

36th ANNUAL
REPORT

2017-2018



SANTOSH Fine-Fab Ltd.
Mumbai

36th ANNUAL REPORT 2017-2018

SANTOSH FINE-FAB LIMITED

(CIN:L17112MH1981PLC025443)

REGISTERED OFFICE

112/113, SANJAY BUILDING NO.6,
MITTAL ESTATE, ANDHERI (E),
MUMBAI 400 059.

BOARD OF DIRECTORS

SHRI SANTOSH R.TULSIYAN	CHAIRMAN & MANAGING DIRECTOR
SHRI SUBHASH R. TULSIYAN	EXECUTIVE DIRECTOR
SHRI ASHOK V. TULSIYAN	DIRECTOR
SHRI SANJEEV D.SARAN	DIRECTOR
SHRI RADHABALLABH TIBREWAL	DIRECTOR
SHRI ASHARAM S.RUNGTA	DIRECTOR
MRS. SUMEETA S TULSIYAN	DIRECTOR

AUDITORS

M/S. B. P. KABRA & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS

SARASWAT CO-OP BANK LTD

FACTORY

PLOT NO. L-40, F1/22,
M.I.D.C., TARAPUR,
POST : BOISOR, DIST. : THANE.
MAHARASHTRA.

SHARE TRANSFER AGENTS

ADROIT CORPORATE SERVICES PVT.LTD.
19, JAFERBHOY INDUSTRIAL ESTATE, 1ST FLOOR,
MAKWANA ROAD, MAROL NAKA,
ANDHERI EAST, MUMBAI 400 059.

NOTICE TO THE MEMBERS

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Members of SANTOSH FINE-FAB LIMITED will be held at 112/113, Sanjay Bldg No. 6, Mittal Estate, Mumbai – 400 059 on Friday, the 28th September, 2018 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Santosh R Tulsiyan (DIN: 00310573), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Subhash R Tulsiyan (DIN: 00308899), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ashok V Tulsiyan (DIN: 00320442), who retires by rotation and being eligible, offers himself for re-appointment.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 139, 142 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 **M/s. B. P. Kabra & Associates**, Chartered Accountants (**F.R.No. 124578W**), be and are hereby appointed as the Statutory Auditors of the Company for a single tenure of 5 (five) years to hold office from the conclusion of 36th AGM to the conclusion of the 40th AGM at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

"RESOLVED FURTHER THAT any of the Director or Company Secretary of the Company, be and are hereby authorized to do such act, deeds and things and to file necessary e – forms with the concerned Registrar of Companies, to give effect to the aforementioned resolution."

BY THE ORDER OF THE BOARD

(SANTOSH R TULSIYAN)
MANAGING DIRECTOR

Registered Office:
112/113, Sanjay Bldg No.6,
Mittal Estate,
Mumbai 400059,
Dated: 29.05.2018

NOTES:

1. The relevant details as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors under Items No. 2, 3 & 4 of the Notice, are also annexed.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
4. The Register of Members and Transfer Books of the Company will be closed from 25th September, 2018 to 28th September, 2018, both days inclusive.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
8. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
9. There is no any unpaid dividend for the year or for any past years, hence no any amount transferred to the Investor Education and Protection Fund (IEPF) constituted Under Section 205 (C) of the Companies Act, 1956.
10. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
11. The members are requested to get their shares dematerialized. The company's ISIN Code: INE612D01018 pursuant to change in face value.
12. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following E-mail: Info@adroitcorporate.com
13. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

14. Voting through electronic means

- 1) The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to lalithalath@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
 - II) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21.09.2018.
 - III) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., 14.09.2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in
 - IV) However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - V) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - VI) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - VII) Mrs. Lalita Lath, Company Secretary (Membership No. 16854) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - VIII) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - IX) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutiner's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
15. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company on 29.09.2018 and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- I. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
- II. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website.

BY THE ORDER OF THE BOARD

(SANTOSH R TULSIYAN)
MANAGING DIRECTOR

Registered Office:
112/113, Sanjay Bldg No.6,
Mittal Estate,
Mumbai 400059.
Dated: 29.05.2018

ANNEXURE TO ITEMS 2, 3 & 4 OF THE NOTICE

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Shri Santosh R Tulsian	Shri Subhash R Tulsian	Shri Ashok V Tulsian
Director Identification Number (DIN)	00310573	00308899	00320442
Date of Birth	01/01/1955	13/03/1961	28/12/1960
Nationality	Indian	Indian	Indian
Date of First Appointment on Board	10/04/1987	16/05/1992	16/05/1992
Qualification	Diploma in textile management from SASMIRA	Commerce Graduate	B. COM.
Shareholding in Santosh Fine -Fab Ltd.	160950 Shares (4.57%)	33900 Shares (0.96%)	Nil
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil	Nil	1. Detail Clothing Limited 2. Sanitone Fabrics Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Nil	Nil	Nil

DIRECTORS REPORT

To,
The Members,

Your Directors have pleasure in presenting their Thirty Sixth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. **Financial summary or highlights/Performance of the Company**

The company's financial performance, for the year ended March, 2018 is summarized below

Particulars	2017-2018	2016-2017
Gross Income	2398.92	2701.37
Profit Before Interest and Depreciation	65.04	72.22
Finance Charges	36.67	35.64
Gross Profit	408.16	436.28
Provision for Depreciation	20.46	18.68
Net Profit Before Tax	7.91	17.89
Provision for Tax (Including Deferred Taxes)	2.42	- 5.56
Net Profit After Tax	5.49	12.34
Balance of Profit brought forward	226.96	214.62
Balance available for appropriation	232.45	226.96
Transfer to Depreciation Reserve	Nil	Nil
Proposed Dividend on Equity Shares	Nil	Nil
Tax on proposed Dividend	Nil	Nil
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	232.45	226.96

2. **Brief description of the Company's working during the year/State of Company's affair**

Our working results have reduced during the current year. Profitability of Company decreased from Rs. 12.34 lakhs to Rs. 5.49 lakhs. A detailed analysis of Company's working during the year is provided under Management Discussion and Analysis Report under Corporate Governance Report.

3. **Change in the nature of business, if any**

There is no such change in nature of business.

4. **Dividend**

Due to insufficient profits, your directors express their inability to recommend payment of dividend for the year under review.

5. **Reserves**

The Board does not propose to carry any amount to reserves.

6. **Change of Name**

The Company has not altered the provisions of the Memorandum with respect to the name of the company during the year.

7. **Directors and Key Managerial Personnel**

Shri Santosh R Tulsian (DIN: 00310573), Shri Subhash R Tulsian (DIN: 00308899) and Shri Ashok V Tulsian (DIN: 00320442). Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

8. **Particulars of Employees**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employee exceed prescribed limit of remuneration as stated in rules, hence statement of particulars of employees not required to be given.

9. **Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year Five Board Meetings and Five Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

10. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

11. Declaration by an Independent Director(s) and re- appointment, if any

All Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 read with SEBI Listing Regulations so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

12. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

Managerial Remuneration:

A) Separate remuneration committee is there to deal all remuneration matters. The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

B) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the company.

C) Company has not paid any remuneration to Directors in the form of commission.

13. Details of Subsidiary/Joint Ventures/Associate Companies

Pursuant to sub-section (3) of section 129 of the Act, the company doesn't have any Subsidiary/Joint Ventures/Associate Companies.

14. Auditors:

M/s. B.P. Kabra & Associates, Chartered Accountants (F.R.No. 124578W), who were appointed as the Statutory Auditors of the Company to fill in the casual vacancy are eligible to be reappointed as the Statutory Auditors of the Company for a period of five years from the conclusion of 36th AGM till the conclusion of the 40th AGM at such remuneration as may be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to the reimbursement of all out-of-pocket expenses in connection with the audit of the financial statements of the Company."

15. Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

16. Disclosure about Cost Audit

As per the Cost Audit Orders, Cost Audit is not applicable to the Company for the FY 2017-18.

17. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms Lalita Lath, Company Secretary in whole time Practice, having their office at, D-103, Om Elegance Bldg no 3, Chincholi Bunder Rd, Malad West Mumbai 400064 to undertake the Secretarial Audit functions of the Company.

The Secretarial Audit Report submitted by Ms Lalita Lath in the prescribed form MR- 3 is attached as 'Annexure IV, which forms part of this Annual Report.

18. Internal Audit & Controls

Appointment of Internal Auditor is not compulsory to the company during the year. But The company has proper and adequate system of Internal Control to ensure the all the assets are safeguarded from loss, damage or disposition. Checks and balances are in place to ensure that transactions are adequately authorized and recorded, and that they are reported correctly, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. The Board to Directors considers internal controls as adequate.

19. Vigil Mechanism :

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.santoshgroup.in under investors/Vigil Mechanism Policy link.

20. Risk management polley

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, this in the opinion of the Board may threaten the existence of the company.

21. **Extract Of Annual Return:**
As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report. as ANNEXURE I..
22. **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**
There were no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this report.
23. **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**
No such orders passed against company
24. **Adequacy of Internal financial controls with reference to the financial statements**
The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls the Company has laid down the following measures:
-- The Company has a comprehensive risk management framework.
- The Company has in place a well-defined Vigil Mechanism (Whistle Blower Policy).
- Compliance of secretarial functions is ensured by way of secretarial audit.
- Compliance relating to cost records of the company is ensured by way of cost audit
25. **Deposits**
The Company has not accepted any deposits and as such no amount of principal or interest was outstanding as on the balance sheet closure date.
26. **Particulars of loans, guarantees or investments under section 186**
Particulars of Loans given, investments made guarantees given are provided in financial statement. Please refer to Note 5, 10 and 32 to the financial statement)
27. **Particulars of contracts or arrangements with related parties:**
The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 as **Annexure II**.
28. **Corporate Governance Certificate**
The Corporate Governance report regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement is annexed with the report.
29. **Management Discussion And Analysis**
The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2018.
30. **Obligation Of Company Under The Sexual Harassment Of Women At Workplace (prevention, Prohibition And Redressal) Act, 2013**
During the year under review Company has not received any complaint of harassment at workplace.

31. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	<u>Electric Energy:</u> Regular maintenance, Better utilization of running machine, Improving electricity power factor, Monitoring the overall energy consumption and corrective measures. <u>Fuel & Oil Consumption:</u> Regular maintenance and monitoring the consumption with corrective measures
(ii)	the steps taken by the company for utilizing alternate sources of energy	Changes have generally been evolutionary in nature and as such no major additional capital is envisaged. Optimization and control of energy related cost helps your company to remain competitive in markets.
(iii)	the capital investment on energy conservation equipment's	

(b) Technology absorption

(i)	the efforts made towards technology absorption	No technology has been imported by the company. Technology innovation and changes wherever possible are being absorbed and adopted.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	
	(b) the year of import:	
	(c) whether the technology been fully absorbed	1) Specific area in which R & D carried out by the Company product & quality improvement, development of new designs / product cost control and energy conservation. 2) Benefits derived as a result of the above R & D. The R & D activities have resulted in conserving of new materials higher productivity & containing the costs all rounds 3) Expenditure on R & D being treated as an integral part of manufacturing process & hence no separate records for the expenditure incurred under this head are being maintained.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was Rs. 16.16 lakh and the total foreign exchange earned was Rs. 428.85 lakh.

32. Corporate Social Responsibility (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to company.

33. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement..

34. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and the profit of the company for the year ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. Transfer of Amounts to Investor Education and Protection Fund

The Company has not declared any dividends in the current year and there was no unclaimed dividend outstanding as on 31st March 2018 of any previous years, hence therefore transferring of the amounts in the Investor Education and Protection Fund by the Company does not arise.

36. Listing With Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-2018 to BSE where the Company's Shares are listed.

37. Acknowledgements

We owe all our employees, customers, bankers and suppliers, our gratitude for their cooperation and continued support.

For and on behalf of the Board of Directors

(SANTOSH R TULSIYAN)
MANAGING DIRECTOR

Place: MUMBAI
Date: 29.05.2018

ANNEXURE INDEX

<u>Annexure</u>	<u>Content</u>
i	Annual Return Extracts in MGT 9
ii	AOC 2 – Related Party Transactions disclosure
iii	Format of declaration by Independent Director
iv	MR-2 Secretarial Audit Report
v	Corporate Governance Compliance Certificate

Annexure I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

i) REGISTRATION & OTHER DETAILS:

1. CIN	L17112MH1981PLC025443
2. Registration Date	25/09/1979
3. Name of the Company	SANTOSH FINE FAB LTD.
4. Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5. Address of the Registered office & contact details	112, MITTAL ESTATE, BUILDING NO 6, A.K. ROAD, ANDHERI (E), MUMBAI – 400059. TEL.- 9136015880/81/82/83, 022-28504758, 28501893 FAX: 022-28502471 E Mail : exports@santoshgroup.in
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	ADROIT CORPORATE SERVICES PVT.LTD. 19, JAFERBHOY INDUSTRIAL ESTATE, 1 ST FLOOR, MAKWANA ROAD, MAROL NAKA, ANDHERI EAST, MUMBAI 400 059. E Mail : Info@adroitcorporate.com

ii) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Weaving, manufacturing of man-made fiber and man-made mixture fabrics	13124	100

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	-	256000	256000	7.26	-	256000	256000	7.26	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other (Directors & Directors Relatives)	233750	1349600	1583350	44.93	626950	956400	1582050	44.93	NIL
Total shareholding of Promoter (A)	233750	1605600	1838050	52.19	626950	1212400	1839350	52.19	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.	61735	12100	73835	2.09	68673	12100	80773	2.29	0.20
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	204167	502325	706492	20.04	206729	496825	703554	19.96	-0.08
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	105724	738100	843824	23.94	105724	738100	843824	23.94	0.00
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	33499	27600	61099	1.73	29499	27600	57099	1.62	-0.11
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	405125	1280125	1685250	47.81	410625	1274625	1685250	47.81	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	405125	1280125	1685250	47.81	410625	1274625	1685250	47.81	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total	638878	2885725	3524600	100	1037575	2487025	3524600	100	NIL

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Arjun Tulsyan	331800	9.41	0	331800	9.41	0	NIL
2	Anju Rungta	500	0.01	0	500	0.01	0	NIL
3	Divya Tulsyan	24200	0.69	0	24200	0.69	0	NIL
4	Kaushalyadevi Tulsyan	25100	0.71	0	25100	0.71	0	NIL
5	Kiran Tulsyan	35500	1.01	0	35500	1.01	0	NIL
6	Madhu Tulsyan	182500	5.18	0	182500	5.18	0	NIL
7	Mohinidevi Tulsyan	104600	2.97	0	104600	2.97	0	NIL
8	Nikita Ashok Tulsyan	800	0.02	0	800	0.02	0	NIL
9	Nirmal V Tulsyan	10000	0.28	0	10000	0.28	0	NIL
10	Prabhudayal Polyester (P) Ltd	100200	2.84	0	100200	2.84	0	NIL
11	Ramdhari Finance & Leasing Pvt Ltd	155800	4.42	0	155800	4.42	0	NIL
12	Ramdhari Pd. Tulsyan Huf	60000	1.70	0	60000	1.70	0	NIL
13	Rashi Tulsyan	25900	0.74	0	25900	0.74	0	NIL
14	Ruchika S Tulsyan	35100	1.00	0	35100	1.00	0	NIL
15	Santosh Tulsyan	160950	4.57	0	160950	4.57	0	NIL
16	Santosh Tulsyan (Huf)	10000	0.28	0	10000	0.28	0	NIL
17	Saritadaevi Tulsyan	95700	2.72	0	95700	2.72	0	NIL
18	Sarthak S Tulsyan	15900	0.45	0	15900	0.45	0	NIL
19	Satyannarayan Rungta	1000	0.03	0	1000	0.03	0	NIL
20	Saurabh S Tulsyan	71700	2.04	0	71700	2.04	0	NIL
21	Savitridevi Tulsyan	26800	0.76	0	26800	0.76	0	NIL
22	Subhash Tulsyan	33900	0.96	0	33900	0.96	0	NIL
23	Subhash Tulsyan (Huf)	6500	0.18	0	6500	0.18	0	NIL
24	Sumeeta S Tulsyan	113300	3.22	0	113300	3.22	0	NIL
25	Sunil Tulsyan	152200	4.32	0	152200	4.32	0	NIL
26	Viswanath Pd Tulsyan (Huf)	46600	1.32	0	46600	1.32	0	NIL
27	Vishwanath Prasad Tulsyan	12800	0.36	0	12800	0.36	0	NIL

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the end of the year	NA	NA	NA	NA

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sunil Kumar Tulsian (HUF)	179900	5.11	179900	5.11
2	Anjani Kumar Gadia	114300	3.24	114300	3.24
3	Vinita Sunil Patodia	61919	1.76	61919	1.76
4	Arjun R Tulsian (HUF)	47700	1.35	47700	1.35
5	Bhagwandas Gordhandas Shah	47600	1.35	47600	1.35
6	Kaushal Kumbhat	47600	1.35	47600	1.35
7	Maheshchand Modi	38900	1.10	38900	1.10
8	Nirmal V Tulsian (HUF)	37500	1.06	37500	1.06
9	Pushpa Gupta	38100	1.08	38100	1.08
10	Sanchita A Tulsian	35500	1.01	35500	1.01

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	SANTOSH R TULSIYAN				
	At the beginning of the year	160950	4.57	160950	4.57
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	160950	4.57	160950	4.57
2.	SUBHASH R TULSIYAN				
	At the beginning of the year	33900	0.96	33900	0.96
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	33900	0.96	33900	0.96
3.	SUMEETA S TULSIYAN				
	At the beginning of the year	113300	3.21	113300	3.21
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	113300	3.21	113300	3.21

IV) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24328428.00	-	-	24328428.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24328428.00	-	-	24328428.00
Change in Indebtedness during the financial year				
* Addition	260328023.00	-	-	260328023.00
* Reduction	237606580.00	-	-	237606580.00
Net Change	22721443.00	-	-	22721443.00
Indebtedness at the end of the financial year				
i) Principal Amount	47049871.00	-	-	47049871.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	47049871.00	-	-	47049871.00

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		SANTOSH R TULSIYAN	SUBHASH R TULSIYAN	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	900000.00	900000.00	1800000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		SUMEETA TULSIYAN				
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify (Remmuneration)	300000.00	-	-	-	300000.00
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	300000.00	-	-	-	300000.00
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income -tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure - II**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Amount paid as advances, if any	
g)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr No	Name of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by Board	Amount paid as advances, if any
1	Silvester Tex. Pvt. Ltd (Company in which Directors are interested)	Process Charges Paid	2017-2018	No Such Terms & transaction value during year Rs. 17177062.00	29.05.2017	Nil
2	Intelifab Fashion Pvt. Ltd. (Company in which Directors are interested)	Sale of Fabrics	2017-2018	No Such Terms & transaction value during year Rs. 394693.00	29.05.2017	Nil
3	Jamnagar Wollen Tex. Mills Pvt. Ltd. (Company in which Directors are interested)	Sale of Fabrics	2017-2018	No Such Terms & transaction value during year Rs. 84484.00	29.05.2017	Nil
4	Signora Exports (Firm in which Directors are interested)	Job Charges Received	2017-2018	No Such Terms & transaction value during year Rs. 471519.00	29.05.2017	Nil
5	Signora Exports (Firm in which Directors are interested)	Purchase of Fabrics	2017-2018	No Such Terms & Purchase Transaction value Rs. 1451897.00	29.05.2017	Nil
6	JMD Syntex (Mumbai) LLP (Firm in which Directors are interested)	Sale of Fabrics	2017-2018	No Such Terms & transaction value during year Rs. 28834.00	29.05.2017	Nil
7	JMD Syntex (Mumbai) LLP (Firm in which Directors are interested)	Packing charges Paid	2017-2018	No Such Terms & Transaction value Rs. 113124.00	29.05.2017	Nil
8	Sunil Tulsian (Relative of Director)	Salary Paid	2017-2018	No Such Terms & Salary Paid value Rs 786529.00	29.05.2017	Nil
9	Arjun Tulsian (Relative of Director)	Office Compensation Paid	2017-2018	No Such Terms & office compensation Paid value Rs 174000.00	29.05.2017	Nil

For and on behalf of the Board of Directors

 (SANTOSH R TULSIYAN)
MANAGING DIRECTOR

 Place: MUMBAI
Date: 29.05.2018

Annexure III

DECLARATION OF INDEPENDENCE

01st April, 2018

To
The Board of Directors
Santosh Fine Fab Ltd.
112/113, Sanjay Building,
Andheri (E), Mumbai - 400059

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, Mr. Sanjeev D Saran (DIN: 00775337), hereby certify that I am a Non-executive Independent Director of Santosh Fine Fab Limited, Mumbai and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- 1 I possess relevant expertise and experience to be an independent director in the Company;
- 2 I am not a promoter of the company or its holding, subsidiary or associate company;
- 3 I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- 4 Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- 5 none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- 6 Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of:
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- 7 I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- 8 I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,
Yours faithfully,

Mr. Sanjeev D Saran
DIN: 00775337
T-3/73, Parasrampur Tower,
Link Road Extn.,
Andheri (West),
Mumbai - 400053(MH)
M No. 9821010105

DECLARATION OF INDEPENDENCE

01st April, 2018

To
The Board of Directors
Santosh Fine Fab Ltd.
112/113, Sanjay Building,
Andheri (E), Mumbai - 400059

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, Mr. Asharam S. Rungta (DIN: 00320409), hereby certify that I am a Non-executive Independent Director of **Santosh Fine Fab Limited, Mumbai** and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- 1 I possess relevant expertise and experience to be an independent director in the Company;
- 2 I am not a promoter of the company or its holding, subsidiary or associate company;
- 3 I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- 4 Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- 5 none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- 6 Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- 7 I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- 8 I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,
Yours faithfully,

Mr. Asharam S. Rungta
DIN: 00320409
302, Aastha, Gorai Sunder Sath,
Plot No 89, Rsc-37, Gorai-2
Borivali(W), Mumbai - 400092(MH)
M No. 7738060006
E Mail Id: asharam@santoshgroup.in

DECLARATION OF INDEPENDENCE

01st April, 2018

To
The Board of Directors
Santosh Fine Fab Ltd.
112/113, Sanjay Building,
Andheri (E), Mumbai - 400059

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, Mr. Radhaballabh Tibrewal (DIN: 00323570), hereby certify that I am a Non-executive Independent Director of Santosh Fine Fab Limited, Mumbai and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- 1 I possess relevant expertise and experience to be an independent director in the Company;
- 2 I am not a promoter of the company or its holding, subsidiary or associate company;
- 3 I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- 4 Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- 5 none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- 6 Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- 7 I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- 8 I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,
Yours faithfully,

Mr. Radhaballabh Tibrewal
DIN: 00323570
6, J B Nagar, Near Post-Office,
Tibrewala House, Andheri (East),
Mumbai – 400059(MH)
M No: 9320948871
E Mail Id: kcepl@rediffmail.com

ANNEXURE IV

Secretarial Audit Report

(For the financial year ended 31st March 2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
Santosh Fine fab Limited
112, Mittal Estate Bldg no 6, A.K. Road
Andheri (East), Mumbai 400059.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Santosh Fine fab Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2018 on according to the provisions of:
 - (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
 - (ii) II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
 - h. The Memorandum and Articles of Association.

- (vi) The Factories Act, 1948.
- (vii) The Industrial Disputes Act, 1947.
- (viii) The Payment of Wages Act, 1936.
- (ix) The Minimum Wages Act, 1948.
- (x) The Payment of Bonus Act, 1956.
- (xi) The Payment of Gratuity Act, 1972.
- (xii) The Industrial Employment (Standing Orders) Act, 1946.
- (xiii) The Workmen Compensation Act, 1923.
- (xiv) The Contract Labour (Regulation and Abolition) Act, 1970.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

2. Based on the verification of records / documents produced to us, the information furnished to us by the Company and the test check carried out by us, we are of the opinion that the Company has complied with the provisions of the Companies Act, 2013 ("the Act") and Rules made under the Act and the Memorandum and Articles of Association of the Company with regard:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) closure of the Register of Members.
- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) notice of Board meetings and Committee meetings of Directors;
- f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) the 34th Annual General Meeting held on 23rd September, 2016;
- h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) appointment and remuneration of Auditors and Cost Auditors;
- m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) declaration and payment of dividends;
- o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) investment of the Company's funds including investments and loans to others;
- r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s) Directors' report;
- t) contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 - The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
 - The Directors have complied with the disclosure requirements in respect of their eligibility of Appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

[LALITALATH]
[Practising Company Secretary]
[ACS:16854; COP: 5310]
Place : MUMBAI
Date : 29th May, 2018

LALITA LATH
Practising Company Secretary
B. Com; ACS

D-103, Om Elegance Bldng No 3,
Chincoli Bunder Road, Malad (W)
Mumbai 400064.
Mobile: 9324452370
Email: lalitalath26@gmail.com

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CERTIFICATE

To the Members of

SANTOSH FINE-FAB LIMITED

We have examined the compliance of conditions of Corporate Governance by the Santosh Fine-Fab Limited, for the year ended on 31st March, 2018, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to a review of the procedure and implementation thereof, adopted by the Company of ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in revised Clause 49 of the above-mentioned Listing Agreement.

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

Sd/-

(LALITA LATH)
ACS: 16854; COP: 5310
PLACE : MUMBAI.
DATED : 29TH MAY, 2018

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has introduced a Code of Corporate Governance for implementation by companies listed on the Stock Exchanges. Accordingly, the Code was implemented by effecting amendments to the Listing Agreements of the Stock Exchanges with which the Company is listed. The following is a report on the Corporate Governance Code as implemented by your Company.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long-term shareholder value and enhance interest of other stakeholders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization keeping in mind the interests of shareholders, stakeholders and the society.

2. BOARD OF DIRECTORS

- a) The Company has an optimum combination of executive and non-executive directors. The Board is chaired by the Chairman & Managing Director.
- b) The names and categories of the Directors on the board, their attendance at Board Meeting during the year and at the last Annual General Meeting, number of other directorship held by them in other companies are as follows:

Name of Director	Category	Attendance at		No. of other Directorship	Membership of other Board Committees
		Board Meeting	AGM 22/09/17		
Santosh R. Tulsiyan	Chairman & Managing Director	5	Yes	Nil	Nil
Subhash R. Tulsiyan	Executive Director	5	Yes	Nil	Nil
Ashok V. Tulsiyan	Director	5	Yes	2	Nil
Sanjeev D. Saran	Independent Non executive	1	No	Nil	Nil
Asharam S. Rungta	Independent Non executive	5	Yes	Nil	Nil
Radhaballabh Tibrewala	Independent Non executive	4	Yes	Nil	Nil
Maheshkumar Maheshwari	Independent Non executive	2	No	Nil	Nil
Sumeeta Tulsiyan	Executive Director	5	No	Nil	Nil

* This excludes directorships held in Private Limited Companies.

- (c) During the financial year Five Board meetings were held on the following dates:
29.05.2017, 11.08.2017, 13.11.2017, 12.02.2018 & 03.03.2018.

3. AUDIT COMMITTEE

Role of the Audit Committee and its terms of reference include:

- To focus its attention on subjects relating to accounting standards, internal controls and financial policies.
- To oversee the Company's financial reporting process and disclosure of its financial information.
- To review the financial statement before submission to the Board of Directors.
- To recommend appointment, re-appointment, removal of Statutory Auditors and fixation of the audit fee.
- To ensure that there are adequate mechanism for prevention and detection of frauds.
- To hold discussion with Management regarding the internal control system.
- To hold prior discussion with external auditors regarding scope and nature of audit before commencement of the audit and also to have post audit discussion on areas of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in the case of non-payment of declared dividend) and creditors.

During the financial year 2017-18 the committee met on **29th May, 2017, 11th August, 2017, 13th November, 2017, and on 12th February, 2018 and 3rd March, 2018**. Mr. Asharam S Rungta chaired the meetings. The names of members, chairman and particulars of the meeting and attendance of members during the year are as follows:

Sr.No.	Name of Members	Category	No. of Meeting Attend
1	Asharam S. Rungta, Chairman	Independent / Non-Executive	5
2	Sanjeev D. Saran	Independent / Non-Executive	1
3	Radhaballabh Tibrewala	Independent/ Non-Executive	4

4. REMUNERATION COMMITTEE:

Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/Whole time Directors based on performance and defined criteria.

Sr.No.	Name of Members	Category	No. of Meeting Attend
1	Radhaballabh Tibrewala, Chairman	Independent/ Non-Executive	-
2	Sanjeev D. Saran	Independent/ Non-Executive	-
3	Asharam S. Rungta,	Independent/ Non-Executive	-

The Committee did not meet during the year. As there was no need to transact any business Details of remuneration paid to all the directors for the year ended 31st March, 2018 are as follows :

Director	Relationship with other Directors	Business Relationship	Loans & Advance From The Company	Sitting Fees	Salary & Contribution to fund	Commission	Total
Santosh R. Tulsian	Brother of Subhash Tulsian	Promoter	Nil	Nil	900000	Nil	900000
Subhash R. Tulsian	Brother of Santosh Tulsian	Promoter	Nil	Nil	900000	Nil	900000
Ashok V. Tulsian	None	Promoter	Nil	Nil	Nil	Nil	Nil
Sanjeev D. Saran	None	None	Nil	Nil	Nil	Nil	Nil
Asharam S. Rungta	None	None	Nil	Nil	Nil	Nil	Nil
Radhaballabh Tibrewala	None	None	Nil	Nil	Nil	Nil	Nil
Maheshkumar Maheshwari	None	None	Nil	Nil	Nil	Nil	Nil
Sumeeta Tulsian	None	None	Nil	Nil	300000	Nil	300000

5. INVESTORS GRIEVANCE COMMITTEE

The terms of reference mandated by your Board, which is also in line with the statutory and regulatory requirements, are:

- To redress Shareholders and Investors complaints;
- To reviews all matters connected with the securities transfers;
- To review status of legal cases involving the investors where the Company has been made a party.

The composition, names of the members, chairman, particulars of the Meetings and attendance of the members during the year are as follows:

Sr.No.	Name of Members	Category	No. of Meetings Attended during the year 2017-18
1	Subhash R. Tulsian	Non-Independent/ Executive	4
2	Asharam S. Rungta	Independent/ Non-Executive	4
3	Radhaballabh Tibrewala	Independent/ Non-Executive	3

During the year the Investor Grievance Committee held its Meetings on the following dates:
29.05.2017, 11.08.2017, 13.11.2017& 12.02.2018.

Name and designation of Compliance Officer:

SAJJANAGARWAL
Secretarial Officer

Details of shares in physical form lodged for transfer during 2017-18 are as follows:

Sr. No.	Total No. of Transfer Deed Received	Dispatched within 30 days of receipt	Dispatched after 30 days of receipt
1	Nil	Nil	Nil

6. GENERAL BODY MEETINGS

The location and time of the Annual General Meetings held during the last 3 years are as follows:

AGM	Date	Time	Venue	Special Resolutions
33rd AGM	25 th September, 2015	11.30 A.M.	112/113, Sanjay Bldg. No.6, Mittal Estate, Andheri Kurla Road, Andheri (East) Mumbai 400059	Change in Remunerations of Directors
34th AGM	23 rd September, 2016	11.30 A.M.	112/113, Sanjay Bldg. No.6, Mittal Estate, Andheri Kurla Road, Andheri (East) Mumbai 400059	Regularisation of Additional directors and remuneration to executive director
35th AGM	22 nd September, 2017	11.30 A.M.	112/113, Sanjay Bldg. No.6, Mittal Estate, Andheri Kurla Road, Andheri (East) Mumbai 400059	Revision in remuneration to director

The resolutions were passed by voting on show of hands. No item of business, which required the member's approval through postal ballot, was transacted during the year 2017-18. Accordingly, the Companies (Postal Ballot) Rules 2001 is not applicable for said year.

APPOINTMENT/REAPPOINTMENT OF DIRECTORS

Shri Santosh R Tulsian (DIN: 00310573), Shri Subhash R Tulsian (DIN: 00308899) and Shri Ashok V Tulsian (DIN: 00320442) Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. Mr Maheshkumar Maheshwari

CHANGES IN THE BOARD OF DIRECTORS AFTER 31/03/2017:

Shri Maheshkumar R Maheshwari resigned from the directorship and the same was approved in the board meeting held on 11th August, 2017

7. DISCLOSURES

There are no materially significant related party transactions that have potential conflict with the interests of the Company at large. However, the transactions detailed in Note no.31 to Financial Statements may be considered as related party transactions.

There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges does not arise.

Implementation of the Whistle Blower policy is in the process and the report of the same would be placed before the Board. The Company is fully compliant with the applicable mandatory requirements of the clause 49. Although it is not mandatory, a Remuneration committee of the Board is in place. Details of the same have been provided in this Report.

8. MEANS OF COMMUNICATION

The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchange and published in newspapers in accordance with the Listing Agreement.

Your Company's quarterly results are usually published in the The Asian Age, Mumbai (English daily) and Mumbai Lakshadeep (Mumbai).

Your Company's Management Discussion & Analysis of the operations for the year ended 31st March, 2018 forms a part of this Annual Report and is given under the Section so captioned.

9. GENERAL SHAREHOLDER INFORMATION

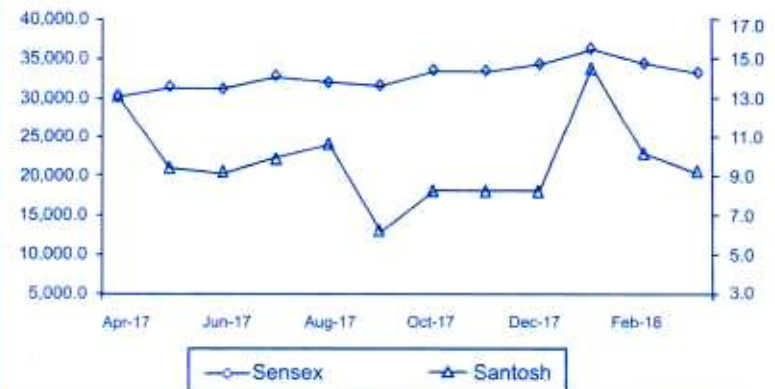
SR. NO.	SALIENT ITEMS OF INTEREST	PARTICULARS
i.	AGM Date, time and venue	28th September, 2018, Friday 11.30 A.M. 112/113, Sanjay Bldg. No.6, Mittal Industrial Estate, Andheri Kurla Road, Andheri (East), Mumbai 400059.
ii.	Financial Calendar	Year ending March 31, 2018
iii.	Date of Book Closure	25th September, 2018 to 28th September, 2018 both days inclusive
iv.	Dividend Payment Date	Not Applicable
v.	Listing on Stock Exchange	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.
vi.	Stock Code	530035
vii.	Registrar & Share Transfer Agent	Adroit Corporate Services P Ltd., 18/19/20, Jaferbhoy Industrial Estate, 1st Floor., Makwana Road, Marol Naka, Andheri (East) Mumbai 400059 Phone No: 28596060 /28594060/42270400, Fax 28503748 Contact person: Mr. Sada Shiva Shetty. E-Mail : Info@adroitcorporate.com.
viii.	Share Transfer System	The power of approving transfer of securities has been delegated to the Company's Registrar and Share Transfer Agent, M/s Adroit Corporate Services P Limited, Mumbai. The share transfers that are received in physical form are approved in Share Transfer Committee Meeting and the share certificates normally returned within 30 days from the receipt, if the documents are clear in all respects.
ix.	Dematerialisation of Shares and liquidity	As on 31st March, 2018 , 1037575 shares (29.44%) of the Company's total number of shares is in dematerialized form.
x.	Outstanding GDRs /ADRs / Warrants or any convertible instruments	There are no outstanding convertible warrants/instruments.
xi.	Plant Locations	L-40 & F 1/22, MIDC, Tarapur, Boisar Dist. Thane Maharashtra
xii.	Address Correspondence	Santosh Fine-Fab Limited, 112/113, Sanjay Bldg No. 6, Mittal Industrial Estate, Andheri Kurla Road, Andheri (East) Mumbai 400059.
xiii.	ISIN Number for NSDL and CDSL	INE 612D01018

Market Price Data: High/Low during each Month of 2017-2018 on Stock Exchange, Mumbai:

Month	HIGH Rs.	LOW Rs.
April 2017	13.14	11.56
May 2017	13.49	09.27
June 2017	09.43	07.96
July 2017	11.20	09.08
August 2017	11.24	09.23
September 2017	11.00	06.10
October 2017	08.13	06.39
November 2017	08.13	08.13
December 2017	08.13	08.13
January 2018	14.51	08.50
February 2018	14.50	09.99
March 2018	10.50	09.03

Stock performance vs BSE Sensex:

The performance of the Company's equity share relative to the BSE sensitive index (BSE Sensex) is given in the chart below:



Distribution of shareholding as on 31st March, 2018:

Slab of shareholdings	Shareholders	%	No. Of Shares	%
0-5000	764	64.58	215957	6.13
5001-10000	175	14.79	145056	4.12
10001-20000	128	10.82	194034	5.51
20001-30000	22	1.86	55245	1.57
30001-40000	6	0.51	22037	0.63
40001-50000	15	1.27	72900	2.07
50001-100000	18	1.52	156162	4.43
Above 100000	55	4.65	2663209	75.56
Total	1183	100	3524600	100

Categories of Shareholding as on March 31, 2018:

CATEGORIES	Number of shares	Amount In Rs.	%
Promoters, Directors, Relatives and associated companies	1838050	18380500	52.15
Mutual Funds and UTI	Nil	Nil	Nil
Banks, Financial Institutions, Insurance Companies	Nil	Nil	Nil
Private Corporate Bodies	73835	738350	2.09
Indian Public	1551616	15516160	44.03
NRI/OCBs	61099	610990	1.73
Total	3524600	35246000	100.00

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY CODE OF CONDUCT:

TO,
The Members of SANTOSH FINE FAB LIMITED

Declaration by the Chairman & Managing Director under clause 49 of the Listing Agreement

I, Santosh R. Tulsian, Chairman & Managing Director of SANTOSH FINE FAB LIMITED hereby declare that all the members of the Board of Directors and senior management personnel have affirmed Compliance with the code of conduct for the year ended 31st March, 2018

PLACE : MUMBAI
DATED : 29th MAY, 2018

Santosh R. Tulsian
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian textiles industry has an overwhelming presence in the economic life of the country. Textile exports have been registering a continuous and steady increase over the past periods. It also provides employment to millions of people. The sector gets full attention from the government. And in our company textile exports in second half showing minor resistance.

1. OVERALL PERFORMANCE

The overall performance during the year 2017-18 has been reasonably comparable to the last year. Considering the overall slowdown in the industry in general, we were able to maintain domestic turnover at last year level but export is down as per industry trend. Profit has been shown reduced due to exceptional item of provision of gratuity of Rs.15.12 lacs. Otherwise it is nearer of last year's profit.

2. BUSINESS REVIEW

As compared to the earlier years, the overall Textile Industry is having lack of growth; exports are also having down trend, Our Company is also not exception to the same. However due to efficient and effective control & cost reduction majors, we perform well in term of profitability in comparison to last year. This may be seen in company's overall performance through Balance Sheet inspite of decreased turnover.

3. FINANCIAL REVIEW

During the year under review, Company has managed its affair nearer to the last year. The profit has been reduced due to exceptional provision of gratuity.

4. OUTLOOK:

We may say that due to continue unrest in Middle East Countries export may be continue to be stagnant in future also, demand in domestic market for textiles also expect to be sluggish. Implementation of GST the new tax framework is also expect to make demand slow for part of

year. However the Company has a clear objective to enhance the sales volumes in the domestic markets.

5. RISK AND CONCERNS:

The exercise for evaluating the potential risks for the organization is closely monitored by the management. All identified risks have been classified with respect to their seriousness, and probabilities of such risks getting materialized have also been ascertained. In formulating corporate strategies, these risks are duly considered and counter measures are adopted.

6. HUMAN RESOURCE DEVELOPMENT:

Over the years, your Company has developed an environment, which fosters excellence in performance by empowering its people, who are always on continuous improvement path with an ultimate aim to add value to their intellectual and knowledge resources. The key focus is to attract, retain and develop talent as a resource.

7. INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The company has proper and adequate system of Internal Control to ensure the all the assets are safeguarded from loss, damage or disposition. Checks and balances are in place to ensure that transactions are adequately authorized and recorded, and that they are reported correctly. The Board to Directors considers internal controls as adequate.

Independent Auditor's Report

To the Members of Santosh Fine Fab Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Santosh Fine Fab Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the statement of profit and loss, cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its Profit, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters:

- (I) The audited standalone financial statements for the year ended 31 March, 2017, was carried out and reported by Bhuwania & Agrawal Associate, vide their audit report dated 29 th. May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and 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 as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operative effectiveness of the company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as has been informed and therefore no impact or disclosure in relation to the same has been made in financial statement.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts which required to be transferred to investor education and protection fund.

Place: Mumbai
Date: 29th May 2018

For B.P.Kabra & Associates,
Chartered Accountants,
Firm's Registration No. 124578W

Bankat P. Kabra
Proprietor
Membership no. 115966

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- (I) (a) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a program of physical verification of its fixed assets which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) As informed and explained to us, the title deeds of immovable property are held in the name of the Company
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us the company has not granted any loans secured or unsecured to companies, firms or other parties covered under the register maintained under section 189 of the Companies Act and thus paragraph 3 (iii) of the order is not applicable.
- (iv) According to the information and explanation given to us the company had not granted any loans or provided any guarantee under section 185 and neither had any investment during the year and therefore compliance in respect of provisions of section 185 and section 186 of the Companies Act 2013 may not be applicable to the company.
- (v) The Company has not accepted any deposits during the year and therefore compliance with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under may not be applicable to the Company
- (vi) The Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act, in respect of textile manufacturing activity of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, GST, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and other material statutory dues except for some delays in payment in such payments. There was no undisputed outstanding statutory dues as at the year end for a period of more than six months from the

- date they became payable.
- (b) There were no undisputed amounts payable in respect statutory dues like Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, GST, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess in arrears as at 31 st. March 2018, for period of more than 6 months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding of Sales Tax, GST, Income Tax, Service Tax, Custom duty, Wealth Tax, Excise duty and Cess on account of any dispute.
- (viii) As per the information and explanations given to us and based on our audit, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders
- (ix) The Company has not raised any money by way of initial public offer or by further public offer (including debt instruments). Further in our opinion and according to the information and the explanations given to us, term loan obtained by company during the year were, prima facie, applied by the company for the purposes for which such loans were obtained .
- (x) According to the information and explanations given to us , no fraud by the company or no material fraud on the company by it's officers or employees has been noticed or reported during the year .
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act..
- (xii) As the Company is not "Nidhi Company" and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, transactions with related parties have been done in compliance with provisions of Section 177 and 188 of Companies Act 2013 and have been suitably disclosed in the Financial Statement as required by the Accounting standard 18.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) As per the information and explanation provided to us, during the year the Company has not entered into any non-cash transactions with Directors or persons connected with Directors and hence paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Mumbai
Date:29th May 2018

For B.P.Kabra & Associates,
Chartered Accountants,
Firm's Registration No. 124578W

Bankat P. Kabra
Proprietor
Membership no. 115966

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Santosh Fine Fab Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Place: Mumbai
Date: 29th May 2018

For B.P.Kabra & Associates,
Chartered Accountants,
Firm's Registration No. 124578W

Bankat P. Kabra
Proprietor
Membership no. 115966

BALANCE SHEET AS ON 31ST MARCH 2018

(Amount In ₹)

PARTICULARS	Note No.	AS AT 31ST MARCH 2018	AS AT 31st MARCH 2017	AS AT 1st APRIL 2016
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	4	18,761,552	16,425,990	15,711,424
(c) Other Intangible Assets	4	2,176	2,176	6,007
(d) Financial Assets				
(i) Investments	5	101,000	101,000	101,000
(ii) Others (to be specified)	6	214,610	214,610	216,450
		19,079,338	16,743,776	16,034,881
(2) Current Assets				
(a) Inventories	7	77,061,828	75,405,882	60,998,154
(b) Financial Assets				
(i) Trade receivables	8	57,449,565	48,683,792	66,157,509
(ii) Cash & Cash equivalents	9	507,746	892,360	659,454
(c) Current Tax Assets (Net of Provision)		1,346,365	1,075,192	598,998
(d) Other Current Assets	10	4,319,834	3,285,225	3,362,179
		140,685,338	129,342,451	131,776,294
TOTAL ASSETS		159,764,676	146,086,227	147,811,175
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	11	34,329,695	34,329,695	34,329,695
(b) Other Equity	12	49,048,145	48,498,610	47,264,798
		83,377,840	82,828,305	81,594,493
LIABILITIES				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	324,289	907,574	-
(b) Provisions	14	3,350,433	3,720,070	2,797,573
(c) Deferred tax Liabilities (Net)	15	68,814	31,142	380,505
		3,743,536	4,658,786	3,178,078
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	46,020,007	22,718,865	32,092,996
(ii) Trade Payables	17	23,632,023	29,471,868	28,153,901
(iii) Others	18	1,010,945	966,956	188,708
(b) Other Current liabilities	19	1,612,778	5,081,426	1,977,536
(c) Provisions	20	367,547	360,021	625,463
		72,643,300	58,599,136	63,038,604
TOTAL EQUITIES AND LIABILITIES		159,764,676	146,086,227	147,811,175

Significant Accounting Policies and notes to Financial Statements

1 to 36

As Per Our Report Of Even Date
For and on behalf of the Board of Directors

 B.P.Kabra & Associates
 Chartered Accountants
 Firm's registration number: 124578W

 Santosh R. Tulsian
 (Managing Director)

 Subhash R. Tulsian
 (Executive Director)

 Bankat P Kabra
 (Proprietor)
 (M.No. 115966)

 Ashok V.Tulsian
 (Director)

 Sanjeev D Saran
 (Director)

 Place : Mumbai
 Dated 29.05.2018

 Asharam S. Rungta
 (Director)

 Sumeeta S. Tulsian
 (Director)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH 2018

(Amount In ₹)

PARTICULARS	Note No.	FOR THE YEAR 2017- 2018	FOR THE YEAR 2016- 2017
I. Revenue From Operations	21	233,155,216	262,316,216
II. Other Income	22	6,737,226	7,821,025
III. TOTAL INCOME (I+II)		239,892,442	270,137,241
IV. EXPENSES			
Cost Of Raw Materials Consumed	23	85,637,425	105,259,592
Purchase Of Stock In Trade		71,993,737	89,549,870
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	24	(675,522)	(14,540,545)
Employees Benefits Expenses	25	17,399,851	15,635,199
Finance Costs	26	3,666,712	3,564,070
Depreciation & Amortization Expenses	4	2,045,835	1,867,736
Other Expenses	27	59,032,966	67,011,981
Total Expenses (IV)		239,101,004	268,347,902
V. Profit Before Exceptional Items & Taxes (III-IV)		791,439	1,789,339
VI. Exceptional Items		0	0
VII. Profit Before Taxes (V-VI)		791,439	1,789,339
VIII. Tax Expenses			
(1) Current taxes		200,000	905,000
(2) Short/(Excess) Provision Of Earlier Year		4,231	(110)
(3) Deferred taxes		37,672	(349,363)
IX. Net Profit After Taxes		549,536	1,233,812
X. Other Comprehensive Income		0	0
Profit For The Year		549,536	1,233,812
Earning Per Share			
Basic & Diluted		0.16	0.35

Significant Accounting Policies and notes to
Financial Statements

1 to 36

As Per Our Report Of Even Date
For and on behalf of the Board of Directors

B.P.Kabra & Associates
Chartered Accountants
Firm's registration number: 124578W

Santosh R. Tulsian
(Managing Director)

Subhash R. Tulsian
(Executive Director)

Bankat P Kabra
(Proprietor)
(M.No. 115966)

Ashok V.Tulsian
(Director)

Sanjeev D Saran
(Director)

Place : Mumbai
Dated 29.05.2018

Asharam S. Rungta
(Director)

Sumeeta S. Tulsian
(Director)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018
A. Equity Share Capital

Particulars	As at 1st April, 2016	Changes during 2016-17	As at 31st March, 2017	Changes during 2017-18	As at 31st March, 2018
Equity Share Capital	34329695	0	34329695	0	34329695

B. Other Equity

Particulars	Reserves & surplus			Total Other Equity
	Share Premium	General Reserve	Retained Earnings	
Balance as at 1st April 2016	21829696	3972975	21462127	47264798
Total Comprehensive Income For the year	0	0	1233812	0 1233812
Balance as at 31st March 2017	21829696	3972975	22695939	0 48498610
Total Comprehensive Income For the year	0	0	549536	0 549536
Balance as at 31st March 2018	21829696	3972975	23245474	0 49048145

As Per Our Report Of Even Date

B.P.Kabra & Associates
Chartered Accountants
Firm's registration number: 124578W
Bankat P Kabra
(Proprietor)
(M.No. 115966)
Place : Mumbai
Dated 29.05.2018

For and on behalf of the Board of Directors

Santosh R. Tulsian (Managing Director)	Subhash R. Tulsian (Executive Director)
Ashok V.Tulsian (Director)	Sanjeev D Saran (Director)
Asharam S. Rungta (Director)	Sumeeta S. Tulsian (Director)

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS ON 31ST MARCH 2018**(₹ in thousand)**

PARTICULARS	As At 31.03.2018	As At 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Item	791	1790
Adjustments For:		
Depreciation & Amortization Of Exp.	2046	1867
Interest Paid	3172	2971
Interest Received	(501)	(435)
Dividend Received	(11)	(11)
Provision For Gratuity	(220)	1512
Operating Profit Before Working Capital	5277	7694
Adjustments For:		
Trade And Other Receivables	(9800)	17552
Inventories	(1656)	(14408)
Trade And Other Payables	(9257)	4221
Cash Generated From Operations	(15436)	15059
Gratuity Paid	(153)	(579)
Prior Year Adjustment	0	1
Direct Taxes (Paid)/Refund	(475)	(1381)
NET CASH FROM OPERATING ACTIVITIES	(16064)	13100
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase Of Fixed Assets	(4381)	(2578)
Interest Received	501	435
Dividend Received	11	11
NET CASH FLOW IN INVESTING ACTIVITIES	(3869)	(2132)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds Non Current Borrowing	(583)	908
Bank Borrowing	23305	(8673)
Interest Paid	(3172)	(2971)
NET CASH FLOW IN FINANCING ACTIVITIES	19550	(10736)
Net Increase In Cash And Cash Equivalents	(384)	232
Cash And Cash Equivalents (Op. Balance)	892	659
Cash And Cash Equivalents (Cl. Balance)	508	892

As Per Our Report Of Even Date

B.P.Kabra & Associates
Chartered Accountants
Firm's registration number: 124578W

Bankat P Kabra
(Proprietor)
(M.No. 115966)

Place : Mumbai
Dated 29.05.2018

For and on behalf of the Board of Directors

Santosh R. Tulsiyan
(Managing Director) Subhash R. Tulsiyan
(Executive Director)

Ashok V.Tulsiyan
(Director) Sanjeev D Saran
(Director)

Asharam S. Rungta
(Director) Sumeeta S. Tulsiyan
(Director)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 1- Corporate Information

- 1.1 Santosh Fine Fab Ltd. ("the Company") is a limited Company domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE), in India. The registered office of the Company is situated at 112/113, Sanjay Building No 6, Mittal Estate, Andheri (East), Mumbai - 400059. 1.2 Company is engaged in the business of Manufacturing & Trading of Textile Products.

Note 2- Basis of Preparation

- 2.1 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS). 2.2 For all periods up to year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first financial statement, the Company has prepared in accordance with Ind AS. 2.3 The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost. 2.4 The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency.

Note 3- Significant Accounting Policies & Judgements

- 3.1 **Method of accounting:**
The financial statements have been prepared on a historical cost basis, except where fair value of certain assets and liabilities can be ascertained, defined benefits plan assets measured at fair value and share based payments.
- 3.2 **Use of Estimate**
The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.
- 3.3 **Property, Plant & Equipment**
Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as on date measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.
- 3.4 **Intangible Assets**
On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as on date measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.
- 3.5 **Capital Work-In-Progress**
Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.
- 3.6 **Employee Benefits**
All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service. Long Term Defined Contributions are accounted for on the basis of contributions made during the year. During the year Long Term Defined Benefits payable are determined as per actuarial valuation and as stated in Accounting Standard 15 (Revised 2005), "Employee Benefits".
- 3.7 **Foreign Currency Transaction**
- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction.
 - Monetary Items denominated in foreign currencies at the year end are restated at year end rates. In case of those items, which are covered by forward exchange contracts, the difference between the year end rate and spot rate on the date of the contract is recognized as exchange difference and transferred to dollar hedge account account as on the date of Balance Sheet and the premium paid on forward contracts has been recognized over the life of the contract.
 - All other exchange difference are dealt with in the profit & loss account.
- 3.8 **Investments**
Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary in the opinion of the management. The carrying amount for current investments recognized in Financial

Statements is the lower of cost and fair value. Any reduction to fair value and any reversals of such reductions, in case of these Current Investments, are included in the profit and loss statement.

3.9 Inventories

Inventories are valued at lower of cost and net realisable value. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.10 Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty, GST and sales during trial run period, adjusted for discount (net). Sales are recorded net of GST, vat and excise duty, after deducting returns, discount & claim.

3.11 Income Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

3.12 Accounting of provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

3.13 Borrowing Cost:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 4 - Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress

(Amount In Rs)

Particulars	Land		Buildings		Plant & machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Motor Car	Total	Intangible Assets	
	Leasehold	Freehold	Residential Flat	Factory Building								Trade Mark	Software
COST :													
As at 1st April 2016	192760	51451	618448	18670491	49884537	8697612	399722	1861448	1865031	0	82241500	1000	58368
Addition	0	0	0	0	0	0	0	97663	27240	2453568	2578471	0	0
Disposals/Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2017	192760	51451	618448	18670491	49884537	8697612	399722	1959111	1892271	2453568	84819971	1000	58368
Addition	0	0	0	3204158	0	0	1136247	40992	0	0	4381397	0	0
Disposals/Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2018	192760	51451	618448	21874649	49884537	8697612	1535969	2000103	1892271	2453568	89201368	1000	58368
DEPRECIATION & AMORTISATION :													
As at 1st April 2016	0	0	141049	11798542	43719462	7317560	399722	1512672	1641069	0	66530076	1000	52361
Depreciation for the year	0	0	9751	501107	762161	299656	0	115421	71705	104104	1863905	0	3831
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2017	0	0	150800	12299649	44481623	7617216	399722	1628093	1712774	104104	68393981	1000	56192
Depreciation for the year	0	0	9751	627035	673301	241500	42142	98958	61787	291361	2045835	0	0
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2018	0	0	160551	12926684	45154924	7858716	441864	1727051	1774561	395465	70439816	1000	56192
NET BOOK VALUE :													
As at 1st April 2016	192760	51451	477399	6871949	6165075	1380052	0	348776	223962	0	15711424	0	6007
As at 31st March 2017	192760	51451	467648	6370842	5402914	1080396	0	331018	179497	2349464	16425990	0	2176
As at 31st March 2018	192760	51451	457897	8947965	4729613	838896	1094105	273052	117710	2058103	18761552	0	2176
Capital Work in Progress													
As at 1st April 2016	0	0	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2017	0	0	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2018	0	0	0	0	0	0	0	0	0	0	0	0	0

Note 5 - Non Current investments

(Amount In Rs)

Particulars	As at 31st March 2018			As at 31st March 2017			As at 1st April 2016		
	No. of Shares/u nits	Face Value (Rs) unless otherwise stated	Amount	No. of Shares/u nits	Face Value (Rs) unless otherwise stated	Amount	No. of Shares/u nits	Face Value (Rs) unless otherwise stated	Amount
(a) In Equity Instruments Unquoted Fully Paid up (at cost) Saraswat Co-op Bank	100	10	1000	100	10	1000	100	10	1000
(a) In Preference Shares Unquoted Fully Paid up (at cost) Saraswat Co-op Bank	10000	10	100000	10000	10	100000	10000	10	100000
Total Non Current Investments			101000			101000			101000

Note 6 - Non Current Financial Assets- others

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Security Deposits With Govt & others	214610	214610	216450
	214610	214610	216450

Note 7 - Inventories

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Raw Material	13427246	18786878	18231059
Stock in Process	18144246	24224386	16095656
Finished Goods	44404895	31681299	25909856
Store & Spare	203609.00	132666	71792
Packing Material	881832.00	580653	689791
	77061828	75405882	60998154

Mode of Valuation of Inventories

- Raw Material: Lower of Cost or Net Realizable Value
- Stock In Process: At estimated cost
- Finish Stock : Lower of Cost or Net Realizable Value
- Store & Spare , Packing Material : At Cost

Note 8 - Current Financial Assets - Trade Receivable

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unsecured			
Over Six Month - Considered Good	10567392	9231227	7430119
Considered Doubtful	0	0	0
	10567392	9231227	7430119
Other Debts			
Other Debts	46471199	39217733	58727390
Due From Related Parties	410974	234832	0
	46882173	39452565	58727390
Less : Provision For Doubtful Debts			
	57449565	48683792	66157509

Note 9 - Cash & Cash Equivalents

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balances With Banks			
In Current Accounts	414498	750843	177689
As Fixed Deposits (includes Accrued interest) (Maturity more than One year)	0	0	115805
Cash on hand	93248	141517	365960
	507746	892360	659454

Note 10 - Other Current Assets

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance With Government Authorities			
GST & Sales Tax (Including Vat)	2927436	1120711	1093676
Duty Drawback Receivable	497508	797895	1822646
Excess Provident fund paid	127173	0	0
Advance to Supplier for Goods & Expenses	198151	1001989	81773
Advance to Employee	340545	75090	143004
Others	229022	289540	221080
	4319834	3285225	3362179

Note 11 - Equity Share Capital

(Amount In Rs)

Particular	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	Amount	Number	Amount	Number	Amount
Authorised Share Capital						
Equity Shares of Rs. 10/- each	4,000,000	40,000,000	4,000,000	40,000,000	4,000,000	40,000,000
Issued, Subscribed and Paid up*						
Equity Shares of Rs. 10/- each fully paid up	3,524,600	35,246,000	3,524,600	35,246,000	3,524,600	35,246,000
Less: Calls in Arrears* (On 305400 Share)		916,305		916,305		916,305
		34,329,695.47		34,329,695		34,329,695

* Calls in arrears are not due from Directors & their relatives

B. Reconciliation of the number of share outstanding

(Amount In Rs)

	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Number	Amount	Number	Amount	Number	Amount
Equity Share Outstanding at the beginning of period	3,524,600	34,329,695	3,524,600	34,329,695	3,524,600	34,329,695
Add: Equity Share issued during the year	-	-	-	-	-	-
Less: Share brought back during the year	-	-	-	-	-	-
Equity Share Outstanding at the end of the period	3,524,600	34,329,695	3,524,600	34,329,695	3,524,600	34,329,695

C. Rights, Preferences and Restrictions attached to Equity Shares

Equity Share Holder is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if any proposed by the Board of Directors is subject to the approval of shareholders in the ensuing General Meeting. Dividend is paid to the Equity Shareholders, whose name appear in the register of members as on record date.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. Distribution will be in proportion to the number of equity shares held by the shareholders.

D. Details of Shareholder holding more than 5% shares:

Name of the Shareholder	Equity Share		Equity Share		Equity Share	
	Number	% Of Holding	Number	% Of Holding	Number	% Of Holding
Arjun R Tulsyan	331,800	9.41%	331,800	9.41%	331,800	9.41%
Madhu S Tulsyan	182,500	5.18%	182,500	5.18%	182,500	5.18%
Sunil Tulsyan Huf	179,900	5.10%	179,900	5.10%	179,900	5.10%

Note 12 - Other Equity

(Amount In Rs)

Particulars	Reserves & surplus			Total Other Equity
	Share Premium	General Reserve	Retained Earnings	
Balance as at 1st April 2016	21829696	3972975	21462127	47264798
Total Comprehensive Income For the year 2016-17	0	0	1233812	1233812
Balance as at 31st March 2017	21829696	3972975	22695939	48498610
Total Comprehensive Income For the year 2017-18	0	0	549536	549536
Balance as at 31st March 2018	21829696	3972975	23245474	49048145

Note 13 - Non- Current Financial Liabilities - Borrowings

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured Loans:			
(a) Vehicle Loans			
1. ICICI Bank Car Loan- 00034634606*	70295	309803	0
2. ICICI Bank Car Loan- 00035237678**	253994	597771	0
Unsecured Loans:			
	324289	907574	0

Notes : Above Loans are Secured against hypothecation of vehicles.

*(The 36 month equated repayment schedule started from Sept 2016 amounting Rs 23644 each)

**The 36 month equated repayment schedule started from Feb 2017 amounting Rs 35154 each)

Note 14 - Non- Current Provisions

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Gratuity	3350433	3720070	2797573
	3350433	3720070	2797573

Note 15 - Deferred Tax Liability (Net)

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Liabilities			
Related to Fixed Assets	976517	1024943	1335090
Deferred Tax Assets			
Provision of Gratuity & Leave Salary	907703	993801	954585
	68814	31142	380505

Note 16 - Current Financial Liabilities - Borrowings

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Secured Loans:			
From Banks			
Cash Credit (In INR)*	46020007	22718865	32092996
Unsecured Loans:			
	46020007	22718865	32092996

*(Above Loans are secured against mortgage of Land, Building, Machinery & hypothecation of Stock, Book Debts, Movable Assets & Personal Guarantee of Two Directors)

Note 17 - Current Financial Liabilities- Trade Payables

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
For Goods and Expenses (In Ordinary Course of th business)	23632023	29471868	28153901
	23632023	29471868	28153901

Disclosure under the Micro and Small Enterprises Development Act, 2006 :

As none of the suppliers has given the information under Micro and Small Enterprises Act, disclosure for amount due to Micro and Small Enterprises under the above Act is not possible.

Note 18 - Current Financial Liabilities- Others

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current Maturity of Long Term Debts			
- Term Loan	705576	701989	0
Interest Accrued but not due on borrowings	6329	9843	0
Others payable	299040	255124	188708
	1010945	966956	188708

Note 19 - Other Current Liabilities

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Deposit From Dealers	453100	450100	472100
Advance From Customers	992018	4416776	1181963
Taxes & Duties	167660	214550	323473
	1612778	5081426	1977536

Note 20 - Current Provisions

(Amount In Rs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Provision For Gratuity	63062	66565	55303
Others	304485	293456	570160
	367547	360021	625463

(Amount In Rs)

	FOR THE YEAR 2017-18	FOR THE YEAR 2016-17
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NOTE NO.21- Revenue From Operations

	2017-18	2016-17
Revenue From Sale of Product (Fabrics)		
Domestic*	176,957,089	193,421,926
Export	43,561,346	60,743,775
Job Work	12,636,781	8,150,515
Other Operating Revenue	-	-
Total	233,155,216	262,316,216

NOTE NO.22- Other Income

	2017-18	2016-17
Interest Income(Gross)	501,271	435,059
Exchange Flactuation Gain	399,036	605,023
Export Incentive	3,628,949	6,769,611
Dividend Received	10,800	10,650
Other Income	1,971,777	682
Sales Tax Refund	225,393	-
Total	6,737,226	7,821,025

(Amount In Rs)

	FOR THE YEAR 2017-18		FOR THE YEAR 2016-17	
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NOTE NO.23- Cost Of Raw Materials Consumed

Raw material consumed				
Yarn				
Opening Stock	18,786,878		18,231,059	
Add: Purchases	<u>26,258,115</u>		<u>49,140,133</u>	
	45,044,993		67,371,192	
Less: Closing Stock	13,427,246	31,617,747	18,786,878	48,584,314
Grey Fabrics				
Opening Stock	4,136,126		4,776,498	
Add: Purchases	<u>59,987,612</u>		<u>56,034,906</u>	
	64,123,738		60,811,404	
Less: Closing Stock	<u>10,104,060</u>	54,019,678	<u>4,136,126</u>	56,675,278
Total		85,637,425		105,259,592

NOTE NO.24- Changes in Inventories of Finished Goods and Work in Progress

OPENING STOCK				
Finish Goods (Fabric)	31,681,299		25,909,856	
Stock In Process (WIP)	<u>20,088,260</u>	51,769,559	<u>11,319,158</u>	37,229,014
CLOSING STOCK				
Finish Goods (Fabric)	44,404,895		31,681,299	
Stock In Process (WIP)	8,040,186	52,445,081	20,088,260	51,769,559
Total		(675,522)		(14,540,545)

NOTE NO.25- Employees Benefits Expenses

Salaries and Wages		14,892,984		11,838,614
Bonus/ Ex Gratia		1,283,300		1,150,507
Contribution to Provident Fund & ESIC		960,097		654,279
Staff Welfare		483,279		479,342
Gratuity		(219,809)		151,245
Total		17,399,851		15,635,199

NOTE NO.26- Finance Costs

Interest Expenses				
Interest to Bank		3,171,840		2,967,368
Other Interest		103		3,672
Other Borrowing Costs				
Bank Charges		494,769		593,029
Total		3,666,712		3,564,070

	FOR THE YEAR 2017-18		FOR THE YEAR 2016-17	
NOTE NO.27- Other Expenses				
A. Manufacturing & Operating Expenses				
Dyeing & Process charges	20,072,347		22,252,968	
Power & Fuel	2,099,526		1,799,604	
Labour Contractor	8,293,702		9,704,184	
Rate & taxes, licence & permit fees	133,698		106,441	
Repair Machinery	881,642		999,755	
Store & consumable	1,809,716		1,958,729	
Carriage Inward	324,698		364,441	
Other Manufacturing Expenses	1,768,000	35,383,329	1,232,977	38,419,099
B. Administrative Expenses				
Conveyance Expenses	1,513,647		872,137	
Director Remuneration & Perquisite	2,266,389		1,848,866	
Insurance Expenses	305,121		286,804	
Legal & Professional Fees	534,929		471,441	
Motor Car & Vehicle Expenses	561,935		466,121	
Membership Subscription	329,018		284,895	
Postage & Stamps	550,601		767,891	
Rent, Rate & Taxes	433,447		419,184	
Payment To Auditors (refer footnote (25.2))	195,000		325,450	
Telephone Expenses	245,415		316,793	
Other Administrative Expenses	1,114,862	8,050,365	1,011,093	7,070,675
C. Selling & Distribution Expenses				
Commission & Brokerage	3,246,380		4,333,106	
Export Freight & Insurance	567,817		1,672,979	
Packing Expenses	4,618,257		6,410,054	
Sales Incentive	1,589,920		4,185,688	
Sales Promotion & Adv Expenses	2,905,210		1,744,559	
Traveling Expenses	1,269,366		1,728,797	
Other Selling & Distribution Expenses	1,402,323	15,599,273	1,447,024	21,522,207
Total (Other Expenses)		59,032,966		67,011,981

Footnote:
For The Year 2017-18
For The Year 2016-17
27.1 Value of Raw Material & Stores Consumed

	Amount(In Rs)	% of consumption	Amount(In Rs)	% of consumption
Stores				
Imported	-	0.00	0	0.00
Indigenous	1,809,716	100.00	1,958,729	100.00
	1,809,716	100.00	1,958,729	100.00

Since there is no import of raw material, therefore raw material consumption not shown separately under indigenous & imported

27.2 Payment To Auditors

	Amount(In Rs)	Amount(In Rs)
Audit Fees	195,000	195,000
Tax Audit Fees	-	55,000
For Certification Work	-	37,950
Other Charges		37,500
	195,000	325,450

27.3- Expenditure In Foreign Currency

	Amount(In Rs)	Amount(In Rs)
Commission on Sale	1,343,404	2,448,431
Travelling	273,158	521,360
Total Expenditure in Foreign Currency	1,616,562	2,969,791

Footnote:

For The Year 2017-18

For The Year 2016-17

27.4- Earning In Foreign Currency(FOB)

	Amount(In Rs)	Amount(In Rs)
Export of Goods(FOB)	42,884,953	58,799,454

NOTE NO.28- EMPLOYEE BENEFITS

28.1 : As per Accounting Standard 15(Revised 2005) "Employee Benefits", the disclosures required are as under:

A. Defined Contribution Plan	Year ended 31st March 2018	Year ended 31st March 2017
Contribution to Defined Contribution Plan, recognised and charged off for the year are as under :		
Employer's Contribution to Provident Fund	961120	654279

B. Defined Benefit Plan

The employees' gratuity are unfunded and the present value of obligation is determined based on actuarial valuation, using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

a. Actuarial Assumption

Particulars	As At 31st March 2018	As At 31st March 2017
Mortality Table (LIC)	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Interest / Discount Rate	7.75%	7.50%
Rate of increase in compensation	5.50%	5.50%
Rate of return (expected) on plan assets	-	-
Employee Attrition Rate(Past Service)	1% at all ages	1% at all ages
Expected average remaining service	28	28

The estimated future salary increases takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.

b.Reconciliation of opening and closing balance of defined benefit obligations:- Gratuity

Particulars	As At 31st March 2018	As At 31st March 2017
Present value obligation at beginning of period	3786635	2852876
Interest cost	283998	228230
Current Service Cost	272154	272016
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Benefits Paid	-153331	-578698
Actuarial (Gain)/Loss on obligation	-775961	1012211
Present value obligation at the end of period	3413495	3786635

NOTE NO.29- SEGMENT REPORTING

In the opinion of Management the company is engaged only in the business of fabrics, As such there is no Reportable Segment as per AS 17 "Segment Reporting" notified by Ministry Of Corporate Affairs".

NOTE 30 - FIRST TIME ADOPTION OF IND AS30.

a) Basis of preparation For all period up to the year ended 31st March, 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the Company's first annual Ind AS financial statements and have been prepared in accordance with Ind AS. Accordingly, the Company has prepared financial statements, which comply with Ind AS, applicable for periods beginning on or after 1st April, 2016 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at 1st April, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at 1st April, 2016 and its previously published Indian GAAP financial statements for the year ended 31st March, 2017.

30.b) Exemptions Applied Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions: 1) Property, plant and equipment, intangible assets and investment properties:- The Company has elected to apply previous historical carrying amount on the date of transition to Ind AS for its property, plant and equipment, intangible assets and investment properties. 2) Equity Investments in subsidiaries :- The Company has elected to apply Indian GAAP carrying amount as deemed cost on the date of transition to Ind AS for its equity investments in subsidiaries.

30.c) Mandatory exceptions applied The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

1) Estimates:- The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP except where Ind AS required a different basis for estimates as compared to the Indian GAAP.

2) Classification and measurement of financial assets and liabilities:- The Company has classified the financial assets and liabilities in accordance with Ind AS 109 "Financial Instruments" on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Note 30.1 . Disclosure as required by Ind AS 101 First Time Adoption of Indian Accounting Standard (Ind AS)
30.1 BALANCE SHEET 1ST APRIL, 2016 (date of transition to Ind AS)
(Amount In Rs)

Particules	Indian GAAP	Adjustments	Ind AS
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	15711424	-	15,711,424
(c) Other Intangible Assets	6007	-	6,007
(d) Financial Assets			
(i) Investments	101000	-	101,000
(ii) Others (to be specified)	216450	-	216,450
	16,034,881	-	16,034,881
(2) Current Assets			
(a) Inventories	60998154	-	60,998,154
(b) Financial Assets			
(i) Trade receivables	66157509	-	66,157,509
(ii) Cash & Cash equivalents	659454	-	659,454
(c) Current Tax Assets (Net of Provision)	598998	-	598,998
(d) Other Current Assets	3362179	-	3,362,179
	131,776,294	-	131,776,294
TOTAL ASSETS	147,811,175	-	147,811,175
I. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	34329695	-	34,329,695
(b) Other Equity	47264798	-	47,264,798
	81,594,493	-	81,594,493
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	0	-	-
(b) Provisions	2797573	-	2,797,573
(c) Deferred tax Liabilities (Net)	380505	-	380,505
	3,178,078	0	3,178,078
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	32092996	-	32,092,996
(ii) Trade Payables	28153901	-	28,153,901
(iii) Others	188708	-	188,708
(b) Other Current liabilities	1977536	-	1,977,536
(c) Provisions	625463	-	625,463
	63,038,604	0	63,038,604
TOTAL EQUITIES AND LIABILITIES	147,811,175	0	147,811,175

Note 30.2 . Disclosure as required by Ind AS 101 First Time Adoption of Indian Accounting Standard (Ind AS)
30.2 BALANCE SHEET 31ST MARCH, 2017 (date of transition to Ind AS)

Particules	(Amount In Rs)		
	Indian GAAP	Adjustments	Ind AS
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	16425990	-	16,425,990
(c) Other Intangible Assets	2176	-	2,176
(d) Financial Assets			
(i) Investments	101000	-	101,000
(ii) Others (to be specified)	214610	-	214,610
	16,743,776	-	16,743,776
(2) Current Assets			
(a) Inventories	75405882	-	75,405,882
(b) Financial Assets			
(i) Trade receivables	48683792	-	48,683,792
(ii) Cash & Cash equivalents	892360	-	892,360
(c) Current Tax Assets (Net of Provision)	1075192	-	1,075,192
(d) Other Current Assets	3285225	-	3,285,225
	129,342,451	-	129,342,451
TOTAL ASSETS	146,086,227	-	146,086,227
I. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	34329695	-	34,329,695
(b) Other Equity	48498610	-	48,498,610
	82,828,305	-	82,828,305
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	907574	-	907,574
(b) Provisions	3720070	-	3,720,070
(c) Deferred tax Liabilities (Net)	31142	-	31,142
	4,658,786	0	4,658,786
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22718865	-	22,718,865
(ii) Trade Payables	29471868	-	29,471,868
(iii) Others	966956	-	966,956
(b) Other Current liabilities	5081426	-	5,081,426
(c) Provisions	360021	-	360,021
	58,599,136	0	58,599,136
TOTAL EQUITIES AND LIABILITIES	146,086,227	0	146,086,227

Reconciliation of profit or loss for the year ended 31st March, 2017
(Amount In Rs)

Particulars	Indian GAAP	Adjustments	Ind AS
I. Revenue From Operations	262316216	-	262,316,216
II. Other Income	7821025	-	7,821,025
III. TOTAL INCOME (I+II)	270,137,241	-	270,137,241
IV. EXPENSES			
Cost Of Raw Materials Consumed	105,259,592	-	105,259,592
Purchase Of Stock In Trade	89,549,870	-	89,549,870
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	-	-	-
Employees Benefits Expenses	(14,540,545)	-	(14,540,545)
Finance Costs	15,635,199	-	15,635,199
Finance Costs	3,564,070	-	3,564,070
Depreciation & Amortization Expenses	1,867,736	-	1,867,736
Other Expenses	67,011,981	-	67,011,981
Total Expenses (IV)	268,347,902	-	268,347,902
V. Profit Before Exceptional Items & Taxes (III-IV)	1,789,339	-	1,789,339
VI. Exceptional Items	-	-	-
VII. Profit Before Taxes (V-VI)	1,789,339	-	1,789,339
VIII. Tax Expenses			
(1) Current taxes	905,000	-	905,000
(2) Short/(Excess) Provision Of Earlier Year	(110)	-	(110)
(3) Deferred taxes	(349,363)	-	(349,363)
IX. Net Profit After Taxes	1,233,812	-	1,233,812
X. Other Comprehensive Income	0	0	-
Profit For The Year	1,233,812	-	1,233,812
Earning Per Share			
Basic & Diluted	0.35	-	0.35

Reconciliation between profit and other equity as previously reported under previous GAAP and Ind AS for the Year ended 31st March, 2017 and 1st April, 2016:-

Particulars	Profit for the year ended 31st March, 2017	Other Equity as at 31st March, 2017	Other Equity as at 1st April, 2016
Net profit / other equity as per previous Indian GAAP	1,233,812	48,498,610	47,264,798
Indian AS Adjustments	-	-	-
Net Profit after tax / Other Equity before Other Comprehensive Income as per Ind AS	1,233,812	48,498,610	47,264,798
Actuarial Loss on defined benefit plans	-	-	-
Total Comprehensive income / Other Equity as per Ind AS	1,233,812	48,498,610	47,264,798

NOTE NO.31- TRANSACTION WITH RELATED PARTY

Name Of The Party	Relation	Nature Of The Transaction	Amount Of The Transaction	Balance As On 31.03.2018
			Rs.	Debit/ (Credit)
Silvester Tex. P.Ltd	Company in which Directors are interested	Process Charges	17,177,062	(1,827,361)
Intelifab Fashion Pvt.Ltd.	Company in which Directors are interested	Sale Of Fabrics	394,693	-
Jamnagar Wollen Tex. Mills Pvt. Ltd.	Company in which Directors are interested	Sale Of Fabrics	84,484	84,484
Signora Exports	Firm In Which Directors Are Interested	Purchase Of Fabrics	1,451,897	-
Signora Exports	Firm In Which Directors Are Interested	Sale Of Job Charges	471,519	297,656
JMD Syntex (Mumbai) LLP	Firm In Which Directors Are Interested	Packing Charges	113,124	(113,124)
JMD Syntex (Mumbai) LLP	Firm In Which Directors Are Interested	Sale Of Fabrics	28,834	28,834
Santosh Tulsivan	Director	Remuneration	900,000	-
Subhash Tulsivan	Director	Remuneration	900,000	-
Sumeeta Tulsivan	Director	Remuneration	300,000	-
Sunil Tulsivan	Relative Of Director	Salary	786,529	-
Arjun Tulsivan	Relative Of Director	Gala Compensation	174,000	-

NOTE NO.32- EARNING PER SHARE(EPS)

PARTICULARS		2017-18	2016-17
Net Profit Before Taxes	In Rs	791,439	1,789,339
Provision for Taxes (Including Deferred Taxes)	In Rs	241,903	555,527
Profit after Taxes	In Rs	549,536	1,233,812
Equity Shares	Number	3,524,600	3,524,600
Earning Per Share (Face Value Rs.10/- Each)			
Basic	Rs/ Share	0.16	0.35
Diluted	Rs/ Share	0.16	0.35

NOTE NO.33- CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

Nil

NOTE NO.34 :DISCLOSURE REGARDING UNHEDGED CURRENCY EXPOSURE :

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31st March,2018		As at 31st March,2017	
	Amount in Foreign Currency	Amount in Rs	Amount in Foreign Currency	Amount in Rs
Loan availed - USD	NIL	NIL	NIL	NIL
Interest Payable- USD	NIL	NIL	NIL	NIL
Creditors Payable- USD	\$23,149.02	1515800	\$44,460.63	2913062
Advances and Other Receivables- USD	\$27,418.81	1758917	\$12,575.74	809323
Advances From Debtors- USD	\$11,176.83	731859	\$56,670.83	3713073
Total	\$61,744.66	4006576	\$113,707.20	7435458

NOTE NO.35- SUNDRY CREDITORS, DEBTORS & OTHER ADVANCES

The balances of Sundry creditor, Debtors & other advance are subject to confirmation

NOTE NO.36- Previous year figure has been regrouped and rearranged whenever necessary and to make them comparable with current year's figures.

As Per Our Report Of Even Date

B.P.Kabra & Associates
Chartered Accountants
Firm's registration number: 124578W
Bankat P Kabra
(Proprietor)
(M.No. 115966)
Place : Mumbai
Dated 29.05.2018

For and on behalf of the Board of Directors

Santosh R. Tulsivan (Managing Director)	Subhash R. Tulsivan (Executive Director)
Ashok V.Tulsivan (Director)	Sanjeev D Saran (Director)
Asharam S. Rungta (Director)	Sumeeta S. Tulsivan (Director)

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SANTOSH FINE FAB LTD.
(CIN: L17112MH1981PLC025443)

Regd. Off.: 112/113, Sanjay Building No 6, Mittal Ind. Estate, Andheri (East), Mumbai 400059.

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :
Registered Address :
E-mail Id :
Folio No /Client ID :
DP ID :

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :
E-mail Id :
Address:
Signature , or failing him

Name :
E-mail Id :
Address:
Signature , or failing him

Name :
E-mail Id :
Address:
Signature , or failing him

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the company, to be held on the Friday, 28th September, 2018 at 11.30 a.m. at 112/113, Sanjay Build No 6, Mittal Estate, Andheri (E), Mumbai 400059 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sr. No.	Resolution (S)	Vote	
		For	Against
Ordinary Business :			
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2018		
2.	Re-appointment of Shri Santosh R Tulsiyan (DIN: 00310573), who retires by rotation		
3.	Re-appointment of Shri Subhash R Tulsiyan (DIN: 00308899), who retires by rotation		
4.	Re-appointment of Shri Ashok V Tulsiyan (DIN: 00320442), who retires by rotation		
5.	Re-appointment of M/s. B. P. Kabra & Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2018

Affix
Revenue
Stamps

Signature of Shareholder

Signature of Proxy holder

Across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

SANTOSH FINE FAB LTD.
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ATTENDANCE SLIP FOR 36th ANNUAL GENERAL MEETING
(To be handed over at the entrance of the meeting hall)

Folio No. : _____ Client ID: _____

No. of shares held: _____ DPID: _____

Name of the attending member (in block letters)

Name of the Proxy (in block letters)

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 36th Annual General Meeting of the company, to be held on the Friday, 28th September, 2018 at 11.30 a.m. at 112/113, Sanjay Build No 6, Mittal Estate, Andheri (E), Mumbai 400059.

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 3) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



TOTAL *Perfection* 100% Satisfaction



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