
**28TH
ANNUAL REPORT
2011-2012**

SANTARAM SPINNERS LIMITED

ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

- : Shri Kalyanbhai J. Shah Chairman & Managing Director
Shri Nirav Shah Jt. M.D.
Shri Paresh R. Shah Director
Shri Janak G. Nanavaty Director
Shri Fenil R. Shah Director

BANKERS

- : Nutan Nagrik Sahakari Bank Limited
Union Bank of India
Punjab National Bank

AUDITORS

- : M/s, R. R. Shah & Associates
Chartered Accountants
Ahmedabad.

COMPANY LAW COUNSULANT

- : Mrs. Rupal Patel,
Practising Company Secretary
Ahmedabad.

REGISTERED OFFICE

- : 259 3rd Floor, New Cloth Market,
Outside Raipur Gate, Ahmedabad-380002
E-mail: santaramltd@gmail.com
Website: www.santaramspinners.com

REGISTER AND SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West), Mumbai-400078

303, Shopper's Plaza-V
Opp. Municipal Market, Off. C.G.Road,
Navrangpura, Ahmedabad-380009

WORKS-1

Survy No. 1433, Near Rajpur Bus Stand,
Taluka: Kadi, Dist: Mehsana (N. Guj.)

WORKS-2

C/o. Giriraj Cotton Ltd. N.H.No.8A, Nr. Market Yard
Limbd, Dist.Surendranagar-363421

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SANTARAM SPINNERS LIMITED WILL BE HELD AS SCHEDULED BELOW:

Date : 27th September, 2012
Day : Thursday
Time : 9.30 A.M.
Place : 259, New Cloth Market,
Outside Raipur Gate, Ahmedabad-380002

To transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt Audited statement of profit and Loss for the year ended 31st March, 2012 and the balance Sheet as on that date along with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Janak Nanavaty, who retires by rotation and, being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the approval of the shareholders be and is hereby accorded to the Company for commencement of business as specified in the sub-clauses 76, 99 & 100 of Clause-III-C (Other Objects) of the Memorandum of Association of the Company."

"RESOLVED FURTHER THAT Mr. Kalyanbhai J. Shah, Managing Director of the Company be and is hereby authorised to file necessary documents with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

Registered Office:
259, 3rd Floor, New Cloth Market
Outside Raipur Gate,
Ahmedabad-380002
Date: 4th August, 2012

By order of the Board

Sd/-
Fenil R Shah

Sd/-
Kalyan J Shah

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A 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 later than 48 hours before the meeting.

2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from 20th September, 2012, Thursday to 27th September, 2012 Thursday (both days inclusive).
3. The Company has appointed M/s. Link Intime India Pvt. Ltd as its Registrar and Share Transfer Agent for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and Address to RTA.
4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. Members are requested to update their Email ID with their respective depository participant and with the Company's Registrar and Transfer Agent (RTA) to enable dispatch the communications in electronic form from time to time as your Company have taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.
7. Members holding shares in physical form are requested to notify to the company's Registrar and share Transfer Agent, M/s. Link Intime India Pvt. Ltd quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.
8. Corporate Members intending to send their authorized representatives under Section 187 of the Companies Act, 1956, are requested to send a duly certified

copy of the board Resolution authorizing their representatives to attend and vote at the Meeting.

9. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

ANNEXURE TO THE NOTICE

Notes on Director seeking appointment/re-appointment as required under Clause 49 of the listing Agreement entered into with Stock Exchanges:

PROFILE OF DIRECTOR BEING APPOINTED/ RE-APPOINTED

Item No.2

Name	Janak Gautambhai Nanavaty
Date of Birth	14/05/1955
Qualification	B.Com., MBA
Expertise	Administration
Director of the Company Since	15/01/1995
Directorship in other Public limited Companies	One
Membership of Committees of other Public Limited Companies	No
No. of Shares held in the Company	NIL

Explanatory Statement under Sections 173(2) of the Companies Act, 1956

Item No.4

As per provisions of the Companies Act, 1956 under section 149 (2A) and for the any other law for the time being in force your company requires prior approval of shareholders by passing Special Resolution for commencement of any Business covered under Other Objects Clause of the Memorandum of Association and will be Obtained in the ensuing Annual General Meeting.

SANTARAM SPINNERS LIMITED

Accordingly the approval of shareholders under section 149 (2A) of the act for the commencement of any objects covered under Other Objects clause of Memorandum of Association will be obtained in the ensuring Annual General Meeting, Accordingly the Board of Directors of your company had in its meeting held on 4.8.2012 decided to obtain the aforesaid approval from the Member / Shareholders of the company.

None of the Directors of the company is in any way concerned or interested in the said Resolution.

The Board recommends the resolution.

Registered Office:
259, 3rd Floor, New Cloth Market
Outside Raipur Gate,
Ahmedabad-380002
Date: 4th August, 2012

By order of the Board

Sd/-
Fenil R Shah

Sd/-
Kalyan J Shah

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the TWENTY EIGHT ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2011-12 ended 31st March, 2012.

1. FINANCIAL RESULTS

	2011-12 Amt. in Lacs	2010-11 Amt. in Lacs
Operating Profit (Before Interest & Depreciation)	63.62	53.19
Less: interest	34.39	28.01
Profit before Depreciation	29.23	25.18
Less: Depreciation	12.95	4.38
Profit before Tax	16.28	20.80
Add: Excess Depreciation written back	0	0
Less: Prior Period Adjustments	(0.36)	(0.18)
Less: Provision of Taxation -Current	6.00	4.70
-Deferred	4.70	(0.04)
Profit for the Year	9.09	16.30
Add: Balance brought forward from Previous year	72.09	55.79
Balance Carried to Balance Sheet	81.19	72.09

2. DIVIDEND

In view of plough back of profit for the expansion of business of the Company, the Board of the Directors of the Company do not recommended any dividend on its Equity shares for the year ended 2011-12.

3. TEXTILE INDUSTRY OUT LOOK

After being severely battered by recession in the global markets and currency volatility in Financial Year 2011-12, credit profiles of the company is expected to improve with revival in the domestic demand and signs of improvement in the global markets. However, depreciation of rupee and significant rise in cotton prices raise concerns on the profitability.

Synthetic textiles segment has benefited from substitution effect due to higher cotton and cotton yarn and ginning prices resulting in significant cost differential between cotton yarn and synthetic yarn prices. Being the fiber/fabric for masses, with an overall economic revival and high cotton prices, business is expected to benefit.

4. FUTURE OUTLOOK:

Indian textiles industry is a well-established with showing strong features and a bright future. In fact, the country is the second biggest textiles manufacturer worldwide, right after China. Similar force is demonstrated in the cotton production and consumption trend where India ranks just after China and USA. The textiles manufacturing business is a pioneer activity in the Indian manufacturing sector and it has a primordial importance in the economic life of the country, which is still predominantly based on the agro-alimentary sector.

The Company has the capacity to GIN both long staple cotton as well as short staple cotton. State of art machineries are used for ginning. It has access to the farmers and it is also well connected to the major western ports namely Kandla, Mundra and Pipavav.

5. DIRECTORS

One of your Director viz. Mr. Janak Gautambhai Nanavaty retires by rotation in terms of Articles 150 and 151 of the Articles of Association of the Company. However, being eligible to re-appoint, the Board of the Director of the Company for his reappointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) that 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 the Company at 31st March, 2012 being end of the financial year 2011-2012 and of the Profits of the Company for the year;
- (iii) that the Directors have taken proper and sufficient care for 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;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

7. CORPORATE GOVERNANCE:

The Report on Corporate Governance as per the requirements of Clause 49 of the Listing Agreement is annexed.

8. LISTING:

The Equity Shares of the Company are listed on Mumbai Stock Exchange and the Company has paid Annual Listing Fees to Mumbai Stock Exchange up to the year 2012-13.

9. PERSONNEL AND H. R. D:

Your Directors are glad to report that the industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H. R. D:

10. GENERAL:

10.1 INSURANCE:

The Company's properties including building, plant and machinery, stocks, stores etc. continue to be adequately insured against risks such as fire, earthquake etc.

10.2 AUDITORS:

The present Auditors of the Company M/S. R.R. Shah and Associates, Chartered Accountants, Ahmedabad, will retire at the ensuing Annual General Meeting. They have shown their willingness for re-appointment for the year 2012-13. The Company has obtained certificate for eligibility for appointment under Section 224(1-B) of the Companies Act, 1956 from M/s. R. R. Shah & Associates, Chartered Accountants, Ahmedabad. The members are requested to appoint Auditors in the ensuing Annual General Meeting.

The qualification in the Auditors' Report relating to non-provision for diminution in value of long-term investments is self-explanatory and is separately dealt with in Notes to the Accounts in Schedule.

10.3 PARTICULARS OF EMPLOYEES:

None of the employees of the Company is drawing remuneration requiring disclosure of information under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

10.4 DEPOSITS:

The Company has not accepted any deposit as defined under Section 58 A and the Companies (Acceptance of Deposit) Rules, 1975.

11. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

The Statement of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo pursuant to provisions of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure-I to this Report.

SANTARAM SPINNERS LIMITED

12. ACKNOWLEDGMENT:

Your Directors would like to express their sincere thanks and appreciation to Promoters, Shareholders, Suppliers and Customers for their constant support and co-operation received.

Your Directors also wish to take this opportunity to place on record their gratitude to the Banks, Financial Institutions and Government Departments for their confidence reposed in the Company.

Registered Office:
259, 3rd Floor, New Cloth Market
Outside Raipur Gate,
Ahmedabad-380002
Date: 4th August, 2012

By order of the Board

Sd/-
Fenil R Shah

Sd/-
Kalyan J Shah

ANNEXURE-I

Additional information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended on 31st March, 2012.

(A) CONSERVATION OF ENERGY:

- (a) Necessary precautions have been taken while designing process and equipment to ensure conservation of energy through the use of fuel efficient devices and advanced instrumentation systems.
- (b) No additional investments was made during the year for reduction in consumption of energy.
- (c) The measures taken have helped to conserve the energy and in turn, cost.
- (d) Total energy consumption and energy consumption per unit of production. As per Form 'A' is appended below.

(B) TECHNOLOGY ABSORPTION:

- (i) Research and Development:
During the year under review company has not spent any amount for Research and Development; hence details under Form 'B' are not applicable.
- (ii) Technology absorption adoption and innovation:
The Company has taken necessary steps to improve technology for manufacturing of cotton. The company has achieved progress in manufacturing the cotton bales at plant level.
- (iii) Foreign Exchange Earning and Outgo:
The Company has earned Rs. 258.38 Lacs by the export activity during the year under review after deducting the expenses for export, however it has not spent any amount in foreign exchange during the year under review.

FORM 'A'

Form for Disclosure of particulars with respect to Conservation of energy.

(A) Power and fuel consumption:		2011-2012	2010-11
1. Electricity:			
a) Purchased:			
Unit		173932	54
Total Amount (Rs.)		1224939	157783.38
Net of Rate		-	-
b) Own Generation			
(i) Through Diesel Generator			
Units		N.A.	N.A.
Diesel Consumption (liter)		N.A.	N.A.
Units per Ur. Of Diesel Oil		N.A.	N.A.
Total amount (Rs.)		N.A.	N.A.
Cost/ Unit (Diesel Cost)		N.A.	N.A.
(ii) Through Steam turbine Generator			
2 Coal		N.A.	N.A.
3. Furnace Oil		N.A.	N.A.

(B) Consumption per unit of production: Since the Company is engaged in manufacturing of cotton bales, Cotton ginning etc., it is not practical to give consumption per unit of production.

Place: Ahmedabad
Date: 4th August, 2012.

For and on behalf of the Board,
Sd/- Sd/-
Fenil R. Shah Kalyan J. Shah
Director Director

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance for the company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our workforce is committed towards the protection of the interest of the stakeholders viz. shareholders, creditors, investors, customers, employees, etc. Our policies consistently undergo improvements keeping in mind our goal of maximization of value of all the stakeholders.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-a-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Name of Directors	Category of Directorship	No. of other Director Ships	Committee (1) Membership/ (2) Chairmanship in other companies	No. of Board Meetings in attended	Attendance at the AGM held on 19-09-2011 Yes(Y)/ No(N)
Kalyanbhai J. Shah Chairman & M.D.	Executive	1	1	5	Y
Janak G. Nanavaty	Independent Non Executive	1	1	5	Y
Fenil R. Shah	Independent Non Executive	1	1	5	Y
Paresh R. Shah	Independent Non Executive	-	-	5	Y
Nirav Shah	Executive	1	1	5	Y

. Private companies excluded.

(b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting:

Name of Director	Janak Nanavaty
Date of Birth	14-05-1955
Date of Appointment	15-01-1995
Expertise in specific functional areas	Administration
List of Public Limited Companies in which Directorships held \	ONE
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee & Remuneration Committee
Chairman/Member of the Committees	All

(c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors was held on 30.5.11, 5.8.11, 10.11.11, 1.2.12, 30.5.12.

3. AUDIT COMMITTEE:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Janak G. Nanavaty	All members are Non-executive.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All the members were present at the meeting held on 30.5.11, 5.8.11, 10.11.11, 1.2.12, 30.5.12.
Fenil R. Shah	Chairman is independent Director and majority are independent.		
Paresh R. Shah	One member has thorough financial and accounting knowledge.		

4. REMUNERATION COMMITTEE:

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Committee comprises the following Directors as members:

1. Janak G. Nanavaty, Chairman - Non-executive Independent
2. Fenil R. Shah, Member - Non-executive Independent
3. Paresh R. Shah, Member - Non-executive Independent

All the members attended the meetings held on 30.5.11, 5.8.11, 10.11.11, 1.2.12, 30.5.12.

Details of remuneration paid:

1. Managerial Remuneration of Rs.3,68,250/- was paid to Shri Kalyanbhai J. Shah, Managing Director.
2. The other Directors were paid Sitting Fees. No Commission or Stock Option has been offered to the Directors.

5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE:

The Board has constituted a Shareholders/Investors' Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Dematerialization, Share Transfer, Non-receipt of Balance Sheet, Dividend Warrants etc.

Shri Kalyanbhai J. Shah, Chairman and Shri Janak G. Nanavaty Director are the Members of the Committee.

The Company received no complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2012. Shri Kalyanbhai J. Shah, Managing Director is the Compliance Officer for the above purpose.

SANTARAM SPINNERS LIMITED**6. GENERAL BODY MEETINGS:**

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2008-09	30-09-2009	12 Noon	259, New Cloth Market, O/s. Raipur Gate, Ahmedabad - 380 002.
2009-10	29-09-2010	12 Noon	259, New Cloth Market, O/s. Raipur Gate, Ahmedabad - 380 002.
2010-11	19-09-2011	12 Noon	259, New Cloth Market, O/s. Raipur Gate, Ahmedabad - 380 002.

Pursuant to the provisions of Section 192 A of the Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.

7. DISCLOSURES:

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

8. MEANS OF COMMUNICATIONS:

- a) In compliance with the requirements of the Listing Agreement, the Company is regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are displayed on Website and are not sent individually to the Shareholders.
- b) During the year ended on 31st March, 2012, no presentation was made to Institutional Investors or analyst or any other enterprise.
- c) Management Discussion and Analysis form part of the Annual Report.

9. SHAREHOLDERS' INFORMATION:

- a) Registered Office : 259, 3rd floor, New Cloth Market, Outside Raipur Gate, Ahmedabad - 380 002
- b) Annual General Meeting : Day : Thursday
Date : 27th September, 2012
Time : 9.30 A.M.
Venue : 259, New Cloth Market, Raipur, Ahmedabad 380002
- c) Financial Calendar
1st Quarter Results : Mid August, 2012
Half-yearly Results : Mid November, 2012
3rd Quarter Results : Mid February, 2013
Audited yearly Results : Mid-May, 2013
- d) Book Closure Dates : From: Thursday, the 20th Sept, 2012
To: Thursday, the 27th Sept, 2012
(Both days inclusive).
- e) Dividend Payment Date : Not applicable

f) Listing of Shares on Stock Exchanges : 1. Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers, Dalal Street, Fort,
Mumbai - 400 001.

g) Stock Exchange Code : Stock Exchange Code
BSE 531323

h) Stock Price Data The shares of the Company have been traded at Bombay Stock Exchange during 1st April, 2011 to 31st March, 2012, the details of Stock Price Data during that period are submitted as below.

Month	Open Price	High Price	Low Shares	Close	No.of
Apr 11	3.57	3.97	3.44	3.70	20,042
May 11	3.54	3.89	2.72	2.99	16,348
Jun 11	2.85	3.00	2.25	2.42	28,513
Jul 11	2.54	3.70	2.54	3.54	21,392
Aug 11	3.58	4.72	3.06	4.72	62,571
Sep 11	4.49	4.85	3.62	3.68	49,875
Oct 11	3.86	3.92	3.29	3.29	38,826
Nov 11	3.15	3.29	2.65	2.70	41,385
Dec 11	2.80	2.80	1.58	1.58	34,799
Jan 12	1.51	2.02	1.51	1.87	19,508
Feb 12	1.81	3.17	1.81	2.86	35,078
Mar 12	3.00	3.97	3.00	3.10	44,029

I) Registrar and Share Transfer Agents:

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CI R-18/2003 dated 12th February, 2003, on appointment of common agency for share registry work, the Company has appointed the below mentioned agency as Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:

M/s. Link Intime India Pvt. Ltd. (Previously Intime Spectrum Registry Ltd.)

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,

L.B.S.Marg, Bhandup (West)

Mumbai-400078

Telephone Nos.: (079) 2646 5179 Fax No.: (079) 2646 5179

E-mail Address: ahmedabad@linkintime.co.in

303, Shopper's Plaza-V

Opp. Municipal Market,

Off. C.G.Road, Navrangpura,

Ahmedabad-380009

SANTARAM SPINNERS LIMITED**j) Share Transfer System:**

The transfer of shares in physical form is processed and completed by M/s. Link Intime India Pvt. Ltd. (formerly Intime Spectrum Reg. Ltd.) within a period of 15 days from the date of receipt thereof.

In case of Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

k) Distribution of Shareholding as on 31st March, 2012:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Up to 500	2948	85.74	721256	12.16
501 to 1000	209	6.07	174926	2.83
1001 to 2000	107	3.11	166839	2.70
2001 to 3000	51	1.48	134645	2.18
3001 to 4000	33	0.95	116575	1.88
4001 to 5000	22	0.63	103514	1.67
5001 to 10000	24	0.69	184306	2.98
10001 to Above	44	1.27	4542339	73.56
Grand Total	3438	100.00	6174400	100.00

i) Category of Shareholders as on 31st March, 2012:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	2,77,73,601	44.91
Financial Institutions	-	-
Banks	-	-
Mutual Fund	-	-
Bodies Corporate	89,356	1.45
NRI's	2,15,303	3.49
Public	30,96,987	50.15
Grand Total	61,74,400	100.00

m) Outstanding GDRs / ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares: The Company has entered into Shares Agreement with NSDL/CDSL for Dematerialisation of Shares. As on 31st March, 2012 a total of 45,17,891 Shares of the Company which form 73.173% of the Share Capital of the Company stands dematerialized.

10. PLANT LOCATIONS:

Survey No. 1433, Near Rajpur Bus Stand,
Taluka:Kadi, Dist: Mehsana (N. Guj.)

11. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form:

Link Intime India Pvt. Ltd.**(formerly Intime Spectrum Registry Ltd.)**C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West) Mumbai-400078

Or

303, Shopper's Plaza-V, Opp. Municipal Market,
Off. C.G.Road, Navrangpura, Ahmedabad-380009

Telephone Nos. : (079) 2646 5179

Fax No. : (079) 2646 5179

e-mail ID: ahmedabad@linkintime.co.in.

For any assistance regarding Correspondence dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares:

Registered Office : 259, 3rd floor, New Cloth Market,
Outside Raipur Gate, Ahmedabad - 380 002.

Telephone Nos. : (079) 2216 7030, 22167040

Fax No. : (079) 2217 0077

E-mail address : santaramltd@gmail.com

Website : www.santaramspinnners.com

Compliance Officer : Mr. Kalyan J Shah Managing Director.

Place: Ahmedabad

Date: 4th August, 2012.

For and on behalf of the Board,

Sd/-

Fenil R. Shah
Director

Sd/-

Kalyan J. Shah
Director**AUDITORS' CERTIFICATE****To the Members of Santaram Spinnners Limited, Ahmedabad**

We have examined the compliance of conditions of corporate governance by M/S, **SANTARAM SPINNERS LIMITED**, for the year ended on 31st March, 2012 as stipulated in clause 49 of the listing agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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 the representations made by the directors and the management, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

As per representation received from the Registrars and Share Transfer Agents of the Company, we state that as per records maintained by the Shareholders/Investors Grievance committee, no investor grievance remaining unattended / pending for more than 30 days.

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

For, R R S & ASSOCIATES**Chartered Accountants****RAJESH R SHAH Partner****Membership Number: 34549**

Place: Ahmedabad

Date : 04-08-2012

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

The scenario of the textile industry is changing from time to time as change in the Indian Economy level. However, at present small scale cotton growers are not often able to protect themselves against the fluctuations in the market prices. . In addition, with a lower degree of investment in cotton growing infrastructure in these countries, growers face lower switching costs. Thus, your Company is in the process of changing its activities to give boost to its cotton ginning & export activity.

b. Opportunities and Threats:

Opportunities

- ↓ Large, Potential Domestic and International Market
- ↓ Market is gradually shifting towards Branded Readymade Garments.
- ↓ Greater Investment and Foreign Direct Investment opportunities are available.
- ↓ Increased Disposable Income and Purchasing Power of Indian Customer opens New Market Development.
- ↓ Emerging Retail Industry and Malls provide huge opportunities for the Apparel, Handicraft and other segments of the industry.

Threats

- ↓ Competition from other developing countries, especially China.
- ↓ Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
- ↓ Elimination of Quota system will lead to fluctuations in Export Demand.
- ↓ Threat for Traditional Market for Power loom and Handloom Products and forcing them for product diversification.
- ↓ Geographical Disadvantages.
- ↓ International labor and Environmental Laws.

c. Segment wise Performance:

The Company has identified its activities as single segment. Hence, the Company's performance is to be viewed as a single segment company operating in textile industry.

d. Recent Trend and Future Outlook:

With the increasing trend in the cotton ginning and export of variety cotton and with the implementation of expansion project in cotton ginning business, it will provide new dimension to the working. The Company has made the four times profit during the year & the Company has also expanding its business by exporting materials to other countries.

e. Risks and Concerns:

Like any other industry, the textile industry is also exposed to risk of competition, government

policies, natural factor etc. As the Company is exporting raw materials/ finished product, the Company has risk on account of Exchange Rate fluctuations. The Company has taken necessary measures to safeguard its assets/interests etc.

f. Internal Control Systems and their Adequacy:

The Company has proper and adequate system of Internal Controls to ensure that all the assets are safeguarded, protected as against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly. The Company conducted the audit of various departments through an independent internal auditor. The views of the statutory auditors are also consider to ascertain the adequacy of the internal control system

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2011-12 is described in the Directors' Report under the head 'Production, Sales and Working Results'.

h. Material Developments in Human Resources and Industrial Relations Front:

Your Company has undertaken certain employees' development initiatives which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

i. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

Place: Ahmedabad
Date: 04-08-2012.

For and on behalf of the Board,

Sd/-	Sd/-
Fenil R. Shah	Kalyan J. Shah
Director	Director

AUDITORS' REPORT

To,
The Shareholders of
SANTARAM SPINNERS LTD,

1. We have audited the attached Balance Sheet of Santaram Spinners Limited as at 31st March 2012 and also the statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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 (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India, and on the basis such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the annexure, a statement on the matters specified in 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 purpose 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss account and Cash-Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st March, 2012, and taken on record by the Board of Directors of the Company, we report that none of the directors is disqualified as on 31st March, 2012, from being appointed as directors 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 with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and subject to 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, the profit of the Company for the year ended on that date and
 - iii. in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**For, R R S & ASSOCIATES
Chartered Accountants**

Sd/-

**Place: Ahmedabad
Date : 30-5-2012**

**RAJESH R. SHAH Partner
Membership Number : 34549**

ANNEXURE TO THE AUDITORS' REPORT : 2011-12
(Referred to in paragraph 3 of our report of even date)

- a) The Company has maintained proper records showing full particulars of quantitative details and situation of fixed assets.
 - b) The Fixed Assets have been physically verified by the management during the year. We have also been informed that no material discrepancies were noticed on such verification.
 - c) According to information and explanations given to us, during the year, Company has not disposed of any substantial/major part of fixed assets.
 - d) As explained to us, the inventory has been physically verified at the year-end by the management. We rely on the frequency of verification and stocks physically verified by the management.
 - e) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - f) In our opinion and according to the information and explanations given to us and on the basis of our examination of the stock statements of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
- I. According to the information and explanations given to us, the Company has not taken unsecured loan from any party listed in the Register maintained u/s.301 of the Companies Act 1956 as detailed below:
 - a) The maximum amount involved during the year was NIL (P.Y. Rs. 267712/-) and the year-end balance of loans taken from such party was NIL (P.Y. Rs. 267712/-)
 - b) In our opinion and according to the information and explanation given to us, the rate of interest, wherever applicable and other terms & conditions are prima facie not prejudicial to the interest of the Company.
 - c) In our opinion and according to the information and explanation given to us, the interest payments are regular and the principal amount is repayable on demand.
 - II. According to the information and explanations given to us, the Company had not given any amount in the nature of loan to parties listed in the Register maintained u/s.301 of the Companies Act 1956. So other information under this Para is not required.
 - III. In our opinion and according the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
 - IV. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956,
 - a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 have been so entered.

- b) According to the information and explanations given to us, there were no transactions in excess of Rs. 5 lakhs in respect of any party entered in register maintained under section 301 of the companies Act.
- V. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public hence the question of complying with the provisions of section 58A and 58AA of the Companies Act, 1956 and rules there under does not arise.
- VI. In our opinion, the Company has an in-house internal audit system, being carried out by Audit Team, commensurate with the size and nature of its business. However, it needs to be further strengthened.
- VII. 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 Company Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate or complete.

VIII.

- a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Excise Duty, Cess and other Statutory dues with the appropriate authorities during the year. As inform to us Provident Fund is not applicable to the Company.
- b) According to the information and explanations given to us and the records of the Company examined by us, there is no undisputed statutory due at the year end outstanding for more than 6 months from the date they become payable.
- c) According to the records of the Company and information and explanations given to us, there is no disputed dues at the year end, except as mention hereunder, which have been not deposited on account of disputes are as under:

Name of the statute	Nature of dues	Amount Rs.	Period to which amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax Demand	36189/-	1993-94	Sales Tax Tribunal
Income Tax Act	Income Tax Demand	223046/-	A. Y. 2008-09	Income Tax Tribunal

- IX. The company does not have accumulated losses as at the end of the year and the company has not incurred cash losses during current and the immediately preceding financial year.
- X. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions and banks,
- XI. 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.
- XII. The provisions of any Special Statute applicable to Chit Funds, Nidhi or mutual Benefit Fund/ Societies are not applicable to the company.

SANTARAM SPINNERS LIMITED

- XIII. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
- XIV. According to the information and explanations given to us, the company has not given any guarantee for loan taken by others from Banks or Financial Institutions.
- XV. The Company has not availed any term loan during the year hence question of application of term loan does not arise.
- XVI. According to the information and explanations given to us and on an overall examinations of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the Company and vice versa.
- XVII. The Company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the companies Act 1956, during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- XVIII. According to the information and explanations given to us and the records examined by us, no debentures have been issued hence question of creating security does not arise.
- XIX. The company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of money does not arise.
- XX. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and to the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year, nor we have been informed of such case by the management.

**For, R R S & ASSOCIATES
Chartered Accountants**

Sd/-

**RAJESH R. SHAH Partner
Membership Number : 34549**

Place: Ahmedabad

Date : 30-5-2012

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note NO.	Rs. As At 31.3.2012	Rs. As At 31.3.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	61,530,000	61,530,000
(b) Reserves and Surplus	2	49,794,672	48,885,367
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	3,124,592	3,075,690
(3) Current Liabilities			
(a) Short-term borrowings	4	85,365,309	61,487,184
(b) Trade payables	5	48,783,803	4,740,169
(c) Other current liabilities	6	44,751,598	49,340,412
(d) Short-term provisions	7	2,505,388	1,092,959
Total		295,855,362	230,151,781
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	41,472,712	32,955,147
(ii) Capital work-in-progress (Building)		246,563	-
(b) Non-current investments	9	909,275	909,275
(c) Long term loans and advances	10	1,232,094	1,232,094
(d) Other non-current assets	10	5,368,716	5,368,716
(2) Current assets			
(a) Inventories	11	89,137,040	58,428,029
(b) Trade receivables	12	124,488,954	74,439,236
(e) Cash and cash equivalents	13	18,412,622	41,231,533
(f) Short-term loans and advances	14	13,116,620	13,872,605
(g) Other current assets	15	1,470,765	1,715,146
Total		295,855,362	230,151,781

As per our annexed report of even date.
For R R S & ASSOCIATES
Chartered Accountants
FR No.118336W

Sd/-
CA. RAJESH R SHAH
Partner
M.NO: 34549
PLACE : AHMEDABAD
DATE : 30.05.2012

Sd/-
KALYAN SHAH
DIRECTOR

For and on behalf of Board of
Santaram Spinners Ltd.

Sd/-
FENIL SHAH
DIRECTOR

PLACE : AHMEDABAD
DATE : 30.05.2012

SANTARAM SPINNERS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-3-2012

PARTICULARS	Note. NO.	Rs. As At 31.3.2012	Rs. As At 31.3.2011
I. Revenue from operations	16	853,813,802	803,816,265
II. Other Income	17	427,011	1,171,736
III. Total Revenue (I +II)		854,240,813	804,988,001
IV. Expenses:			
Cost of materials consumed	18	538,317,315	275,227,418
Purchase Cost of Stock in Trade	19	296,452,786	479,401,711
Changes in inventories of finished goods and Stock-in-Trade	20	(24,721,226)	16,909,514
Employee benefit expense	21	1,208,835	930,010
Financial costs	21	3,439,154	2,801,269
Depreciation and amortization expense	8	1,295,655	438,400
Other expenses	23	36,620,098	27,183,051
Total Expenses		852,612,618	802,891,373
V. Profit before tax (III - IV)		1,628,195	2,096,628
VI. Tax expense:			
(1) Current tax		600,000	470,000
(2) Short Excess Provision of Earlier years		69,989	-
(3) Deferred tax		48,902	(3,663)
VII. Profit/(Loss) for the period (XI + XIV)		909,304	1,630,291
VIII. Earning per equity share:			
(1) Basic		0.15	0.26
(2) Diluted		0.15	0.26

As per our annexed report of even date.
For R R S & ASSOCIATES
Chartered Accountants
FR No.118336W

For and on behalf of Board of
Santaram Spinners Ltd.

Sd/-
CA. RAJESH R SHAH
Partner
M.NO: 34549
PLACE : AHMEDABAD
DATE : 30.05.2012

Sd/-
KALYAN SHAH
DIRECTOR

Sd/-
FENIL SHAH
DIRECTOR

PLACE : AHMEDABAD
DATE : 30.05.2012

**Cash Flow Statement for the year ending on 31-3-2012
(pursuant to Clause 32 of the listing agreement)**

PARTICULARS	2011-12 Rs in Lacs	2010-11 Rs in Lacs
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	16.28	20.79
a Dividend & Interest received	-4.20	9.15
b Loss/(Profit) on Sale of FA	-0.07	2.48
Net Profit /Loss before tax & extra ordinary items & Non cash expenses	12.01	65.48
Adjustment for		
a Interest	34.39	28.01
b Depreciation	12.96	4.38
Operating Profit / Loss before Working Capital Changes	59.36	97.87
Adjustment for		
a Trade & Other Receivables	-491.66	77.78
b Inventories	-307.09	13.70
c Trade Payables	407.77	-244.52
	-390.98	-153.04
Cash Flow before extraordinary items	-331.62	-55.17
a Prior Period Income	0.36	0
b Income Tax Paid	-4.70	0.28
Net Cash Flow from Operation Activities	-335.96	-55.44
[B] CASH FLOW FROM INVESTING ACTIVITIES		
a Purchase of Fixed Assets	-98.56	-22.41
b Capital work in progress	-2.47	0
c Sale of Fixed Assets	0.50	2.60
d Dividend & Interest Received	3.84	0.06
e Profit on the sale of Fixed Assets	0.07	0
Net Cash Flow from Investing Activities	-96.62	15.81
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-34.39	-28.01
Secured & Unsecured Loans	238.78	303.67
Net Cash Clow from Financing Activities	204.39	275.66
Net Increase / (Decrease) in Cash	-228.19	236.03
Opening Balance of Cash & Cash Equivalents	412.32	176.29
Closing Balance of Cash & Cash Equivalents	228.19	412.32

Notes Forming Part of Accounts
As per our annexed report of even date.
For R R S & ASSOCIATES
Chartered Accountants
FR No.118336W

For and on behalf of Board of
Santaram Spinners Ltd.

SANTARAM SPINNERS LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH 2012

A. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

i) ACCOUNTING CONCEPT:

- a. These accounts are prepared on the historical cost convention and on the accounting principle of a going concern.
- b. Accounting policies not specifically referred to otherwise be consistent and in consonance with generally accepted accounting principle.

ii) RECOGNITION OF INCOME AND EXPENDITURE

Company accounts Incomes and Expenses on accrual basis in accordance with the generally accepted accounting principles except dividend which are accounted on cash basis.

iii) USE OF ESTIMATES

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and 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 are known/materialized.

iv) FIXED ASSETS & DEPRECIATION

The Gross Block of Fixed Assets is shown at historical cost, which includes taxes and other identifiable direct Expenses, less impairment loss. The cost of fixed assets includes the cost of acquisition including freight, taxes, duties and other identifiable direct expenses, except otherwise specifically excluded and expressed by way of note, attributable to acquisition of assets up to the date the asset put to use less the accumulated depreciation on it.

Depreciation is provided on Straight-line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. The depreciation on addition / disposal is provided pro-rate basis.

v) SALES / TURNOVER

Sales are recognized, net of returns, on dispatch of goods to customers the satisfaction of the customer and are reflected in the accounts at net value.

vi) INVESTMENT

Investments are carried at cost. They are long-term investment: The fall in value being temporary in nature, no provision is made for diminution in value.

vii) INVENTORY

Inventories are valued on FIFO basis at lower of cost or market price except cotton waste and scrap material, which are shown at Net Realizable Value.

vii) TREATMENT OF RETIREMENT BENEFITS

1. Short Term Employee Benefits: The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employee is recognized during the period when the employee render the service.
2. Post Employee Benefits: Contribution to defined contribution scheme such as provident fund etc. is charged to P&L Account as incurred.

viii) TAXATION

Tax liabilities of the company are estimated considering the provision of the I.T. Act, 1961. The deferred tax Liability for timing difference between the book and tax profit for the year is accounted using the rates and Tax Laws that have been enacted or substantially enacted at the balance sheet date. Deferred Tax assets arising from the timing difference are recognized to the extent that there is reasonable certainty that sufficient future taxable income will be available.

translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account.

x) CONTINGENT LIABILITIES

Contingent liabilities are not provided for (unless otherwise stated) and are disclosed by way of notes on account, if any.

SANTARAM SPINNERS LIMITED

NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS ACCOUNT

Note No	PARTICULARS	31st March, 2012 Amount (Rs)	31st March, 2011 Amount (Rs)
1	Share Capital		
	Equity Share Capital		
	Authorised Share capital (75,00,000 Equity Shares of Rs 10/- each)	75,000,000	75,000,000
	Issued Share Capital (61,74,400 Equity Shares at Rs 1/- each)	61,744,000	61,744,000
	Subscribed & fully paid share capital 61,74,400 Equity Shares of Rs. 10/- each (Previous Year : 61,74,400)		
	Fully paid up including Bonus shares 964000 shares issued by capitalisation of Revaluation Reserve & 400000 shares by capitalisation of General Reserve	61,744,000	61,744,000
	Calls in Arrears	214,000	214,000
	Total	61,530,000	61,530,000
	ii) Reconciliation of the number of shares;		
	No. of Equity shares issued at the beginning of the period	61,774,400	61,774,400
	Add no. of Equity shares issued during the period	-	-
	Less no. of Equity shares bought back during the year	-	-
	No. of Equity shares at the end of the period	61,774,400	61,774,400
	ii) List of Shareholder holding more than 5% of shares	No of Shares	% of holding
	Kalyan Jayantilal Shah	767,400	12.43%
	Ashok Jayantilal Shah	483,500	7.83%
	Apurva Kalyanbhai Shah	420,304	6.81%
	Shailesh Manilal Thakkar	686,000	11.11%
2	Reserves and Surplus		
	Capital Reserves	3,299,308	3,299,308
	Securities Premium Reserves	38,376,200	38,376,200
	Profit & Loss account		
	OPENING BALANCE	7,209,859	5,579,568
	ADDITION DURING THE YEAR	909,304	1,630,291
	TRANSFERRED TO RESERVES AND SURPLUS	8,119,164	7,209,859
	Total	49,794,672	48,885,367

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Note No	PARTICULARS	31st March, 2012 Amount (Rs)	31st March, 2011 Amount (Rs)
3	Deferred Tax Liability		
	Balance as per last year	3,075,690	3,079,353
	Add: Provided during the year	48,902	(3,663)
	Total	3,124,592	3,075,690
4	Short-term borrowings		
	Secured		
	CASH CREDITS/OVERDRAFTS		
	From Union Bank of India (Secured against Hypo. of Stock of Company)	73,229,006	61,186,537
	From Union Bank of India (Secured against Hypo. of Stock of Company)	12,130,603	535
	Unsecured		
	Inter Corporate Loans		22,000
	Loans From Directors	5,700	278,112
	Total	85,365,309	61,487,184
5	Trade Payables - Current		
	Unsecured and considered good	48,783,803	4,740,169
	Total	48,783,803	4,740,169
6	Other current liabilities		
	Other payables (Advances for Goods) Unsecured and considered good	44,751,598	49,340,412
	Total	44,751,598	49,340,412
7	Short-term provisions		
	Provision for Income Tax	600,000	560,400
	Provision for the Expenses	804,947	355,881
	Provision for the Service Tax	(1,704)	22,866
	VAT/CST Payable	955,837	-
	Provision for Tax Deducted at Source	146,308	153,812
	Total	2,505,388	1,092,959

SANTARAM SPINNERS LIMITED

NOTE-8 : FIXED ASSETS

Depreciation of Assets	Gross cost as on 14.2011	Addition during the year	Deduction During the year	Cost as on 31.3.2012	Balance As on 14.2011	Dep. for the year	Deduc. during the year	Total upto 31.3.2012	As at 31.3.2012	As at 31.3.2011
Land										
(Free Hold)	1,871,954	-	-	1,871,954	-	-	-	-	1,871,954	1,871,954
Building	11,931,054	2,720,654	-	14,651,718	4,501,969	421,091	-	49,23,059	9,728,659	7,429,095
Quarter Building	1,411,460	-	-	1,411,460	82,009	47,143	-	1,29,152	1,282,308	1,329,451
Plant & Machinery	46,491,744	5,513,591	6,19,049	53,385,286	30,169,525	97,184	5,75,020	296,90,789	23,895,497	18,322,219
Electric Installation	1,352,659	327,445	-	1,680,104	952,952	101,257	-	10,54,209	625,895	399,707
Furniture & Fitting	1,380,938	-	-	1,380,938	946,147	87,413	-	10,33,561	347,377	434,791
Furniture & Fitting - New office	1,610,546	-	-	1,610,546	87,516	101,948	-	1,89,463	1,421,083	1,523,031
Vehicle	3,918,584	1,182,559	-	5,081,143	2,577,848	387,443	-	29,65,091	2,116,052	1,340,936
Office Equipments	512,826	89,050	-	601,876	267,313	40,622	-	3,07,935	293,941	245,513
Computer New	61,730	43,050	-	104,780	3,282	11,554	-	14,837	89,943	58,448
Computer	645,973	-	-	645,973	645,973	-	-	6,45,973	-	-
Total	73,189,478	9,855,349	6,19,049	82,426,778	40,234,331	1,295,655	5,75,920	409,54,066	41,472,712	32,955,147
Previous Year	71,643,568	2,240,980	6,95,070	73,189,478	40,479,042	4,38,400	6,83,111	402,34,331	32,955,147	31,164,526

Note No	PARTICULARS	31st March, 2012 Amount (Rs)	31st March, 2011 Amount (Rs)
9	Non-current investments Investments in Equity instruments		
	UNQUOTED		
	4100 (PY 4100) Equity shares of Rs. 10 each of Jayatma Comtex Pvt. Ltd.	41,000	41,000
	2000 (PY 2000) Equity shares of Rs. 25/- each of Nutan Nagrik Sahkari Bank Ltd.	50,275	50,275
	QUOTED		
	900 (PY 900) Equity shares of Rs 10/- each of Gujarat State Finance Corporation Ltd.	18,000	18,000
	20000 (20000) Equity Shares of Rs.40 each of Jayatma Spinners Ltd.	800,000	800,000
	Total	909,275	909,275
10	Long Term Loans and Advances Unsecured considered good		
	Capital Advances	482,094	482,094
	Other loans and advances	750,000	750,000
	Long Term Loans and Advances	1,232,094	1,232,094
	Other Non Current Assets		
	Security Deposits	5,368,716	5,368,716
	Total	5,368,716	5,368,716

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Note No	PARTICULARS	31st March, 2012 Amount (Rs)	31st March, 2011 Amount (Rs)
11	Inventories		
	Raw materials	43,935,752	38,558,745
	Finished Goods	14,574,202	8,798,432
	Stock of Trading goods	29,983,877	11,038,422
	Stores and spares	643,210	32,430
	Total	89,137,040	58,428,029
12	Trade receivables		
	Unsecured and considred good	124,488,954	74,439,236
	Total	124,488,954	74,439,236
13	Cash and cash equivalents		
	Balances with banks	15,343,995	38,951,716
	Cash on hand	3,068,627	2,279,817
	Total	18,412,622	41,231,533
14	Short term loans and advances		
	Unsecured Considred Good		
	Giriraj Cotton Ltd	13,100,000	13,871,835
	Advances to other parties	16,620	770
	Total	13,116,620	13,872,605
15	Other Current Assets		
	TDS Receivable	134,270	205,411
	TCS	87,009	33,654
	Prepaid Insurance	84,248	36,184
	Prepaid Expenses	23,333	11,333
	DEPB Licence Income Receivable	563,297	-
	Other Current Assets	578,608	1,428,565
	Total	1,470,765	1,715,147
16	Revenue from Operations		
	Revenue from - Sale of products As per note A Below	850,020,482	801,971,022
	Other operating revenues	3,793,320	1,845,243
	Total	853,813,802	803,816,265
	(A):		
	Domestic sales	588,304,247	699,867,233
	Export sales	261,716,235	102,103,789
	Total	850,020,482	801,971,022

SANTARAM SPINNERS LIMITED

Note No	PARTICULARS	31st March, 2012 Amount (Rs)	31st March, 2011 Amount (Rs)
17	Other Income		
	Dividend income	6,045	6,045
	Net gain/ loss on sale of investments/Assets	6,871	248,042
	Other non-operating income (net of expenses directly attributable to such income)	414,095	917,649
	Total	427,011	1,171,736
18	Raw Material Consumption		
	Opening Stock	38,558,745	22,573,764
	Add: Purchase of Raw Material	543,694,322	291,212,399
	Closing Stock	43,935,752	38,558,745
	Total	538,317,315	275,227,418
19	Purchase cost of Stock In Trade		
	Purchases	296,452,786	479,401,711
	Total	296,452,786	479,401,711
20	INCREASE/DECREASE IN STOCK OF FINISHED GOODS and Stock in Trade		
	Opening Stock		
	Single Yarn	8,226,526	8,604,844
	Bales Cloth	571,906	-
	Work In Progress	-	374,197
	Trading Goods	11,038,421	27,767,326
	Total	19,836,853	36,746,367
	Closing Stock		
	Single Yarn	8,191,660	8,226,526
	KHOL	5,547,726	-
	Bales Cloth	-	571,906
	Raw Oil	834,816	-
	Trading Goods	29,983,877	11,038,421
	Total	44,558,079	19,836,853
	Increase or Decrease in Stock	24,721,226	(16,909,514)

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Note No	PARTICULARS	31st March, 2012 Amount (Rs)	31st March, 2011 Amount (Rs)
21	Employee Benefits Expense		
	Salaries and wages	632,935	554,260
	Directors Sitting Fees / Remuneration	368,250	375,750
	Staff Welfare Exp	207,650	-
	Total	1,208,835	930,010
22	Finance Costs		
	Total Interest expenses	3,324,586	2,300,443
	Other borrowing costs	114,568	500,826
	Total	3,439,154	2,801,269
23	Other Expenses		
	Consumption of stores and spare parts	424,375	445,232
	Power and fuel	1,201,925	54,750
	Job charges	10,047,660	5,734,005
	Commission and Brokerage Exp (NET)	1,067,516	1,071,470
	Repairs to buildings & Others	731,681	151,384
	Repairs to machinery	230,673	35,696
	Sundry Debit Balances Written off (NET)	-	5,631,827
	Other Manufacturing Expenses	4,686,237	3,773,781
	Administrative Expenses	7,402,479	4,149,362
	Selling And Distribution Expenses	463,778	623,003
	Export Expenses	9,840,841	5,176,583
	Insurance Expenses	408,183	283,841
	Rates and Taxes, excluding taxes on income	114,750	52,117
	Total	36,620,098	27,183,051
24	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities		
	Sales Tax Demand (Pending before Sales tax Tribunal for the Financial year 1993-1994)	36,189	36,189
	Income tax Demand (Pending before Income tax Tribunal for the Financial year 2007-2008)	223,046	0
	Total	259,235	36,189

SANTARAM SPINNERS LIMITED

Note No	PARTICULARS	31st March, 2012 Amount (Rs)	31st March, 2011 Amount (Rs)
25	Earning Per Share		
	Profit Attributable to Equity Shareholder (Rs)	909,304	1,630,291
	Basic/ Weighted average number of equity shares outstanding during the year	6,174,400	6,174,400
	Nominal Value of Equity Share (Rs)	10	10
	Basic / Diluted EPS (Rs)	0.15	0.26

26	Related Party Disclosure during the year		Transaction during the year 2011-12
	Related Party Disclosures under Accounting Standard 18:		
	Name of the related party and their relation		
	Name of Related Party		
	Giriraj Cotton Ltd.	Common Director	
	Jayatma Spinners Ltd.	Common Director	
	Transactions:		
	Name of Related Party	Nature of Transaction	Amount
	Giriraj Cotton Ltd.	Purchases	140575234
	Giriraj Cotton Ltd.	Sales	1008334
	Giriraj Cotton Ltd.	Job Charges	10047660

OTHER OPERATING REVENUES	2011-12	2010-11
BALES/ CASH DISCOUNT	112,012	294,877
Sauda Diff Income	-	150,000
COMMISSION AND BROKERAGE	26,720	217,958
DUTY DRAWBACK	1,099,278	273,395
DEPB LICENSE INCOME	563,297	-
INTEREST INCOME	920,458	909,013
LICENCE INCOME	1,071,555	-
TOTAL	3,793,320	1,845,243

ANNUAL REPORT 2011-2012

Other non-operating income (net of expenses directly attributable to such income)	2011-12	2010-11
Other income	-	6,372
Insurance Claim Income	-	515,540
Prior Period Incomes	36,095	17,737
Rent Income	378,000	378,000
TOTAL	414,095	917,649
Stores & Packing Material	2011-12	2010-11
Opening Stock	32,430	477,662
Add: Purchase of Stores	1,035,155	-
Closing Stock	643,210	32,430
Cost Stores & Packing Material	424,375	445,232
Other manufacturing expenses (other expenses)	2011-12	2010-11
Factory Expenses	39,830	172,401
Security Expenses	160,545	144,000
Freight & Labour	3,315,976	2,270,605
Quality/ Sample test Claim Expense	835,484	1,042,630
Other Manufacturing Expenses/ Market Cess	334,402	144,145
Other manufacturing expenses	4,686,237	3,773,781
Other Administrative Expenses	2011-12	2010-11
Travelling & Conveyance	2,109,527	1,317,780
Annual Fees and Subscription	1,114,914	52,635
Vehicle Expenses/ Petrol	409,519	331,095
Communication Expense	196,545	268,310
Postage, Stationary & Printing	128,718	64,109
Legal & Professional Expense	1,649,142	566,705
Stamp Charges/ ROC	6,500	140,500
Audit Fees	82,725	82,725
Donation	8,600	100,000
Office Expenses	1,109,665	506,444
Electricity	83,001	101,107
Kasar & Vata	64,181	338,441
Other Misc Office Expenses	439,441	279,512
Other Administrative Expenses	7,402,479	4,149,362

SANTARAM SPINNERS LIMITED

Other Selling and Distribution Expenses		
	2011-12	2010-11
Advertising	30,775	26,230
Marketing & Sales Promotion Expense	433,003	596,773
Other Selling and Distribution Expenses	463,778	623,003
Rates and Taxes, excluding taxes on income		
	2011-12	2010-11
Service Tax Exp	112,350	52,117
Professional Tax	2,400	-
Rates and Taxes, excluding taxes on income	114,750	52,117
Other Current Assets		
	2011-12	2010-11
VAT Receivable	-	565,302
Insurance Claim Receivable	-	515,540
CIT Appeal Self Assessment Tax	546,198	314,663
Self Assessment (MAT)	-	27,500
TDS Receivable Earlier years	32,410	5,560
Total	578,608	1,428,565

As per our annexed report of even date.
 For R R S & ASSOCIATES
 Chartered Accountants
 FR No.118336W

For and on behalf of Board of
 Santaram Spinners Ltd.

Sd/-
CA. RAJESH R SHAH
 Partner
 M.NO: 34549
 PLACE : AHMEDABAD
 DATE : 30.05.2012

Sd/-
KALYAN SHAH
 DIRECTOR

Sd/-
FENIL SHAH
 DIRECTOR

PLACE : AHMEDABAD
 DATE : 30.05.2012

SANTARAM SPINNERS LIMITED

Registered Office : 259, 3rd floor, New Cloth Market,
Outside Raipur Gate, Ahmedabad - 380 002.

ATTENDENCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg. Folio No./DPID-CLINT ID : _____

I hereby record my presence at the Annual General Meeting of the Company held at 259, 3rd Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad-380002 on the 27th Day of September, 2012 at 9.30 A.M.

Full Name of the Members/Proxy _____

(In Block Letters, to be filled in if the proxy attends instead of the Member)

Application to the members holding shares in electronic form.

Members/ Proxy Signature _____

Notes :

1. This meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

SANTARAM SPINNERS LIMITED

Registered Office : 259, 3rd floor, New Cloth Market,
Outside Raipur Gate, Ahmedabad - 380 002.

FORM OF PROXY

I/We _____

of _____ in the district of _____

being a member(s) of the above named Company hereby appoint _____

of _____ in the district of _____

or failing him _____

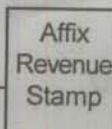
of _____ in the district of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Thursday, the 27th September, 2012 and at any adjournment thereof.

Regd. Folio No./DP ID - CLIENT ID : _____

Signed this _____ day of _____ 2012.

Signature _____



N.B.: This proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

**BOOK-POST
PRINTED MATTER**

If undelivered, please return to:
SANTARAM SPINNERS LIMITED
259, 3rd floor, New Cloth Market,
Outside Raipur Gate,
Ahmedabad - 380 002
