S & T Corporation Limited

2009-2010

26th ANNUAL REPORT

BOARD OF DIRECTORS

Mr. Surendra T. Savai	Chairman & Managing Director
Mr. Ajay S. Savai	Joint Managing Director
Mr. T. J. Bakhai	Director
Mr. N. K. Jhaveri	Director
Mr. N. K. Bhatt	Director
Mr. T. H. Shah	Director
Mr. S. K. Sheth	Director
Mr. R. B. Patel	Director
Mr. S. L. Chengede	Director

Bankers

Dena Bank
ICICI Bank
CITI Bank

Auditors

Pankaj Dalal & Associates
Chartered Accountants

Registered Office :

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

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S & T Corporation Limited

TWENTY FIFTH ANNUAL REPORT

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Company will be held on Thursday, 30th September, 2010, 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 31/03/2010 together with Directors & Auditors Report thereon.
2. To Appoint a Director in place of Mr. Tejas Shah who retires by rotation at this meeting & being eligible, offers himself for reappointment.
3. To Appoint a Director in place of Mr. Sharad Sheth, who retires by rotation at this meeting & being eligible, offers himself for reappointment.
4. To Appoint a Director in place of Mr. Rajesh Patel, who retires by rotation at this meeting & being eligible, offers himself for reappointment.
5. To appoint Auditors & fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification (s) the following resolution as an 'ORDINARY RESOLUTION:

"RESOLVED THAT subject to the provisions of Sector 198, 269, 309 and Schedule XIII as amended from time to time and other applicable provisions, if any, of the Companies Act, 1956 the approval of the members of the Company be and is hereby accorded to the re-appointment to Mr. Surendra Savai as an Chairman for a further period of five years w.e.f 1st June 2010.'

"RESOLVED THAT subject to the provisions of Sector 198, 269, 309 and Schedule XIII as amended from time to time and other applicable provisions, if any, of the Companies Act, 1956 the approval of the members of the Company be and is hereby accorded to the re-appointment to Mr. Ajaykumar Savai as an Managing Director for a further period of five years w.e.f 1st June 2010.'

"RESOLVED FURTHER THAT the Board be and is hereby authorized to add, amend, later, modify the financial terms in a manner that the total remuneration shall not exceed that permissible under the provisions of the ct red with Schedule XIII of the Act s amended from time to time."

By Order of the Board

Mumbai,
Date : 31st July, 2010

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 20th SEPTEMBER 2010 TO 27th SEPTEMBER 2010 (BOTH DAYS INCLUSIVE)

By Order of the Board

Mumbai,
Date : 31st July, 2010

Surendra T. Savai
Chairman & Managing Director

DIRECTORS' REPORT

To,
The Members,
S & T Corporation Limited

Your Directors present herewith 26th Annual Report of your Company together with Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS :

	Current year 2009-10	Previous year 2008-09
Sales	6,459,024	1,516,538
Income from operating activities	5,554,992	3,598,296
Cost of Material Sold	5,631,823	1,464,406
Administrative & other expenses	1,226,547	1,039,227
Depreciation	43,439	47,494
Leaving a Profit before Taxation	5,112,207	2,563,707
Provision for taxation		
Current Tax	(7,90,000)	(2,65,000)
Fringe Benefit Tax	(0)	(4,000)
Profit after Current Taxation	4,322,207	2,294,707
Adding thereto:		
Brought forward from previous year	(47,597,499)	(49,892,206)
Net surplus after tax transferred to Balance Sheet	(43,275,292)	(49,892,206)

OPERATIONS :

The turnover of the Company for the year under review has increased from Rs. 1,516,538 to Rs. 6,459,024 while the earnings before Depreciation, other administrative expenses and taxation stood at Rs. 12,014,016 as against Rs. 5,114,834 in last year. The net Profit before tax for the year increased from Rs. Rs. 2,563,707 to Rs. 5,112,207. The loss carried forward to the Balance Sheet is Rs. 43,275,292.

DIVIDEND :

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

FUTURE OUTLOOK :

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

DIRECTORS :

Mr. Tejas Shah, Mr. Sharad Sheth & Mr. Rajesh Patel 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 ABSORPTION AND 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 Directors state that:

i. 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. 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. 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. They have prepared the annual accounts on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE :

The Secretarial Compliance Certificate from Practicing Company Secretary M/s Anil Jani & Company as required U/s 383(A) of the Companies Act, 1956 as amended up to date is annexed herewith as part of the Directors Report.

AUDITORS :

M/s. Pankaj Dalal & Associates, Chartered Accountants, retire from the office of the Auditors at the conclusion of the ensuing annual general meeting & are available for appointment.

ACKNOWLEDGEMENT :

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

CORPORATE GOVERNANCE :

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 requirement of corporate governance are given as annexure to this report.

By Order of the Board

Mumbai,
Date : 31st July, 2010

Surendra T. Savai
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Developments

Your Company has entered into partnership with M/S. Victory Realtors 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 bodies well for Companies engaged in real estate development.

Opportunities, Threats, Risks & Concerts

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 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 low rate. 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 process 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 necessary 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 Accounts of India (ICAI) is not applicable to the Company.

Outlook

We will continue to follow our successful strategy and actively shape our future. We will focus on improving our portfolio, increasing efficiency and expanding our business in order to get closer to key markets. Sustained growth factors like rising incomes and easy financing continue to supplement the growth of the real estate industry. While your Company plans to continue with development in and around Mumbai, we also plan to target high –growth market across India. The current year too will see the considerable investment in all this areas and our lines have been geared upto meet this demands.

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 Resource/ 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 5 employees & the rest of the operations are carried through board of directors.

Cautionery 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.