S & T Corporation Limited

CIN No. L51900MH1984PLC033178

2014-2015

31st ANNUAL REPORT

BOARD OF DIRECTORS

Mr. Surendra T. Savai	Chairman & Managing Director
Mr. Ajay S. Savai	Joint Managing Director
Mr. Narayan. K. Bhatt	Director
Mr. Tejas. H. Shah	Director
Mr. Sharad. K. Sheth	Director
Mr. Shantilal. L. Chengede	Director
Mr. Tejas. J. Bakhai	(Resigned w.e.f. 5th May, 2014)
Mr. Rajesh. B. Patel	Director (Resigned w.e.f. 5th May, 2014)

Bankers

Dena Bank
ICICI Bank
YES 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

CIN No. L51900MH1984PLC033178

THIRTY ONE ANNUAL REPORT

NOTICE

To,

All the Shareholders,

NOTICE is hereby given that 31st Annual General Meeting of S&T Corporation Limited ("Company") be and is hereby convened on Wednesday , September 30, 2015 at 12:00 noon at Mumbai Textile Merchants Mahajan Hall, 250, Sheikh Memon street, Zaveri Bazar, Mumbai - 400002, to transact the following business:

ORDINARY BUSINESS:

1. To consider & adopt the Audited Accounts for the year ended 31 March 2015 together with Cash flow Statement, Directors & Auditors Report thereon.
2. To Appoint a Director in place of Mr. Narayan. K. Bhatt Director, who retires by rotation at this meeting & being eligible, offers himself, for reappointment.
3. To Appoint a Director in place of Mr. Sharad. K. Sheth, who retires by rotation at this meeting & being eligible, offers himself, for reappointment.
4. To appoint Auditors from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

   "RESOLVED THAT, pursuant to the first proviso to Section 139(1) of the Companies Act, 2013, read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the appointment of Pankaj Dalal & Associates, Chartered Accountants Membership No. 41233 (ICAI Registration No. 107347W), as the auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for Regularisation of Additional Director, Mr. Dhaval Ajay Savai.**

   "RESOLVED THAT Mr. Dhaval Ajay Savai, who was appointed as an Additional Director with effect from April 25, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for Regularisation of Additional Director, Ms. Trishana Ajay Savai**

"RESOLVED THAT Ms. Trishana Ajay Savai, who was appointed as an Additional Director with effect from April 25, 2015 on the Board of the Company in terms of Section 161 of the Companies Act, and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company."

By Order of the Board

Mumbai,
Date : 28th May, 2015

Surendra T. Savai
Chairman & Managing Director

NOTES:

1. ***The relevant details as required by clause 49 of the listing agreements entered into with the stock exchanges, of persons seeking re-appointment as directors under item nos. 2,3, 5 and 6 of the notice are annexed.***
2. ***A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.***
3. ***Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.***
4. ***The Register of Members & Share Transfer Books of the Company Will Be Closed From 24th September 2015 To 30th September 2015 (Both Days Inclusive)***
5. ***All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Company's Registered Office at S&T Corporation Limited, 195, Walkeshwar Road, Teen Batti, Mumbai-400 006. On all working days of the Company, between 10.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.***

For **S & T CORPORATION LIMITED**

Sd/-
Surendra T. Savai
Chairman & Managing Director

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ITEM NO. 5 AND ITEM NO. 6

ITEM NO. 5

Mr. Dhaval Ajay Savai was appointed as an Additional Director w.e.f. April 25, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing **Mr. Dhaval Ajay Savai** candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of **Mr. Dhaval Ajay Savai** on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

None of the Directors, except **Mr. Dhaval Ajay Savai** and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions under Item No. 5 to be passed as an ordinary resolution.

ITEM NO. 6

Ms. Trishana Ajay Savai was appointed as an Additional Director w.e.f. April 25, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing **Ms. Trishana Ajay Savai** candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of **Ms. Trishana Ajay Savai** on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 6 for adoption.

None of the Directors, except **Ms. Trishana Ajay Savai** and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions under Item No. 6 to be passed as an ordinary resolution.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 31st Annual Report of your Company for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2015 is summarized below:

	Current year 2014-15	Previous year 2013-14
Sales	56,49,854	167,61,840
Other Income	1,25,36,969	126,44,224
Cost of Material Sold	50,99,556	146,06,551
Stock in Trade	-	-
Administrative & Other Expenses	50,33,439	58,98,176
Depreciation & Amortization Exp.	76,35,811	77,12,207
Profit before TaX	4,18,016	11,89,130
Provision for Tax	6,74,572	2,50,000
Profit after Tax	-2,56,556	9,39,130

DIVIDEND.

Due to loss in the current year your director don't recommend dividend this year in the interest of the company.

FUTURE OUTLOOK

Your Board had informed in the previous Board Report that the Company is in process of starting a venture in Food Industries. Your directors are pleased to inform you that, Company has decided to venture into Bakery products and have identified the products and brand name.

Currently the pilot production is going on to test the market. Very soon the formalities regarding starting a commercial production will be completed and the production will start. Your directors are very optimist about this new venture. It will be informed as and when the production will start on the BSE portal where the Stocks of the Company are listed.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued there under and Clause 49 of the Listing Agreement, the Board of Directors at their meeting held on 5th May, 2014 formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in "Annexure [f]" to this Report.

DECLARATION OF INDEPENDENCE:

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued there under as well as Clause 49 of the Listing Agreement.

Directors :

Mr. Narayan. K. Bhatt , & Mr. Sharad. K. Sheth , directors of the Company retire at the ensuing Annual General Meeting & being eligible, offer themselves for reappointment.

PUBLIC DEPOSITS:

During the financial year 2014-15, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE GOVERNANCE REPORT

In compliance with the provisions of Clause 49 of the Listing Agreement, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this Report **(Annexure A)**.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis forms an integral part of this Report (Annexure B) and gives detail of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz., the decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments:

Company has appointed Mr. Dhaval Ajay Savai and Ms. Trishana Ajay Savai, as an Additional Director with effect from April 25, 2015

Resignations/Retirements:

During the year Mr. Tejas J Bakhai and Mr. Rajesh B Patel directors of the company were given their resignation due to health not keeping well.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2015 and of the profit and loss of the Company for the financial year ended 31st March, 2015;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a 'going concern' basis;

(e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT :

At the 30th AGM of your Company, M/s. Pankaj Dalal & Associates, Chartered Accountants (Firm Registration No. 107347W) was appointed as the Auditor to hold office till the conclusion of the 31st AGM of your Company.

The Board of Directors at its meeting held on 28th May, 2015, on the recommendations of the Audit Committee, in accordance with the provisions of Section 139 (8) of the Companies Act, 2013 appointed M/s. Pankaj Dalal & Associates, Chartered Accountants (Firm Registration No. 107347W) to act as the Auditor of your Company till the conclusion of Next AGM.

M/s. Pankaj Dalal & Associates, Chartered Accountants, who retire at the ensuing AGM of your Company are eligible for re-appointment. Your Company has received written consent and a certificate stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued there under. As required under Clause 49 of the Listing Agreement, M/s. Pankaj Dalal & Associates, Chartered Accountants, have also confirmed that they were granted peer review certificate by the Peer Review Board of ICAI in February 2010 & subsequently also peer review of the firm was carried in April 2013 & follow up review is pending, fresh certificate is not been received by the firm.

The Audit Committee and the Board of Directors recommend the appointment of M/s. Pankaj Dalal & Associates, Chartered Accountants, as the Auditors of your Company for the financial year 2015- 16 till the conclusion of the Next AGM.

The Auditors' Report for the financial year 2014-15, does not contain any qualification, reservation or adverse remark.

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Harshad Dilip Mane, Practicing Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit

Report is annexed herewith as "Annexure - [C]" to this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "Annexure [D]" to this Report.

RELATED PARTY TRANSACTIONS

During the financial year 2014-15, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued there under and Clause 49 of the Listing Agreement. During the financial year 2014-15, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

The details of the related party transactions as required under Accounting Standard - 18 are set out in **Notes to accounts** to the standalone financial statements forming part of this Annual Report.

The Form AOC- 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **"Annexure [E]"** to this Report.

LOANS AND INVESTMENTS

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Details of investments made by the Company as on 31st March, 2015

Investment in mutual funds (details are as below mentioned)

Name of the company	Amount as at 31st March, 2015
HDFC CMF	100,000/-

There are no loans and guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued there under.

VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

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

(Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014)

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.

Details on internal financial controls related to financial statements

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

Your Company, in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Auditors and Audit Committee.

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

Your Company has a code of conduct applicable to all its employees along with a Whistle Blower Policy which requires employees to update accounting information accurately and in a timely manner. Any non-compliance noticed is to be reported and actioned upon in line with the Whistle Blower Policy.

Your Company gets its standalone accounts reviewed every quarter by its Auditors.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

General

a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and

b) Your Company does not have any ESOP scheme for its employees/Directors.