

S & T  *Corporation Limited*

2011-2012

28th ANNUAL REPORT

BOARD OF DIRECTORS

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

Bankers

Dena Bank
ICICI 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 EIGHTH ANNUAL REPORT
NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Company will be held on Wednesday, 20th June 2012, 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 31st March 2012 together with Directors & Auditors Report thereon.
2. To Appoint a Director in place of Mr. T. H. Shah, who retires by rotation at this meeting & being eligible, offers himself for reappointment.
3. To Appoint a Director in place of Mr. S. K. Sheth, who retires by rotation at this meeting & being eligible, offers himself for reappointment.
4. To Appoint a Director in place of Mr. R. B. Patel, who retires by rotation at this meeting & being eligible, offers himself for reappointment.
5. To appoint Auditors & fix their remuneration.

SPECIAL BUSINESS

1. To consider and if thought fit, to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION :-**

“RESOLVED THAT Article No. 3 of Articles of Association of the company be altered in accordance with provisions of Section 31 of the Companies Act, 1956 & other applicable provisions wherever applicable as given hereunder :-

Article No. 3

The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in clause V of Memorandum of Association with power to subdivide consolidate and increase and with power from time to time, to issue any shares of the original capital with and subject to any preferential qualified or special rights, privileges or conditions as may be, thought fit, and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

2. To consider and if thought fit, to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION:-**

“RESOLVED THAT pursuant to Section 16, Section 94 and all other applicable provisions of the (Rupee Five Crore) divided into 50,00,000 (Fifty Lacs) Equity share of Rs. 10/- each to Rs. 10,00, 00,000/- (Rupee Ten Crore) divided into 1,00,00,000 (One Crore) Equity shares of Rs. 10/- each.

By Order of the Board

Mumbai,
Date : 28th May, 2012

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 14TH JUNE 2012 TO 20TH JUNE 2012 (BOTH DAYS INCLUSIVE)

Explanatory Statement Pursuant to Section 173(2) of the Companies Act

Item No. 1

The Board of Director of the Company intends to make Article No. 3 of Articles of association of the company in accordance with Clause V of Memorandum of Association of the company.

Alteration of Articles requires approval of the members by special resolution in legal Compliance of Section 31 of the Companies Act, 1956.

The board of directors of company recommends passing of the resolution as special Resolution.

None of the Directors of the Company is in any way concerned or interested in the above-said resolution.

Item No.2

The present authorised share capital of the Company is Rs. 5,00 00,000/- (Rupee Five Crore).

The growth of the Company's operations requires augmentation of fresh resources. Accordingly, increase in authorised share capital of the Company is recommended. Amendment in Clause V of the Memorandum is consequential.

Increase of Authorised Capital requires approval of the members by Special Resolution in legal Compliance of Section 94 of the Companies Act, 1956.

The board of directors of company recommends passing of the resolution as Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the above-said resolution.

Item No. 3

As per the provisions of section 293(1) (d) of the Companies Act, 1956 the Board of Directors shall not except with the consent of the share holders in General Meeting , borrow moneys in the aggregate of Paid up capital and free reserves (reserves not set apart for any specific purpose).

Article 82 of Articles of Association of the Company provides for borrowing powers of the Board subject to such limits as may be approved by the shareholders.

The present borrowings are within the limits laid down under section 293(1)(d) of the Companies Act, 1956 as approved by the shareholders. Further, the consent of the shareholders is sought for to increase the said limit to meet the various expenditure of capital as well as revenue nature. Also, there is increase in the span of business and for its expansion; there is requirement of various funds. Hence, the Board thinks that with Company's plans for expansion it is necessary to secure the approval of the shareholders, which is solicited vide resolution No. 8.

The board of directors of company recommends passing of the resolution as Ordinary Resolution

None of the Directors of the Company is in any way concerned or interested in the above-said resolution.

By Order of the Board

Mumbai,
Date : 28th May, 2012

Surendra T. Savai
Chairman & Managing Director

DIRECTORS' REPORT

To,
The Members,
S & T Corporation Limited

Your Directors present herewith 28th Annual Report of your company together with Audited Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS :

	Current year 2011-12	Previous year 2010-11
Sales	96,55,523	1,39,58,194
Other Income	37,59,579	8,17,959
Cost of Material Sold	83,69,940	1,21,72,552
Administrative & other expenses	29,61,335	15,00,831
Depreciation	53,412	39,541
Profit before Tax	20,30,415	10,63,229
Provision for Tax	4,50,000	2,06,000
Profit after Tax	15,69,368	6,62,968

2. DIVIDEND:

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

3. FUTURE OUTLOOK:

AMALGAMATION

The Company has completed the amalgamation with Shubh Management Consultants Private Limited. High court has approved the Scheme of amalgamation and also the petition. Company received the High court order dated 30th March 2012. The same has also been filed with Registrar of Companies as per requirement of Companies Act.

Company is now awaiting the Certificate of Approval from Registrar of Companies which it shall receive in due course.

4. DIRECTORS:

Mr. T. H. Shah, Mr. S. K. Sheth & Mr. R. B. Patel, directors of the company retire at the ensuing Annual General Meeting & being eligible, offer themselves for reappointments.

5. 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.

6. 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.

7. 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.

8. SECRETARIAL COMPLIANCE CERTIFICATE

The Secretarial Compliance Certificate from practicing Company Secretary M/s Harshad Mane & Associates as require U/s 383(A) of the Company Act, 1956 as amended up to date.

9. AUDITORS

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.

10. 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 requirements of corporate governance are given as an annexure to this report.

11. 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

By Order of the Board

Mumbai,
Date : 28th May, 2012

Surendra T. Savai
Chairman & Managing Director

Management Discussion & analysis Report

Industry Structure & Developments

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.

RBI has recently started adopting loose monetary policy. Ease in interest rate is resulting in increase in Credit availability for real estate and also 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 shall boost the business of the Company in real estate. 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.

Opportunities, Threats, Risks & Concerns

Your company has amalgamated Shubh Management Consultants Private Limited with itself. This has resulted in entrance of Company in the new business line of Real estate and construction. The procedure which initiated last year has been completed. Company has altered its Memorandum to commence new business of development of real estate business, construction, consultation in real estate, land development which shall increase the avenues of revenue generation for Company along with its existing business. The Company shall be benefited with the expertise and existence of Shubh Consultants over a period of time. The Authorised Capital of the Company is also proposed to be increased by approval of members in this general meeting from 5 Crores to 10 Crores which shall allow company to raise capital through additional equity shares/ private placement.

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.

All this bodes well for companies engaged in real estate development.

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 2 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.