

# **SANTOWIN CORPORATION LIMITED**

## **BOARD OF DIRECTORS:**

- |    |                      |                      |
|----|----------------------|----------------------|
| 1. | Mr. Ashok B. Gupta   | Chairman             |
| 2. | Mr. Vinay B. Poddar  | Independent Director |
| 3. | Mr. Vinod J. Bansal  | Independent Director |
| 4. | Mr. Ankush Gupta     | Director             |
| 5. | Mrs. Sushma A. Gupta | Director             |

## **BANKERS**

Corporation Bank

## **AUDITORS**

M/s MNRD & Associates  
Chartered Accountants,  
Block 3, Abbas Manzil,  
Sahar Road, Opp. Cigarette Factory  
Chakala, Andheri (East)  
Mumbai – 400 099

## **REGISTRAR & SHARE TRANSFER AGENTS**

Purva Sharegistry (India) Private Limited  
9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Opp. Kasturba Hospital,  
Lower Parel (East),  
Mumbai – 400011

## **REGISTERED OFFICE**

702, 7<sup>th</sup> Floor,  
Concord CHS Ltd,  
N. .S. Road No -10,  
JVPD Scheme, Juhu,  
Mumbai - 400049

## **SANTOWIN CORPORATION LIMITED**

To the Members,

Your Directors have pleasure in presenting the 28th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2012.

	<b>(Rs. in Lacs)</b>	
<b>Financial Results</b>	<b>Year Ended 31.03.2012</b>	<b>Year Ended 31.03.2011</b>
Income	39,12.90	2509.77
Profit before Tax	1,43.89	279.34
Less : Provision for Taxation	48.21	37.03
Add : Deferred Tax	1.09	-
Profit after Tax	96.79	242.31
Add : Profit brought forward from Previous Year	2,44.54	2.23
Balance carried forward	3,41.33	244.54

### **DIVIDEND**

Due to inadequate profits in the current year, Board has not recommended any dividend for the Financial Year 2011-2012.

### **SUBSIDIARY**

As on March 31, 2012, your Company has a Wholly Owned Subsidiary (WOS) in Ghana under the name of Santowin Ghana Limited (SGL) for the purpose of extracting gold and exporting the same to different countries. Your Company is also exploring the possibility of getting SGL listed on Ghana Stock Exchange.

As required under Section 212 of the Companies Act, 1956, the Annual Reports together with Balance Sheet and Profit and Loss Account for the year ended March 31, 2012, of the subsidiary companies is attached.

### **SUB-DIVISION OF EQUITY SHARES**

The Company has sub-divided the existing Equity Shares from every one Equity Share of Rs.2/- each into two Equity Shares of Re.1/- each in the capital of the Company on which the sum of Re.1/- is credited as fully paid up. The record date fixed for the purpose of sub division of Equity Shares of the Company was December 02, 2011.

### **DIRECTORS**

#### **Appointment**

In accordance with the provisions of the Companies Act, 1956 and pursuant to the provisions of Articles of Association of your Company, Mr. Ankush Gupta and Mr. Vinay Poddar, are liable



to retire by rotation and being eligible, offers themselves for re-appointment in the forthcoming Annual General Meeting.

Brief Resume of the Directors, nature of expertise in specific functional areas, names of companies in which the Directorship is held and the membership of the Committees of the Board and their shareholdings in the Company are given in the Notice for the ensuing Annual General Meeting.

### **AUDITOR'S REPORT**

The observations made by the Auditors in their report are appropriately dealt with in the Notes forming part of the accounts for the year, which are self-explanatory and, hence, do not require any further explanations.

### **AUDITORS**

You are requested to re-appoint M/s MNRD & Associates, Chartered Accountants, as Auditors of the Company from the conclusion of the 28th Annual General Meeting until the conclusion of the 29th Annual General Meeting of the Company.

M/s. MNRD & Associates have also expressed their willingness to act as Auditors of the Company, if re-appointed and have further confirmed that the said appointment would be in conformity with the provisions of Section 224(IB) of the Companies Act, 1956.

### **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchange, is given as a separate statement in the Annual Report.

### **CORPORATE GOVERNANCE**

Report on Corporate Governance, in terms of Clause 49 of the Listing Agreement together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance are annexed and forms part of the Annual Report.

### **PARTICULARS OF EMPLOYEES**

People are the backbone of our operations. It is a matter of great satisfaction for your Company that our employees have been very supportive of your Company's plan. Relations with employees continue to be cordial.

Sd/-

There is no information as required pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 to be reported.

### **PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

Further, pursuant to the 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, there is no material information regarding conservation of energy, technology absorption, foreign exchange earnings and out go concerning your Company to be reported. Your Company has taken the necessary steps to conserve energy, absorb upgraded technology where ever necessary. During the year under review, the Company did not earn any foreign exchange and there was no expenditure in foreign exchange.

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and that they have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company for the year ended March 31, 2012;
- (c) 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; and
- (d) the annual accounts have been prepared on a 'going concern' basis.

### **APPRECIATION**

The Board of Directors wishes to convey their appreciation to all your Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers and Government and Statutory Authorities for their continued support.

For and on behalf of the Board  
For **SANTOWIN CORPORATION LIMITED**

*Sd/-*

**Ashok B Gupta**  
**Chairman**

Place: Mumbai  
Date: August 14, 2012

**Registered Office:**  
702 7th Floor Concord CHS Ltd.,  
N.S. Road No.10,  
JVPD Scheme Juhu,  
Mumbai – 400 049.

**REPORT ON CORPORATE GOVERNANCE**  
(As required under Clause 49 of the Listing Agreement of the Stock Exchange)

The Corporate Governance Report for the year under review from  
April 01, 2011 to March 31, 2012

**1. Company's Philosophy on Code of Corporate Governance:**

At Santowin Corporation Limited, we believe in adopting the best Corporate Governance practices and appropriate disclosure norms towards protecting rights and interest of stakeholders. The Company believes in transparency, professionalism and accountability, which are also the basic principles of Corporate Governance. The Company would constantly endeavor to improve on these aspects.

**2. BOARD OF DIRECTORS - CONSTITUTION AND COMPOSITION:**

The Board of Directors of the Company has appropriate composition of Executive and Non- Executive Directors including Independent Directors. The Board of Directors through their active participation ensures that the decisions on the policy matters are taken after due deliberation and in consonance with the good corporate governance practices.

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

During the year under review, the Board of Directors of the Company consisted of Five Directors. As on March 31, 2012, two of them, i.e. Mr. Vinod Bansal and Mr. Vinay Poddar are Independent Directors.

Mr. Ashok Gupta is Non-Executive Chairman. Hence the composition of the Board of Directors is well within the norms of Corporate Governance.

As required by the Companies Act, 1956 & Clause 49 of the Listing Agreement, none of the directors holds directorship in more than 15 public companies, membership of Board Committees (Audit/Investors Grievance Committees) in excess of 10 and chairmanship of Board Committees as aforesaid in excess of 5.

**a) Number of Board, Committee of Board Meetings and Attendance Record of the Directors:**

During the year ended March 31, 2012, the Company had Ten (10) Board meetings. These meetings were held on 06.04.2011, 06.05.2011, 30.05.2011, 31.05.2011, 28.07.2011, 12.08.2011, 17.10.2011, 14.11.2011, 05.12.2011 and 14.02.2012.

Sd/-

The composition of Board of Directors and the attendance at the Board Meetings, as also number of other Directorships and Committee Memberships during the year under review and the last Annual General Meeting, are given below:

Sr. No.	Name of the Director	Category of Director	No. of Board Meetings Attended	Attendance at the Last AGM	No. of other Public Company Directorship*	No. of other Public Company Committee Memberships and Chairmanships#	
						Chairman	Member
1.	Mr. Ashok Gupta	Chairman & Promoter Director	10	Yes	3	2	-
2.	Mrs. Sushma Gupta	Promoter Director	8	Yes	1	-	-
3.	Mr. Ankush Gupta	Promoter Director	9	Yes	2	-	1
4.	Mr. Vinod Bansal	Independent Director	6	Yes	2	-	-
5.	Mr. Vinay Poddar	Independent Director	8	Yes	1	-	1
6.	Mr. Sandeep Deora (resigned w.e.f. 25.09.2011)	Independent Director	6	N.A.	-	-	-

\*Directorships in private and Foreign Companies, if any, are excluded.

# Memberships of only Audit Committee and Shareholders' / Investors' Grievance Committee.

#### **b) RESPONSIBILITIES**

The Board of Directors responsibilities include review of:

- > Strategy and business plans
- > Annual operating and capital expenditure budgets
- > Investment and exposure limits
- > Business risk analysis and control
- > Senior executive appointment
- > Compliance with statutory / regulatory requirements and review of major legal issues
- > Adoption of quarterly results/ annual results
- > Transaction pertaining to purchase and disposal of property, major provisions and write offs.

#### **3. DIRECTORS INTEREST IN THE COMPANY:**

For the sake of transparency, the Company is committed to make full disclosures regarding the interest of and payments to, all Directors. During the year under review, the Company has not paid any sitting fees to the Directors. Further, it is not a policy of the Company to give loans and advances to its Directors.

#### **CODE OF CONDUCT:**

Sd/-

The Board of Directors has adopted the CODE OF CONDUCT to be observed by all Directors and Senior Management while performing their official duties and responsibilities. The code of conduct is posted on the website of the Company.

All Directors and designated senior management cadre of the Company have affirmed compliance of the code for the year under review. The declaration to this effect signed by the Chairman & Managing Director is annexed to this report.

**CEO / CFO CERTIFICATION:**

The certificate under Clause 49 V of the Listing Agreement with the Stock Exchanges, signed by the Chairman, is annexed to this report.

**4. AUDIT COMMITTEE:**

Terms of reference of Audit Committee are as per Section 292A of the Companies Act 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges and the same inter-alia, include but is not limited to related party transactions, appointment or removal of chief internal auditors, compliance of legal provisions and accounting standards etc, overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal control systems with the management and adequacy of internal audit function, discussions with auditor about the scope of audit including the observation of the auditors and discussion with internal auditors on any significant findings. The Audit Committee assists the Board in meeting its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

**Composition of Audit Committee:**

During the year under review, the composition of the Audit Committee of the Board comprised the following Non-Executive Directors:

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>Status</b>
1.	Mr. Vinod Bansal	Chairman
2.	Mr. Vinay Poddar	Member
3.	Mr. Ankush Gupta	Member

The statutory auditors and the internal auditors are the permanent invitees to the Audit Committee meetings.

The Audit Committee, in its meetings, gives to the Board its recommendations based on its review as per terms of references on the following matters:

- > The Company's financial reporting process and disclosure of its financial information.
- > Appointment of Statutory Auditors and fixation of their audit fee.
- > Internal control systems, scope of Audit including observation of the Auditors, adequacy of internal audit functions, major accounting policies, practices and entries, compliance with accounting standards with the Stock Exchanges and legal

- requirements concerning financial statements and related party transactions, if any based on review and discussion with Auditors.
- > The Company's financial and risk management policies based on discussions with the internal auditors and as a follow-up of the internal auditors significant findings thereon.
  - > Quarterly and Annual financial statements before submission to the Board of Directors.

**Meetings of the Audit Committee:**

During the year under review four (4) meetings of the Audit Committee were held on the following dates: 11.05.2011, 12.08.2011, 14.11.2011 and 14.02.2012.

**Attendance of Members at Audit Committee meetings is as under:**

Sr. No.	Name of the Directors	No. of Meetings attended
1.	Mr. Vinod Bansal	4
2.	Mr. Vinay Poddar	4
3.	Mr. Ankush Gupta	4

**5. REMUNERATION COMMITTEE:**

The Company has not constituted any remuneration committee. The Company has no pecuniary relationship or transaction with its Non-Executive Directors.

The Company does not have an incentive plan which is linked to performance and achievement of the Companies objectives. The Company has no stock option plan and pension scheme.

The Company has not paid any sitting fees to the Non-Executive Directors. The no remuneration was paid to Mr. Ashok Gupta, the Chairman & Director of the Company, during the year ended on March 31, 2012.

**6. SHAREHOLDERS / INVESTOR GRIEVANCES AND SHARE TRANSFER COMMITTEE:**

The Board has constituted Shareholders/Investor Grievances and Share Transfer Committee comprising 3 members.

The composition of the Shareholders/ Investor Grievances and Share Transfer Committee and Attendance of Members at Shareholders/Investor Grievances and Share Transfer Committee meetings is as under:

Sr. No.	Name of the Directors	Status	No. of Meetings attended
1.	Mr. Vinay Poddar	Chairman	3
2.	Mr. Vinod Bansal	Member	3
3.	Mrs. Sushma Gupta	Member	3



The Committee inter- alia, approves share transfer, issue of duplicate certificates and oversees and reviews all matters relating to transfer of securities of the Company. The Committee also looks into redressal of shareholders/investors complaints in regard to transfer of shares, non-receipt of Annual Report, dividend etc.

The Committee oversees the performance of the Registrars and Share Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Committee met **three (3)** times during the year under review, on the following dates: 18.05.2011, 28.08.2011 and 10.01.2012.

**Compliance Officer:**

Mr. Akshat Gupta, is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Listing requirements with the Stock Exchanges.

**7. INVESTOR GRIEVANCE REDRESSAL:**

- Pending complaints as on 01.04.2011 Nil
- No. of shareholders complaints received Nil
- No. of complaints not resolved to the satisfaction of the shareholders Nil
- Pending complaints as on 31.03.2012 Nil

**DISCLOSURES:**

**I. General Body Meetings:**

a) Location and time where last three AGMs were held :

<b>Financial Year</b>	<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Special Resolution Passed in the AGM</b>
2010-11 AGM	30.09.2011	702, 7 <sup>th</sup> Floor, Concord CHS Ltd, N. .S. Road No -10, JVPD Scheme, Juhu, Mumbai - 400049	10.00 a.m.	--
2009-10 AGM	17.08.2010	702, 7 <sup>th</sup> Floor, Concord CHS Ltd, N. .S. Road No -10, JVPD Scheme, Juhu, Mumbai - 400049	4.30 p.m.	Appointment of Directors, Alteration of Articles of Association and Change in Control under Regulation 12 of SEBI

2008-09 AGM	30.09.2009	Tex Centre N - 402 / 403, Fourth Floor 26-A, Behind HDFC Bank, Chandivali, Saki Vihar Road, .Andheri (East) Mumbai - 400 072	6.30 p.m.	NIL
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Postal Ballot:

No Postal Ballot Held during the year 2011-12.

During the year 2011-2012, the members of the Company passed the following special resolution through postal ballot:

1. Special Resolution for Change in control under Regulation 12 A of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

Ms. Bharat Pathak, a Practicing Company Secretary, was appointed as the Scrutinizer for conducting the Postal Ballot and based on his report, the postal ballot results were declared.

**II(a) Related Party Transactions:**

There are related party transactions made by the Company which are disclosed in Note No. 24 of Schedule 24.2 to the accounts in the annual report and the same are as per the provisions of the Companies Act, 1956.

**II(b) Statutory Compliance, Penalties and Strictures**

The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority on all matters related to capital markets during the year. No penalties or strictures have been imposed on the Company by these authorities.

**9. Means of Communications**

**(i) Quarterly Results:**

In view of financial crunches, Quarterly Results were not earlier published in English and Marathi language newspapers. However, from December quarter onwards, this practice is being followed and henceforth the Company wishes to publish the results subsequently at the end of each quarter.

**(ii) News Release, Presentation etc.:**

Official news releases, detailed presentations made to media, analysts, institutional investors, etc.

**(iii) Website:**

The Company's is having its own website:- [www.santowincorp.com](http://www.santowincorp.com)

(iv) **Annual Report:**

Annual Report containing, inter alia, Audited Annual Accounts, Directors Report, Auditors Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) and Corporate Governance Report form part of the Annual Report.

10. **General Shareholder Information:**

(a) **Registered Office & Annual General Meeting**

**Registered office:** 702, 7th floor, Concord CHS Ltd,  
N.S. Road No.10,  
JVPD Scheme Juhu,  
Mumbai – 400 072

**Annual General Meeting :** September 29, 2012 at 10.00 A.M.  
**Venue :** Registered office of the Company

(b) **Financial Calendar : 2012-2013 (Tentative)**

<b>Quarter ending</b>	<b>In the month of</b>
June 2012	July / August 2012
September 2012	October / November 2012
December 2012	January / February 2013
March 2013 (Audited annual results)	September 2013

(c) **Book Closure Period:**

From Tuesday, September 25, 2012 to Saturday, September 29, 2012 (both days inclusive), for the Annual General Meeting.

(d) **Dividend Payment Date (s)**

No dividend is declared.

(e) **Listing of Equity Shares on Stock Exchange and Payment of Listing Fees:**

<b>Name and Address of Stock Exchange where Company is listed</b>	<b>Stock Code &amp; ISIN</b>	<b>Payment of Listing Fees</b>
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (INDIA)	512465 & INE386L01020	Annual listing fees for the year 2012-2013 have been paid.

**(f) Market Price Data:**

**Stock Exchange Code:** 512465

**Source:** BSE website.

**Stock price data at the BSE:**

Month	Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr 11	274.00	216.00	19,811.14	18,976.19
May 11	241.95	44.05	19,253.87	17,786.13
June 11	58.00	40.00	18,873.39	17,314.38
July 11	76.70	53.10	19,131.70	18,131.86
Aug 11	79.00	68.00	18,440.07	15,765.53
Sep 11	85.00	77.00	17,211.80	15,801.01
Oct 11	105.95	78.00	17,908.13	15,745.43
Nov 11	100.00	41.45	17,702.26	15,478.69
Dec 11	44.25	25.60	17,003.71	15,135.86
Jan 12	49.50	41.50	17,258.97	15,358.02
Feb 12	50.55	42.85	18,523.78	17,061.61
Mar 12	47.60	22.55	18,040.69	16,920.61

**(g) Registrars and Transfer Agents:**

**Purva Sharegistry (India) Private Limited**

9, Shiv Shakti Industrial Estate,

J. R. Boricha Marg,

Opp. Kasturba Hospital,

Lower Parel (East),

Mumbai – 400011

**(h) Share Transfer System:**

Presently, the share transfers, which are received in physical form, are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Shareholders/Investors Grievances and Share Transfer Committee.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchange and files a copy of the said certificate with the Stock Exchange.

**(i) Distribution of shareholding as on March 31, 2012 is as under:**

Shareholding of Nominal value of (Rs.)	No. of Share holders	% of Share holders	Shareholding (In Rs.)	% of Share Holding
Up to 5,000	130	27.78	1,39,124	0.14
5,001- 10,000	33	7.05	2,94,558	0.30
10,001- 20,000	34	7.26	4,92,844	0.50
20,001 - 30,000	22	4.70	5,36,277	0.54
30,001 - 40,000	16	3.42	5,99,819	0.61
40,001 - 50,000	23	4.91	11,00,289	1.12
50,001- 1,00,000	48	10.26	35,82,845	3.63
1,00,001 & above	162	34.62	9,18,84,244	93.16
<b>TOTAL</b>	<b>468</b>	<b>100.00</b>	<b>9,86,30,000</b>	<b>100.00</b>

**(j) Categories of Shareholders as on March 31, 2012 are as under :**

Category	Number of shares	%age of holding
Promoter & Promoter group	1,51,90,175	15.40
Banks / MFs / FIs	2,62,798	0.26
Other Bodies Corporate	3,10,05,481	31.44
NRIs / OCBs / FIIs	0	0
Resident Individuals	4,54,46,130	46.08
Clearing Members	27,67,735	2.81
Hindu Undivided Family	39,57,681	4.01
<b>TOTAL</b>	<b>9,86,30,000</b>	<b>100.00</b>

(k)

**Corporate Benefits:**

Dividend Declared for the last 3 Years:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2008-2009	N.A.	NIL
2009-2010	N.A.	NIL
2010-2011	N.A.	NIL

**(l) Dematerialization of shares and liquidity and Lock-in of Shares**

The Company has entered into agreements with National Security Depository Limited and Central Depository Services Limited for the dematerialisation of shares.

**a) Dematerialisation Position as on March 31, 2012**

Total No. of Fully paid up Shares	Shares in Demat Form	Percentage %	Shares in Physical Form	Percentage %
9,86,30,000	9,26,76,750	93.96	59,53,250	6.04

**b) Details of Locked-in Shares:**

During the Year under review, 2,45,07,500 Equity Shares of the Company were locked-in aggregating to 24.85% of the total capital of the Company.

**(m) Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion**

As of date, the Company has not issued these types of securities.

**Plant Locations:**

The Company's does not have any plant.

**(n) (i) Address for investor correspondence**

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, payment of dividend on shares and any other query relating to shares of the Company:

Shareholders, holding shares in electronic mode, should address all their correspondence to their respective Depository Participants (DPs).

**(ii) Any query on Annual Report:** Registered office of the Company.

**(o) Capital Integrity Audit for Reconciliation of Capital:**

As stipulated by SEBI, a qualified Practising Company Secretary (PCS) carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the copy of the report is submitted to the Stock Exchanges where the shares are listed. The audit confirms that the total Listed and Paid-up Capital of the Company is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

**11. Transfer of Unpaid/unclaimed amounts to IEPF:**

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the declared dividends which remained unpaid/unclaimed for a period of 7 years are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act. There is no unclaimed dividend which is due for transfer to IEPF.

**12. Equity Shares in the Suspense Account**

As per Clause 5A(I)(g) of the Listing Agreement, the Company reports that None of Equity Shares lying in the suspense account which were issued pursuant to the public issue of the Company in the year 1992.

**13. Compliance Certificate of the Auditors:**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the

Stock Exchanges and the same is annexed to the Directors Report and Management Discussion and Analysis. The Certificate from the Statutory Auditors will be sent to the Stock Exchanges where the shares of the Company are listed along with the Annual Report of the Company.

**14. Non- mandatory disclosures:**

The non- mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings as detailed below:

**The Board:** No policy has been fixed on tenure of independent directors.

**Remuneration Committee:**

The remuneration of the Executive Directors is approved in the Board meeting where in the Executive Directors do not participate and vote on the resolutions considering their remuneration package. Hence in the opinion of the Board, there is no conflict of interest in the determination of remuneration package to the Executive Directors and the same is in consonance with the provisions of the Companies Act 1956.

**Audit Qualifications:**

Auditor's qualifications & observation on the financial statements for the year 2011-2012 have been appropriately explained in the Directors Report.

**Training of Board Members:**

The present Board of Directors consists of well experienced and responsible members of the society. All the Directors are well aware of business model as well as the risk profile and business parameters of the Company and their responsibilities as Directors. However, periodical briefings are made to the directors about the business model & risk profile of the Company.

**15. CEO / CFO Certification**

In terms of the requirements of Clause 49 (V) of the Listing Agreement, the Chairman, Mr. Ashok Gupta, have submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause. This certificate has been reviewed and taken on record by the Board of Directors at its meeting held on May 14, 2012.

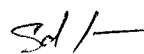
**16. Auditor's Certificate on Corporate Governance**

The Auditor's Certificate on compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Directors' Report.

**17. Declaration on Compliance with Code of Conduct**

It is hereby affirmed that all the directors and the senior management personnel have complied with the Code of Conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

For Santowin Corporation Limited



Ashok Gupta  
Director

Place: Mumbai  
Date: August 14, 2012

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1. Industry Overview:**

Santowin Corporation Limited (SCL) has been engaged in the business of textiles since its inception in 1986. The year under review has been water shed for Indian spinning industry in particular and the textile industry in general. Economic front, however, put forth a rather mixed scenario. For developed economies, uncertainty about pace of global recovery, limited private spending, dependence on the fiscal and monetary stimuli and weaker rate of recoveries persisted throughout the year. Developing economies like India, in contrast, grew at much higher pace. But this growth happened on the backdrop of increasing inflationary pressures, requiring Central Bank and policy makers juggle between tightening monetary policies and taking measures to support growth.

The Company will be embarking on a modernisation and expansion program in 2012-13. With the bottom line turning positive, strong brand recognition and a world class product, we are confident that SCL will go from strength to strength in the coming years.

### **2. Outlook on Opportunities, Threats, Risks & Concerns:**

The lack of demand, forced your Company to reduce prices and tough competition has again worsened the situation. The management have taken bold but necessary strategic decision in the year under review and the current year looks optimistic.

#### **Opportunities:**

The Management will try to venture into new business areas like:

- > Mining/Extraction of Minerals
- > Heavy Machinery Rentals
- > Software development, open call centers, BPO, KPO in India and across the Globe;
- > Development of Real Estate Property, Infrastructure Projects, letting out the parties to third parties in India and anywhere in the world;

The Board is confident that the new business areas will bring lucrative offers to the Company and your Company will witness prosperous growth in the near future.

#### **Threats:**

- > The largely unorganized structure of the market can affect the systematic functioning of the Company.
- > Political instability, which has a tremendous impact on the overall markets.
- > Likely opening up of the economy, which can be a double-edged sword.

#### **Risks and Concerns:**

- > Rising inflationary pressures, weak global recovery, volatility in raw material prices, tighter fiscal and monetary policies and possibility of slower growth rate of Indian economy are the key concerns on the macroeconomic fronts which may have an impact on your Company's operations in the ensuing year. Penetrating high-growth emerging economies is the next challenge that Indian companies have to face and overcome.
- > The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards, mine safety, land use, toxic substances, land claims of local people and other matters. These laws and other governmental policies may affect investments of the Company and/or its shareholders. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

The Board manages and reviews the risk management system, policy and strategy from time to time. The Board identifies, assesses and monitors all principal risks. The ever changing business environment necessitates continuous monitoring, evaluation & management of significant risks faced by the



organization. Your Company periodically reviews the risk assessment and minimization procedures and steps taken by it to mitigate these risks.

**3. Internal Control System and Adequacy:**

SCL has proper and adequate systems of Internal Control to ensure that all the assets are safeguarded from loss, damage or disposition. Checks & balances are in place to ensure that transactions are adequately authorised and recorded, and that they are reported correctly. Teams of employees conduct internal audits to assess the adequacy of the internal control procedures and processes of the Company. The accounts of the Company are reviewed by the Audit Committee of the Board.

The Board of Directors considers the internal controls as adequate.

**4. Financials:**

The financial performance of the Company has substantially grown in the year under review and is given as under:-

Financial Results	(Rs. in Lacs)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Income	39,12.90	2509.77
Profit before Tax	1,43.89	279.34
Less : Provision for Taxation	48.21	37.03
Add : Deferred Tax	1.09	-
Profit after Tax	96.79	242.31
Add : Profit brought forward from Previous Year	2,44.54	2.23
Balance carried forward	3,41.33	244.54

**5. Human Resources:**

The relations of the Company and its employees continued to be harmonious during the year under review. Sustained success for an organization presupposes an unwavering concentration on leadership development and strengthening the talent pipeline at all levels. Learning and development initiatives are directed towards enhancing the effectiveness of employees and we believe in building human capabilities by exposing our people to a wide variety of business complexities and providing them with greater empowerment and responsibility at all levels. We believe that a culture of appreciating all big and small achievements is crucial to develop a motivated, contributing workforce.

**6. Disclaimer:**

*Certain Statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations, objectives, etc. may be understood within the meaning of applicable laws and regulations. Factors like changes in Government regulations, tax laws and other factors are such as industrial relations and economic developments etc. may further influence the company's operations or performance.*

On behalf of the Board of Directors  
For **SANTOWIN CORPORATION LIMITED**

*Sd/-*

Ashok B Gupta  
Chairman

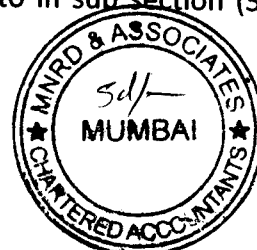
# MNRD & ASSOCIATES

Chartered Accountants

## AUDITORS' REPORT

TO  
THE MEMBERS OF SANTOWIN CORPORATION LIMITED

1. We have audited the attached Balance Sheet of **SANTOWIN CORPORATION LIMITED**, as at 31<sup>st</sup> March, 2012 and also the Profit and Loss Account and also the cash flow statement 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. Further to our comments in the annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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



- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in term of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read 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 31<sup>st</sup> March, 2012 and
  - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
  - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For MNRD & ASSOCIATES**  
**Chartered Accountants**  
**F.R. No. – 126991W**

*Self*

**Narayan B. Toshniwal**  
**Partner**  
**Mem. No. 048334.**



**Place : Mumbai**  
**Date : 3<sup>rd</sup> September, 2012**

## ANNEXURE TO THE AUDITORS' REPORT

**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.
- (b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
- (c) No substantial part of fixed assets have been disposed off during the year, and it has not affected the going concern.

**2. In respect of its inventories:**

- (a) Inventory has been physically verified by the management at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.

**3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.**

- (a) As per Annexure

**4. In respect of internal control**

In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, We have not observed continuing failure to correct major weaknesses in internal control system.

**5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956**

- (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies Act 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 are made at price which are reasonable having regard to prevailing market



prices at the relevant time.

**6. In respect of deposits from public**

The Company has not accepted any deposit from the public within the meaning of Section 58A & 58AA or any other relevant provision of the Companies Act, 1956.

**7. In respect of internal audit system**

The company has no internal audit system. However, in our opinion, The Company has an internal check system commensurate with its size and nature of its business.

**8. In respect of maintenance of cost records**

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Act.

**9. In respect of statutory dues**

(a) The company is not regular in depositing the undisputed statutory dues which include income tax, Education Cess and Secondary & Higher Education Cess with the Income tax authorities.

(b) According to the information and explanation given to us there are no disputes pending before the authorities in the respect of Sales Tax, Income Tax, Custom Duty and CESS.

**10. In respect of accumulated losses and cash losses**

The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

**11. In respect of dues to financial institution / banks / debentures**

The company has not defaulted in repayment of dues to financial institution, or a bank.

**12. In respect of loans and advances granted on the basis of security**

The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**13. In respect of provisions applicable to Chit fund**

In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the



provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.

- (a) N.A
- (b) N.A
- (c) N.A
- (d) N.A

**14. In respect of dealing or trading in shares, securities, debentures and other investment**

According to information and explanations given to us the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.

**15. In respect of guarantee given for loans taken by others**

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.

**16. In respect of application of term loans**

The Company has not obtained any term loans during the year.

**17. In respect of fund used**

According to the information and explanations given to us and overall examination of the balance sheet of the Company. In our opinion, the funds raised on short-term basis have been used for long-term investment.

**18. In respect of preferential allotment of shares**

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year.

**19. In respect of securities created for debentures**

The company has not issued any debentures during the year. Therefore provisions of clause 4(xix) of the Order are not applicable to the company.



**20. In respect of end use of money raised by public issues**

The company has not raised any money from the public during the year under audit.

**21. In respect of fraud**

According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Mumbai  
Date : 3<sup>rd</sup> September 2012

**For MNRD & ASSOCIATES  
Chartered Accountants  
F.R. No. – 126991W**

*Sd/-*

**Narayan B. Toshniwal  
Partner  
Mem. No. 048334.**



## Loans given and taken from related parties

Sr. No.	Name	Relationship	Opening Balance	Loan Taken	Loan Repaid	Closing Balance
1	Swati Enterprises	Director is one of the interested party	-	36,650,158.00	36,650,158.00	-
2	Shivam Apparels	Promoter is one of the interested party	(49,398,776.00)	5,063,000.00	165,000.00	(44,500,776.00)
3	Shree Balaji International School	Director of the company is interested as trustee in Shree Balaji International School	-	450,000.00	3,989,000.00	(3,539,000.00)
4	Powerhouse Gym	Director is one of the interested party	66,800.00	560,800.00	3,000.00	624,600.00
5	Vigyapan Technology Pvt.Ltd	Director of the company is interested as a Director & Shareholder in Vigyapan Technology Pvt.Ltd	(377,500.00)	1,040,000.00	1,360,606.00	(698,106.00)
6	Sushanku Enterprises Ltd.	Director of the company is interested as a Director & Shareholder in Sushanku Enterprises Ltd.	31,205,274.00	185,694,775.00	86,548,632.00	130,351,417.00
7	Samarpan Textiles Pvt.Ltd.	Director of the company is interested as a Director & Shareholder in Samarpan Textiles Pvt.Ltd.	29,161,695.00	65,991,610.00	55,002,860.00	40,150,445.00
8	Ashok Gupta	Loan given to Director	525,300.00	2,195,311.00	2,720,611.00	-
9	Ashok Gupta (HUF)	Loan given to Director	981,000.00	7,872,302.00	6,327,033.00	2,526,269.00
10	Gupta Family Trust	Director of the company is interested as a trustee in gupta family trust	90,000.00	909,006.00	312,500.00	686,506.00





**SANTOWIN CORPORATION LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

Particulars	Sch. No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	98,630,000	81,350,000
(b) Reserves and Surplus	2	302,315,934	111,197,145
<b>(2) Share Application money pending allotment</b>		-	87,745,000
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	118,766,900	22,560,968
<b>(4) Current Liabilities</b>			
(a) Trade Payables	4	197,910,245	201,083,775
(b) Other Current Liabilities	5	9,935,157	3,500,000
(c) Short-Term Provisions	6	4,820,535	-
<b>Total Equity &amp; Liabilities</b>		<b>732,378,771</b>	<b>507,436,888</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Gross Block	7	4,727,624	4,152,624
(ii) Depreciation		4,467,112	3,822,644
(iii) Net Block		260,512	329,980
(b) Non-current investments	8	49,797,861	15,462,058
(c) Deferred tax assets (net)		109,949	-
(d) Long term loans and advances	9	182,406	-
<b>(2) Current Assets</b>			
(a) Inventories	10	2,623,830	506,803
(b) Trade receivables	11	291,302,453	240,009,926
(c) Cash and cash equivalents	12	1,088,842	90,802,603
(d) Short-term loans and advances	13	386,116,327	160,091,074
(e) Other current assets	14	896,592	234,444
<b>Total Assets</b>		<b>732,378,771</b>	<b>507,436,888</b>

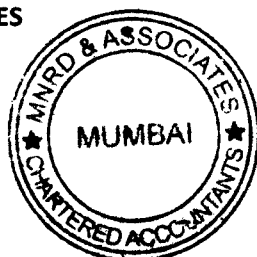
**NOTES TO ACCOUNTS**

23 & 24

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

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

FOR MNRD & ASSOCIATES  
Chartered Accountants



*Sd/-*  
Narayan Toshniwal  
Partner

Mem. No. : 048334  
Firm Reg. No.: 126991W

Place : Mumbai  
Dated : 03/09/2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
SANTOWIN CORPORATION LIMITED

*Sd/-*  
DIRECTOR

*Sd/-*  
DIRECTOR

**SANTOWIN CORPORATION LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2012**

Sr. No	Particulars	Sch. No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
	<b>Revenue</b>			
I	Revenue from operations	15	355,398,287	221,933,155
II	Other Income	16	35,891,991	28,537,282
III	<b>Total Revenue (I +II)</b>		<b>391,290,278</b>	<b>250,470,437</b>
	<b>Expenses:</b>			
IV	Cost of operations	17	369,092,465	207,617,794
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(2117027)	(506803)
	Employee Benefit Expense	19	1,215,630	375,000
	Financial Costs	20	146,630	9,072,455
	Depreciation and Amortization Expense	21	644,468	910,110
	Other Administrative Expenses	22	7,918,736	5,068,338
	<b>Total Expenses (IV)</b>		<b>376,900,902</b>	<b>222,536,894</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>14,389,376</b>	<b>27,933,543</b>
VI	Exceptional Items Earlier Short I.T Provision		-	202,644
VII	Profit before extraordinary items and tax (V - VI)		<b>14,389,376</b>	<b>27,730,899</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>14,389,376</b>	<b>27,730,899</b>
X	<b>Tax expense:</b>			
	(1) Current tax		4,820,535	3,500,000
	(2) Deferred tax		(109949)	-
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	<b>9,678,790</b>	<b>24,230,899</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		<b>9,678,790</b>	<b>24,230,899</b>
XVI	Earning per equity share:			
	(1) Basic		0.10	2.98
	(2) Diluted		0.10	2.98

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement  
This is the Profit & Loss Statement referred to in our Report of even date.

FOR MNRD & ASSOCIATES  
Chartered Accountants

*Sd/-*  
Narayan Toshniwal  
Partner  
Membership No. : 048334  
Firm Reg. No.: 126991W



FOR AND ON BEHALF OF BOARD OF DIRECTORS  
SANTOWIN CORPORATION LIMITED

*Sd/-*  
DIRECTOR

*Sd/-*  
DIRECTOR

Place : Mumbai  
Dated : 03/09/2012

**SANTOWIN CORPORATION LIMITED**  
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2012

**Schedule : 1 Share Capital**

Sr. No	Particulars	Current Year	Previous Year		
1	<b>AUTHORIZED CAPITAL</b> 310,000,000 (13,000,000@10 each) Equity Shares of Rs. 1/- each.	310,000,000	130,000,000		
		<b>310,000,000</b>	<b>130,000,000</b>		
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> <b>To the Subscribers of the Memorandum</b> Paid up Share capital 98,630,000 (8,135,000@10 each) Equity Shares of Rs. 1/- each, Fully  (Company has Sub-divided it's existing equity shares from Rs. 10 to Rs. 2 on 16/05/2011 and from Rs. 2 to Rs. 1 on 01/12/2011)	98,630,000	81,350,000		
	<b>Total</b>	<b>98,630,000</b>	<b>81,350,000</b>		
<b>Sr. Details of share holding pattern and shareholders holding more than 5% shares.</b>					
No.	Name	PAN No.	No of shares	Holding Ratio	Class of Share
1	Ashok Gupta		11,378,300	11.54%	Equity Shares
2	Kaynet Capital Ltd.		5,120,805	5.19%	Equity Shares

**Schedule : 2 Reserve & Surplus**

Sr. No	Particulars	Current Year	Previous Year
1	Capital Reserve	5,292,807	5,292,807
2	Securities Premium reserve	281,640,000	100,200,000
3	Surplus (Profit & Loss Account)	15,383,127	5,704,338
	Balance brought forward from previous year	5,704,337	223,439
	Add: Profit for the period	9,678,790	24,230,899
	Less: Tax on Regular Assessment Paid	-	-
	Less: Capitalised towards bonus	-	18,750,000
	<b>Total</b>	<b>302,315,934</b>	<b>111,197,145</b>

**Schedule : 3 Long Term Borrowings**

Sr. No	Particulars	Current Year	Previous Year
1	<b>Term Loan</b>		
	From Bank	-	17,979,199
2	Loan From Others	70,615,780	2,918,669
3	Loan From Related Parties	48,151,120	1,663,100
	<b>Total</b>	<b>118,766,900</b>	<b>22,560,968</b>

**Schedule : 4 Trades Payable**

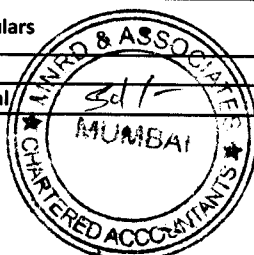
Sr. No	Particulars	Current Year	Previous Year
	<b>-Sundry Creditors</b>		
1	Creditor for Goods	180,696,748	199,622,928
2	Creditor for Expenses	17,213,498	1,460,847
	<b>Total</b>	<b>197,910,245</b>	<b>201,083,775</b>

**Schedule : 5 Other Current Liabilities**

Sr. No	Particulars	Current Year	Previous Year
1	TDS Payable (11-12)	120,061	-
2	Income Tax Payable	1,500,000	3,500,000
3	<b>Bank Overdraft</b>		
	Corporation Bank A/c.No.186	8,158,033	-
	Corporation Bank A/c No. 215	157,063	-
	<b>Total</b>	<b>9,935,157</b>	<b>3,500,000</b>

**Schedule : 6 Short Term Provisions**

Sr. No	Particulars	Current Year	Previous Year
1	Provision for Income Tax (AY 2012-13)	4,820,535	-
	<b>Total</b>	<b>4,820,535</b>	<b>-</b>



**SANTOWIN CORPORATION LIMITED**  
Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2012

Schedule : 7 Fixed Asset

Sr. No	Particulars	Rate	Gross Block			Depreciation			Net Block		
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	WDV as on 31.03.2012	WDV as on 31.03.2011
1	Motor Car & Vehicles	10.01%	2,085,083	-	-	2,085,083	1,876,342	208,740	-	2,085,082	208,741
2	Furniture & Fixtures	18.10%	1,767,754	575,000	-	2,342,754	1,717,319	381,467	-	2,098,786	50,435
3	Office Equipment	18.10%	299,787	-	-	299,787	228,982	54,261	-	283,244	70,805
	<b>SUB TOTAL (A)</b>		<b>4,152,624</b>	<b>575,000</b>	<b>-</b>	<b>4,727,624</b>	<b>3,822,644</b>	<b>644,468</b>	<b>-</b>	<b>4,467,112</b>	<b>329,980</b>
	<b>Total [A + B + C + D] [Current Year]</b>		<b>4,152,624</b>	<b>575,000</b>	<b>-</b>	<b>4,727,624</b>	<b>3,822,644</b>	<b>644,468</b>	<b>-</b>	<b>4,467,112</b>	<b>329,980</b>
	<b>[Previous Year]</b>		<b>41,627,624</b>	<b>25,000</b>	<b>-</b>	<b>4,152,624</b>	<b>2,912,533</b>	<b>910,110</b>	<b>-</b>	<b>3,822,644</b>	<b>1,215,091</b>



**SANTOWIN CORPORATION LIMITED**

**Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2012**

**Schedule : 8 Non Current Investment**

Sr. No	Particulars	Current Year	Previous Year
1	Investment in Equity	49,797,861	15,462,058
	<b>Total</b>	<b>49,797,861</b>	<b>15,462,058</b>

**Schedule : 9 Long Term Loans and Advances**

Sr. No	Particulars	Current Year	Previous Year
1)	<b>Security Deposit</b>		
	a) Secured, Considered Good :		
	Earnest Money Deposit	132,406	-
	Other Deposit	50,000	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
	<b>Total</b>	<b>182,406</b>	<b>-</b>

**Schedule : 10 Inventories**

Sr. No	Particulars	Current Year	Previous Year
1	Stock-in-Trade	2,623,830	506,803
	<b>Total</b>	<b>2,623,830</b>	<b>506,803</b>

**Schedule : 11 Trade Receivables**

Sr. No	Particulars	Current Year	Previous Year
1	<b>Outstanding for more than six months</b>	63,151,309	-
2	<b>Others</b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	228,151,144	240,009,926
	c) Doubtful	-	-
	<b>Total</b>	<b>291,302,453</b>	<b>240,009,926</b>

**Schedule : 12 Cash & Cash Equivalent**

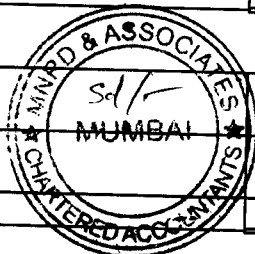
Sr. No	Particulars	Current Year	Previous Year
1	<b>Cash-in-Hand</b>		
	Cash Balance	650,336	2,919,646
	<b>Sub Total (A)</b>	<b>650,336</b>	<b>2,919,646</b>
2	<b>Bank Balance</b>		
	-Current Account	438,506	87,882,957
	<b>Sub Total (B)</b>	<b>438,506</b>	<b>87,882,957</b>
	<b>Total [ A + B ]</b>	<b>1,088,842</b>	<b>90,802,603</b>

**Schedule :13 Short Terms Loans and Advances**

Sr. No	Particulars	Current Year	Previous Year
1	Loans & Advances to related parties	386,116,327	160,091,074
	<b>Total</b>	<b>386,116,327</b>	<b>160,091,074</b>

**Schedule :14 Other Current Assets**

Sr. No	Particulars	Current Year	Previous Year
4	Balance With Revenue Authorities	896,592	234,444
	<b>Total</b>	<b>896,592</b>	<b>234,444</b>



**SANTOWIN CORPORATION LIMITED**  
**Schedules Forming Part of the Profit & Loss Accounts as at 31st March 2012**

**Schedule : 15 Revenue from Operations**

Sr. No	Particulars	Current Year	Previous Year
1	Sales	355,398,287	221,933,155
	<b>Total</b>	<b>355,398,287</b>	<b>221,933,155</b>

**Schedule : 16 Other Income**

Sr. No	Particulars	Current Year	Previous Year
1	Interest Income	2,662,185	925,506
2	Membership Fees	726,864	520,900
3	Contract Income	32,500,000	-
4	Profit on Sale of Share	-	2,949,486
5	Short Term Capital Gain	-	7,105,000
6	Misc Income	2,942	2,166
7	Creditors Written off	-	812,274
8	Compensation Received	-	13,000,000
9	Development Income	-	325,000
10	Education Income	-	250,000
11	Fitness Income	-	548,200
12	Software Development Income	-	377,500
13	Rent Received	-	1,721,250
	<b>Total</b>	<b>35,891,991</b>	<b>28,537,282</b>

**Schedule : 17 Cost of Operation**

Sr. No	Particulars	Current Year	Previous Year
a)	<b><u>PURCHASES OF RAW MATERIALS AND STORES</u></b>		
1	Purchase	366,663,040	207,617,794
	Sub-total (a)	<b>366,663,040</b>	<b>207,617,794</b>
b)	<b><u>DIRECT/PRODUCTIONS EXPENSES</u></b>		
1	Labour Charges	2,429,425	-
	Sub-total (b)	<b>2,429,425</b>	<b>-</b>
	<b>Total (a+b)</b>	<b>369,092,465</b>	<b>207,617,794</b>

**Schedule : 18 Change in Inventories**

Sr. No	Particulars	Current Year	Previous Year
1	Opening Stock	506,803	-
2	Closing Stock	2,623,830	506,803
	<b>Difference</b>	<b>(2,117,027)</b>	<b>(506,803)</b>

**Schedule : 19 Employment Benefit Expenses**

Sr. No	Particulars	Current Year	Previous Year
1	Salaries, Bonus, PF & ESIC	1,215,630	375,000
	<b>Total</b>	<b>1,215,630</b>	<b>375,000</b>



**SANTOWIN CORPORATION LIMITED**

**Schedules Forming Part of the Profit & Loss Accounts as at 31st March 2012**

**Schedule :20 Financial Cost**

Sr. No	Particulars	Current Year	Previous Year
1	Bank Charges	122,716	43,183
2	Bank Commission	23,914	-
3	Interest on Term Loan	-	8,998,026
4	Interest on Others	-	31,246
	<b>Total</b>	<b>146,630</b>	<b>9,072,455</b>

**Schedule : 21 Depreciation & Amortised Cost**

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	644,468	910,110
	<b>Total</b>	<b>644,468</b>	<b>910,110</b>

**Schedule : 22 Other Administrative Expenses**

Sr. No	Particulars	Current Year	Previous Year
1	Rent	420,000	323,000
2	Office Expenses	108,300	-
3	Insurance Expenses	43,915	-
4	Motor Car Expenses	25,369	-
5	Telephone Expenses	82,465	-
6	Computer Expenses	46,028	-
7	Conveyance Expenses	827,386	618,315
8	Travelling Expenses	390	-
9	Repair & Maintenance	1,452,543	824,185
10	Electricity Expenses	711,314	32,760
11	Miscellaneous expenses	16,783	975,917
12	Development Charges	-	98,123
13	Staff Welfare	-	126,638
14	Packaging & Forwarding	-	251,355
15	Transportation Charges	-	193,475
16	Printing & Stationary	77,979	161,188
17	Advertisement & Publicity	1,058,281	34,250
18	Legal & Professional Charges	717,708	668,746
19	Business Promotion Expenses	2,217,915	650,056
20	Auditors Remuneration	112,360	110,330
	<b>Total</b>	<b>7,918,736</b>	<b>5,068,338</b>



**Note No.23: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2012.**

**A BASIS OF PRESENTATION**

The Company maintains its accounts on accrual basis following historical cost convention to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and the Rules. Management makes estimates and technical and other assumptions regarding the amounts of income and expenses, assets and liabilities, and disclosure of contingencies, in accordance with Generally Accepted Accounting Principles in India in the preparation of the financial statements. Differences between the actual results and estimates are recognized in the period in which they are determined.

**B SIGNIFICANT ACCOUNTING POLICIES:**

**a) Revenue Recognition**

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

**b) 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.

**c) Depreciation**

Depreciation is been provided on assets used during the year. Depreciation on addition/deletion during the year has been provided on pro-rata basis with reference to the month of addition and deletion.

**d) Investments**

All the investments are stated cost.

**e) 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.

**f) Contingencies / Provisions**

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the Company exists as at the Balance Sheet date. Contingent assets are neither recognised nor disclosed in the financial statements.

**g) Taxation :**

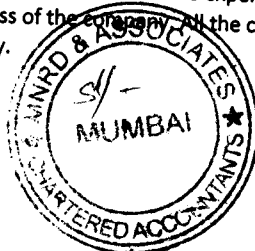
The tax expense comprises of current and deferred tax. Current income tax is measured in accordance with the Income Tax Act 1961. the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred taxes reflects the impact of timing differences between the taxable income and the accounting income originating during the current year and reversal of timing differences for the earlier years. The deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted as on the Balance Sheet date. Deferred Tax Assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**h)** There is no estimated amount of the contracts remaining to be executed net of advances and not provided for on capital accounts as at the balance sheet date. The Company does not have any contingent liabilities as on the balance sheet date.

**i)** 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

**j)** 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.





k) 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.

l) **Earning Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit & loss for the year attributable to equity shareholders and the weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



Note No. 24 : NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS AS ON MARCH 31, 2012

24.1 Earnings per share

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>Basic EPS</b>		
Net Profit/(loss) for Calculation of Basic EPS	9,678,790	24,230,899
Weighted average number of equity shares for calculation of Basic EPS	98,630,000	8,135,000
<b>Basic EPS</b>	<b>0.10</b>	<b>2.98</b>
<b>Diluted EPS</b>		
Net Profit/(loss) for Calculation of diluted EPS	9,678,790	24,230,899
Weighted average number of equity shares for calculation of Basic EPS	98,630,000	8,135,000
<b>Diluted EPS</b>	<b>0.10</b>	<b>2.98</b>

24.2 Transaction with Related Parties

Detail of transaction with Related party

Name of Parties	Amount	Nature of Transaction	Relationship
Mahanagar Trading Co. Pvt. Ltd.	1,080,500	Sale	Director of the company is interested as a Director & Shareholder in Mahanagar Trading Co. Pvt. Ltd.
Swati Enterprises	26,933,040	Sale	Director is one of the interested party
Shrishi Textile Company	700,000	Sale	One of the director is interested as partner
Powerhouse Fitness Limited	19,795,660	Sales	Director is one of the interested party
Sushanku Enterprises Ltd.	62,883,312	Sales	Director of the company is interested as a Director & Shareholder in Sushanku Enterprises Ltd.
Subhtex (India) Ltd.	81,449,234	Purchase	Director of the company is interested as a Director & Shareholder in Subhtex (India) Ltd.
Subhtex (India) Ltd.	21,591,427	Sales	Director of the company is interested as a Director & Shareholder in Subhtex (India) Ltd.

24.3 Company has outstanding liability towards income tax authority for past year which is partly paid by the company during the year.

24.4 Previous year figures

Till the year ended 31st March, 2011 the company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and representation of its Financials Statement. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The adoption of revised schedule VI does not impact recognition and measurement principles, however it impacts disclosure and presentation of financials statements.

As per our Report of even date  
FOR MNRD & ASSOCIATES  
Chartered Accountants

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
SANTOWIN CORPORATION LIMITED

Narayan Toshniwal  
Partner  
Memb. No. 048334  
Firm Reg. No.: 126991W



Sd/-  
Director

Sd/-  
Director

Place : Mumbai  
Dated :03/09/2012