressed as weighted average)

	As on 31.03.2012		As on 31.03.2011	
	GRATUITY (Funded)	LEAVE ENCASHMENT (Un funded)	GRATUITY (Funded)	LEAVE ENCASHMENT (Un funded)
Discount Rate	8.65%	8.65%	8.00%	8.00%
Expected rate of return on Plan Assets	9.15%	N.A.	9.15%	N.A.
Expected Rate of Salary Increase	5.50%	5.50%	5.50%	5.50%
Method used	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit

(f) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(g) The financial assumptions considered for the calculations are as under:-

Discount Rate: The discount rate has been chosen by reference to market yield on government bonds as on date of valuation.

Expected Rate of Return: In case of gratuity, the actual return has been taken.

Salary Increase: On the basis of past data provided by the company.

(h) Short term employee's benefits:

	Current year Rs in lacs	Previous year Rs in lacs
Short term leave encashment liability as on 31.03.2012	58.54	78.44
Contribution to Provident Fund	150.80	139.20

Note 41 : The related party disclosure as per Accounting Standard 18 prescribed by the Companies (Accounting Standards) Rules 2006.

a) KEY MANAGEMENT PERSONNEL AND RELATIVES OF KEY MANAGEMENT PERSONNEL

Key Management Personnel : Sh Rajneesh Oswal, Sh. Vishal Oswal, Sh Anil Kumar, Sh Kunal Oswal
 Relatives of Key Management Personnel: Mrs. N.K. Oswal, Mrs. Preeti Oswal, Mrs. Shika Oswal
 Mrs. Neera, Ms Namita, Ms Swati

b) ASSOCIATE

Adinath Textiles Limited

c) ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL AND RELATIVE OF SUCH PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE OR CONTROL

Achin Investment & Mercantile Company
 Ojasvi Investment & Mercantile Company
 Shreyans Financial and Capital Services Limited
 Lime Lite Consultants Private Limited
 Punctual Dealers (P) Ltd.
 Levina Investment & Mercantile Company
 Jagvallabh Parasnath Capital Investments Private Limited
 Adeep Investment Company.
 Virat Investment & Mercantile Company

d) The following transaction were carried out with the related parties in the ordinary course of business.

Nature of transactions During the year	Associate		Key Management Personnel (KMP)		Relatives of Key Management Personnel (KMP)		Enterprises in which KMP are able to exercise significant influence or Control	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Remuneration	---	---	241.93	217.65	6.98	7.02	---	---
Interest Received	---	---	---	---	---	---	---	---
Interest Paid	---	---	2.74	3.31	6.99	8.19	---	---
Debts Due	3.73	3.73	---	---	---	---	---	---
Loan Given (including Opening Balance)	---	---	---	---	---	---	---	---
Loan Received	---	---	---	---	---	---	---	---
Closing balance of loans given	---	---	---	---	---	---	---	---
Loan Taken (including Opening Balance)	---	---	---	---	---	---	---	---
Loan repaid	---	---	---	---	---	---	---	---
Closing balance of loan taken	---	---	---	---	---	---	---	---
Fixed deposits taken (including Opening Balance)	---	---	58.88	65.51	75.99	141.60	---	---
Fixed deposit repaid	---	---	10.00	36.63	---	69.88	---	---
Closing balance of fixed deposit	---	---	48.88	28.88	75.99	71.72	---	---

(i) No allowance for doubtful debts is required to be made for the year in respect of debt due from related parties.

(ii) The related party relationship is as identified by the Company and relied upon by the auditors

Note 42 : The financial statements for the year ended 31st March, 2012 has been prepared as per Revised Schedule VI to the Companies Act, 1956. Accordingly the previous year figures have been reclassified to confirm to this year's classification.

Note 43 : The figures in brackets represent deductions.

Note 44 : The information required by the paragraph 5 of general instructions for preparation of the Statement of Profit and Loss as per Revised Schedule VI of the Companies Act, 1956

		Current year	Previous year	
(A) C. I. F. VALUE OF IMPORTS				
Raw Material	Rs Lacs	1276.72	1176.58	
Components Stores & Spare Parts	Rs Lacs	40.77	21.56	
Capital Goods	Rs Lacs	859.99	----	
(B) EXPENDITURE IN FOREIGN CURRENCY				
Travelling	Rs Lacs	21.63	56.07	
Interest	Rs Lacs	1.35	7.19	
Others	Rs Lacs	23.52	6.63	
(C) F. O. B. VALUE OF EXPORT				
	Rs Lacs	924.66	652.45	
(D) VALUE OF RAW MATERIAL COMPONENTS AND SPARE PARTS CONSUMED				
	Amount	%age	Amount	%age
	(Rs. in lacs)		(Rs. in lacs)	
Raw Material				
Imported	1468.46	10.99	1206.34	9.63
Indigenous	11893.32	89.01	11321.37	90.37
	<u>13361.78</u>	<u>100.00</u>	<u>12527.71</u>	<u>100.00</u>
Components Spare Parts				
Imported	39.66	4.67	23.86	2.69
Indigenous	809.33	95.33	863.11	97.31
	<u>848.99</u>	<u>100.00</u>	<u>886.97</u>	<u>100.00</u>

Note 45 : SIGNIFICANT ACCOUNTING POLICIES**(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The accounts are prepared on accrual basis under the historical cost convention in accordance with the accounting standards referred to in sub-section(3C) of section 211 and other relevant provisions of the Companies Act, 1956.

(b) USE OF ESTIMATES

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize

(c) REVENUE RECOGNITION

(i) Revenue from sale is recognised;

(a) When all the significant risks and rewards of ownership transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership; and

(b) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(ii) The revenue in respect of export incentives i.e. duty entitlement pass book scheme benefit is recognised on post export basis.

(iii) Revenue from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iv) Dividend from investment is recognized when the right to receive payment is established.

(d) EMPLOYEES BENEFITS

(i) Short Term Employees Benefits

Short Term Employees Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered

(ii) Post Employment Benefits

Defined Contribution Plan: Contribution to provident fund is made in accordance with the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and is recognized as an expense in the statement of profit and loss

- Defined benefit Plans
- a) Gratuity:
 - Provision for gratuity liability to employees is made on the basis of actuarial valuation as at close of the year.
 - b) Leave Encashment
 - Provision for leave encashment is made on the basis of actuarial valuation as at the close of the year.
 - (iii) The actuarial gain/loss is recognized in the statement of profit and loss
- (e) **FIXED ASSETS**
- (i) Fixed assets are stated at historical cost less accumulated depreciation.
 - (ii) Cost of fixed assets comprises its purchase price and any attributable expenditure (direct and indirect) for bringing an assets to its working condition for its intended use.
 - (iii) Expenditure incurred on renovation/modernisation on the existing fixed assets is added to the book value of these assets where such renovation/modernisation increases the future benefit from them beyond their previously assessed standard of performance.
- (f) **INTANGIBLE ASSETS**
- Intangible assets are stated at cost less accumulated amount of amortisation.
- (g) **DEPRECIATION**
- (i) Depreciation is provided on straight line method in accordance with and in the manner specified in Schedule XIV to the Companies Act, 1956.
 - (ii) Assets costing Rs. 5000/- or less acquired during the year are depreciated at 100%.
- (h) **AMORTISATION**
- Intangible asset are amortised on straight line method. These assets are amortised over their estimated useful life.
- (i) **CENVAT**
- Cenvat credit on excise duty paid inputs, capital assets and input services is taken in accordance with the Cenvat Credit Rules, 2004.
- (j) **INVENTORIES**
- Inventories are valued at cost or net realisable value, whichever is lower. The cost in respect of items of inventory is computed as under:
- In case of raw materials at FIFO basis plus direct expenses.
 - In case of stores and spares at weighted average cost plus direct expenses.
 - In case of work-in-process at raw material cost plus conversion cost depending upon the stage of completion.
 - In case of finished goods at raw material cost plus conversion cost, packing cost, excise duty and other overheads incurred to bring the goods to their present condition and location.
- (k) **INVESTMENTS**
- Long term Investments are stated at cost less provision, if any, for decline in the value of such investments, which is other than temporary. Current investments are stated at lower of cost and fair value.
- (l) **FOREIGN CURRENCY TRANSACTIONS**
- (a) Transactions in foreign currency are recorded on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of transaction except in case of export invoices which are recorded at a rate notified by the custom department for invoice purpose which approximates the actual rate as at the date of transaction. Exchange difference arising on realization of export sale is recognized as income or expense in the period in which they arise.
 - (b) At each balance sheet date foreign currency monetary items are reported at closing rates. Exchange differences arising on settlement of monetary items or on reporting the same at closing rate as at balance sheet date are recognized as income or expense.
- (m) **BORROWING COSTS**
- Borrowing costs that are directly attributable to acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred.
- (n) **GOVERNMENT GRANTS AND SUBSIDIES**
- Government grants available to the company are recognized when there is a reasonable assurance of compliance with the conditions attached to such grants and when benefits in respect there of have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy in the nature of promoter's contribution is credited to capital reserve. Government subsidy related to specific fixed assets is deducted from the gross value of the assets concerned.
- (o) **IMPAIRMENT OF ASSETS**
- At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.
- (p) **ACCOUNTING FOR TAXES ON INCOME**
- Provision for taxation for the year comprises of current tax and deferred tax. Current tax is amount of Income-tax determined to be payable in accordance with the provisions of Income tax Act 1961. Deferred tax is the tax effect of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (q) **PROVISIONS AND CONTINGENT LIABILITIES**
- (i) Provision is recognised (for liabilities that can be measured by using a substantial degree of estimation) when:
 - (a) the company has a present obligation as a result of a past event;
 - (b) a probable outflow of resources embodying economic benefits is expected to settle the obligation ; and
 - (c) the amount of the obligation can be reliably estimated

- (ii) Contingent liability is disclosed in case there is:
 - a) Possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise ; or
 - b) a present obligation arising from past events but is not recognised
- (i) when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) a reliable estimate of the amount of the obligation cannot be made.
- (r) **EARNING PER SHARE:**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.
- (s) **LEASE**

The assets acquired on lease wherein a significant portion of risks and rewards of ownership of an asset is retained by the lessor are classified as operating leases. Lease rentals paid for such leases are recognised as an expense on systematic basis over the terms of lease.

Regd. Office : Village Bholapur, P.O. Sahabana
Chandigarh Road, Ludhiana - 141 123.

PROXY FORM
ANNUAL GENERAL MEETING

I/We.....of.....
in the district of..... being a member/members of the above named
Company, hereby appoint.....of.....in the district of.....or failing
him.....of.....in the district of..... as my/our proxy to attend and vote for
me/us on my/our behalf at the 32nd ANNUAL GENERAL MEETING of the Company being held
on Thursday, the 30th August, 2012 at 11.00 a.m. or at any adjournment there of.
signed this.....day of.....2012.

AFFIX
RS. 1/-
Revenue
Stamp

Address.....
.....
.....

- NOTE :** 1. The Proxy Form duly completed must be deposited at the Registered Office of the
Company not less than 48 hours before the time for holding the meeting.
2. A proxy need not be a member.

..... CUT HERE

SHREYANS INDUSTRIES LIMITED
ATTENDANCE SLIP

I here by record my presence at the **32nd ANNUAL GENERAL MEETING** of the Company
being held on Thursday, the 30th August, 2012 at 11.00 a.m. at the Registered Office of the
Company Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana - 141 123.

.....
Full Name of the Shareholder
(IN BLOCK LETTERS)

Signature

Folio No.....
Full Name of Proxy.....
(IN BLOCK LETTERS)

Client ID.
D. P. ID.

- NOTE :** 1. The Proxy Form duly completed must be deposited at the Registered Office of the
Company not less than 48 hours before the time for holding the meeting.
2. A proxy need not be a member.

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