
29TH
ANNUAL REPORT
2012-2013

SANTARAM SPINNERS LIMITED

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NOTICE

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

Date : 21ST September, 2013
Day : Saturday
Time : 09.30 AM.
Place : 259, New Cloth Market,
Outside Raipur Gate, Ahmedabad-380002

To transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt Audited profit and Loss Account for the year ended 31st March, 2013 and the balance Sheet as on that date along with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Fenil R. Shah, 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.

Registered Office:

259, 3rd Floor, New Cloth Market
Outside Raipur Gate,
Ahmedabad-380002

Date: 12th August, 2013

By order of the Board

Sd/-
Fenil R Shah
(Director)

Sd/-
Kalyan J Shah
(Managing Director)

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 14TH September, 2013, Saturday to 21ST September, 2012 Saturday (both days inclusive).
3. The Company has appointed M/s. Link Intime India Pvt. Ltd as its Registrars and Share Transfer Agents 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 R&T.

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 Agents (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	Fenil R. Shah
Date of Birth	21-04-1965
Qualification	B.Com.
Expertise	Advisor
Director of the Company Since	22-04-2002
Directorship in other Public limited Companies	One
Membership of Committees of other Public Limited Companies	No
No. of Shares held in the Company	NIL

Registered Office:

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Ahmedabad-380002

Date: 12th August, 2013

By order of the Board

Sd/-
Fenil R Shah
(Director)

Sd/-
Kalyan J Shah
(Managing Director)

OUR GOAL AND VISION

OUR GOAL

Our goal is to consolidate our position as one of the leading manufacturers of cotton, with an accent on future projections to achieve a strong profitability.

In a span of 15 years of concerted efforts, the foundations are firmly set. Today Santaram Spinners Limited is one single family of about 150 strong dedicated and motivated workforces striving towards enviable success and a brighter future.



LOOKING AHEAD

In this Annual Report, we have shared information and made forward looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. Such and other statements - written and oral - that we may periodically make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'intend', 'plan', 'project' or words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized although we believe we have been prudent in our assumptions. The actual results may be affected

because of uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialize or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, believed, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



KALYANBHAI J. SHAH
CHAIRMAN & MANAGING DIRECTOR
[12.08.2013]

OUR TEAM

Board of Directors

Mr. Kalyanbhai J. Shah Chairman & MD
Mr. Nirav K Shah
Mr. Pareshbhai R Shah
Mr. Janak G. Nanavaty
Mr. Fenil R. Shah



Auditors

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

Registrar and Share Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West) Mumbai- 400078

303 Shopper's Plaza-V
Opp. Municipal Market, Off: C.G. Road,
Navrangpura, Ahmedabad - 380



Bankers

Union Bank of India
Punjab National Bank
State Bank of India
Nutan Nagrik Sahakari Bank Limited

Company Information

SANTARAM SPINNERS LIMITED

Registered Office:

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

Our Facilities:

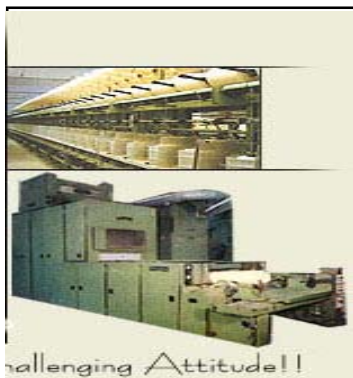
Survey No. 1433, Near Rajpur Bus Stand, Taluka:
Kadi, Dist: Mehsana (North Gujarat)

COMPANY PROFILE

We are single focused textile company managing in a responsible way. SANTARAM SPINNERS LIMITED is the flagship company of the renowned P. Jayantilal Group – pioneer traders in the business of cotton and blended yarns. Set up in 1988, SANTARAM SPINNERS LIMITED is engaged in the entire garment of the cotton textiles & cotton ginning.

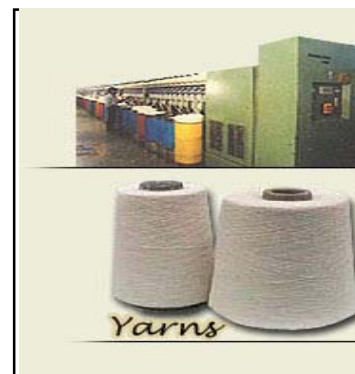


The expertise and approach gained have given SANTARAM SPINNERS LIMITED an insight into “Quality at all stages”. SANTARAM SPINNERS LIMITED is consistently increasing process efficiencies and people productivity. SANTARAM SPINNERS LIMITED is steadily increasing breadth and depth in the market place. Diligently identifying and striving to achieve key initiatives to improve and grow.



SANTARAM SPINNERS LIMITED has established markets for its products with a marketing network spread across the country. The company has its presence felt in the North, i.e. Punjab, Haryana, Delhi, Rajasthan. The western markets i.e. Madhya Pradesh, Maharashtra as well as Gujarat are also well penetrated. In the International market today SANTARAM SPINNERS LIMITED has an enterprising overseas network encompassing Thailand, South Korea, Hongkong, China, Vietnam and African nations

India enjoys being one of the world’s largest cotton producing nation capacity. This advantage together with a perceived market demand for cotton gives the company additional advantages of value added manufacture and an opportunity to capture new markets. Already Santaram Spinners Limited cotton is widely used in all types of Yarn products.



Performance of the Company (from FY 2009-10 to FY 2012-13)

Particulars	2012-13	2011-12	2010-11	2009-10
Operating results				
Revenue from operations	13659.57	8538.14	8022.44	3348.57
Other Income	6.05	4.27	36.07	8.85
Increase/decrease in stock	0.00	0.00	-231.33	250.46
Revenues	13665.62	8542.41	7827.18	3607.88
EXPENSES				
Direct & other Exp.	12933.86	8100.49	7592.66	3508.53
Gross Profit	731.76	441.92	234.52	99.35
Other Admin Exp.	565.32	378.29	181.33	69.54
Operating PBITD	166.43	63.63	53.19	29.81
Depreciation	19.25	12.96	4.38	3.91
Operating PBIT	147.19	50.67	48.80	25.91
Interest	90.51	34.39	28.01	4.77
Profit Before Tax	56.68	16.28	20.79	21.13
Taxation	23.15	7.19	4.66	0.34
Prior period items	5.56	0.00	0.00	0.00
Net Profit	27.97	9.09	16.13	20.80
Financial Position				
Equity Share Capital	615.30	615.30	615.30	615.30
Reserve and Surplus	525.92	497.95	488.85	472.55
Borrowings	1218.82	853.65	614.87	311.20
Net block of fixed asset	838.54	414.73	329.55	311.65
Working Capital				
Net Current assets	2632.97	2466.26	1958.05	1869.37
Net Current liabilities	2255.50	1814.06	542.59	784.97
Net working capital	377.47	652.20	1415.46	1084.40
EPS	0.45	0.15	0.26	0.32
Key Indicator				
Operating Margin (%)	5.36%	5.18%	2.92%	2.97%
Net Profit Ratio	0.20%	0.11%	0.21%	0.58%
Debt-Equity ratio	1.07	0.77	0.56	0.29
RoCE %	6.24%	2.58%	2.84%	1.85%
Return on Equity	4.55%	1.48%	2.62%	3.38%

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the 29th Annual Report together with the Audited Statement of Accounts for the Financial Year 2012-13 ended 31st March, 2013.

1. FINANCIAL RESULTS AND OPERATIONAL REVIEW

(In Rs. Lacs)

Particulars	Year Ended 31.03.2013 (In Rs. Lacs)	Year Ended 31.03.2012 (In Rs. Lacs)
Gross Sales/Income	13659.57	8538.13
Less Depreciation	19.25	12.96
Profit/(Loss) before Tax	51.12	16.28
Taxes/Deferred Taxes	23.15	7.19
Profit/(Loss) After Taxes	27.97	9.093
P& L Balance b/f	81.19	72.09
Profit/ (Loss) carried to Balance Sheet	109.16	81.19

Your Directors feel pleasure to declare profit after tax of Rs. 27.97 Lacs which was made possible through better production planning and customer relations. Directors are exploring various other opportunities to further improve the working results during the current year.

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 2012 - 13.

3. TEXTILE INDUSTRY OUT LOOK

An India cotton textile remains negative to stable for 2013 on account of subdued demand, although margins are expected to benefit from softening raw material prices. The outlook for synthetic textiles remains negative for 2012 due to reversal of substitution demand and oversupply in domestic partially oriented yarn, pressurizing selling prices and margins of synthetic textile companies.

2012 was marked by stability and restoration of operating margins for textile players across the value chain led by steady cotton prices, and the consequent positive impact on liquidity. Margins have been stable-to-improving, led by a better product mix, commanding higher margins.

4. FUTURE OUTLOOK

The future of the textiles industry seems to be bright in all aspects. As such Government

places all its trust and relies sector for its strong 'employment creation' capability, more precisely in the garments manufacturing side. Lowering tax burdens on companies will play an important part in cutting down production costs and boosting competitiveness, increasing ability to tap high-volume orders from the global market. Modernization would enable companies provide quality and volume solutions which is in constant demand by international buyers.

In that view, many manufacturing companies in India are rushing towards expansion and modernization options. Manufacturers are having recourse to fund raising programme pushing EPS to higher growth, dissolving equity on its way. Business collaborations with foreign players, creation of buying offices and Government's effort to enhance quality production and export are many visible signs of Indians coming into force on the global market.

5. DIRECTORS

Mr. Fenil R. Shah, Director of the company 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:

6.1 that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

6.2 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, 2013 being end of the financial year 2012-2013 and of the Profits of the Company for the year;

6.3 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;

6.4 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 Bombay Stock Exchange Limited and the Company has paid Annual Listing Fees up to the year 2013-14.

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 2013-14. 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.

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.

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.

Date: 12/08/2013

For & on behalf of the Board of Director

Place: Ahmedabad

**Sd/-
(Kalyan Shah)
Managing Director**

**Sd/-
(Fenil R. Shah)
Director**

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, 2013.

A. CONSERVATION OF ENERGY:

- i. 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.
- ii. No additional investment was made during the year for reduction in consumption of energy.
- iii. The measures taken have helped to conserve the energy and in turn, cost.
- iv. 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 coarse count yarn. The company has achieved progress in manufacturing the yarn at plant level.

(iii) Foreign Exchange Earning and Outgo:

The Company has earned Rs. 1906.81 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:

Sr. No.	Particulars	2012-13	2011-12
1.	Electricity:		
	a. Purchased:		
	Unit	395785	173932
	Total Amount (Rs.)	3082809	1224939
	Net of Rate	--	-
	b. Own Generation		
	(i) Through Wind Turbine Generator		
	Units (MWH)	2074	N.A
	Diesel Consumption (liter)	N.A	N.A
	Units per Ur. Of Diesel Oil	N.A	N.A
	Cost/Unit (Diesel Cost)	N.A	N.A
	(ii) Through Steam turbine Generator		
2.	Coal N.A	N.A	
3.	Furance Oil	N.A	N.A

B. Consumption per unit of production: Since the Company is engaged in manufacturing of Cotton i.e. ginning activity and Yarn etc., it is not practical to give consumption per unit of production.

Date: 12/08/2013

For & on behalf of the Board of Director

Place: Ahmedabad

Sd/-
(Kalyan Shah)
Managing Director

Sd/-
(Fenil R. Shah)
Director

AUDITORS' REPORT

To,
The Members of
SANTARAM SPINNERS LIMITED,
Ahmedabad

Report on the Financial Statements

1. We have audited the accompanying financial statement of **SANTARAM SPINNERS LTD.** (‘the company’), which comprise Balance Sheet as at 31st March 2013, the statement of Profit & Loss and Cash Flows Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

2. Management’s Responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act,1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of the material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal controls relevant to the Company’s preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluation the appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to

us, the aforesaid financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2013;
- (b) In the case of Profit & Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal & Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
 - a) Further to our comments in the Annexure referred to above, we report that. 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 accounts as required by law, have been kept by the company so far as appears from our examination of the books;
 - c) The Balance Sheet, Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance sheet, the statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representation received from the directors as on 31st March 2013, taken on record by the Board of Directors, none of the directors of the company are prima facie, disqualified from being appointed as directors of the company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For RRS & Associates
Chartered Accountants

Sd/-

CA. Rajesh Shah (Partner)
Membership No. 34549

Firm Registration No.118336W

Place : Ahmedabad
Date : 30th May, 2013

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of our report of even date

[1] In respect of its fixed assets :

- a). The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b). As explained to us, the fixed assets have been physically verified by the management during the year according to phased programme designed to cover all the items over a period of three years in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of fixed assets has been physically verified by the Management during the year and we have been informed that no material discrepancies were noticed between the book records and the physical verification.
- c). In our opinion, and according to the information and explanation given to us, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

[2] In respect of its inventories :

- a). As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, frequency of the verification is reasonable.
- b). In our opinion and according to the information and explanation given to us, the procedures of physical verification of the above referred inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c). On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventories. As informed, there was no material discrepancies noticed on such physical verification as compared to the books records.

[3] In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

- a). The company has granted unsecured loan to two companies of Rs. 0.51 Lacs. In respect of the said loan the maximum amount outstanding at any time during the year was Rs. 1.31 Lacs not to be shown and the yearend balance is Rs. 0.51 during the year under review.

- b). In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions on which loan have been granted to the companies, firm or other parties listed in the registers maintained under section 301 are not prima facie prejudicial to the interest of the Company.
 - c). In respect of interest free loans granted by the Company to parties are repayable on demand. In respect of interest free loans taken by the Company the question of interest payments are not arise and the principal amount is repayable on demand.
 - d). In respect of loans taken by the Company and loans given by the Company is repayable on demand and therefore, the question of overdue amounts does not arise.
 - e) The company has taken unsecured loan of Rs. 3 Lakhs from the parties covered in the register maintained u/s. 301 of the Companies Act, 1956 during the year under review.
- [4] In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. Further on the basis of our examination of books and records during the course of our audit of the company and according to the information and explanation given to us, we have neither come across nor informed of, any continuing failure to correct major weakness in the aforesaid internal control system.
- [5] In respect of transactions covered under Section 301 of the Companies Act, 1956 :
- a). In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b). In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/ arrangements entered in the Register maintained under Section 301 and exceeding the value of Rs.5,00,000 in respect of each party during the year have been made at prices which appear reasonable having regard to prevailing market price at the relevant time as per information available with the company.
- [6] According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.
- [7] In our opinion that, the internal audit functions carried out by the by the management is commensurate with the size of the company and the nature of its business.
- [8] We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of

section 209 of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

[9] In respect of statutory dues :

- a). According to the records of the Company, undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
- b). According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax as at March 31, 2013 which have not been deposited on account of dispute are as follows:

Name of the Statute	Nature of Dues	Amount (In Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income tax including interest and penalty, as applicable	2,12,650/-	AY 2010-2011	Commissioners of Income Tax
Central Sales Tax Act and	Sales Tax	36,189/-	AY 1994-1995	Sales Tax Tribunal (Sales Tax)
Local Sales Tax Act	Including Interest and Penalty, as applicable	9,56,900/-	AY 2007-2008	Sales Tax Tribunal (Vat)
		9,14,477/-	AY 2007-2008	Sales Tax Tribunal (CST)
		9,700/-	AY 2009-2010	Sales Tax Tribunal (Vat)

[10] The Company does not have any accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

[11] Based on our examination and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayments of dues to the financial institutions or Bank.

[12] In our opinion and according to information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

[13] In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

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- [14] In Our opinion, the Company is not dealing in or trading in shares, securities, debentures or other investments. Therefore, the provisions of clause - 4 (XIV) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- [15] As per the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- [16] The Company has raised new term loans during the year. The term loans raised during the year were applied for the purposes for which they were raised.
- [17] In our opinion and according to the information and explanations given to us and on and overall examination of the Financial Statements no funds raised on short term basis have been used for long term investments and vice-versa.
- [18] During the year, the Company has not made any preferential allotment of Shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- [19] The Company has not issued any debentures during the year.
- [20] The Company has not raised any money by way of public issue during the year.
- [21] Based upon the audit procedures performed and as per the information and explanations given to us by the management no fraud on or by the Company has been noticed or reported during the course of our audit

For RRS & Associates
Chartered Accountants

Sd/-

CA. Rajesh Shah (Partner)
Membership No. 34549

Place : Ahmedabad
Date : 30th May, 2013

Firm Registration No.118336W

BALANCE SHEET AS AT 31.3.2013

(In Rs.)

Particulars	Note	Amount (31/03/2013)	Amount (31/03/2012)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	61530000	61530000
Reserves and surplus	3	52591670	49794671
Money received against share warrants		-	-
		114121670	111324671
Share application money pending allotment		-	-
Non-current liabilities			
Long-term borrowings	4	5103850	-
Deferred tax liabilities (Net)	5	4266803	3124592
Other Long term liabilities		-	-
Long-term provisions		-	-
		9370653	3124592
Current liabilities			
Short-term borrowings	6	116777998	85365309
Trade payables	7	104589222	48783803
Other current liabilities	8	237930	44751598
Short-term provisions	9	3944813	2505388
		225549963	181406098
	TOTAL	349042286	295855361
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets			
Tangible assets	17	83853963	41472711
Intangible assets		-	-
Capital work-in-progress	10	-	246563
Intangible assets under development		-	-
		83853963	41719274
Non-current investments	11	1409275	909275
Deferred tax assets (net)		-	-
Long-term loans and advances	12	5832956	5850810
Other non-current assets		-	-
		91096194	48479359
Current assets			
Current investments			
Inventories	13	114535344	89137041
Trade receivables	14	105458068	124488954
Cash and cash equivalents	15	27849423	18412622
Short-term loans and advances	16	10103257	15337385
Other current assets		-	-
		257946092	247376002
	TOTAL	349042286	295855361
Summary of significant accounting policies			
The notes are an integral part of the Financial Statements	1		
	31-41		

This is the Balance Sheet referred to in our report of even date

For RRS & ASSOCIATES

For SANTARAM SPINNERS LIMITED

Chartered Accountants

FRN : 118336W

Sd/-

CA. RAJESH R. SHAH
(PARTNER)

M. NO. : 34549

Place : Ahmedabad

Date : 30-05-2013

Sd/-

KALYAN SHAH
(DIRECTOR)

Sd/-

FENIL SHAH
(DIRECTOR)

PROFITABILITY STATEMENT FOR THE FY 2012-13

(In Rs.)

Particulars	Note	Amount (31/03/2013)	Amount (31/03/2012)
Revenue from operations	18	1365956960	853813802
Other income	19	604855	427011
Total Revenue		1366561815	854240813
Expenses			
Cost of materials consumed	20	703299931	538741690
Purchases of Stock-in-Trade	21	599653453	296452786
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(9567163)	(24721226)
Employee benefits expense	23	995826	840585
Finance costs	24	9051048	3439154
Depreciation and amortization expense	25	1924606	1295653
Other expenses	26	55536295	36563976
Total expenses		1360893996	852612618
Profit before exceptional, extraordinary and prior period items and tax		5667819	1628195
Exceptional items	27	(526525)	0
Profit before extraordinary and prior period items and tax		5141294	1628195
Extraordinary Items		0	0
Profit before prior period items and tax		5141294	1628195
Prior Period Items	28	(29613)	0
Profit before tax		5111681	1628195
Tax expense:	29	0	0
Current tax		1172469	669989
Deferred tax		1142211	48902
Profit (Loss) for the period from continuing operations		2797001	909304
Tax expense of discontinuing operations		0	0
Profit/(loss) from Discontinuing operations (after tax)		0	0
Profit (Loss) for the period		2797001	909304
Earnings per equity share:	30		
Basic		0.45	0.15
Diluted		0.45	0.15
The notes are an integral part of the Financial Statements	31-41		

This is the Statement of Profit and Loss referred to in our report of even date

For RRS & ASSOCIATES

For SANTARAM SPINNERS LIMITED

Chartered Accountants

FRN : 118336W

Sd/-

CA. RAJESH R. SHAH
(PARTNER)

M. NO. : 34549

Place : Ahmedabad

Date : 30-05-2013

Sd/-

KALYAN SHAH
(DIRECTOR)

Sd/-

FENIL SHAH
(DIRECTOR)

CASH FLOW STATEMENT FOR THE FY 2012-13

Particular	2012-2013	2011-2012
	Rs. In Lacs	Rs. In Lacs
[A] Cash flows from operating activities		
Net profit before taxation	51.12	16.28
a. Dividend & Interest received	-0.08	-4.20
b. Loss/(Profit) on Sale of FA	5.26	-0.07
Net profit before tax & extra ordinary items & Non Cash Exp.	56.30	12.01
Adjustments for :		
a. Interest	0.00	34.39
b. Depreciation	19.25	12.96
Operating profit before working capital changes	75.55	59.36
Adjustments for :		
a. Trade & Other Receivables	190.31	-491.66
b. Inventories	-253.98	-307.09
c. Short Term Loan & Advances	7.09	0.00
d. Other current liabilities	-430.74	0.00
e. Trade Payables	558.05	407.77
Cash flow before extraordinary items	70.73	-390.98
a. Prior Period Income	146.28	-331.62
b. Income taxes paid	0.00	0.36
	-8.26	-4.70
Net cash from operating activities	138.02	-335.96
[B] Cash flows from investing activities		
a. Purchase of Fixed Assets	-477.57	-98.56
b. Capital work in progress	0.00	-2.47
c. Sale of Fixed Assets	19.98	0.5
d. Dividend & Interest Received	0.08	3.84
e. Purchase of Investment	-5.00	
e. Profit on sale of Fixed Assets	0.00	0.07
Net Cash used in investing activities	-462.51	-96.62
[C] Cash flows from financing activities		
Interest Paid	0.00	-34.39
Receipt of Deposit	53.69	0.00
Secured & Unsecured Loans	365.17	238.78
Net Cash used in financing activities	418.85	204.39
Net increase in cash and cash equivalents	94.36	-228.19
Cash and cash equivalents at the beginning of period	184.13	412.32
Cash and cash equivalents at the end of period	278.49	184.13

This is the Statement of Cash Flow referred to in our report of even date

For RRS & ASSOCIATES

Chartered Accountants

FRN : 118336W

Sd/-

**CA. RAJESH R. SHAH
(PARTNER)**

M. NO. : 34549

Place : Ahmedabad

Date : 30-05-2013

For SANTARAM SPINNERS LIMITED

Sd/-

**KALYAN SHAH
(DIRECTOR)**

Sd/-

**FENIL SHAH
(DIRECTOR)**

NOTES TO ACCOUNTS**NOTE:1 SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except as otherwise stated, to the extent disclosed in the notes on Accounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies Accounting Standards Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current-noncurrent classification of assets and liabilities.

B. Use of Estimates

The presentation of financial statements requires that the management makes estimates and assumption that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although, these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known /materialized.

C. Tangible and Intangible Fixed Assets :

Tangible Fixed Assets: Tangible fixed assets are stated at cost price including cost attributable to the assets less the accumulated depreciation on it. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Fixed assets installed and put to use have been certified by management and relied by the auditors being a technical matter.

Intangible Fixed Assets: Intangible assets acquired separately are measured on initial recognition at costs. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

D. Depreciation :

Depreciation on tangible assets has been provided on "Straight Line" basis in accordance with the provisions of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV

to the said Act. Depreciation on addition / deletion from fixed assets made during the year is provided on pro rata basis from the date of acquisition / deletion of the fixed assets to the end of the financial year.

E. Impairment of Assets :

The Company tests for impairments at the close of the accounting period if and only if there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value amount of an Asset, i.e the net releasable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the Assets the difference is provided for as impairment. However, if subsequently the position reverses and the recoverable amount become higher than the carrying value the provision to the extent of the then difference is reversed, but not higher than the amount provided for. There was no impairment loss on fixed assets on the basis of review carried out by the management in accordance with Accounting Standard 28 issued by The Institute of Chartered Accountant of India.

F. Investments :

All investments are classified as long term investment. Long term investments are stated at cost. The fall in value being temporary in nature, no provision is made for diminution in value.

G. Inventories:

Cost of inventories have been computed to include all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Raw materials and components, stores and spares are valued at cost. Cost is determined on Moving Average price basis.

H. Employee Retirement Benefits :

Short Term Employees Benefits: The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employees is recognized during the period when the employee render the services.

Post Employee Benefits: Contribution to defined contribution scheme such as provident fund etc. is charged to P & L Account as incurred.

I. Revenue, Turnover & Expenses Recognition:

In case of sale of goods:

Revenue is recognizing when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery.

The sales are recorded when supply of goods takes place in accordance with the terms of sale and on change of title in the goods and is net of Central Sales Tax, VAT, Sales return and rate difference.

In case of job work:

In contract involve rendering of services, revenue is measured using the proportionate completion method.

J. Income & Expenditure :

All Income and Expenses to the extent consider payable and receivable respectively, unless specifically stated to be otherwise, are accounted for on accrual basic except otherwise stated, considering the concept of materiality. Leave encashment expenses are considered as payable when paid.

K. Provisions and Contingent Liabilities :

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

L. Prior Period Adjustment:

Transactions pertaining to prior period to current accounting year have been accounted under respective heads of account in Profit & Loss Account.

M. Foreign Currency Transactions:

Initial Recognition: Transaction in foreign currencies are recorded in Indian Rupees using the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, recorded monetary balances are reported in Indian Rupees at the rates of exchange prevailing at the balance sheet date.

Exchange Difference: Exchange difference arising on the settlement of the monetary items or on the reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise in the statement of Profit & Loss.

N. Borrowing Costs:

Borrowing costs directly attributable to acquisition, construction and production of qualifying assets are capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the profit & loss account.

O. Taxes on Income:

Deferred Taxation: Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing difference are expected to crystallize. In case of Deferred Tax Assets and Liabilities with reasonable certainty and in case of Deferred Tax Assets represented by unabsorbed depreciation and carried forward business losses, with virtual certainty that there would be adequate future taxable income against which Deferred tax Assets can be realized.

Current Tax: Provision for Taxation is made on the basis of the Taxable Profits computed for the current accounting period in accordance with the Income tax Act, 1961.

P. Preliminary Expenses:

Preliminary expenses have been amortized to the extent of 1/10th during the year.

Q. Earning Per Share:

Basic Earning per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of the dilutive potential equity share. Share application money pending allotments have been ignored while calculating Basic and Diluted Earning per share.

Sr. No. Particular	2012-13	2011-2012
a) Profit after Tax as per P & L for Eq. Share Holder	27,97,001	9,09,304
b) Weighted Average No. of Eq. Share outstanding	61,74,400	61,74,400
c) Nominal Value of Share	10.00	10.00
d) Basic Earning Per Share (Rs.)	0.45	0.15
e) Diluted Earning Per Share (Rs.)	0.45	0.15

NOTE:2 SHARE CAPITAL

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Authorised		
7500000(7500000) Equity Shares of Rs. 10/- each	75000000	75000000
	75000000	75000000
Issued		
6174400(6174400) Equity Shares of Rs. 10/- each	61744000	61744000
	61744000	61744000
Subscribed		
6174400(6174400) Equity Shares of Rs. 10/- each	61744000	61744000
	61744000	61744000
Paid-up		

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6174400 (6174400) Equity Shares of Rs. 10/- each Fully Paidup	61744000 61744000	61744000 61744000
Less :		
Calls In Arrears By Others	214000	214000
	61530000	61530000

Terms & Rights Attached to Equity Shares:

The Company has one class of equity shares having a par value of ` 10/- per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the share holders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(In Rs.)

Holding More Than 5% Particular	31/03/2013	% Held	31/03/2012	% Held
Apurva Kalaynbhai Shah	420304	7	420304	7
Ashok Jayantilal Shah	483500	8	483500	8
Kalyan Jayantila Shah	767400	12	767400	12
Shailesh Manilal Thakkar	686000	11	686000	11
Reconciliation Particular				
	No of Share	31/03/2013 Amount	No of Share	31/03/2012 Amount
Number of shares at the beginning	6174400	61530000	6174400	61530000
Add : Issue	-	-	-	-
Less : Bought Back	-	-	-	-
Others	-	-	-	-
Number of shares at the end	6174400	61530000	6174400	61530000

NOTE:3 RESERVE AND SURPLUS

(In Rs.)

Particular	31/03/2013	31/03/2012
Capital Reserve - Opening	3299308	3299308
Addition	-	-
Deduction	-	-
	3299308	3299308
Securities Premium Opening	38376200	38376200
Other Deductions	-	-
	38376200	38376200
Profit and Loss Opening	8119161	7209859
Amount Transferred From Statement of P&L	2797001	909304
	10916162	8119163
	52591670	49794671

NOTE:4 LONG TERM BORROWINGS

(In Rs.)

Particular	31/03/2013	31/03/2012
Term Loan		
Banks	5103850	-
	5103850	-

Loans Guaranteed by Directors or others

Particular	Amount (in Lacs)	Guarantee By	Name	Remarks
Union Bank				
Term Loan (Acquisition of Plant & Machinery	61.30	Director, Owner of Properties & Companies / Firms (Associates)	Mr. Kalyan J.Shah	Hypothecation/pledge/ charge over following prime security Packing Credit: Hypo. Of RM/WIP/FG & consumables meant for export. FDBP: Export Bills covering export of goods under confirmed contract/ LC CC Hypo: Hypo of entire paid stocks & Book Debts. However, stocks/Book Debts older than 90 days shall not rank for DP Term Loan : Hypo of P & M Collateral Security: EM over the following assets. Factory Land & Building situated at Rajpur. Tal. Kadi Dist. Mehsana in the name of the company.
Cash Credit For Cotton Division	800.00			
Packing Credit/FDBP/FUDBP For Oil Division CC Hypo	250.00			

Repayment Schedule of Term Loan

No. of Installments

Term Loan to be repaid in 72 Equal monthly installments starting from May, 2012 and interest to be recovered separately as and when debited.

NOTE: 5 DEFERRED TAXES

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Deferred Tax Liabilities		
Depreciation	3124592	3075690
Other	1142211	48902
	4266803	3124592

NOTE:6 SHORT TERM BORROWINGS

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Loans repayable on demand		
Banks	116472298	85359609
Loans and advances	305700	5700
	116777998	85365309

NOTE:7 TRADE PAYABLES

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Creditors Due others	104589222	48783803
	104589222	48783803

The Company has called for balance confirmation of Creditors on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances of Creditors are subject to confirmation.

NOTE:8 OTHER CURRENT LIABILITIES

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Other payables		
Other Current Liabilities	237930	44751598
	237930	44751598

NOTE:9 SHORT TERM PROVISIONS

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Tax Provision		
Current Tax	1000000	600000
Other Tax	-	(1704)
Statutory Liabilities	2944813	1102145
Others	-	804947
	3944813	2505388

NOTE:10 CAPITAL WORK-IN-PROGRESS

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Capital Advances	-	246563
	-	246563

NOTE: 11 NON-CURRENT INVESTMENTS

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Investments in Equity Instruments (at cost)		
Quoted		
900 (31/03/2012 : 900) Shares of Rs.10 each fully paid up in		

Gujarat State Finance Corporation Ltd	18,000	18,000
20000 (31/03/12:20000) Shares of Rs.10 each fully paid up in Jayatma Spinners Ltd	8,00,000	8,00,000
Unquoted		
4100 (31/03/2012:4100) Shares of Rs. 10 each fully paid up in Jayatma Comtex Pvt. Ltd	41,000	41,000
2000 (31/03/2012:2000) Shares of Rs.10 each fully paid up in Nutan Nagrik Sahakari Bank Ltd	50,275	50,275
Investments in Mutual Fund		
Union KCB Cap Fund	5,00,000	-
	1409275	909275

NOTE: 12 LONG-TERM LOANS AND ADVANCES

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Capital Advances	482093	482094
Security Deposits	5368716	5368716
	5832956	5850810

NOTE:13 INVENTORIES

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Raw Material	59320159	43935752
Finished Goods	18585465	14574202
Stock in Trade	35539777	29983877
Stores and Spares	1089943	643210
	114535344	89137041

NOTE: 14 TRADE RECEIVABLES

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Trade Receivable		
Unsecured considered good	105458068	124488954
	105458068	124488954

The Company has called for balance confirmation of Debtors on random basis. Out of which the Company has received response from some of the parties, which are reconciled with Company's account. The other balances of Debtors are subject to confirmation.

NOTE: 15 CASH AND CASH EQUIVALENTS

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Cash in Hand	1198392	3068627
Balances With Banks	26651031	15343995
	27849423	18412622

NOTE: 16 SHORT-TERM LOANS AND ADVANCES

(In Rs.)

Particular	31/03/2013	31/03/2012
Loans and advances related to trade	5100000	13100000
Loans and advances to others	5003257	2237385
	10103257	15337385

NOTE:17 TANGIBLE ASSETS

(In Rs.)

Particular	Opening	Gross Addition	Deduction	Closing	Opening	During Period	Depreciation Deduction	Other Adj.	Closing	Net Closing	Opening
Land											
Free Hold Land	1871954			1871954							
Building											
Residential Building	1411460			1411460	129152	47143			176295		
Factory Building	14651718	1953303		16605021	4923059	520702			5443761		
Plant and Machinery	55066390	44574684	6941489	92699585	30744997	612464	4416869		26940592		
Equipments											
Office Equipments	601876	168636		770512	307935	47239			355174		
Computer Equipments	104780	73590		178370	14837	24361			39198		
Furniture and Fixtures	2991484			2991484	1223024	189361			1412385		
Vehicles	5081143	60266		5141409	2965091	483336			3448427		
Grand Total	81780805	46830479	6941489	121669795	40308095	1924606	4416869		37815832	83853963	41472710
Previous	73189478	9866349	619049	82426778	40234334	1296653	575920		40954067	41472711	32955144

NOTE:18 REVENUE FROM OPERATIONS

(In Rs.)

Particular	31/03/2013	31/03/2012
Sale of Products		
Export Sales	209276547	261716235
Domestic Sales	1143398170	588304247
Other Operating Revenues		
Bales Discount & Cash Discount	3650518	112012
Commission And Brokerage Income	620612	26720
DEPB Licence Income	20630	1634852
Duty Draw Back - Income	2046755	1099278
Labour/ Kharajat Income	330985	-
Quality Claim Income	1670004	-
Sample Allowances	164342	-
Interest Income	4778396	920458
	1365956959	853813802

NOTE: 19 OTHER INCOME

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Dividend		
Dividend Income	7556	6045
Profit(Loss) on Sale of Investment & Fixed Assets (Net)		
Net Gain on sale of investments/Assets	-	6871
Miscellaneous		
Prior Period Income	149797	36095
Misc Income	22861	-
Interest on IT Refund	40652	-
Other Factory Income	44230	-
Rate Fluctuation	339759	-
Rent Income	-	378000
	604855	427011

NOTE: 20 COST OF MATERIALS CONSUMED

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Raw Material		
Opening	43935752	38558745
Purchase	715762348	543694322
Closing	59320159	43935752
	700377941	538317315
Store Spares		
Opening	643210	32430
Purchase	3368723	1035155
Closing	1089943	643210
	2921990	424375
	703299931	538741690
Details of Raw Material		
Particular	31/03/2013	31/03/2012
Raw Material	700377941	538317315
	700377941	538317315
Details of Store Spares		
Particular	31/03/2013	31/03/2012
Stores & Packing	2921990	424375
	2921990	424375

NOTE:21 PURCHASES OF STOCK-IN-TRADE

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Stock in Trade		
Purchase	599653453	296452786
	599653453	296452786

NOTE: 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Opening		
Stock in Trade	29983877	11038421
Finished Goods	14574203	8798432
	44558079	19836853
Closing		
Stock in Trade	35539777	29983877
Finished Goods	18585465	14574202
	54125242	44558079
Increase/Decrease		
Stock in Trade	(5555901)	(18945456)
Finished Goods	(4011262)	(5775770)
	(9567163)	(24721226)
Details of Changes in Inventory		
Particular	31/03/2013	31/03/2012
Stock in Trade		
Trading Goods	(5555900)	(18945456)
Finished Goods		
Single Yarn	4433689	34866
Raw Oil	(8445212)	(834816)
Khol	261	(5547726)
Bales Cloth	-	571906
	(9567163)	(24721226)

NOTE: 23 EMPLOYEE BENEFITS EXPENSE

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Salary, Wages & Bonus	858526	632935
Staff Welfare Expenses	137300	207650
	995826	840585

NOTE: 24 FINANCE COSTS

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Interest Expenses		
Interest Expenses	8031181	3324586
Bank Charges	383958	-
Other Interest Charges	-	114568
Finance Charges		
Discounting Charges	635909	-
	9051048	3439154

NOTE: 25 DEPRECIATION AND AMORTIZATION EXPENSE

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Depreciation & Amortisation		
Depreciation Tangible Assets	1924606	1295653
	1924606	1295653

NOTE:26 OTHER EXPENSES

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Manufacturing Service Costs Expenses		
Power and Fuel	2957221	1201925
Repairs Maintenance Charges Of Factory Building	0	731685
Repairs Maintenance Charges Of Plant and Machinery	785270	230673
Insurance	324381	408183
Other Manufacturing Costs	15590110	4686237
Allowances	2829411	10047660
Administrative and General Expenses		
Telephone Postage	313179	196545
Printing Stationery	126140	128718
Rent Rates And taxes	232080	114750
Auditors Remuneration	75000	82725
Managerial Remuneration	0	368250
Electricity Expenses	117181	83001
Travelling Conveyance	4227539	2109527
Legal Professional Charges	2330926	1649142
Vehicle Running Expenses	0	409519
Donations Subscriptions	0	8600
Subscriptions, Membership Fees	243679	1114914
Registration Filing Fees	0	6500

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Other Administrative General Expenses	912574	1613287
Selling Distribution Expenses		
Advertising Promotional Expenses	128058	463778
Commission Paid	2203164	1067516
Transportation Distribution Expenses	1962974	0
Other Selling Distribution Expenses	8965112	9840841
Other Expenses	11212296	0
	55536295	36563976

NOTE: 27 EXCEPTIONAL ITEMS

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Exceptional Expenses	(526525)	(0)
	(526525)	0

NOTE: 28 PRIOR PERIOD ITEMS

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Prior Period Expenses	(29613)	(0)
	(29613)	0

NOTE: 29 TAX EXPENSE

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Current tax		
Current Tax	0	600000
Short Excess Provision	0	69989
Deferred tax	1142211	48902
	2314680	718891

NOTE: 30 EARNINGS PER EQUITY SHARE

	(In Rs.)	
Particular	31/03/2013	31/03/2012
Number Of Share Used in Computing EPS		
Basic	6174400	6174400
Diluted	6174400	6174400
Profit attributable to Equity Shareholders	2797001	909304

NOTE:31 CONTINGENT LIABILITIES & COMMITMENTS

Particular	(In Rs.)	
	31/03/2013	31/03/2012
Contingent Liabilities & commitments to the extent not provided for		
Sales Tax Demand		
Pending before Sales Tax Tribunal for the FY 1993-1994	36,189	36,189
Pending before Sales Tax Tribunal(Vat) for the FY 2006-2007	9,56,900	-
Pending before Sales Tax (CST) for the FY 2006-2007	9,14,477	-
Pending before Sales Tax (Vat) for the FY 2008-2009	9,700	-
Income Tax Demand		
Pending before Income Tax Tribunal for FY 2007-2008	-	2,23,046
Pending before Income Tax for FY 2009-2010	2,12,650	-

32. Confirmation letters/contra accounts of debit and credit balances of various parties are not received by the Company. Balance due to or due by various parties, sundry debtors and sundry creditors, loan and advances, other account and all squared up accounts and other balances are therefore Subject to adjustment on receipt of confirmation.
33. Previous year figures have been regrouped, reconsider wherever necessary.
34. In the opinion of Board of Directors the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate.
35. It is not possible for us to verify whether the payments in excess of Rs. 20,000/- have been made otherwise than by crossed cheque or bank draft as the necessary evidence is not in possession of the assessee.
36. We have verified the transactions recorded in the books with such documentary evidence as were made available and produced before us. Where such documentary evidence was not available we have accepted the voucher / entries as certified by management.
37. Company has not provided liabilities for provident fund, professional tax.
38. No provision has been made for the bonus liability for the current year, the same has been charged based on actual payment for the current year.
39. Based in information available with the Company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2012 and hence disclosure relating to amount unpaid at the end of the year under this Act, has not been given.

NOTE 40: FOREIGN CURRENCY INCOME & EXPENDITURE

Particular	2012-2013
Expenditure in Foreign Currency	
Brokerage & Commission	11,36,246/-
Weight Shortage Expenses	4,02,798/-

Travelling Expenses	6,95,587/-
Earnings in Foreign Currency	
Export of Goods	19,06,81,036/-
<hr/>	
41. Auditors Remuneration:	
Audit Fees & Tax Audit Fees-	Rs. 75,000/-

42. As per Accounting Standard - 18 issued by The Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as define in the Accounting Standards are given below.

Key Managerial Personnel & their relatives: Shri. Kalyanbhai J. Shah
Shri. Nirav Shah
Shri. Paresh R. Shah
Shri. Janak G. Nanavaty
Shri. Fenil R. Shah

Enterprise in which Directors & Key Managerial Personnel have significant influence: Giriraj Cotton Ltd
Jayatma Spinners Ltd

Name of the Related Parties	Nature of Transaction	Amount In Rs. (2012-2013)
Key Management Personnel, their relative & Enterprise in which Directors & Key Managerial Personnel have significant influence:		
Kalyanbhai J. Shah	Loan Received	5,00,000.00
	Loan Repaid	42,416.00
Giriraj Cotton Ltd	Sales of Goods	5,50,21,655.00
	Purchase of Goods	12,82,99,713.00
	Jobwork	1,52,78,308.00

For RRS & ASSOCIATES
Chartered Accountants
FRN : 118336W

RAJESH R. SHAH
(PARTNER)
M. NO. : 34549

Place : Ahmedabad
Date : 30-05-2013

For SANTARAM SPINNERS LIMITED

Sd/-
KALYAN SHAH
(DIRECTOR)

Sd/-
FENIL SHAH
(DIRECTOR)

REPORT ON CORPORATE GOVERNANCE

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 stakeholder's 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 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 company's belief that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards. 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 Directorships	Committee (1) Membership/ (2) Chairmanship in other companies	No. of Board Meetings in attended	Attendance at the AGM held on 27.09.2012 Yes(Y)/ No(N)
Kalyanbhai J. Shah Chairman & Managing Director	Executive	2	2	5	Y
Nirav K. Shah	Non Executive	3	1	5	Y
Janak G. Nanavaty	Non Executive	5	3	5	Y
Fenil R. Shah	Non Executive	3	1	5	Y
Paresh H. Shah	Non Executive	0	0	5	Y

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

Name of Director	Mr. Fenil Rameshchandra Shah
Date of Birth	21/04/1965
Date of Appointment	22/04/2002
Expertise in specific functional areas	Administration
List of Public Limited Companies in which Directorships held	(1) Jayatma Spinners Limited (2) Parshwa Spinners Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Appointed as Member in Audit Committee and Remuneration Committee.
Chairman/Member of the Committees of Directors of other Companies	Appointed as Member in Audit Committee and Remuneration Committee of Jayatma Spinners Limited

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 Meet-ings. The Chairman/Managing Director briefs the Directors at every Board Meeting, over-all 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 were held on 4/8/12, 5/11/12, 11/2/13, 30/05/2013.

3. AUDIT COMMITTEE:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Janak Nanavaty (Chairman)	All members are Non-executive. Chairman is independent	The functions of the Audit Committee are as per Company Law and Listing Agreement with	All the members and Internal Auditors were present at the meeting held
Fenil R. Shah (Member)	Director and majority are independent. One member has thorough	Stock Exchange(s) which include approving and implementing the audit procedures,	4/8/12, 5/11/12, 11/2/13, 30/05/2013.
Pareshbhai Shah (Member)	financial and accounting knowledge.	review of financial reporting system, internal control procedures and risk management policies.	

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 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 dated 4/8/12, 5/11/12, 11/2/13, 30/05/2013.

Details of remuneration paid:

1. No Managerial Remuneration was paid to any 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.

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

The Company received one complaint during the year from the shareholders and the same was resolved. The valid request for transfer of shares was completed within 15 days of receipt. Mr. Kalyanbhai J. Shah, Managing Director is the Compliance Officer for the above purpose.

6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
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.
2011-12	27-09-2012	9.30 A.M.	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. Results are displaying on company's Website www.santaramspinnners.com and are not sent individually to the Shareholders.
- b. During the year ended on 31st March, 2013, 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 : Saturday
Date : 21st September, 2013
Time : 9.30 A.M.
Venue: 259, New Cloth Market,
Outside Raipur Gate
Ahmedabad - 380 002.

c) Financial Calendar

- i. 1st quarterly results – Second week of August, 2012.
- ii. 2nd quarter results – Second week of November, 2012.
- iii. 3rd quarter results – Second week of February, 2013.
- iv. 4th quarter results – Second week of May, 2013.

d) Book Closure Dates : From : 14th September, 2013
To : 21st September, 2013
(Both days inclusive)

e) Dividend Payment Date : Not applicable

f) Listing of Shares on Stock : 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 The BSE during 1st April, 2012 to 31st March, 2013, the details of Stock Price Data during that period are submitted as below.

(In Rs.)

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
April 12	2.95	2.95	2.67	2.81	17,749
May 12	2.95	3.45	2.90	3.28	35,236
Jun 12	3.12	3.12	2.38	2.49	9,958
July 12	2.61	3.83	2.61	3.67	20,527
August 12	3.85	7.45	3.85	7.15	94,459
September 12	7.40	8.25	6.66	7.44	16,430
October 12	7.07	7.87	6.65	7.25	30,687
November 12	7.50	8.50	6.89	8.08	2,855
December 12	8.39	8.40	6.50	7.10	90,254
January 13	7.40	7.40	4.95	4.95	37,004
February 13	4.71	4.71	2.86	2.86	6,633
March 13	2.72	3.39	2.35	3.39	86,946

l) 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/CIR-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:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, LBS Marg, 303 Shopper's Plaza-V Opp. Municipal Market,
Bhandup (West) Mumbai- 400078 Off:C.G.Road, Navrangpura,
Ahmedabad-380009

Tel No. :-079-26465179, Fax No :-079-26465179

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

J) Share Transfer System:

The transfer of shares in physical form is processed and completed by LINK INTIME INDIA PVT. LTD. (Formerly Intime Spectrum Registry 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, 2013:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
1 - 500	2918	85.6975	741833	12.0147
501 -1000	205	6.0206	172126	2.7877
1001 -2000	107	3.1424	167899	2.7193
2001 -3000	48	1.4097	126085	2.0421
3001 -4000	31	0.9104	109560	1.7744
4001 -5000	30	0.8811	142106	2.3015
5001 -10000	25	0.7342	194786	3.1547
10001- 999999	41	1.2041	4520005	73.2056
Grand Total	3405	100.0000	6174400	100.0000

i) Category of Shareholders as on 31st March, 2013:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	2773604	44.92
Financial Institutions	-	-
Banks	-	-
Mutual Fund	-	-
Bodies Corporate	38409	0.62
NRIs	190909	3.09
Public	3154920	51.10
Grand Total	6174400	100.00

- m) Outstanding GDRs I ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs.
- n) Dematerialization: The Company has entered into Shares Agreement with NSDL/CDSL for Dematerialization of Shares. As on 31st March, 2013 total of 45, 33,891 Shares of the Company which form 73.43% 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:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West) Mumbai- 400078
303 Shopper's Plaza-V Opp. Municipal Market,
Off: C.G. Road, Navrangpura,
Ahmedabad-380009

Telephone Nos. : (079) 2646179
Fax No. : (079) 2646 5179
E-mail ID: ahmedabad@linkintime.co.in

For any assistance regarding Correspondence dematerialization 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
Compliance Officer : Mr. Kalyan J Shah

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The textile industry is the largest industry of modern India. It accounts for over 20 percent of industrial production and is closely linked with the agricultural and rural economy. Being an agro-based industry the production of raw material varies from year to year depending on weather and rainfall conditions. Accordingly the price fluctuates too.

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.

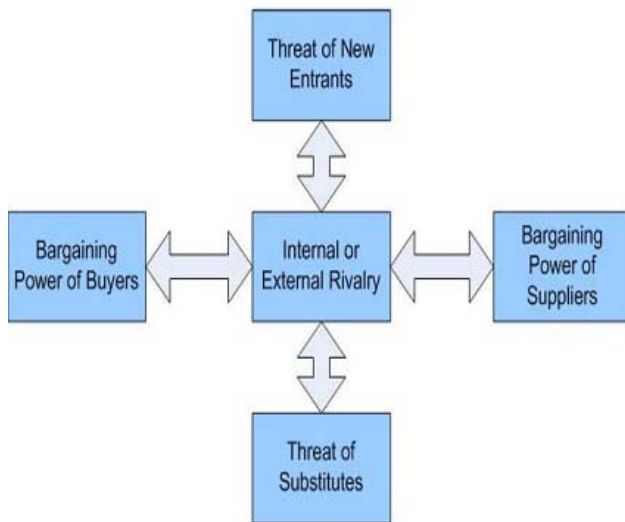
OPPORTUNITIES AND THREATS

The country's domestic market offers much potential for growth and numerous business opportunities as demand for textile products is expected to keep step with increased purchasing power auguring well for the Industry. Experts are of opinion that the era of domination of the world's textile and apparel market by goods originating in the China has reached its zenith and that the base is gradually shifting to India and Pakistan. Cotton prices which have been highly volatile are of major concern for textile manufacturers along with ever increasing energy prices.



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.

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.

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.



EXPANSION & FUTURE PROPOSAL

The Company wants to manufacture at reduce production cost to compete in sluggish market and

stabilize its position, it has decided to generate power by setting Wind Energy based power project having total capacity of 0.80 MW at Revenue survey no. 64, Jamnagar consumed at manufacturing unit of M/s. Santaram Spinners Limited under the provision of the Wind Power Generation Policy 2007 with the approval of Gujarat Energy Development Agency (GEDA).

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.

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company for the year 2012-13 is described in the Directors' Report under the head 'Production, Sales and Working Results'.

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.

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.

Date: 12/08/2013

For & on behalf of the Board of Director

Place: Ahmedabad

**Sd/-
(Kalyan Shah)
Managing Director**

**Sd/-
(Fenil R. Shah)
Director**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SANTARAM SPINNERS LIMITED,

We have examined the compliance of conditions of corporate governance by M/s. Santaram Spinners Limited for the year ended on 31st March, 2013 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 has been limited to a review of the procedure and implementation thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 based on the representations made by the Directors and the Management, we certify that the company has complied in all material respect with the conditions of Corporate Governance as stipulated in Clause 49 of the above mention Listing Agreement.

As per the 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 that such compliance is neither an assurance as to future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For RRS & ASSOCIATES
Chartered Accountants
FRN : 118336W

RAJESH R. SHAH
(PARTNER)
M. NO. : 34549

Place : Ahmedabad
Date : 30-05-2013

For SANTARAM SPINNERS LIMITED

Sd/-
KALYAN SHAH
(DIRECTOR)

Sd/-
FENIL SHAH
(DIRECTOR)

**CEO/CFO CERTIFICATION:
(Under Clause 49(V) of Listing Agreement)**

We Certify that

- a. We have reviewed the financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-13 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
 - Significant changes in internal control over the financial reporting during the year 2012-13;
 - Significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

Date: 12/08/2013

For & on behalf of the Board of Director

Place: Ahmedabad

**Sd/-
(Kalyan Shah)
Managing Director**

**Sd/-
(Fenil R. Shah)
Director**

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 21st Day of September, 2013 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 29th Annual General Meeting of the Company to be held on Saturday, the 21st September, 2013 and at any adjournment thereof.

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

Signed this _____ day of _____ 2013.

Signature _____

Affix
Revenue
Stamp

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.

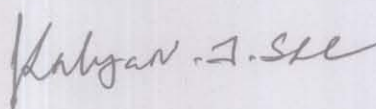
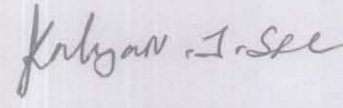
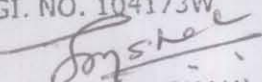
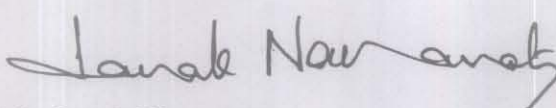
**BOOK-POST
PRINTED MATTER**

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

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

[Clause 31 (a) of the Listing Agreement]

1.	Name of the Company	Santaram Spinners Limited.
2.	Annual Financial Statement for the year ended on	31 st March, 2013
3.	Type of Audit observation	No-Qualification Remarks.
4.	Frequency of Observation	N.A.
5.	To be signed by	
	• CEO and Managing Director	 Mr. Kalyan J Shah Managing Director
	• CFO	 Mr. Kalyan J Shah Managing Director
	• Auditors of the Company	For Jayesh M. Shah & Co., Chartered Accountant, Ahmedabad. For, and on behalf of JAYESH M. SHAH & CO. CHARTERED ACCOUNTANTS FIRM REGI. NO. 104173W  (J. M. SHAH) (Membership No. 30638) Proprietor M. No. 030638
	• Audit Committee Chairman	 Mr. Janak Nanavaty Chairman of the Audit committee