

Audited Statement of Accounts of
SANTOWIN POLYSTER LIMITED
For the year ended 31st March 2010

Auditors:

MNRD & Associates

Chartered Accountants

Block no.2, 3rd floor, Abbas Manzil,
Sahar Road, Opp.Ratna mahal hotel,
Chakala, Andheri (East),
Mumbai -- 400 099.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Members of Santowin Polyesters Limited will be held on 17th August 2010 at 12:30 P.M. at the registered office of the company 702, 7th Floor Conord CHS Ltd, N.S. Road No. 10 JVPD Scheme Juhu, Mumbai: 400049 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended on 31st March 2010 and reports of Directors and Auditors thereon.
2. To appoint MNRD & Associates., Chartered Accountants, as the statutory auditors of the company, to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company and to authorize the directors to fix their remuneration.
3. To appoint a director in place of Sandeep Deora, who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Director

To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Ashok Gupta, who was appointed as an Additional Director of the Company under section 260 of the Companies Act, 1956 on 01st June 2010 and who holds office upto the date of this Annual General Meeting, in respect of whom notice under section 257 of the Companies Act, 1956 has been received from the member signifying his intention to propose Ashok Gupta, as a candidate for the office of Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

5. Appointment of Director

To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Ankush Gupta, who was appointed as an additional Director of the Company under section 260 of the Companies Act, 1956 on 01st June 2010 and who holds office upto the date of this Annual General Meeting, in respect of whom notice under section 257 of the Companies Act, 1956 has been received from the member signifying his intention to propose Ankush Gupta as a candidate for the office of Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation."

6. Alteration of Articles of Association

To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to section 192A and section 31 of the Companies Act, 1956, the Articles of Association of the Company be altered by inserting a new Article No. 68A after the existing Article No. 68 of Articles of Association of Company.

Passing of resolution by postal ballot

- 68A Notwithstanding anything contained in the Articles of Association of the Company, the Company may adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or other ways as may be prescribed by the

Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company:-

- a) Any business that can be transacted by the Company in a general meeting; and
- b) Particularly, resolutions relating to such business as the Central Government may by notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/ or other ways prescribed by the Central Government in this regard."

7. Change in control under Regulation 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

To consider and, if thought fit, to give Assent / Dissent to the following resolution as a Special Resolution through Postal Ballot under the provisions of Section 192A of the Companies Act, 1956:

"RESOLVED THAT pursuant to Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('the Regulations') as amended from time to time, and subject to such statutory approvals as may be required, consent of the shareholders be and is hereby accorded for change in control and management of the company by designating Ashok Gupta and Ankush Gupta as promoter directors of the company to have control over the company and its management in place of Sandeep Deora Shruti Deora and Parul Deora . The existing Promoter and other Persons belonging to the promoter group as defined under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

RESOLVED FURTHER THAT Ashok Gupta and Ankush Gupta be and are hereby recognized, classified and known as the new Promoters having control over the Company for the purposes of the aforesaid Regulations.

RESOLVED FURTHER THAT the Ashok Gupta and Ankush Gupta be and are hereby authorized to do such all acts, deeds and things as they are empowered on such change in control in terms of the Regulations, including the right to appoint majority of the Board of Directors of company and control the management and take policy decisions.

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to dispense with requirement of making a Public Announcement and Open Offer in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and other applicable provisions, if any.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things including signing of such forms, documents, agreements, and take all steps that it may in its absolute discretion deem necessary and expedient to give effect to the resolution."

By Order of the Board of Directors

Mumbai
Date: 05th June 2010

Director

Notes:

1. A Member Entitled to attend and vote at this meeting is entitled to appoint a Proxy to attend and vote instead of himself. A Proxy need not be a member of the company. Proxies in order to be effective must be received at the Registered Office of the company not less than 48 hours before the Meeting.
2. An Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956 in respect of business under Item No.4, Item No.5 and Item No. 6 to be transacted at the Annual General Meeting is annexed hereto.

An Explanatory Statement pursuant to Sections 173(2) and 192A (2) of the Companies Act, 1956 in respect of business under Item No.7 of the Notice is also annexed hereto. It may be noted that for Special Resolution under the said Item No.7, ASSENT/ DISSENT of shareholders is to be given by Postal Ballot, which is enclosed together with self-addressed prepaid envelope. Members are requested to return the Ballot Paper(s) so as to reach it to the Company at its Registered Office before closure of working hours on Tuesday, 6th July, 2010.

3. Members / Proxy holder are requested to bring the Attendance slip, along with Notice to the Meeting and hand it over at the entrance duly signed.
4. The Register of Members and the share transfer books of the Company will remain closed from Tuesday, the 6th July, 2010 to Friday, the 9th July, 2010 (both days inclusive).

ANNEXURE TO THE NOTICE:

Explanatory Statement as required by Sections 173(2) of the Companies Act, 1956.

Item No. 4

Ashok Gupta was appointed as an additional director of the Company on 01st June 2010 and holds the office upto the date of Annual General Meeting. Pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company, Notice u/s.257 of the said Act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Ashok Gupta, for appointment as a director of the Company. has already filed his consent, to act as a Director, with the Company.

The resolution as set out in Item No.4 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the members.

None of the Directors of the Company except Ashok Gupta and Ankush Gupta, is interested in the resolution.

Item No. 5

Ankush Gupta was appointed as an additional director of the Company 01st June 2010 and holds the office upto the date of Annual General Meeting. Pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company, Notice u/s.257 of the said Act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Ankush Gupta, for appointment as a director of the Company. has already filed her consent, to act as a Director, with the Company.

The resolution as set out in Item No.5 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the members.

None of the Directors of the Company except Ankush Gupta and Ashok Gupta, is interested in the resolution.

ITEM NO. 6

As per subsection 192A of the Companies (Amendment) Act, 2000, particular business as may be notified by the Central Government has to be passed by following the Postal ballot procedure. Pursuant to this, Company's Articles of Association should contain the provisions for passing of resolutions by postal ballot procedure. Hence, for incorporating provisions containing passing of resolutions by postal ballot procedure, the Company needs to alter it's Articles of Association by inserting new Article namely Article No. 68A after the existing Article 68 of Articles of Associations of the Company. This requires members' approval by way of a Special Resolution.

The Board of Directors recommends the passing of the resolutions at Item Nos. 6 of the Notice convening the meeting for the approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Explanatory Statement as required by Sections 173(2) and 192A (2) of the Companies Act, 1956.

Item No. 7

The financial position of the company has been stagnant and by and large, deteriorating. In the current status the company will continue to lose its net worth, which is detrimental to the interest of the

shareholders of the company. An urgent need is felt to expand the business and diversify the activities of the Company. In order to successfully set up these businesses and make them grow into viable enterprises, the company would require fresh management initiatives and substantial fresh investments from the promoters.

Keeping these requirements in mind and considering their present constraints, the current promoters desire to make an exit to facilitate induction of new promoters who have relevant business experience and capability to organize necessary financial resources to implement the growth plans of the Company. The new promoters would be Ashok Gupta and Ankush Gupta. They individually have over 15 years experience in Finance and Investment. Their experience and expertise will benefit the company and its shareholders immensely.

The regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 require the Company to seek the approval of the Members for effecting change of control of the Company without public offer as required under the regulations of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Accordingly, consent of the shareholders is solicited by passing a Special Resolution by way of Postal Ballot as detailed in Item No. 7 of the accompanying Notice.

The Board has appointed MNRD & Associates a Chartered Accountant as a Scrutinizer for conducting the Postal Ballot voting process. Members are requested to return the Postal Ballot Form in the self-addressed prepaid envelope forwarded with the Notice so as to reach it at the Registered Office of the Company before the closure of working hours on -----.

The Board commends passing of the resolution set out at Item No. 7 of the accompanying Notice.

None of the Directors of the Company, except Ashok Gupta and Ankush Gupta is, in any way, concerned or interested in the said resolution.

The Board recommends the special resolutions set out in the notice for approval by the members.

Registered Office:
702, 7th Floor, Concord CHS Ltd, N.S. Road,
No. 10, JVPD Scheme Juhu, Mumbai - 49
Dated: 05th June 2010
Place: Mumbai

By Order of the Board

(-----)
DIRECTOR

DIRECTORS' REPORT

To,
THE MEMBERS,
SANTOWIN POLYESTERS LIMITED.

Your Directors have pleasure in presenting the Annual Report together with audited statement of accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

Particulars	(Rs. In Lakhs)	
	2009-10	2008-09
Sales & Other income	507.27	81.45
Profit/(Loss) after Depreciation & Tax	142.56	(15.76)
Provision for F.B Tax	0.00	0.23
Profit / Loss for the year	142.56	(15.76)
Loss brought forward from previous year	140.33	124.57
Profit/(Loss) Carried to Balance sheet	2.23	(140.33)
APPROPRIATION		
Transfer to General Reserve	0.00	0.00
Dividend	0.00	0.00
Corporate Dividend Tax	0.00	0.00
Profit/ (Loss) carried to Balance Sheet	2.23	(140.33)

The performance of your company during the year under report is encouraging. Sales & other Income increased from Rs. 81.45 lacs to Rs.507.27 Lacs i.e increased 523 % as compared to previous year. The working of the company is considered satisfactory. The Board of Directors is hopeful of better performance during the year.

2. DIVIDEND :

The Board of Directors not recommending any dividend on the Equity share capital of the company. (Previous year Nil)

3. DIRECTORS:

Mr. Sandeep Ramnaresh Dcora shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Mr. Ashok Gupta & Ankush Gupta who were appointed as additional Director 01st June 2010 shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

4. INSURANCE:

The properties of the Company including its building, plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

5. PARTICULARS OF EMPLOYEES:

None of the employees of the Company has received remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

6. CONSERVATION OF ENERGY:

Information required to furnish the prescribed information under Section 217(I) (e) of the Companies Act, 1956 relating to conservation of energy and technology absorption, are annexed with the Report.

7. TECHNOLOGY ABSORPTION:

The company is presently carrying its business with in-house Indian technology.

8. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company has not made any export during the year under review and expenditure in foreign exchange is Nil.

9. The Company have applied to BSE for revocation of suspension of Trading of Company Share.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the Company as at March 31, 2010 and of the Profit & Loss Account for the year ended March 31, 2010.
- iii. Proper and sufficient care has been taken for the 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. The annual accounts have been prepared on a going concern basis.

11. AUDITORS:

The Auditors of the company MNRD & Associates, chartered Accountants retire at the ensuing Annual General meeting of the Company and eligible for re-appointment. The Board requests to reappoint the auditors in the General meeting.

12. AUDITORS OBSERVATION:

The observations/ recommendations made by auditors are self explanatory; The Directors inform that corrective measures are being taken to further strengthen the accounting systems.

13. MANAGEMENT DISCUSSION AND ANALYSIS:

A Report on Management discussion and Analysis is annexed and same is forming part of this report.

14. ACKNOWLEDGEMENTS:

The Board acknowledges with appreciation the efforts put in by its employees during the year under review. The Company is grateful to its customers and bankers for their support and understanding and the shareholders for their faith and confidence.

For and on behalf of the Board

Place: Mumbai

Date: 5th June 2010.

SANDEEP DEORA
Director

MNRD & ASSOCIATES

Chartered Accountants

FORM NO.3CA [See rule 6 G (1)(a)]

Audit report under section 44AB of the Income tax Act, 1961, in case where the accounts of the business or profession of a person have been audited under any other law.

We report that the statutory audit of **SANTOWIN POLYESTER LIMITED** Tex Centre, N 403/404, Behind HDFC Bank Chandivli, Andheri (E), MUMBAI – 400 072. Permanent Account Number : AADCS9595G. was conducted by us M/s. MNRD & Associates, in pursuance of the provisions of the Companies Act, and We annex hereto a copy of our audit report dated 29th May 2010 along with a copy each of :-

- (a) the audited Profit and Loss Account for the year ended on 31st March, 2010.
- (b) the audited Balance Sheet as at 31st March, 2010 and
- (c) documents declared by the said Act to be part of, or annexed to, the Profit and Loss Account and Balance Sheet.

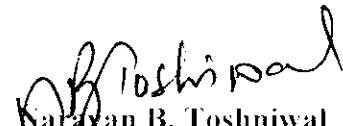
2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No.3CD.

3. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the said Form No.3CD are true and correct.

Place : Mumbai
Date : 29th May 2010



For MNRD & ASSOCIATES
Chartered Accountants
Firm Reg. No. - 126991W


Narayan B. Toshniwal
Partner
Mem. No. - 048334

MNRD & ASSOCIATES

Chartered Accountants

AUDITORS' REPORT

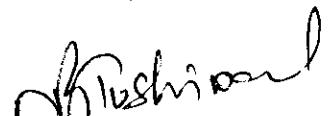
TO
THE MEMBERS OF
SANTOWIN POLYESTERS LIMITED

1. We have audited the attached Balance Sheet of **SANTOWIN POLYESTER LIMITED**, as at 31st March, 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.
2. We 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 amount 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 (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
4.
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion, proper books of account and records as have been kept by the company so far as appears from our examination of such books.
 - c) the Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account.
 - d) in our opinion, the Profit and Loss account and the Balance Sheet comply with the mandatory accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956. Except
I - Refer note no. 6, 7, 8 & 9 to the notes on account regarding transfer to capital reserve, creditor written off and sale of office Premises respectively.
 - e) As per information and explanations given to us, none of the directors are disqualified from being appointed as Director of the company under clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956 (as amended).
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

PLACE : Mumbai
DATE : 29th May 2010.



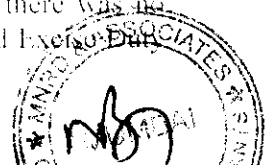
For MNRD & ASSOCIATES
Chartered Accountants
Firm Reg. No. - 126994W


Nishant B. Toshniwal
Partner
Mem. No. - 048334

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Santowin Polyesters Limited on the financial statements for the year ended 31st March, 2010.

- a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company in its possession have been physically verified by the management at reasonable intervals, which in our opinion are reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies between the book records and physical inventory have been noticed.
- c) The inventories have been physically verified during the year by the management at reasonable intervals.
- d) In our opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- e) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory and there were no material discrepancies on physical verification of the inventory.
- f) The Company has taken loans of Rs. 3714308/- from parties in the register maintained under section 301 of the Act. The terms of the loan are not prejudicial to the interest of the company.
- g) The rate of interest and other terms and conditions of loan taken or granted by the company are not prejudicial to the interest of the company.
- h) In our opinion and according to the 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 inventories, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- i) There are no transactions in pursuant of U/s. 301 above Rs.5,00,000/-
- j) The Company has accepted deposit from the public within the meaning of Section 58 A of the Companies Act, 1956.
- k) As informed to us, the Company does not have any internal audit system.
- l) In our opinion and according to the information and explanations given to us, the company is not required to maintained cost record Under Section 209(1)(d) of the Companies Act, 1956 as prescribed by the Central Government.
- m) On the basis of our examination of the books and records, the company is not required to make payment of Provident Fund and Employees' State Insurance under the respective laws.
- n) In our opinion and according to the information and explanations given to us, there was no disputed amount in case of Sales Tax, Income Tax, Custom Tax, Wealth Tax and Excise Duty outstanding as on 31st March, 2010.



SANTOWIN POLYSTER LIMITED
BALANCE SHEET AS AT 31st MARCH, 2010

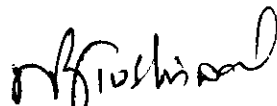
Schedule	AMOUNT(Rs.) 31-03-2010	AMOUNT(Rs.) 31-03-2009
SOURCES OF FUNDS :		
1) SHAREHOLDERS' FUNDS		
Share Capital	A 12,500,000	12,500,000
Reserves & Surplus	B 5,516,245	-
	<u>18,016,245</u>	<u>12,500,000</u>
Secured Loans	C 29,765,224	31,358,403
Unsecured Loans	D 3,714,308	11,761,939
	<u>51,495,777</u>	<u>55,620,342</u>
TOTAL FUNDS EMPLOYED		
APPLICATION OF FUNDS :		
2) FIXED ASSETS		
FIXED ASSETS	E 4,390,624	7,379,614
Less : Depreciation	3,175,534	3,067,587
Net Block	<u>1,215,090</u>	<u>4,312,027</u>
3) INVESTMENTS		
	F 11,910,189	14,535,188
4) CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors	G 44,674,869	78,854,846
Cash & Bank Balances	H 1,197,266	510,318
Loans and Advances	I 24,136,183	14,140,266
	<u>70,008,318</u>	<u>93,505,429</u>
5) Less : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	J 31,637,820	70,765,381
Net Current Assets	<u>38,370,498</u>	<u>22,740,048</u>
6) PROFIT AND LOSS ACCOUNT		
	0	14,033,078
TOTAL FUNDS UTILISED		
	<u>51,495,777</u>	<u>55,620,342</u>

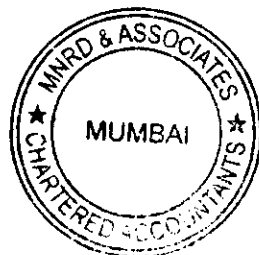
Significant Accounting Policies and Notes forming Part of the Accounts

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As per our report of even date
For MNRD & Associates
Chartered Accountants

For and on behalf of the Board
Santowin Polyester Ltd.


Narayan B. Toshniwal
Partner
Place: Mumbai
Date: 29th May 2010
Memb. No: 048334




Directors

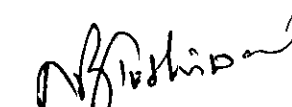
SANTOWIN POLYSTER LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

<u>INCOME</u>	<u>Schedule</u>	<u>AMOUNT(Rs.)</u> <u>31-03-2010</u>	<u>AMOUNT(Rs.)</u> <u>31-03-2009</u>
Sales	K	36,348,586	6,874,872
Other Income	L	6,085,518	1,270,597
Profit on Sale of Assets	M	8,293,848	-
		<u>50,727,952</u>	<u>8,145,469</u>
 <u>EXPENSES</u>			
Purchases	N	33,125,182	6,524,863
Administration Expenses	O	342,585	319,346
Financial Expenses	P	107,883	1,974,241
Depreciation	E	552,928	729,039
PROFIT(LOSS) BEFORE TAXES		<u>16,599,374</u>	<u>(1,402,021)</u>
Provision for Tax		2,500,000	
Provision for Fringe Benefit Tax			23,813
PROFIT(LOSS) AFTER TAXES		<u>14,099,374</u>	<u>(1,425,834)</u>
Loss on Sale of Assets	Q	0	150,167
Profit on Prior Period Adjustment		157,143	-
		<u><u>14,256,517</u></u>	<u><u>(1,576,001)</u></u>
PROFIT (LOSS) FOR THE YEAR		<u><u>14,256,517</u></u>	<u><u>(1,576,001)</u></u>
Balance in Profit & Loss Account b/fd		(14,033,078)	(12,457,077)
PROFIT(LOSS) CARRIED FORWARD TO BALANCE SHEET		<u><u>223,438</u></u>	<u><u>(14,033,078)</u></u>

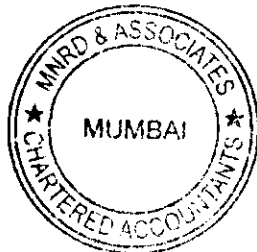
Significant Accounting Policies
and Notes forming Part of the
Accounts

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As per our report of even date
For MNRD & Associates
Chartered Accountants


Narayan B. Toshniwal
Partner

Place: Mumbai
Date: 29th May 2010
Memb. No: 048334

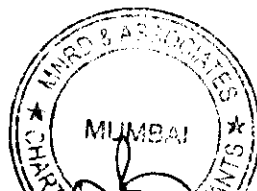


For and on behalf of the Board
Santowin Polyester Ltd.


Directors

SANTOWIN POLYSTER LIMITED
SCHEDULES FORMING PART OF STATEMENT OF ACCOUNTS

	AMOUNT(Rs.) 31-03-2010	AMOUNT(Rs.) 31-03-2009
Schedule A : <u>SHARE CAPITAL</u>		
a) Authorised		
12,50,000 Equity Shares of Rs.10 each	12,50,000	12,50,000
	<u>12,50,000</u>	<u>12,50,000</u>
b) ISSUED, SUBSCRIBED AND PAID-UP		
12,50,000 Equity Shares of Rs.10 each fully paid-up	12,50,000	12,50,000
TOTAL	<u>12,50,000</u>	<u>12,50,000</u>
Schedule B : <u>RESERVES & SURPLUS</u>		
Capital Reserve	5,292,807	-
General Reserve		
Profit & Loss A/c	223,438	-
TOTAL	<u>5,516,245</u>	<u>0</u>
Schedule C : <u>SECURED LOANS</u>		
a) Centurion Bank	5,939,176	6,976,685
b) Icici Bank	23,826,048	24,381,718
TOTAL	<u>29,765,224</u>	<u>31,358,403</u>
Schedule D : <u>UNSECURED LOANS</u>		
From Others	3,714,308	11,761,939
TOTAL	<u>3,714,308</u>	<u>11,761,939</u>
Schedule F : <u>INVESTMENTS</u>		
QUOTED		
Shares	11,910,189	11,910,189
UNQUOTED		
Shares	-	2,624,999
TOTAL	<u>11,910,189</u>	<u>14,535,188</u>
Schedule G : <u>SUNDRY DEBTORS</u>		
(Unsecured, considered good)		
Outstanding for more than six months and	-	-
Others	44,674,869	78,854,846
TOTAL	<u>44,674,869</u>	<u>78,854,846</u>
Schedule H : <u>CASH AND BANK BALANCES</u>		
Cash in hand	134,965	142,282
Balances with Scheduled Bank :		
-Current Account	752,439	58,173
-Fixed deposit with Centurion Bank	309,862	309,862
TOTAL	<u>1,197,266</u>	<u>510,318</u>
Schedule I : <u>LOANS AND ADVANCES</u>		
LOANS AND ADVANCES (Unsecured, Considered good)		
Advances recoverable in cash or kind or for value to be received	9,957,830	11,196,294
Deposit with Government & Semi Govt. Authorities	48,233	48,233
Prepaid Expenses	6,659	-
T.D.S. (Others)	338,950	577,635
Mahesh Parasrampuria Silvassa	-	40,000
Balchand Saraogi	500,000	500,000
R.N. Deora HUF	3,540,000	-
Sandeep Deora HUF	3,665,000	-
Sanjay Deora HUF	3,665,000	-
Vin Syntex	7,500	500,000
Foremost Marbles Pvt Ltd	1,000,000	-
Value Added Services	1,407,011	1,277,411
VAT @ 4%	-	693
TOTAL	<u>24,136,183</u>	<u>14,140,266</u>



SANTOWIN POLYSTER LIMITED
SCHEDULES FORMING PART OF STATEMENT OF ACCOUNTS (Contd.....)

	AMOUNT(Rs.) 31-03-2010	AMOUNT(Rs.) 31-03-2009
Schedule J : CURRENT LIABILITIES		
Sundry Creditors - For Goods	27,667,234	69,402,271
Sundry Creditors - For Expenses	920,586	1,363,110
Provision for Income Tax F.Y.09-10	2,500,000	
Deposit from Solo Mio	550,000	-
TOTAL	31,637,820	70,765,381
Schedule K : SALES		
Terry Towel Sales	-	6,805,992
Fabric Sale	36,348,586	68,880
TOTAL	36,348,586	6,874,872
Schedule L : OTHER INCOME		
Interest Received	1,039,664	832,183
Dividend Received	134	280
Interest on Debenture	-	591
Mis. Income	-	46,000
Interest on IT Refund A.Y 06 07	-	69,504
Duty Drawback	-	22,039
Rent Received	1,019,333	300,000
Creditors Written off	4,026,387	-
TOTAL	6,085,518	1,270,597
Schedule M : PROFIT ON SALE OF ASSETS		
Profit on Sale of Bldg	8,293,848	-
TOTAL	8,293,848	-
Schedule N : PURCHASES		
Terry Towel Purchase	-	6,433,210
Fabrics Purchase	33,125,182	65,600
Yarn Purchase	-	26,053
TOTAL	33,125,182	6,524,863
Schedule O : ADMINISTRATION EXPENSES		
Auditors' Remuneration	16,545	16,545
Conveyance & Refreshment	-	20,143
Insurance	4,169	195,379
Motor Car Expenses	5,814	27,986
Professional and Accounting Charges	60,000	-
Postage, Telex & Telegrams	-	918
Printing and Stationary	-	1,427
Round off	57	-
Security Charges	45,000	-
Membership Fees	-	1,084
General Expenses	11,000	1,736
Bad Debts a/c	200,000	-
Salary, Wages & Bonus to Employees	-	53,448
Staff Welfare	-	680
TOTAL	342,585	319,346
Schedule P : FINANCIAL EXPENSES		
Bank Charges	22,197	46,698
Interest to Bank	-	1,774,390
Interest on Others	85,686	153,153
TOTAL	107,883	1,974,241
Schedule Q : LOSS ON SALE OF ASSETS		
Loss on Sale of Assets	-	150,167
	-	150,167



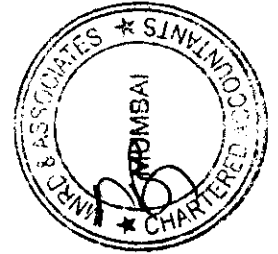
SANTOWIN POLYESTERS LIMITED

SCHEDULES FORMING PART OF THE STATEMENT OF ACCOUNTS (Contd.....)

Figures in Rupees

Schedule E : FIXED ASSETS

PARTICULARS	GROSS BLOCK AS AT 01.04.2009	ADDITION/ADJUSTMENT DURING THE YEAR	DELETION/ADJUSTMENT DURING THE YEAR	GROSS BLOCK AS AT 31.03.2009	DEPRECIATION AS AT 01.04.2009	DEP.FOR DURING THE YEAR	WRITTEN BACK DURING THE YEAR	DEPRECIATION AS AT 31.03.2010	NET BLOCK AS AT 31.03.2010	NET BLOCK AS AT 31.03.2009
Factory Building	2,988,990	-	2,988,990	0	287,838		287,838	0	-	2,701,152
Motor Car & Vehicles	2,085,083	-	-	2,085,083	1,140,725	195,789	-	1,336,514	748,569	944,358
Furniture & Fixtures	1,742,754	-	-	1,742,754	1,085,860	315,438	-	1,401,298	341,456	656,894
Computer	263,000	-	-	263,000	420,143		157,143.00	263,000	-	(157,143)
Office Equipment	299,787	-	-	299,787	133,021	41,700	-	174,721	125,066	166,766
TOTAL	7,379,614	0	2,988,990	4,390,624	3,067,587	552,928	444,981	3,175,534	1,215,090	4,312,028
PREVIOUS YEAR	8,134,793	0	755,179	7,379,614	2,728,559	729,039	390,012.00	3,067,587	4,312,027	5,406,234



SANTOWIN POLYESTER LIMITED

SCHEDULES FORMING PART OF THE STATEMENT OF ACCOUNTS (Contd.....)

Schedule R : Significant Accounting Policies and Notes to Accounts.

1 Statement of significant accounting policies :

a. Basis of preparation of financial statements

The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis. The financial statements are prepared under the historical cost concept as going concern and are consistent with generally accepted accounting principles.

b. Revenue recognition

Purchases are stated net of discount and rate difference. Sales are recognized when goods are invoiced to customer.

c. Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. The cost includes cost of acquisition / construction, installation and other related expenses. Expenditure on projects under implementation including preoperative expenses is treated as capital work in progress.

d. Depreciation

Depreciation is been provided on assets used during the year. Depreciation on addition/deletion during the year has been provided for on pro-rata basis with reference to the month of addition and deletion. Assets purchased/installed during the year costing less than Rs. 5000/- each are fully depreciated.

e. Investments

All the investments are stated cost.

f. Foreign Currency

Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.

g. Stock-in-trade

1. Inventories are valued at lower of cost or net realizable value.
2. Raw Material, Stores and Spare parts are valued at weighted average method.
3. Other goods like Goods in process and finished goods are valued on the basis of cost plus an appropriate share of manufacturing, other heads and depreciation.

h. Taxation

Provision of Income-Tax is made after considering exemptions and deductions available at the rate applicable under the Income Tax Act, 1961.

2 Notes to Accounts

1. The balances of Sundry Creditors, Sundry Debtors, Loans & Advances, secured and unsecured loans and other current Assets & Liabilities appearing in the book of account are subjects to confirmation & reconciliation, if any



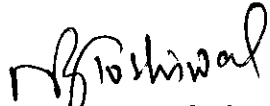
2. In the opinion of Board and as certified by the Managing Director all the expenses charged to revenue are genuine and have been solely and exclusively incurred for the business of the company. All the cash transaction covering receipts and payments are genuine and carried out of business expediency.
3. The company is in the process of identifying suppliers covered under the Interest on Delayed Payment to Small Scale & Ancillary Industrial Undertaking Act, 1993 and is yet to ascertain and account for the liability.
4. As required by AS-22, no deferred tax assets is created as in the view of the management, the company maynot have any tax liabilities in near future to compensate the deferred tax assets.
5. During the year the company has written off Rs. 40.26 Lacs due to sundry creditors, as the same is no longer payable.
6. During the year the company has entered one time settlement with dues of unsecured loan from banks and received principle waiver of Rs. 11.97 lacs and the same has been credited to capital reserve account.
7. During the year the company has transferred Rs. 40.96 lacs sum received from party which is not payable to capital reserve account.
8. During the year the company has entered in to MOU to sale one of the office premises at Rs. 109.95 lacs and the same is being accounted in the books of accounts.
9. During the year the company has sold quoted shares worth of Rs. 11 lacs at cost to one of the Sundry Creditors.
10. Quantitative Information in respect of Trading activates:

Particular	Op. Stock		Purchase		Sale		C. Stock	
	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Fabric	Nil	Nil	670640Mtr.	33125182.00	670640Mtr.	36348586.00	Nil	Nil

11. All the figures are rounded off to the nearest rupee.
12. Previous year's figure have been regrouped and recast to correspond with the figure of current year wherever necessary.

SIGNATURES TO SCHEDULES 'A' TO 'R' FORMING PART OF THE STATEMENT OF ACCOUNTS.

For MNRD & ASSOCIATES
Chartered Accountants


Narayan B. Toshniwal
Partner
Mem. No. - 048334



For Santowin Polyester . Limited


Director

Place: Mumbai
Date: 29th May 2010

SANTOWIN POLYSTER LIMITED
The Companies Act (1 to 1956) SCHEDULE VI - PART IV

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I	Registration Details			
	Registration No.	111586	State Code	11
	Balance Sheet	31	03	2010
	Date	Date	Month	Year
II	Capital Raised during the year (Amount in Rs. Thousands)			
	Public Issue	NIL	Rights Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
III	Position of Mobilisation and deployment of Funds (Amount in Rs. thousands)			
	Total Liabilities	51,495.78	Total Assets	51,495.78
	Sources of Funds		Reserves & Surplus	
	Paid-up Capital	12,500.00		5,516.25
	Secured Loans	29,765.22	Unsecured Loans	3,714.31
	Application of Funds		Investments	
	Net Fixed Assets	1,215.09		11,910.19
	Net Current Assets	38,370.50	Loss	0.00
IV	Performance of Company (Amount in Rs. Thousands)			
	Turnover	50,727.95	Total Expenditure	34,128.58
	Profit/Loss Before Tax	16,599.37	Profit/Loss after Tax	14,099.37
		0.00	Dividend @ %	0.14
	Generic Names of Three Principal Products/Services (as per monetary items)			
	Item Code No.	Not Available		
	Product Description	Manufacturing of texturising & Trading		

As per our report of even date
For MNRD & Associates
Chartered Accountants

Narayan B. Toshniwal
Partner
Place: Mumbai
Date:
Memb. No: 048334

For and on behalf of the Board
Santowin Polyester Ltd.

Directors
Place: Mumbai
Date: 29th May 2010

Regd. Off: _____

PROXY FORM

Reg. Folio NO _____ No. of Shares: _____

D.P. I. D* _____ Client ID* _____

I / we _____ of
_____ being a share holder / shareholders of Banas Finance Ltd. Hereby appoint
_____ or _____ failing him/her
_____ as my/ our proxy to attend and vote for me / us and on
my/ our behalf at the Annual General meeting of the Company to be held on _____
and at any adjournment thereof.

Signed this _____ day of _____, 2010

Affix Re. 1/-
Revenue Stamp

Signature of the shareholder _____ [Signature of Proxy]

Note: The Proxy form duly completed and signed must be deposited at the Registered office of the company not less than 48 hours before the time for holding the Meeting

*Applicable for shares held in electronic form.

Regd. Off: _____

ATTENDANCE SLIP

Annual General Meeting

Reg. Folio NO _____ No. of shares held _____

Name of the Attending Member _____

D.P.I.D* _____ Client I.D.* _____

I/We hereby record my/our presence at the Annual General Meeting of the company being held on _____

Signature of the shareholder(s) / Proxy/ Representative _____

Note:

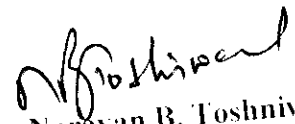
1) Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same duly signed at the Venue.

- o) On the basis of our examination of the books and records, the company's accumulated losses at the end of the financial year are Rs. Nil.
- p) On the basis of our examination of the books and records, the company has no over dues from the bank.
- q) In our opinion and according to information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- r) The company is not a chit fund or nidhi / mutual benefit fund / society. Therefore the provisions of this clause of the Companies (Auditors' Report) Order 2003 are not applicable to the Company.
- s) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of this clause of the Companies (Auditors' Report) Order 2003 are not applicable to the Company.
- t) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- u) The Company has not obtained any term loans during the year.
- v) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment, and vice-versa.
- w) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of Act during the year.
- x) The Company has not issued any debentures during the year and no debentures are outstanding at the year-end.
- y) The company has not raised any money by public issues during the year.
- z) 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 according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have been informed of such ease by the management.

PLACE : Mumbai
DATE : 29th May 2010



For MNRD & ASSOCIATES
Chartered Accountants
Firm Reg. No. - 126991W


Narayan B. Toshniwal
Partner
Mem. No. - 048334