

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, 7th 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 29th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2013.

	(Rs. in Lacs)	
Financial Results	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	2426.16	3912.90
Profit before Tax	11.79	143.89
Less : Provision for Taxation	4.05	48.21
Profit after Tax	7.62	96.79
Add : Profit brought forward from Previous Year	153.83	244.54
Balance carried forward	161.45	341.33

DIVIDEND

Due to inadequate profits in the current year, Board has not recommended any dividend for the Financial Year 2012-2013.

SUBSIDIARY

As on March 31, 2013, 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 heavy machinery hiring in Ghana.

As required under Section 212 of the Companies Act, 1956, the Annual Report together with Balance Sheet and Profit and Loss Account for the year ended March 31, 2013, of the subsidiary company is attached.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and pursuant to the provisions of Articles of Association of your Company, Mr. Ashok Gupta and Mr. Vinod Bansal, are liable to retire by rotation and being eligible, offer themselves for re-appointment in the forthcoming 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

M/s MNRD & Associates will be replaced by M/s Jain Anil & Associates, as Auditors of the Company from the conclusion of the 29th Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company.

M/s. Jain Anil & Associates have also expressed their willingness to act as Auditors of the Company, if 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.

APPOINTMENT OF REGISTRAR AND SHARE TRANSFER AGENT

During the year, the Company has appointed Purva Sharegistry (India) Private Limited as its Registrar and Share Transfer Agent. The details of the Registrar and Share Transfer Agent of the Company are provided in the Report of Corporate Governance attached to this Annual Report.

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.

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, 2013;
- (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**

Place: Mumbai
Date: September 5, 2013

sd/-
Ashok Gupta
Chairman

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, 2012 to March 31, 2013

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, 2013, 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, 2013, the Company had Four (4) Board meetings. These meetings were held on May 14, 2012, August 14, 2012, November 15, 2012, February 13, 2013.

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	4	YES	2	1	-
2.	Mrs. Sushma Gupta	Promoter Director	4	YES	2	-	-
3.	Mr. Ankush Gupta	Promoter Director	4	YES	3	-	1
4.	Mr. Vinod Bansal	Independent Director	4	YES	2	1	-
5.	Mr. Vinay Poddar	Independent Director	4	YES	1	-	1

**Directorships in Section 25 companies, Foreign companies and Private Limited companies, if any, are excluded.*

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

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:

The Board has formulated a code of conduct for the Board members of the Company. All Board members have affirmed their compliance with the code. A declaration to this effect signed by the Chairman of the Board of Directors of the Company is given elsewhere in the Annual 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:

Sr. No.	Name of the Directors	Status
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: May 14, 2012, August 14, 2012, November 15, 2012 and February 13, 2013.

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. No remuneration was paid to any Director of the Company, during the year ended on March 31, 2013.

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: 20/05/2012, 24/08/2012 and 15/01/2013.

Compliance Officer:

Mr. Ashok 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 Exchange.

7. INVESTOR GRIEVANCE REDRESSAL:

- Pending complaints as on 01.04.2012	Nil
- No. of shareholders complaints received	1
- No. of complaints not resolved to the Satisfaction of the shareholders	Nil
- Pending complaints as on 31.03.2013	1

DISCLOSURES:

I. General Body Meetings:

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

Financial Year	Date	Location	Time	Special Resolution Passed in the AGM
2011-12 AGM	29.09.2012	702, 7 th Floor, Concord CHS Ltd, N. S. Road No.10, JVPD Scheme, Juhu, Mumbai - 400049	10.00 a.m.	NIL

2010-11 AGM	30.09.2011	702, 7 th Floor, Concord CHS Ltd, N. S. Road No.10, JVPD Scheme, Juhu, Mumbai - 400049	10.00 a.m.	NIL
2009-10 AGM	17.08.2010	702, 7 th 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

b) **Postal Ballot:**

No Postal Ballot held during the year 2012 -2013.

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:

The Company publishes its Quarterly Results in English and Marathi language newspapers i.e. The Free Press Journal and Navshakti.

(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

(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 30, 2013 at 9.00 A.M.
Venue : Registered office of the Company

(b) Financial Calendar : 2013-2014 (Tentative)

Quarter ending	In the month of
June 2013	July / August 2013
September 2013	October / November 2013
December 2013	January / February 2013
March 2014 (Audited annual results)	May 2014

(c) Book Closure Period:

From Thursday, September 26, 2013 to Monday, September 30, 2013 (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:

Name and Address of Stock Exchange where Company is listed	Stock Code & ISIN	Payment of Listing Fees
Bombay Stock Exchange Limited (BSE) Phrioze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (INDIA)	512465 & INE386L01020	Annual listing fees for the year 2013-2014 have been paid.
Madras Stock Exchange Limited No.30, Second Line Beach, Chennai 600 001, Tamilnadu	SANTOWCORP	Annual listing fees for the year 2013-2014 have been paid.

(f) Market Price Data:

Stock Exchange Code: 512465

Source: BSE website.

Madras Stock Exchange Code: SANTOWCORP

Stock price data at the BSE:

Month	Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr 12	25.40	17.55	17,664.10	17,010.16
May 12	18.75	9.05	17,432.33	15,809.71
June 12	9.23	7.12	17,448.48	15,748.98
July 12	9.21	6.33	17,631.19	16,598.48
Aug 12	7.91	4.80	17,972.54	17,026.97
Sep 12	5.34	3.87	18,869.94	17,250.80
Oct 12	7.29	4.40	19,137.29	18,393.42
Nov 12	6.50	4.74	19,372.70	18,255.69
Dec 12	5.09	3.63	19,612.18	19,149.03
Jan 13	3.84	2.47	20,203.66	19,508.93
Feb 13	3.00	1.58	19,966.69	18,793.97
Mar 13	1.58	1.17	19,754.66	18,568.43

(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, 2013 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	427	53.71	479051	0.48
5,001– 10,000	57	7.17	453082	0.46
10,001- 20,000	46	5.79	656886	0.66
20,001 – 30,000	22	2.77	548803	0.56
30,001 – 40,000	25	3.14	876082	0.89
40,001 – 50,000	29	3.65	1358970	1.38
50,001– 1,00,000	47	5.91	3587410	3.64
1,00,001 & above	142	17.86	90669716	91.93
TOTAL	795	100.00	98630000	100.00

(j) Categories of Shareholders as on March 31, 2013 are as under :

Category	Number of shares	%age of holding
Promoter & Promoter group	1,49,09,051	15.11
Banks / MFs / FIs	0	0.00
Other Bodies Corporate	4,04,20,987	40.98
NRIs / OCBs / FIIs	2,33,587	0.24
Resident Individuals	4,26,92,925	43.29
Clearing Members	3,73,450	0.38
TOTAL	9,86,30,000	100.00

(k) Corporate Benefits:

Dividend Declared for the last 3 Years:

Financial Year	Dividend Declaration Date	Dividend Rate (%)
2011-2012	N.A.	NIL
2010-2011	N.A.	NIL
2009-2010	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, 2013

Total No. of Fully paid up Shares	Shares in Demat Form	Percentage %	Shares in Physical Form	Percentage %
9,86,30,000	9,75,80,500	98.93	10,49,500	1.07

b) Details of Locked-in Shares:

During the Year under review, 97,40,000 Equity Shares of the Company were locked-in aggregating to 9.88% of the total capital of the Company.

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

As of date, there are no outstanding GDRs / ADRs / Warrants or any convertible instruments.

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 Practicing 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.

Audit Qualifications:

Auditor's qualifications & observation on the financial statements for the year 2012-2013 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 September 5, 2013

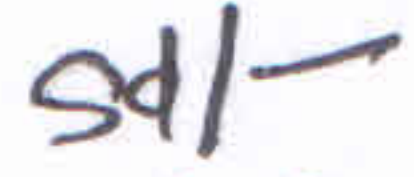
16. Auditor's Certificate on Corporate Governance

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: September 05, 2013

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.

SCL has widened its horizons to multiple sectors including gold mining and heavy machinery hiring.

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 new 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

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 appreciating rupee could also affect textile and garment exports.

- > The mining, hiring 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. Elections in developing countries is another big concern. 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 authorized 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 31.03.2013	Year Ended 31.03.2012
Income	2426.16	3912.90
Profit before Tax	11.79	143.89
Less : Provision for Taxation	4.05	48.21
Profit after Tax	7.62	96.79
Add : Profit brought forward from Previous Year	153.83	244.54
Balance carried forward	161.45	341.33

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 Gupta
Chairman

AUDITORS' REPORT

TO
THE MEMBERS OF SANTOWIN CORPORATION LIMITED

1. We have audited the attached Balance Sheet of SANTOWIN CORPORATION LIMITED, as at 31st March, 2013 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 31st March 2013, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2013 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 31st March, 2013 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

Place : Mumbai
Date : 5th September, 2013

Sd/-
Narayan B. Toshniwal
Partner
Mem. No. 048334.

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 : 5th September, 2013

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

sd/

Narayan B. Toshniwal
Partner
Mem. No. 048334.

Santowin Corporation Limited
Balance Sheet as at 31st March 2013

Particulars	Note No.	As at March 31, 2013		As at March 31, 2012	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	98,630,000		98,630,000	
(b) Reserves and Surplus	2	303,158,341	401,788,341	302,315,934	400,945,934
(2) Non-Current Liabilities					
(a) Long-term borrowings	3	16,830,233	16,830,233	118,766,900	118,766,900
(3) Current Liabilities					
(a) Short-term borrowings	4	550,000			
(b) Trade payables	5	179,349,167		180,696,748	
(c) Other current liabilities	6	25,796,903		27,148,655	
(d) Short-term provisions	7	3,300,896	208,996,966	4,820,535	212,665,937
TOTAL			627,615,540		732,378,771
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	8				
(i) Tangible assets		213,358		260,512	
(b) Non-current investments	9	49,797,861		49,797,861	
(c) Deferred tax assets (net)		97,433		109,949	
(d) Long term loans and advances	10	-	50,108,652	182,406	50,350,728
(2) Current assets					
(a) Inventories	11	218,680		2,623,830	
(b) Trade receivables	12	221,452,524		291,302,453	
(c) Cash and cash equivalents	13	180,434		1,088,842	
(d) Short-term loans and advances	14	355,655,250	577,506,887	387,012,919	682,028,044
TOTAL			627,615,540		732,378,771
Significant accounting policies					
Notes on Financial Statements					
The accompanying notes are integral part of the financial statements					

In accordance with our report attached

For MNRD & Associates
Chartered Accountants
Firm number: 126991W

For and on behalf of the Board of Director of
Santowin Corporation Limited

sd/-
Narayan Toshniwal
Partner
Membership No.048334
Place : Mumbai
Date : 05/09/2013

sd/- sd/-
Director Director

Santowin Corporation Limited
Profit and Loss statement for the year ended 31st March, 2013

Particulars	Note No.	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
I. Revenue from operations	15	238,797,450	355,398,287
II. Other Income	16	3,818,723	35,891,991
III. Total Revenue (I+II)		242,616,173	391,290,278
IV. Expenses:			
(a) Cost of materials consumed	17	229,101,349	366,663,040
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	2,405,150	(2,117,027)
(d) Employee benefit expense	19	72,000	1,215,630
(e) Financial costs	20	-	146,630
(f) Depreciation and amortization expense	21	47,152	644,468
(g) Other expenses	22	9,811,044	10,348,161
Total Expenses		241,436,696	376,900,902
V. Profit/(Loss) before tax (III - IV)		1,179,477	14,389,376
VI. Tax expense:			
(i) Current tax		405,000	4,820,535
(ii) Deferred tax		12,516	(109,949)
VII. Profit/(Loss) for the period (V-VI)		761,961	9,678,790
VIII. Earnings/(Loss) per equity share: [Nominal value of share Rs 10 (Rs 10)] -Basic and Diluted	23	0.01	0.10
Significant accounting policies Notes on Financial Statements The accompanying notes are integral part of the financial statements			
In accordance with our report attached			

For MNRD & Associates
Chartered Accountants
Firm number: 126991W

For and on behalf of the Board of Director of
Santowin Corporation Limited

sd/-
Narayan Toshniwal
Partner
Membership No.048334
Place : Mumbai
Date : 05/09/2013

sd/- sd/-
Director rector

Santowin Corporation Limited
Notes on Financial Statements

Note 1 : Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Rupees	No. of shares	Rupees
Authorized:				
Equity Shares of Rs. 10/- each	310,000,000	310,000,000.00	310,000,000	310,000,000.00
Issued, subscribed and fully paid up:				
Equity Shares of Rs. 10/- each	98,630,000	98,630,000.00	98,630,000	98,630,000.00

a. Rights & restriction attached to equity shareholders

The Company has only one class of equity shares having a face value of Rs. 10/- each. Every Shareholder is entitled for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in cash of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

b. Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Value of Shares	No. of shares	Value of Shares
Number of equity shares at the beginning of the year	98,630,000	1.00	98,630,000	1.00
Add : Number of additional equity shares issued & subscribed during the year				
Number of equity shares outstanding at the end of the year	98,630,000	1.00	98,630,000	1.00

c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of Shareholders	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% of Holdings	No. of shares	% of Holdings
a) Ashok Gupta	11378300	11.54	11,378,300	11.54
b) Kaynet Capital Ltd.	5120805	5.19	5,120,805	5.19
c)				
d)				
e)				
g)				
h)				

Note 2 : Reserves and Surplus

Particulars	As at March 31, 2013		As at March 31, 2012	
	Rupees		Rupees	
General Reserves				
Opening Balance		5,292,807		5,292,807
Add : Addition during the year				
Closing Balance		5,292,807		5,292,807
Security Premium				
Opening Balance		281,640,000		281,640,000
Add : Addition during the year				
Closing Balance		281,640,000		281,640,000
Profit & Loss Account :				
Opening Balance		15,383,127		5,704,337
Add : Profit/(Loss) for the Year		761,961		9,678,790
Add : Excess Provision of Dep W/back		80,446		
Less : Proposed Dividend				
Less : Tax on Proposed Dividend				
Closing Balance		16,225,534		15,383,127
Total		303,158,341		302,315,934

Note 3 : Long-term borrowings

Particulars	As at March 31, 2013		As at March 31, 2012	
	Rupees		Rupees	
Term Loans from Bank (Secured)				
From Directors, Related Parties & Shareholders (Unsecured)		14,251,383		48,151,120
From Others (Unsecured)		2,578,850		70,615,780
Total		16,830,233		118,766,900

Note 4 : Short-term borrowings			
Particulars	As at March 31, 2013	As at March 31, 2012	
	Rupees	Rupees	
From Others (Unsecured)	550,000	-	
Total	550,000	-	
Note 5 : Trade payables			
Particulars	As at March 31, 2013	As at March 31, 2012	
	Rupees	Rupees	
Sundry Creditors for Goods	179,349,167	180,696,748	
Total	179,349,167	180,696,748	
Note 6 : Other current liabilities			
Particulars	As at March 31, 2013	As at March 31, 2012	
	Rupees	Rupees	
Sundry Creditor for Expenses	3,558,310	17,213,498	
Bank Overdraft	-	8,315,096	
Advance from Customer	22,150,000	-	
Duties & Taxes Payable	88,593	1,620,061	
Total	25,796,903	27,148,655	
Note 7 : Short-term provisions			
Particulars	As at March 31, 2013	As at March 31, 2012	
	Rupees	Rupees	
For Income Tax	3,300,896	4,820,535	
Total	3,300,896	4,820,535	
Note 8 : Fixed assets			
Particulars	As at March 31, 2013	As at March 31, 2012	
	Rupees	Rupees	
(i) Tangible assets	260,511	260,512	
Total	260,511	260,512	
Note 9 : Non-current investments			
Particulars	As at March 31, 2013	As at March 31, 2012	
	Rupees	Rupees	
Investments in Equity Instruments:			
Quoted Investments	11,518,016	11,518,016	
Unquoted Investments	38,279,845	38,279,845	
Total	49,797,861	49,797,861	
Note 10 : Long term loans and advances			
Particulars	As at March 31, 2013	As at March 31, 2012	
	Rupees	Rupees	
Security and Other Deposits	-	182,406	
Total	-	182,406	
Note 11 : Inventories **			
Particulars	As at March 31, 2013	As at March 31, 2012	
	Rupees	Rupees	
Stock in Trade	218,680	2,623,830	
Total	218,680	2,623,830	
** Inventories, have been valued at lower of cost or market value			

Note 12 : Trade receivables

Particulars	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Domestic Trade Receivables		
Trade Receivables outstanding for a period exceeding six months from the date they are due for the payment (Unsecured, Considered good)		
- Domestic Trade Receivables	201,010,393	63,151,309
- Export Trade Receivables		
Trade Receivables outstanding for the period less than six months from the date they due for payment (Unsecured ,Considered good)		
- Domestic Trade Receivables	20,442,131	228,151,144
- Export Trade Receivables		
Total	221,452,524	291,302,453

Note 13 : Cash and cash equivalents

Particulars	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Cash in hand	22,666	650,336
<u>Balance with Banks</u>		
- in Current Account	157,768	438,506
Total	180,434	1,088,842

Note 14 : Short-term loans and advances

Particulars	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
Loans and advances to Directors, Related Parties & Shareholders (Unsecured)	354,554,351	386,116,327
Loans and advances to others (Unsecured)	99,174	-
Security and Other Deposits	732,406	-
Balances with revenue authorities, etc.	269,319	896,592
Total	355,655,250	387,012,919

Note 15 : Revenue from operations

Particulars	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Operating Revenue		
Revenue from Sale of Traded Goods	238,797,450	355,398,287
Operating Revenue	238,797,450	355,398,287

Note 16 : Other Income

Particulars	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Interest Income	2,693,217	2,662,185
Membership Fees	857,064	726,864
Discount Received	4,705	-
Contract Income	-	32,500,000
Other Income	263,737	2,942
Total	3,818,723	35,891,991

Note 17 : Cost of materials consumed

Particulars	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Purchase	229,101,349	366,663,040
Total	229,101,349	366,663,040

Note 18 : Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Inventories at the end of the year:		
Finished goods	218,680	2,623,830
	218,680	2,623,830
Inventories at the beginning of the year:		
Finished goods	2,623,830	506,803
	2,623,830	506,803
Net (increase) / decrease	(2,405,150)	2,117,027

Note 19 : Employee benefit expense

Particulars	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Salaries and wages	70,000	1,215,630
Staff welfare expenses	2,000	-
Total	72,000	1,215,630

Note 20 : Financial costs

Particulars	For the year ended March 31, 2013 Rupees	For the year ended 31st March, 2012 Rupees
Bank Charges	-	122,716
Bank Commission	-	23,914
Total	-	146,630

Note 21 : Depreciation and amortization expense

Particulars	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Depreciation	47,152	644,468
Total	47,152	644,468

Note 22 : Other expenses

Particulars	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
Rent	420,000	420,000
Office Expenses	64,800	108,300
Insurance Expenses	-	43,915
Motor Car Expenses	-	25,369
Telephone Expenses	11,800	82,465
Computer Expenses	5,000	46,028
Conveyance Expenses	251,800	827,386
Travelling Expenses	451,339	390
Repair & Maintenance	324,315	1,452,543
Electricity Expenses	182,500	711,314
Miscellaneous expenses	-	16,783
Labour Charges	-	2,429,425
Other Expenses	610,344	-
Loading & Unloading Charges	75,000	-
Development Charges	850,000	-
Packaging & Forwarding	56,000	-
Compensation Paid	2,789,106	-
Printing & Stationary	37,500	77,979
Administration Expenses	769,166	-
Gym Expenses	202,780	-
Ghana Expense Account	643,077	-
HOUSEKEEPING CHARGES	128,322	-
Interest Paid on Term Loan	1,690	-
Membership & Subscription Fees	25,000	-
Parking Charges	96,000	-
Postage & Courier Charges	12,650	-
Rent -Mira Road Gym	542,771	-
TEA & COFEE EXPENSES	57,200	-
Tushar Sharma	420,000	-
Advertisement & Publicity	307,928	1,058,281
Legal & Professional Charges	74,556	717,708
Business Promotion Expenses	288,041	2,217,915
Auditors Remuneration	112,360	112,360
Total	9,811,044	10,348,161

Schedule to Note 12 : Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	Balance as at April 01, 2012	Additions for the year	Deductions during the year	Balance as at April 01, 2012	For the year	Disposals	Upto March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
Tangible Assets									
Furniture & Fixtures	243,967.85			-	44,158.18	-	44,158.18	199,809.67	243,967.85
Office Equipment	16,543.11				2,994.30	-	2,994.30	13,548.80	16,543.11
Total	260,510.96	-	-	-	47,152.48	-	47,152.48	213,358.48	260,510.96
Previous Year	4,152,624.00	575,000.00		3,822,643.58	644,468.45		4,467,112.03	260,511.96	329,980.42

Santowin Corporation Limited
Cash flow statement for the year ended March 31, 2013

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Rupees	Rupees	Rupees	Rupees
<u>Cash flows from operating activities</u>				
Net Profit/(Loss) before taxation		1,179,477		14,389,376
Adjustments for:				
Depreciation expenses	47,152		644,468	
Interest Paid	1,690		-	
Interest Receivable	(2,693,217)	(2,644,375)	(2,662,185)	(2,017,717)
<u>Operating Profit/(Loss) before Working Capital Changes</u>		(1,464,898)		12,371,660
Adjustment For :				
(Increase) / Decrease in Trade Receivables	69,849,929		(51,292,527)	
(Increase) / Decrease in Loans and Advances	30,912,802		(226,025,253)	
(Increase) / Decrease in Inventories	2,405,150		(2,117,027)	
Increase / (Decrease) in Trade Payables	(1,347,581)		(3,173,530)	
Increase / (Decrease) in Current Liabilities	(116,883)	101,703,417	8,669,601	(273,938,736)
<u>Cash from / (paid towards) operating activities</u>		100,238,519		(261,567,076)
Direct Taxes Paid	2,451,789		2,896,592	
Net Cash from / (paid towards) operating activities (A)		97,786,730		(264,463,668)
<u>Cash flows from investing activities</u>				
Purchase of Fixed Assets	-		(575,000)	
Purchase of Investments	-		(34,335,803)	
Interest Receivables	2,693,217		2,662,185	
Long term loans & advances given	-		(182,406)	
Net Cash from / (paid towards) Investing Activities (B)		2,693,217		(32,431,024)
<u>Cash flows from financing activities</u>				
Proceeds from issue of share capital including Share Premium	-		110,975,000	
Proceeds from / (Repayments of) long term borrowings	(101,386,667)		96,205,932	
Interest paid	(1,690)		-	
Net Cash from/ (paid towards) Financing Activities (C)		(101,388,357)		207,180,932
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(908,409)		(89,713,760)
Cash and cash equivalents at beginning of reporting period		1,088,843		90,802,603
Cash and cash equivalents at end of reporting period		180,433		1,088,843

Cash & Cash equivalents:

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in In accordance with our report attached

For MNRD & Associates
Chartered Accountants
Firm number: 126991W

For and on behalf of the Board of Director of
Santowin Corporation Limited

sd/-
Narayan Toshniwal
Partner
Membership No.048334
Place : Mumbai
Date : 28th August 2013

sd/-
Director

sd/-
Director

Note No.23: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2013.

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, 2013**24.1 Earnings per share**

Particulars	As at 31 st March ,2013	As at 31 st March ,2012
Basic EPS		
Net Profit/(loss) for Calculation of Basic EPS	761,961	9,678,790
Weighted average number of equity shares for calculation of Basic EPS	98630000	98,630,000
Basic EPS	0.01	0.10
Diluted EPS		
Net Profit/(loss) for Calculation of diluted EPS	761,961	9,678,790
Weighted average number of equity shares for calculation of Basic EPS	98630000	98,630,000
Diluted EPS	0.01	0.10

24.2 Transaction with Related Parties**Detail of transaction with Related party**

Name of Parties	Amount	Nature of Transaction	Relationship
Powerhouse Fitness Ltd	13,883,533	Sales	Director of the company is interested as as Director & Shareholders in Powerhouse Fitness Ltd
Sushanku Enterprises Ltd	33,931,180	Purchase	Director of the company is interested as as Director & Shareholders in Sushanku Enterprises Ltd

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

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS
SANTOWIN CORPORATION LIMITED

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

sd/-
Director

sd/-
Director

Place : Mumbai
Dated :05/09/2013

SANTOWIN GHANA LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013

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SANTOWIN GHANA LIMITED

BORD OF DIRECTOR, OFFICIALS AND REGISTERED OFFICE

BOARD OF DIRECTORS

Kasha_Ashok Gupta

Said Abdul Mages

SECRETARY

Said Abdul Mages

REGISTERED OFFICE

Plot No 59.36th Olympic Road,
Kokomlemle , Accra

AUDITORS

AT – Emits Dawlish

Chartered Accountants &

Management Consultants

Diamond House

P.O. Box GP 3934

Accra

BANKERS

G T Bank Ghana Limited

SANTOWIN GHANA LIMITED

REPORT OF THE DIRECTORS OF THE MEMBERS OF SANTOWIN GHANA LIMITED ON THE FINANCIAL STATEMENTS FOR THE TWELVE MONTHS PERIOD ENDED 31ST MARCH 2013

The Directors have the pleasure to submit their Annual Report together with the audited Financial Statements of the Company for the ten months period ended 31st March 2013.

Activates

The principal activities of the company are Dealers in Precious Minerals, Mining, Services, General Trading, Imports & Exporters of General Goods, Construction of Building & Roads, Dealers in IT Solutions and Manufactures Representatives.

Results for the Period

2013

GH

To which is added (Loss) for the period after

Charging all expenses and depreciation of

(127053)

Leaving a balance carried forward on

Income Surplus at 31st March 2013

(127053)

Dividend

The Directors do not recommend any dividend for the period ended 31 sties March 2013.

Nature of Business

There was no material change in the nature of the Company's business during the period under review.

Auditors

In accordance with Section 134 (5) of the Companies Code, 1963, the Auditors AT – Ernest Dawlish will continue in office as Auditors of the Company.

On behalf of the Board of Directors

Sd/-
Director

Sd/-
Director

At –Ernest Dawlish

(Formerly Arthur Tawas & Partner)

Chartered Accountants & Management

Consultants

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF

SANTOWIN GHANA LIMITED

We have audited the Financial Statements on pages 5 – 12 which have been prepared under the accounting policies set on page 8.

Respective responsibilities of Directors and Auditors

The Company’s Directors are responsible for the preparation of the financial statements. It is our responsibility to express an independent opinion on these financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31st March 2013 and of its results for the period then ended and comply with the companies Code, 1963 (Act 179)

AT – ERNEST DAWLAH

Chartered Accountants &

Managements Consultants

Diamond House

Accra

sd/-

SIGNATURE: Date.....

PARTNER SIGNING & MEMBERSHIP NO . D.D.DAWLAH 100253

SANTOWIN GHANA LIMITED

INCOME STATEMENT FOR THE TWELVE MONTHS PERIOD ENDED 31ST MARCH 2013

	<u>NOTE</u>	GH
Income	2	65,100
General Administrative Expenses	3	<u>(192153)</u>
(Loss) before Taxation		(127053)
Provision for Taxation	<u>4</u>	<u>0</u>
Net (Loss) for the Year		(127053)

INCOME SURPLUS FOR THE TEN MONTHS PERIOD ENDED 31ST MARCH 2013

	<u>2013</u>
	GH
(Loss) for the year	(127053)
Balance at 31 st march,2013	(127053)

Note 1 – 14 form an integral part of the financial statements and should therefore be read in conjunction therewith.

SANTOWIN GHANA LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH 2013

	<u>NOTE</u>	<u>2013</u> <u>GH</u>
<u>ASSETS</u>		
<u>Non – Current Assets</u>		
Property, Plant & Equipment	5	335,872
<u>Current Assets</u>		
Bank & Cash	6	225
Total Current Assets		225
Total Assets		<u>336097</u>
<u>EQUITY & LIABILITIES</u>		
<u>Equity Attributable to Equity Holders</u>		
Stated Capita	7	453,000
Income Surplus		(127053)
		<u>325950</u>
<u>Current Liabilities</u>		
Trade Payable	8	10150
Total Current Liabilities		0
Total Equity & Liabilities		<u>336097</u>

Approved by the Board onAnd Signed By

sd/-
Director

Note 1- 14 forms an integral part of the financial statements and should therefore be read in conjunction therewith

SANTOWIN GHANA LIMITED

STATEMENT OF CASH FLOWS

FOR THE TEN MONTHS PERIOD ENDED 31ST MARCH 2013

	<u>2013</u> GH
Operating Activities	
Net Profit/Loss before Taxation	(127053)
Adjustment for:	
Depreciation	<u>83968</u>
Operating Profit/LOSS before working Capital Changes	(43085)
Increase in Trade Payables	<u>10150</u>
Net Cash Flow from Operating Activities	(32935)
Investing Activates	
Purchase of Property, Plant & Equipment	(419840)
Net Cash Flow from Investing Activates	0
Financing Activities	
Proceeds from Ordinary Shares issued	<u>453,000</u>
Net Cash Flow from Financing Activities	<u>453,000</u>
Net Increase/Decrease in Cash and Cash Equivalents	<u>225</u>
Cash and Cash Equivalents at End of Year	<u>225</u>

SANTOWIN GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31ST MARCH 2013

Stated Capital

a. The number of authorized shares of the Company is 1, 00, 000
Ordinary shares of no par value .

b . Stated Capital Is made up as follows:-

Authorized

Number of Shares

453,000

Amount

GH

Issued and fully Paid

For Cash consideration

453,000

(c) There is no unpaid liability on any share and there are no calls or installments unpaid.

(d) There are no Treasury Shares.

8. Trade Payable

0

These are stated at their face values in the books.

SANTOWIN GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR FOR THE TEN MONTHS PERIOD ENDED 31ST MARCH 2013

1. ACCOUNTIN POLICIES

The principle accounting policies adopted by the Company in arriving at the financial information set out in the accounts are as follows:-

a. Basis of Accounting

These accounts have been prepared under the historical cost convention.

b. Comparative Figures

There are no comparative figures as this is the first year's accounts

c. Depreciation

Depreciation has been provided on the straight-line in order to write off the values of
The values of the assets over their useful lives .

Plant & Machinery

	<u>2013</u> GH
2. <u>Income</u>	<u>65,100</u>
Hiring of Plant & Machinery	
3. <u>General Administrative Expenses</u>	<u>192153</u>
Included in the above are the following:-	
Audit Fees	1,000
Directors Emoluments	12,000
Depreciation	83968

SANTOWIN GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR FOR THE TEN MONTHS PERIOD ENDED 31ST MARCH 2013

2013
GH

4. Taxation

No provision for taxation has been made in the accounts
as the Chargeable Income is NIL.

5. Property, Plant & Equipment

	<u>Plant & Machinery</u> <u>GH</u>	<u>Total</u> <u>GH</u>
<u>Cost</u>		
Balance at 1.04.12	419,840	419,840
<u>Depreciation</u>		
Charge for the period	83,968	83,968
<u>Carrying Amount</u>		
Balance at 31.03.13	335,872	335,872

2013
GH

6. Cash & Bank

Cash at Bank	0
Cash on Hand	225

SANTOWIN GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR FOR THE TEN MONTHS PERIOD ENDED 31ST MARCH 2013

7. Stated Capital

- a. The number of authorized shares of the Company is 1, 00, 000 Ordinary shares of no par value.
- b. Stated Capital is made up as follows:-

Authorized

Number of Shares

453,000

Amount

GH

Issued and fully paid

For Cash consideration

453,000

- (c) There is no unpaid liability on any share and there are no calls or Installments unpaid.
- (d) There are no Treasury Shares.

8. Trade Parable

These are stated at their face values in the books

10150

SANTOWIN GHANA LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE TEN MONTHS PERIOD ENDED 31ST MARCH 2013

2013
GH

Schedule I

General Administrative Expenses

Directors Emoluments	12,000
Casual Labor	20,400
Travelling & Transport	8,500
Machinery Running	50,050
Hotel Expenses	5,500
Business Promotion	3,200
Audit Fees	1,000
Professional Fess	800
Pre- Operational Expenses	6735
Depreciation	<u>83968</u>
	<u>192153</u>