

*S & T  Corporation Limited*

2010-2011

**27th ANNUAL REPORT**



**BOARD OF DIRECTORS**

<b>Mr. Surendra T. Savai</b>	Chairman & Managing Director
<b>Mr. Ajay S. Savai</b>	Joint Managing Director
<b>Mr. Tejas. J. Bakhai</b>	Director
<b>Mr. Narayan. K. Bhatt</b>	Director
<b>Mr. Tejas. H. Shah</b>	Director
<b>Mr. Sharad. K. Sheth</b>	Director
<b>Mr. Rajesh. B. Patel</b>	Director
<b>Mr. Shantilal. L. Chengede</b>	Director

**Bankers**

Dena Bank  
ICICI Bank

**Auditors**

**Pankaj Dalal & Associates**  
Chartered Accountants

**Registered Office :**

195, Walkeshwar Road, Teen Batti, Mumbai-400 006.

<b>Contents</b>	<b>Pages</b>
Notice	2
Directors' Report	3
Management Discussion & Analysis Report	6
Corporate Governance Report	8
Certificate of Compliances	11
Auditors' Report	12
Balance Sheet	17
Profit & Loss Account	18
Notes on Accounts	22
Company Information	25
Attendance slip and Proxy form	27

**S & T Corporation Limited**  
**TWENTY FIFTH ANNUAL REPORT**  
**NOTICE**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Company will be held on Friday, 30 September, 2011, at 12.00 noon at Mumbai Textile Merchants Mahajan Hall, 250, Sheikh Memon street, Zaveri Bazar, Mumbai - 400002.

**ORDINARY BUSINESS:**

1. To consider & adopt the Audited Accounts for the year ended 31<sup>st</sup> March 2011 together with Directors & Auditors Report thereon.
2. To Appoint a Director in place of Mr. Narayan Bhatt who retires by rotation at this meeting & being eligible, offers himself for reappointment.
3. To Appoint a Director in place of Mr. Tejas Bakhai, who retires by rotation at this meeting & being eligible, offers himself for reappointment.
4. To Appoint a Director in place of Mr. Shantilal Chengede, who retires by rotation at this meeting & being eligible, offers himself for reappointment.
5. To appoint Auditors & fix their remuneration.

By Order of the Board

Mumbai,  
Date : 1st August, 2011

Surendra T. Savai  
Chairman & Managing Director

**NOTES:**

A MEMBER ENTITLED TO ATTEND & VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE INSTEAD OF HIMSELF & A PROXY NEED NOT BE A MEMBER.

THE PROXY FORM DULY COMPLETED & SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

THE REGISTER OF MEMBERS & SHARE TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM 23<sup>rd</sup> SEPTEMBER 2011 TO 30th SEPTEMBER 2011 (BOTH DAYS INCLUSIVE)

---

## **DIRECTORS' REPORT**

To,  
The Members,  
**S & T Corporation Limited**

Your Directors present herewith 27th Annual Report of your Company together with Audited Accounts for the year ended 31st March, 2011.

### **FINANCIAL RESULTS :**

	<b>Current year 2010-11</b>	<b>Previous year 2009-10</b>
Sales	1,39,58,194	64,59,024
Other Income	8,17,959	55,54,992
Cost of Material Sold	1,21,72,552	56,31,823
Administrative & other expenses	15,00,831	12,26,547
Depreciation	39,541	43,439
Profit before Tax	10,63,230	51,12,207
Provision for Tax	(2,06,000)	(7,90,000)
Profit after Tax	8,57,230	43,22,207
Profit / Loss previous year	(4,32,75,292)	(4,75,97,499)
Prior year Tax Adjustment	(194,261)	-
Net Profit / Loss	(4,26,12,324)	(4,32,75,292)

### **DIVIDEND**

In view of past accumulated losses, your directors regret their inability to recommend any dividend.

### **FUTURE OUTLOOK**

#### **AMALGAMATION**

Amalgamation of S & T Corporation Limited (Transferee Company) and Shubh Management Consultants (P) Ltd. (Transferor Company)

During the year under review, a Scheme of Amalgamation u/s 391/394 of the Companies Act, 1956, (the Scheme) for amalgamation of S & T Corporation Limited (Transferee Company) and Shubh Management Consultants (P) Ltd. (Transferor Company) was approved by the Company at the board meeting held on 8<sup>th</sup> April 2011 along with Exchange Ratio as follows:

For Every 10 Fully Paid up Equity shares of Rs. 10/- each paid up in Shubh Management Consultants Private Limited, S & T Corporation Limited will issue and allot 85 fully paid up Equity Shares of Rs. 10 each.

Mr. Rajesh Shah & Co. Advocates was appointed by the company to appear before the court and present any matter and to take such other steps as may be necessary for the scheme of Amalgamation.

The required Documents have been submitted with BSE for approval and NOC from the Exchange is in process, post which the company shall submit the Company Application with the Mumbai High Court for the approval.

The company since last few years has restarted various business activities & is hopeful of expanding its business activities in various field gradually. Company has also entered into partnership with M/S. Rajyog Enterprise, the business of the partnership firm is to purchase, acquire & sell properties & carry out real estate development work & sell the shops/flats/premises constructed on the said properties & the same also should start generating the income in the coming years.

#### **DIRECTORS**

Mr. Tejas Bakhai, Mr. Narayan K Bhatt & Mr. Shantilal Chengede directors of the company retire at the ensuing Annual General Meeting & being eligible, offer themselves for reappointments.

#### **PARTICULARS OF EMPLOYEES**

There were no employees pursuant to section 217(2A) of the companies act 1956, read with the companies (particulars of employees) rules 1975, as amended.

#### **CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE EARNINGS AND OUTGO.**

As the company did not engage itself in manufacturing activities during the year under report, provisions relating to technology absorption & conversion of energy are not applicable, during the year under report, there were neither earnings nor out goes in foreign exchange.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

As required under Section 217(2aa) of the companies Act, 1956, the Director state that:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed & that no material departures have been made from the same.
- ii) That they have selected such accounting policies & applied them consistently & made judgments & estimates that are reasonable & prudent so as to give a true fair view of the state of affairs of the company.
- iii) That they have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies' act 1956 for safeguarding the assets of the company & for preventing & detecting fraud & other irregularities.
- iv) That they have prepared the annual accounts on a going concern basis.

#### **SECRETARIAL COMPLIANCE CERTIFICATE**

- i) The Secretarial Compliance Certificate from practicing Company Secretary M/s Harshad Mane as require U/s 383(A) of the Company Act, 1956 as amended up to date is annexed here with as part of the Director Report.

#### **AUDITORS**

- i) Your Directors recommend the appointment of M/S. Pankaj Dalal & Associates, Chartered Accountants whose term expire on ensuing Annual general meeting, as Statutory Auditors from the ensuing Annual General meeting till next annual general meeting and on remunerations as may be decided by the Chairman. You are requested to appoint them as auditors.

## **CORPORATE GOVERNANCE**

- i) Pursuant to clause 49 of the listing agreement (a) management discussion & analysis, (b) report of the directors on the practices prevalent on corporate governance in the company & (c) the Auditors certificate on compliance of mandatory requirements of corporate governance are given as an annexure to this report.

## **ACKNOWLEDGEMENT**

Your directors wish to place on record their application for the efforts, hardwork, dedication and commitment put by employees at all levels as also for the valuable support by the bankers and other business associates.

By Order of the Board

Mumbai,  
Date : 1st August, 2011

Surendra T. Savai  
Chairman & Managing Director

## **Management Discussion & analysis Report**

### **Industry Structure & Developments**

Your company has entered into partnership with M/S. Rajyog Enterprise to purchase, acquire & sell properties & carry out real estate development work & sell the shops/flats/premises constructed on the said properties. The country's overall macroeconomic fundamentals are strong, particularly with tangible progress in recent years towards fiscal consolidation and a strong balance of payments position. India has one of the largest young populations in the world, spurring a boom in consumption and spending in the country. As a result companies from all over the world are setting up a base in India & hence Development and construction activity will significantly increased with demand for improved life styles of the modern Indians Since India is the largest growing middle class in the world and the per capita income is growing day by day & demand for new offices, homes and malls in urban and semi-urban areas. Today, the country boasts of companies with world-class capabilities in sectors such as automobiles, information and technology, manufacturing and pharmaceuticals. All this bodes well for companies engaged in real estate development.

### **Opportunities, Threats, Risks & Concerns**

The stable economic growth that the country is witnessing is one of the major boosters for the real estate industry. Liberalization of the economy has been driving the sector towards further development. Furthermore, the influx of foreign investments and the growing middle class makes this sector highly attractive offering immense growth potential for the Company's business. The growing urbanization of the Indian population has sparked an acute shortage of housing units. Decline in EMIs due to the fall in housing finance rates and the availability of tax incentives on housing loans are increasing the need for housing units in cities and towns. There is an increasing demand from the growing IT/ITES sector, the retail industry, the entertainment and the hospitality & tours & travel industry as well. The Opportunity is huge.

The Company is planning to operate in a highly fragmented and competitive industry. Our competition varies depending on the size, nature and complexity of the project to be executed. The level of transparency and sharing of data among players is a potential concern. One of the main drivers of growth for real estate is the availability of finance at low rates. The threat of rising interest rates may dampen this growth. Increasing raw material prices is another area of concern. Construction involves a lot of pre-determined revenue valuation. Realization of this revenue is scattered across the period of construction. A significant threat that the real estate developers face is dealing with increase in raw material prices which may lead to spiraling costs. With superior methodologies, prior experience of the board of directors and improved processes and systems, the Company strives to differentiate itself and ensure strong growth and profitability.

Our business may be substantially affected by the prevailing economic conditions in India. A general slowdown in the economic growth in India could cause a delay in the execution of our projects. Our performance and the quality of our assets are necessarily dependent on the health of the overall Indian economy and the local economies

### **Segment-wise or product wise performance**

Revenue for the Company was generated from interest & professional charges during the year. In Our Opinion

Segment Reporting As Required Under Accounting Standard-17 Issued By The Institute Of Chartered Accountants Of India (ICAI) Is Not Applicable To the company

### **Outlook**

Sustained growth factors like rising incomes and easy financing continue to supplement the growth of the real estate industry. The outlook for the Company remains upbeat. While your Company plans to continue with development in and around Mumbai, we also plan to target high-growth markets across India. The Company is currently exploring many projects and intends take advantage of all the opportunities coming its way, which it can further scale up and leverage its business.

### **Internal Control Systems & their adequacy**

Your company's internal control system is well defined & is commensurate with the size & nature of the business.

### **FINANCIAL PERFORMANCE**

The financial performance of the company is given separately in the Directors Report.

### **Material developments in Human Resources/Industrial Relations front**

There were no material developments in relation to human resources/industrial relations in your company as the company has minimum employee strength. The company has on its roll 4 employees & the rest of the operations are carried through board of directors.

### **Cautionary Statement**

The above statements are as perceived by the directors based on the current scenario & the input available. Any extraneous developments & force majeure conditions may have an impact on the above perceptions.