SANTOSH FINE-FAB LIMITED
REGD. OFFICE : 112/113, SANJAY BUILDING NO.6, MITTAL ESTATE, ANDHERI (EAST), MUMBAI - 400059
TEL.: 9136015880 / 81 / 82 / 83 · 022-28504758 / 28501893 · FAX : 022 - 28502471
E-mail : sales@santoshgroup.in · Website : www.santoshgroup.in
(CIN : L17112MH1981PLC025443)

SANTOSH SUITINGS
TOTAL *Perfection* 100% Satisfaction

Date : 29.09.2020

The Manager (CRD)
BSE Limited
P. J. Tower, Dalal Street,
Mumbai – 400 001.

SCRIP CODE : 530035

Sub: Annual Report Under the Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015. ("Listing Regulations, 2015").

Dear sir,

Purshant to Regulation 34 (1) of the Listing Regulations, 2015, Please find enclosed the Annual Report of the Company for the financial year ended 31st March, 2020

This is for your information and records.

Yours faithfully,

For Santosh Fine Fab Ltd.

Radha

RADHA S SHARMA
Company Secretary & Compliance Officer
M NO . 46047

Encl: As above

SANTOSH
GROUP

SANTOSH
SUITINGS

38TH ANNUAL REPORT
2019-2020

Santosh Fine-Fab Ltd.
Mumbai

38TH ANNUAL REPORT 2019-2020

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

REGISTERED OFFICE

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

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 Eighth Annual General Meeting of the Members of SANTOSH FINE-FAB LIMITED will be held at 112/113, Sanjay Building No. 6, Mittal Estate, Mumbai – 400059 on Tuesday, the **29th September**, 2020 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. **Adoption Of Standalone Financial Statements:**
   To receive, consider and adopt the Audited Balance Sheet as at 31st March 2020, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. **Appointment of Director:**
   To appoint a Director in place of Shri Asharam S.Rungta (DIN: 00320409), who retires by rotation and being eligible, offers himself for re-appointment.

3. **Appointment of Director:**
   To appoint a Director in place of Mrs. Sumeeta S. Tulsiyan (DIN: 01319879), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To approve decrease in remuneration of Mr. Subhash Tulsiyan, Whole time director of the company:

   To consider and if thought fit pass with or without modification the following resolution as an Ordinary resolution:

   "RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee & Audit Committee and pursuant to the provisions of Sections 196, 197, 198, 201 and other applicable provisions. if any. of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr. Subhash Tulsiyan (DIN: 00351609), Whole time Director of the Company.

   FURTHER RESOLVED THAT Mr. Subhash Tulsiyan shall not be paid any remuneration as fixed by the Board on the recommendation of the NEC & Audit Committee and that the terms and conditions of the remuneration payable to the said Whole time Director may be varied/altered/revised, in such manner as may be required during the tenure of his appointment."

BY THE ORDER OF THE BOARD

Registered Office:
112/113, Sanjay Bldg No.6,
Mittal Estate,
Mumbai 400059.
Dated: 30.06.2020

(Santosh R Tulsiyan)
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item no 4.

TO APPROVE DECREASE IN REMUNERATION OF MR. SUBHASH TULSIYAN. WHOLE TIME DIRECTOR OF THE COMPANY:

Mr. Subhash Tulsiyan was appointed as a Whole time director of the company for a period of five years commencing from 5th October, 2019 at a remuneration of Rs. 90,000/- p.m. However due to inadequate profits Mr. Subhash Tulsiyan decided to waive off his remuneration. Hence it has been decided to continue with his appointment without paying any remuneration.

Pursuant to Section 97 read with Schedule V of the Companies Act, 2013, the revision in the remuneration of Mr. Subhash Tulsiyan as decided by the Board is required to be approved by the Members at their meeting.

Except Mr. Subhash Tulsiyan, none of the promoters, directors, key managerial personnel and their relatives is considered to be concerned or interested financially or otherwise in the Resolution.

The Board of Directors recommend passing of the Ordinary Resolution at item no. 4 of the resolution.

Registered Office:
112/113, Sanjay Bldg No.6,
Mittal Estate,
Mumbai 400059.
Dated: 30.06.2020

BY THE ORDER OF THE BOARD

(Santosh R Tulsiyan)
Managing Director

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), have permitted such statements to be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the company, and to all other persons so entitled. The notice of the meeting will be available on the website of the company and stock exchange.

2. 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 of the Notice, are also annexed.

3. 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.

4. 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.

5. The Register of Members and Transfer Books of the Company will be closed from 27thSeptember, 2020 to 29th September, 2020, both days inclusive.

6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.

7. 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.

8. Relevant documents referred to in the accompanying Notice 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.

9. 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.

10. 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.

11. 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.

12. The members are requested to get their shares dematerialized. The company's ISIN Code: **INE612D01018** pursuant to change in face value.

13. 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 followingE-mail:Info@adroitcorporate.com

14. The Notice of the AGM along with the Annual Report 2019-20 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.

15. **Voting through electronic means**

I) 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 user 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 lalithalath26@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 atevoting@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 26.09.2020.

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., 26.09.2020, 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 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 scrutinizer, 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 scrutinizer'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.

16. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company on 30.09.2020 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.

2. 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.

Registered Office :
112/113, Sanjay Bldg No.6,
Mittal Estate,
Mumbai 400059.
Dated: 30.06.2020

BY THE ORDER OF THE BOARD

(Santosh R Tulsiyan)
Managing Director

ANNEXURE TO ITEMS 2 & 3 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	Asharam S. Rungta	Sumeeta S. Tulsiyan
Director Identification Number (DIN)	0320409	01319879
Date of Birth	10/05/1967	06/06/1968
Nationality	Indian	Indian
Date of First Appointment on Board	12/06/2002	09/04/2015
Qualification	Chartered Accountant	Under graduate
Shareholding in Santosh Fine-Fab Ltd.	1000 Shares (0.03%)	113300 Shares (3.21%)
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil	Nil
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	Nil	Nil

DIRECTORS REPORT

To,

The Members,

Your Directors have pleasure in presenting their Thirty Eighth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

1. Financial summary or highlights/Performance of the Company

The company's financial performance, for the year ended March, 2020 is summarized below

(In Lacs)

Particulars	2019-2020	2018-2019
Gross Income	2022.04	2356.23
Profit Before Interest and Depreciation	15.77	71.50
Finance Charges	50.37	48.34
Gross Profit	426.27	436.35
Provision for Depreciation	22.43	22.43
Net Profit Before Tax	(52.96)	0.72
Provision for Tax (Including Deferred Taxes)	(6.00)	0.33
Net Profit After Tax	(46.96)	0.40
Balance of Profit brought forward	232.85	232.45
Balance available for appropriation	185.89	232.85
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	185.89	232.85

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

Our operations have been reduced during the current year due to lack of demand in industry and Covid-19 impact at the end of the year. Profitability of Company decreased from profit of Rs. 0.40 lakhs to loss of Rs. 46.96 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 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. Directors and Key Managerial Personnel

Shri Asharam S. Rungta (DIN: 00320409) and Mrs. Sumeeta S. Tulsiyan (DIN: 01319879), Directors retire by rotation at the forth coming Annual General Meeting and being eligible, offer themselves for reappointment.

7. Particulars of Employees

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not required as none of the employees exceed prescribed limit of remuneration as stated therein.

8. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year Five Board Meetings and Four 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.

9. 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.

10. 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.

11. Remuneration Policy

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel (SMP) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, in order inter-alia to pay equitable remuneration to Directors, KMPs and other employees of the Company. This policy shall act as guidelines on matters relating to the remuneration, appointment of the Directors, Key Managerial Personnel and Senior Management and other employees.

Managerial Remuneration:

A) Separate remuneration committee is there to deal with 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.

12. 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.

13. Auditors:

M/s. **B.P. Kabra & Associates**, Chartered Accountants (**F.R.No.** 124578W), were appointed as the Statutory Auditors of the Company for a period of four 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.

14. Auditors' Report

With respect to the remark of the Auditors at point no (d) under the head Report on Other Legal and Regulatory Requirements in the Auditors Report, the company has been showing actuarial gain or loss recognized on remeasurement of gratuity payable as per actuarial valuation under employee benefit Expenses Note consistently as matter of prudent policy. It does not affect net profit or assets or liabilities n the financial statements.

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

15. Disclosure about Cost Audit

As per the Cost Audit Orders, Cost Audit is not applicable to the Company for the FY 2019-20.

16. 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.

17. 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.

18. Vigil Mechanism :

The Companies Act, 2013 and the recent changes in the Listing Agreement with Stock Exchange(s) (Listing Agreement) have put greater emphasis on transparency in the internal governance by the corporates. Considering the growing number of reported incidents related to alleged corrupt practices in corporate sector in India, the establishment of Whistle Blower Mechanism by the listed companies, which was earlier not a mandatory requirement, has now been made compulsory by

SEBI. In addition, the Companies Act, 2013 has mandated establishment of a Vigil Mechanism for directors and employees to report genuine concerns and any misdoings within their company. The Mechanism is also to provide for necessary safeguards to protect whistle blowers from victimization. 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.

19. Risk management policy

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.

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. The Company's documented risk management policies are effective tool in mitigating the various financial risk to which the business is exposed to in the course of daily operations This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organisation to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.). The results of these activities ensure that risk management plan is effective in the long term. The detailed risk policies are under financial statement Note No 30(2).

20. 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 .**

21. 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.

22. 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

There were no significant or material orders passed by the regulators or courts or tribunals against the company.

23. Adequacy of Internal financial controls with reference to the financial statements

The Company has aligned its current systems of Internal Financial Control (IFC) with the requirement of the Companies Act 2013. The Company has established a robust framework of IFC which includes entity level policies, processes and operating level standard operating procedures. The Company has well-established processes and clearly- defined roles and responsibilities for people at various levels.

The Company's internal controls are adequate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing

Consistent financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with policies. Processes for formulating and reviewing annual and long-term business plans have been laid down. The Company uses a state-of- the-art enterprise resource planning (ERP) system SAP as a business enabler to record data for accounting, consolidation and management information purposes.

To further strengthen, assess and report on the internal financial control, an in-house Management Audit Division has been established by the Company. The internal audit is conducted based on the Annual Audit Plan which is reviewed and approved by the Audit Committee. The Internal Audit reports are presented to the Audit Committee on a quarterly basis for review and deliberation. The Company Management has assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2020 and found the same to be adequate and effective.

24. 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.

25. 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, 12 and 33 to the financial statement)

26. 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**.

27. 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.

28. Management Discussion And Analysis

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2020.

29. 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 women harassment at workplace.

30. 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	Electric Energy: Regular maintenance, Better utilization of running machine, Improving electricity power factor, Monitoring the overall energy consumption and corrective measures. Fuel & Oil Consumption: 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	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	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.

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange outgo was Rs. 1.59 lakh and the total foreign exchange earned was Rs. 323.88 lakh.

31. Corporate Social Responsibility (CSR)

The disclosures as per required section 135 of Companies Act read with Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to company

32. 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.

33. 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, 2020 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.

34. 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 2020 of any previous years, hence therefore transferring of the amounts in the Investor Education and Protection Fund by the Company does not arise.

35. Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 to BSE where the Company's Shares are listed.

36. 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: 30.06.2020

ANNEXURE INDEX

Annexure	Content
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 31.03.2020

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.- 022 28504758 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, 1ST 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-2019]				No. of Shares held at the end of the year[As on 31-March-2019]				% 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)	756350	827000	1583350	44.93	1223650	359700	1583350	44.93	NIL
Total shareholding of Promoter (A)	756350	1083000	1839350	52.19	1223650	615700	1839350	52.19	NIL
B. Public Shareholdin									
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Companies									
g) FIIs	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.	73754	12100	85854	2.43	70786	12100	82886	2.35	-0.08
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	210248	422825	633073	17.96	213816	418825	632641	17.95	-0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	185324	723900	909224	25.80	323924	588700	912624	25.89	0.09
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	29499	27600	57099	1.62	29499	27600	57099	1.62	NIL
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):-	498825	1186425	1685250	47.81	638025	1047225	1685250	47.81	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	498825	1186425	1685250	47.81	638025	1047225	1685250	47.81	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**1255175**	**2269425**	**3524600**	**100**	**1861675**	**1662925**	**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 Tulsiyan	331800	9.41	0	331800	9.41	0	NIL
2	Anju Rungta	500	0.01	0	500	0.01	0	NIL
3	Divya Atul Modi	24200	0.69	0	24200	0.69	0	NIL
4	Kaushalyadevi Tulsiyan	37900	1.08	0	37900	1.08	0	NIL
5	Kiran Tulsiyan	35500	1.01	0	35500	1.01	0	NIL
6	Madhu Tulsiyan	182500	5.18	0	182500	5.18	0	NIL
7	Nikita Ashok Tulsiyan	800	0.02	0	800	0.02	0	NIL
8	Nirmal V Tulsiyan	10000	0.28	0	10000	0.28	0	NIL
9	Prabhudayal Polyester (P) Ltd	100200	2.84	0	100200	2.84	0	NIL
10	Intelifab fashions pvt. Ltd.	155800	4.42	0	155800	4.42	0	NIL
11	Ramdhari Pd. Tulsiyan Huf	60000	1.70	0	60000	1.70	0	NIL
12	Rashi Garg	25900	0.73	0	25900	0.73	0	NIL
13	Ruchika Pansari	35100	1.00	0	35100	1.00	0	NIL
14	Santosh Tulsiyan	265550	7.53	0	265550	7.53	0	NIL
15	Santosh Tulsiyan (Huf)	10000	0.28	0	10000	0.28	0	NIL
16	Sarita Ashok Tulsiyan	95700	2.72	0	95700	2.72	0	NIL
17	Sarthak S Tulsiyan	15900	0.45	0	15900	0.45	0	NIL
18	Saurabh S Tulsiyan	71700	2.03	0	71700	2.03	0	NIL
19	Savitridevi Tulsiyan	26800	0.76	0	26800	0.76	0	NIL
20	Subhash Tulsiyan	33900	0.96	0	33900	0.96	0	NIL
21	Subhash Tulsiyan (Huf)	6500	0.18	0	6500	0.18	0	NIL
22	Sumita S Tulsiyan	113300	3.21	0	113300	3.21	0	NIL
23	Sunil Tulsiyan	152200	4.32	0	152200	4.32	0	NIL
24	Viswanath Pd Tulsiyan (Huf)	46600	1.32	0	46600	1.32	0	NIL
25	Asharam Satyanarayan Rungta	1000	0.03	0	1000	0.03	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 Tulsiyan (HUF)**	179900	5.10	179900	5.10
2	**Anjani Kumar Gadia**	114300	3.24	114300	3.24
3	**Vinita Sunil Patodia**	61919	1.76	61919	1.76
4	**Tushar Nirmal Tulsiyan**	25600	0.73	54100	1.53
5	**Arjun R Tulsiyan (HUF)**	47700	1.35	47700	1.35
6	**Bhagwandas Gordhandas Shah**	47600	1.35	47600	1.35
7	**Kaushal Kumbhat**	47600	1.35	47600	1.35
8	**Tanuj Nirmal Tulsiyan**	42900	1.22	42900	1.22
9	**Maheshchand Modi**	38900	1.10	38900	1.10
10	**Sanchita A Tulsiyan**	35500	1.01	38300	1.09

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	265550	7.53	265550	7.53
	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	265550	7.53	265550	7.53
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.	**SUMITA 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
4.	**ASHARAM SATYANARAYAN RUNGTA**				
	At the beginning of the year	1000	0.03	1000	0.03
	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	1000	0.03	1000	0.03

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	48288295.00	-	-	48288295.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	48288295.00	-	-	48288295.00
Change in Indebtedness during the financial year				
*** Addition**	211733267.00	-	-	211733267.00
*** Reduction**	215002267.00	-	-	215002267.00
Net Change	(3269000.00)	-	-	(3269000.00)
Indebtedness at the end of the financial year				
i) Principal Amount	45019295.00	-	-	45019295.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	45019295.00	-	-	45019295.00

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	956130.00	956130.00	1912260.00
	(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)	956130.00	956130.00	1912260.00
	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)	394355.00	-	-	-	394355.00
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	394355.00	-	-	-	394355.00
	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**	-	201720.00	747189.00	948909.00
	(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	-	201720.00	747189.00	948909.00

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.

SL. 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	Silwester Tex. Pvt. Ltd (Company in which Directors are interested)	Process Charges Paid	2019-2020	No Such Terms & transaction value during year Rs. 12253177.00	29.05.2019	Nil
2	Silwester Tex. Pvt. Ltd (Company in which Directors are interested)	Sales of Fabrics	2019-2020	No Such Terms & transaction value during year Rs. 20862.00	29.05.2019	Nil
3	Jamnagar Wollen Tex. Mills Pvt. Ltd. (Company in which Directors are interested)	Sale of Fabrics	2019-2020	No Such Terms & transaction value during year Rs. 288042.00	29.05.2019	Nil
4	Jamnagar Wollen Tex. Mills Pvt. Ltd. (Company in which Directors are	Purchase of Fabrics	2019-2020	No Such Terms & Purchase Transaction value	29.05.2019	Nil

	interested)			Rs. 5209.00		
5	Signora Exports (Firm in which Directors are interested)	Job Charges Received	2019-2020	No Such Terms & transaction value during year Rs. 5009249.00.	29.05.2019	Nil
7	Signora Exports (Firm in which Directors are interested)	Sale of Fabrics	2019-2020	No Such Terms & transaction value during year Rs. 3048251.00.	29.05.2019	Nil
8	JMD Syntex (Mumbai) LLP (Firm in which Directors are interested)	Sale of Fabrics	2019-2020	No Such Terms & transaction value during year Rs. 230897.00	29.05.2019	Nil
9	JMD Syntex (Mumbai) LLP (Firm in which Directors are interested)	Packing charges Paid	2019-2020	No Such Terms & Transaction value Rs. 507958.00	29.05.2019	Nil
10	JMD Syntex (Mumbai) LLP (Firm in which Directors are interested)	Purchase of Fabrics	2019-2020	No Such Terms & Transaction value Rs. 465140.00	29.05.2019	Nil
11	Sunil Tulsiyan (Relative of Director)	Salary Paid	2019-2020	No Such Terms & Salary Paid value Rs 747189.00	29.05.2019	Nil
12	Arjun Tulsiyan (Relative of Director)	Office Compensation Paid	2019-2020	No Such Terms & office compensation Paid value Rs 216000.00	29.05.2019	Nil

For and on behalf of the Board of Directors

(SANTOSH R TULSIYAN)

MANAGING DIRECTOR

Place: MUMBAI
Date: 30.06.2020

Annexure III

DECLARATION OF INDEPENDENCE

01st April, 2020

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:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am not a promoter of the company or its holding, subsidiary or associate company;
- 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;
- 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;
- 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;
- 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. 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

- I am not a material supplier, service provider or customer or a lessor or lessee of the company;

- 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, Parasrampuria Tower,
Link Road Extn.,
Andheri (West),
Mumbai – 400053(MH)
M No. 9821010105
E Mail Id: sanjeev@realtextiles.com

DECLARATION OF INDEPENDENCE

01st April, 2020

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:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am not a promoter of the company or its holding, subsidiary or associate company;
- 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;
- 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;
- 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;
- 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

- I am not a material supplier, service provider or customer or a lessor or lessee of the company;

- 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, 2020

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:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am not a promoter of the company or its holding, subsidiary or associate company;
- 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;
- 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;
- 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;
- 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

- I am not a material supplier, service provider or customer or a lessor or lessee of the company;

- 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@radiffmail.com

ANNEXURE IV

Secretarial Audit Report

(For the financial year ended 31st March 2020)

[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, 2020 ,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 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, 2020 on according to the provisions of:

(i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
(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 37th Annual General Meeting held on 27TH September, 2019;
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/-

[LALITA LATH]
[Practising Company Secretary]
[ACS:16854; COP: 5310]
Place : MUMBAI
Date : 30th June, 2020

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, 2020, 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 : 30TH JUNE, 2020

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 Meetings	AGM **27/09/2019**		
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	1	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
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: **29.05.2019, 14.08.2019, 27.09.2019, 14.11.2019, & 14.02.2020**.

3. AUDIT COMITTEE

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

1. To focus its attention on subjects relating to accounting standards, internal controls and financial policies.
2. To oversee the Company's financial reporting process and disclosure of its financial information.
3. To review the financial statement before submission to the Board of Directors.
4. To recommend appointment, re-appointment, removal of Statutory Auditors and fixation of the audit fee.
5. To ensure that there are adequate mechanism for prevention and detection of frauds.

6. To hold discussion with Management regarding the internal control system.
7. 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.
8. 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 **2019-20** the committee meet on **29th May, 2019, 14th August, 2019, 14th November, 2019 and on 14th February, 2020** . 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 Attended
1	Asharam S. Rungta, Chairman	Independent/ Non-Executive	4
2	Sanjeev D. Saran	Independent/ Non-Executive	1
3	Radhaballabh Tibrewala	Independent/ Non-Executive	3

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	Radhavallabh Tibrewala ,Chairman	Independent/Non-Executive	1
2	Sanjeev D. Saran	Independent/Non-Executive	1
3	Asharam S. Rungta	Independent/Non-Executive	1

During the financial year **2019-20** the committee meet once i.e on **29th May, 2019**. Mr. Radhavallabh Tibrewala chaired the meeting. Other two members Asharam S. Rungta and Sanjeev D. Saran attended the meeting.

Details of remuneration paid to all the directors for the year ended 31st March, 2020 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. Tulsiyan	Brother of Subhash Tulsiyan	Promoter	Nil	Nil	956,130	Nil	956,130
Subhash R. Tulsiyan	Brother of Santosh Tulsiyan	Promoter	Nil	Nil	956,130	Nil	956,130
Ashok V. Tulsiyan	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 Tulsiyan	Wife of Brother of Directors (Santosh R Tulsiyan & Subhash R Tulsiyan)	None	Nil	Nil	394,355	Nil	394,355

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.	Names of Members	Category	No. of Meetings Attended during the year **2019-20**
1.	Subhash R. Tulsiyan	Non-Independent/Executive	4
2.	Asharam S. Rungta	Independent/Non Executive	4
3.	Radhaballabh Tibrewal	Independent/ Non-Executive	3

During the year the Investor Grievance Committee held its Meetings on the following dates: **29th May, 2019, 14th August, 2019, 14th November, 2019 and on 14th February, 2020**.

Name and designation of Compliance Officer: CS RADHA SUSHIL KUMAR SHARMA
COMPANY SECRETARY
(M NO:- 46047)

Details of shares in physical form lodged for transfer during **2019-20** 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
35th AGM	22nd 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
36th AGM	28th September, 2018	11.30 A.M.	112/113, Sanjay Bldg. No.6, Mittal Estate, Andheri Kurla Road, Andheri (East) Mumbai 400059	NIL
37th AGM	27th September, 2019	11.30 A.M.	112/113, Sanjay Bldg. No.6, Mittal Estate, Andheri Kurla Road, Andheri (East) Mumbai 400059	Change in Remunerations of Directors

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 **2019-20**. Accordingly, the Companies (Postal Ballot) Rules 2001 is not applicable for said year.

APPOINTMENT/ REAPPOINTMENT OF DIRECTORS

Shri Asharam S. Rungta (DIN: 00320409) and Smt. Sumeeta Tulsiyan (DIN: 01319879) Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

CHANGES IN THE BOARD OF DIRECTORS AFTER 31/03/2020:

There was no any change in the board of directors after 31st March, 2020.

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 Active Times, Mumbai (English daily) and Mumbai Lakshadeep (Mumbai).

Your Company's Management Discussion & Analysis of the operations for the year ended **31st March, 2020** 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	**29th September, 2020, Tuesday** 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, 2020**
iii.	Date of Book Closure	**27th September, 2020 to 29th September, 2020 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.	Dematerialization of Shares and liquidity	As on **31st March, 2020**, 1861675 shares (52.82%) of the Company's total number of shares is in dematerialized form.

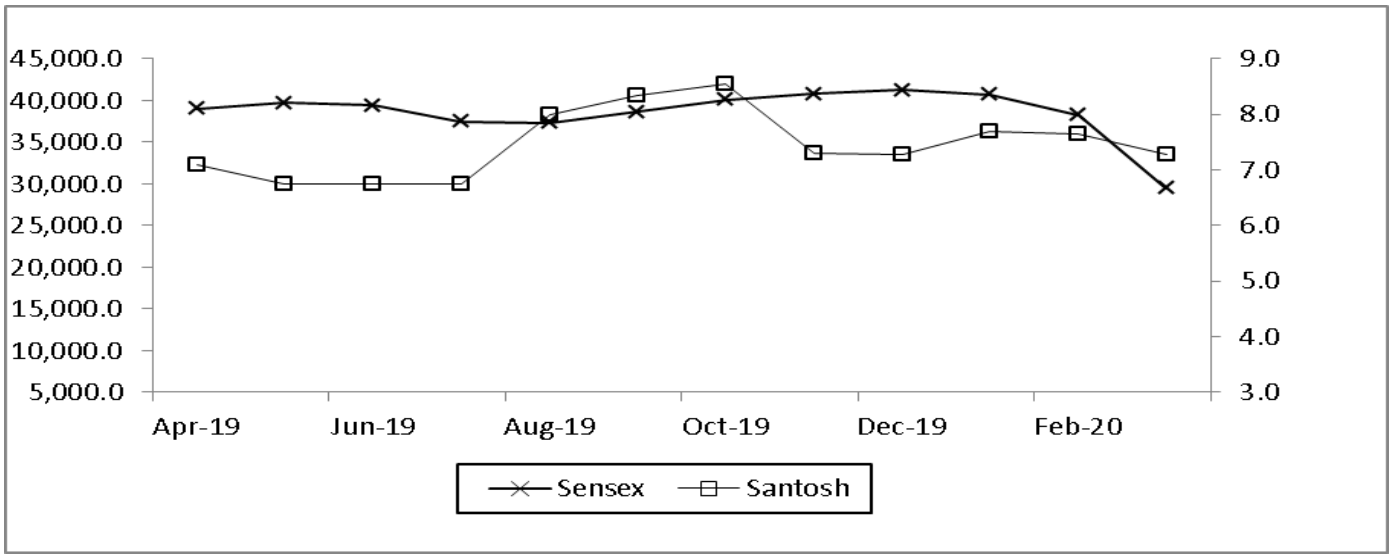
x.	Outstanding GDRs /ADRs / Warrants or any convertible instruments	There are no outstanding convertible warrants/instruments.
xi.	Plant Locations	L-40 & F 1/22, MIDC, Tarapur, Boisar Dist. Thane Maharashtra
xii.	Address Correspondence	Santosh Fine-Fab Limited, 112,/113 Sanjay Bldg No. 6, Mittal Industrial 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 2019-20 on Stock Exchange, Mumbai:

Month	HIGH Rs.	LOW Rs.
April 2019	7.10	7.10
May 2019	7.45	6.75
June 2019	6.75	6.75
July 2019	6.74	6.42
August 2019	8.86	7.07
September 2019	8.35	6.86
October 2019	9.15	8.55
November 2019	8.13	7.00
December 2019	7.38	7.05
January 2020	7.69	7.29
February 2020	7.65	7.31
March 2020	7.27	7.27

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, 2020:

Slab of shareholdings	Shareholders	%	No. Of Shares	%
0-5000	767	68.06	205137	5.82
5001 – 10000	165	14.64	137422	3.90
10001–20000	95	8.43	146253	4.14
20001–30000	21	1.86	50757	1.44
30001–40000	4	0.35	14670	0.42
40001–50000	15	1.34	72900	2.07
50001-100000	14	1.24	116653	3.31
Above 100000	46	4.08	2780808	78.90
Total	1127	100	3524600	100

Categories of Shareholding as on March 31, 2020:

Categories	Number of shares	Amount In Rs.	%
Promoters, Directors, Relatives and associated companies	1839350	18393500	52.18
Mutual Funds and UTI	NIL	NIL	NIL
Banks, Financial Institutions, Insurance Companies	NIL	NIL	NIL
Private Corporate Bodies	82886	828860	2.36
Indian Public	1545265	15452650	43.84
NRIs/OCBs	57099	570990	1.62
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.Tulsiyan, 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, 2020.

PLACE: MUMBAI

DATED: 30th JUNE, 2020

Santosh R. Tulsiyan
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian textiles industry has an overwhelming presence in the economic life of the country. It also provides employment to millions of people. During the year under review, the Indian Textile Industry, amids a subdued demand scenario in the domestic as well as the international markets and intensifying competition, witnessed muted sales growth and moderation in profitability.

1. Overall performance

The overall performance during the year 2019-20 has been reasonably satisfactory, however due to unexpected lockdown due to Covid-19 in the month of March 20, sales has been affected badly and due to fixed costs overall margin has been effected, so resulted in net loss.

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. The slight recovery that was in sight was negated by the outbreak of Covid -19 pandemic in China in December, 2019 and then by the sudden lock down of the country implemented to prevent the spread of Covid-19 pandemic. The difficult market conditions has resulted in drop in the topline as well as the bottomline of the Company.

3. Financial Review

During the year under review, Company has managed its affair nearer to the last year. Our operations have been reduced during the current year due to lack of demand in industry and Covid-19 impact at the end of the year. Profitability of Company decreased from profit of Rs. 0.40 lakhs to loss of Rs. 46.96 lakhs.

4. Outlook

The year ahead looks very grim for the Indian Textile Industry as both domestic consumption as well as export demand would be badly affected at least in the 1st half of 2020-21. Production activity would also be affected on account of shortage of raw material and labour as well as on account of the credit crunch. Recovery in the 2nd half of 2020-21 would be dependent on how the pandemic is controlled and on measures taken by the Government to revive the economy as well as the support it extends to the Textile Industry. Your Company has survived many a difficult times. Your Company with its inherent strengths like visionary leadership, versatile work force, modern manufacturing facilities, aggressive marketing strategies and well penetrated distribution network is confident to tide over this difficult phase too.

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 System & 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 Audit of Standalone Financial Statements

Opinion:

We have audited the accompanying standalone financial statements of Santosh Fine Fab Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the statement of profit and loss, cash flow statement and the statement of changes in equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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 Companies Act 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key audit matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matters and Auditor's Response

Accuracy of recognition of revenues in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Auditor's Response:

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.

We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.

• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information. We are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the standalone Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, managements is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Form the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act. Based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.except Ind As 19, in relation to presentation of net actuarial gain or loss recognised on remeasurement of gratuity payable as per actuarial valuation, where such gain or loss is required to be shown under other comprehensive items, shown total cost of gratuity entirely under employee benefit Expenses Note.
   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A"**. Our report expresses an unmodified opinion on the adequacy and operating 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **" Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Mumbai
Date: 30th. June, 2020
UDIN: 20115966AAAABC6774

Bankat P. Kabra (Proprietor)
Membership no. 115966

Annexure - B to the Auditors' 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 2020, 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 it's fixed assets which in our opinion is reasonable having regard to the size of the company and the nature of it's 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 , except goods-in-transit, if any, has been conducted by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification between physical stock and book records. In respect of inventory lying with third parties, these have substantially been confirmed by them.

(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 are not 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 are not applicable to the Company

(vi) The Central Government has prescribed the maintenance of cost records under Section 148(1) of the Companies Act 2013 and , Companies (Cost Records and Audit) Rules, 2014 in respect of textile manufacturing activity of the Company. But the Company do not fall within monetary limit of maintaining cost record and cost Audit hence this clause is not applicable to the Company.

(vii) According to the information and explanations given to us , in respect of statutory dues:

(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 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) 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, the company has not raised any money by way of term loan during the year. Accordingly, the provisions of Clause 3(ix) of the Order is not applicable to the Company and hence not commented upon

(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.

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

Place: Mumbai
Date: 30th June, 2020

Bankat P Kabra
Proprietor
Membership no. 115966

Annexure - A 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 2020 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, 2020, 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".

For B.P.Kabra & Associates
Chartered Accountants
(Firm Reg. no.:- 124578W)

(Bankat P. Kabra)
Proprietor
Membership No. 115966
Place: Mumbai.
Date: 30/06/2020

BALANCE SHEET AS AT 31ST MARCH 2020

(Amount In Rs)

PARTICULARS	Note No.	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	4	1,54,09,420	1,72,57,323
(b) Other Intangible Assets	4	2,176	2,176
(c) Financial Assets			
(i) Investments	5	1,01,000	1,01,000
(ii) Others	6	2,99,710	2,93,660
(d) Deferred tax Assets (Net)	7	6,15,072	15,487
		1,64,27,378	**1,76,69,646**
(2) Current Assets			
(a) Inventories	8	6,38,15,307	8,94,72,127
(b) Financial Assets			
(i) Trade receivables	9	7,31,22,634	9,18,37,029
(ii) Cash & Cash equivalents	10	1,14,629	1,50,704
(c) Current Tax Assets (Net of Provision)	11	13,88,797	11,12,329
(d) Other Current Assets	12	59,82,290	75,29,995
		14,44,23,657	**19,01,02,183**
TOTAL ASSETS		**16,08,51,035**	**20,77,71,829**
I. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	3,43,29,695	3,43,29,695
(b) Other Equity	14	4,43,91,770	4,90,87,720
		7,87,21,465	**8,34,17,415**
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(b) Provisions	15	39,58,672	31,46,327
		39,58,672	**31,46,327**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	4,50,19,295	4,78,94,706
(ii) Trade Payables	17		
(A) Total Outstanding dues Of Micro and Small Enterprises		5,29,527	10,46,177
(B) Total Outstanding dues of creditor other than Micro and Small Enterprises		2,70,50,939	5,24,30,716
(iii) Others	18	29,75,828	6,61,279
(b) Other Current liabilities	19	20,95,091	1,86,41,263
(c) Provisions	20	5,00,218	5,33,946
		7,81,70,898	**12,12,08,087**
TOTAL EQUITIES AND LIABILITIES		**16,08,51,035**	**20,77,71,829**

Significant Accounting Policies and notes to Financial Statements 1 to 37

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 : 30.06.2020

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)

SANTOSH FINE-FAB LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020

(Amount In Rs)

PARTICULARS	Note No.	FOR THE YEAR 2019- 2020	FOR THE YEAR 2018- 2019
I. Revenue From Operations	21	20,06,27,118	23,41,64,446
II. Other Income	22	15,76,870	14,58,058
III. TOTAL INCOME (I+II)		**20,22,03,988**	**23,56,22,504**
IV. EXPENSES			
Cost Of Raw Materials Consumed	23	9,27,78,191	10,38,46,079
Purchase Of Stock In Trade		58,20,455	6,11,66,548
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	24	1,38,52,194	(1,23,21,593)
Employees Benefits Expenses	25	2,07,86,011	1,87,83,326
Finance Costs	26	50,36,637	48,34,179
Depreciation & Amortization Expenses	4	22,42,862	22,43,479
Other Expenses	27	6,69,83,174	5,69,98,214
Total Expenses (IV)		**20,74,99,523**	**23,55,50,231**
V. Profit/(Loss) Before Exceptional Items & Taxes (III-IV)		**(52,95,535)**	**72,273**
VI. Exceptional Items		0	0
VII. Profit/(Loss) Before Taxes (V-VI)		**(52,95,535)**	**72,273**
VIII. Tax Expenses			
(1) Current taxes		-	1,17,000
(2) Deferred taxes		(5,99,585)	(84,301)
IX. Net Profit/(Loss) After Taxes		(46,95,950)	39,574
X. Other Comprehensive Income		0	0
Profit/(Loss) For The Year		**(46,95,950)**	**39,574**
Earning Per Share			
Basic & Diluted		(1.33)	0.01

Notes to Accounts including signifacant accounting policies 1 to 37

As Per Our Report Of Even Date

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

(Proprietor)
(M.No. 115966)

Place : Mumbai
Dated : 30.06.2020

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)

SANTOSH FINE-FAB LIMITED

(Rs in thousand)

CASH FLOW STATEMENT

PARTICULARS	As At 31.03.2020	As At 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Item	(5296)	72
Adjustments For:		
Depreciation & Amortization Of Exp.	2243	2244
Interest Paid	4678	4504
Interest Received	(106)	(152)
Dividend Received	(11)	(11)
Provision For Gratuity	947	(17)
Operating Profit Before Working Capital	2456	6640
Adjustments For:		
Trade And Other Receivables	20256	(37677)
Inventories	25657	(12410)
Trade And Other Payables	(39772)	46815
Cash Generated From Operations	8598	3368
Gratuity Paid	(132)	0
Prior Year Adjustment	0	0
Direct Taxes (Paid)/Refund	(277)	117
NET CASH FROM OPERATING ACTIVITIES	8189	3485
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase Of Fixed Assets	(395)	(740)
Interest Received	106	152
Dividend Received	11	11
NET CASH FLOW IN INVESTING ACTIVITIES	(279)	(577)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds Non Current Borrowing	0	(324)
Bank Borrowing	(3269)	1563
Interest Paid	(4678)	(4504)
NET CASH FLOW IN FINANCING ACTIVITIES	(7947)	(3265)
Net Increase In Cash And Cash Equivalents	(36)	(357)
Cash And Cash Equivalents (Opening Balance)	151	508
Cash And Cash Equivalents (Closing Balance)	114	151

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 : 30.06.2020

For and on behalf of the Board of Directors

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

SANTOSH FINE-FAB LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

A. Equity Share Capital

Particulars	As at 1st April, 2018	Changes during 2018-19	As at 31st March, 2019	Changes during 2019-20	As at 31st March, 2020
Equity Share Capital	34329695	0	34329695	0	**34329695**

B. Other Equity

Particulars	Reserves & surplus				
	Share Premium	General Reserve	Retained Earnings		Total Other Equity
Balance as at 1st April 2019	21829696	3972975	23285049		**49087720**
Total Comprehensive Income For the year	0	0	-4695950	0	**-4695950**
Balance as at 31st March 2020	21829696	3972975	18589099	0	**44391770**

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 : 30.06.2020

For and on behalf of the Board of Directors

Santosh R. Tulsiyan
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(Executive Director)

Sanjeev D Saran
(Director)

Sumeeta S. Tulsiyan
(Director)

SANTOSH FINE FAB LTD

NOTES TO THE STANALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2020

Note 1- Corporate Information

1.1 Santoah 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 Maunfacturing & Trading of Textile Products.

1.3 The financial statements for the year ended 31/03/2020 are approved and adopted by the Board of Directors in their meeting held on 30/06/2020

Note 2- Basis of Preparation

2.1 The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind As) notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under section 133 of the Companies Act 2013

2.2 The financial statements have been prepared following accrual basis of accounting on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost.

2.3 The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

2.4 All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

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 acertained, defined benefits plan assets measured at fair value.

3.2 **Use of Estimates & judgements**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

I) Recognition of Deferred Tax Assets: Th e extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, signifi cant judgement is required in assessing the impact of any legal or economic limits.

II) Useful lives of depreciable/ amortizable assets (tangible and intangible): Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

III) Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the infl ation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

VI) Fair value measurement of financial instrument: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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 Ind As 19

3.7 **Foreign Currency Transaction**

i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction.

ii. 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.

iii. 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 from Contract with Customers:**

The Company has adopted Ind AS-115 Revenue from Contracts with Customers from April 1, 2018.Under this Standard, Revenue from contract with customers is recognised when control of the goods or services are transferred to the customers at an amount that reflects the consideration at which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customers.

Sale of Goods:

Revenue from sale of goods is recognised at the point in time when control of the goods has been transferred to the customer, generally on delivery of the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, and consideration payable to the customers (if any). Sales are recorded net of duties and taxes adjusted for discount and after deducting returns, discounts and claims.

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

i). Benefit on account of entitlement to Import duty free materials under the Scheme is recognized as and when right to receive are established as per the terms of the scheme.

ii). The Benefit in respect of Duty Drawback is recoginsed at the time of exports.

Dividend Income

Dividend income from investments is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend..

Interest Income

Interest income is included in other income in the statement of profit or loss. Interest Income mainly include trading interest which is recognised on receipt basis.

3.11 **GST paid on acquisition of assets or on incurring expenses:**

Expenses and assets are recognised net of the amount of GST paid, except:

• When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority (Ineligible input credit) , in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

• When receivables and payables are stated with the amount of tax included.

•The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Other Current Assets" or Other Current Liabilities , as the case may be,in the balance sheet.

3.12 **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 diifference" 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.

3.13 **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.

3.14 **Borrowing Cost**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs

3.15 **Impairment of Assets**

The carrying value of assets at each balance sheet date are reviewed for Impairment. If any indication exists, the recoverable amount of such assets is estimated and impairment is recognized if the carrying amount of these assets is higher than recoverable value and the imapairment loss is accounted for.

3.16 **Financial Assets and Liabilities**

a) Financial Assets

Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent measurement

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For trade receivables and other financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

b) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized at fair value.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

3.17 **Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial assets at an amount equal to the life time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

3.18 **Allowances for Doubtful Debts:**

The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

3.19 **Accounting Policies not specifically referred above are consistent with generally accepted Accounting practices.**

SANTOSH FINE FAB LTD

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
A) Gross Carrying Value:													
As at 31st March 2019	192760	51451	618448	21874649	50486037	8697612	1535969	2117478	1912646	2453568	89940618	1000	58368
Addition	0	0	0	0	320000	0	0	32612	42347	0	394959	0	0
Disposals/Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2020	192760	51451	618448	21874649	50806037	8697612	1535969	2150090.43	1954993	2453568	90335577	1000	58368
B) Accumulated Depreciation, Amortisation & Impairment:													
As at 31st March 2019	0	0	170302	13732186	45821210	8077732	576793	1809316	1808930	686826	72683295	1000	56192
Depreciation for the year	0	0	9778	807709	686090	215661	135299	76128	20038	292159	2242862	0	0
Disposals	0	0									0		
As at 31st March 2020	0	0	180080	14539895	46507300	8293393	712092	1885444	1828968	978985	74926157	1000	56192
C) Net Book value:													
As at 31st March 2019	192760	51451	448146	8142463	4664827	619880	959176	308162	103716	1766742	17257323	0	2176
As at 31st March 2020	192760	51451	438368	7334754	4298737	404219	823877	264646.43	126025	1474583	15409420	0	2176
Capital Work in Progress													
As at 31st March 2019	0	0	0	0	0	0	0	0	0	0	0	0	0
As at 31st March 2020	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 2020			As at 31st March 2019		
	No. of Shares/ units	Face Value (Rs) unless otherwise stated	Amount	No. of Shares/ units	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
(a) In Preference Shares						
Unquoted Fully Paid up (at cost)						
Saraswat Co-op Bank	10000	10	100000	10000	10	100000
Total Non Current Investments			101000			101000

Note 6 - Non Current Financial Assets- others

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Security Deposits		
With Govt & others	299710	293660
	299710	293660

Note 7 - Deffered Tax Assets (Net)

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Tax Assets		
Provision of Gratuity & Leave Salary	1128100	911434
On Current Loss	247090	0
Deferred Tax Liabilities		
Related to Fixed Assets	760118	895947
	615072	15487

Note 8 - Inventories (Value taken and certified by the management)

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Raw Material	10591915	15466826
Stock in Process	14817236	18130580
Finished Goods	37916073	54881990
Store & Spare	150462	172157
Packing Material	339621	820574
	63815307	89472127

Mode of Valuation of Inventories

a) Raw Material: Lower of Cost or Net Realizable Value
b) Stock In Process: At estimated cost
c) Finished Goods: Lower of Cost or Net Realizable Value
d) Store & Spare , Packing Material : At Cost

Note 9 - Current Financial Assets - Trade Receivable

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Considered Good -Secured :	-	-
Considered Good -UnSecured :	62366830	83162633
Receivables which have significant credit Risk:	10755804	8674396
Receivables credit impared:	-	-
	73122634	91837029

Note 10 - Cash & Cash Equivalents

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Balances With Banks		
In Current Accounts	72019	107170
Cash on hand	42610	43534
	114629	150704

Note 11 - Current Tax Assets (Net)

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
a) Advance Taxes	1705797	1429329
For 31.03.2020 : - Advance Tax For AY 2015-16 Rs 123128, For AY 2016-17 Rs 13392, For AY 2017-18 Rs 18577, For AY 2018-19 Rs 873838.65, For AY 2019-20 Rs 357903, For 2020-21 Rs 318958. **For 31.03.2019 :** - Advance Tax For AY 2010-11 Rs 42490, Advance Tax For AY 2015-16 Rs 123128, For AY 2016-17 Rs 13392, For AY 2017-18 Rs 18577, For AY 2018-19 Rs 873838.65, For AY 2019-20 Rs 357903.		
Less :		
b) Provisions of Taxes (Provision For Taxes For AY 2018-19 Rs 200000 & For AY 2019-20 Rs 117000)	317000	317000
	1388797	1112329

Note 12 - Other Current Assets

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Balance With Government Authorities		
GST & Sales Tax (Including Vat)	4285658	5779191
Duty Drawback Receivable	378731	155992
Excess Providend fund paid	127173	127173
Advance to Supplier for Goods & Expenses	100105	99515
Advance to Employee	639420	319922
Others	451203	1048201
	5982290	7529995

Note 13 - Equity Share Capital

(Amount In Rs)

Particular	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity Shares of Rs.10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Issued, Subscribed and Paid up*				
Equity Shares of Rs.10/- each fully paid up	35,24,600	3,52,46,000	35,24,600	3,52,46,000
Less: Calls in Arrears* (On 305400 Share)		9,16,305		9,16,305
		3,43,29,695		3,43,29,695

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

B. Reconciliation of the number of share outstanding

	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Equity Share Outstanding at the beginning of period	35,24,600	3,43,29,695	35,24,600	3,43,29,695
Add: Equity Share issued during the year	-	-	-	-
Less:Share brought back during the year	-	-	-	-
Equity Share Outstanding at the end of the period	35,24,600	3,43,29,695	35,24,600	3,43,29,695

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 then 5% shares:

Name of the Shareholder	Equity Share		Equity Share	
	Number	% Of Holding	Number	% Of Holding
Arjun R Tulsiyan	3,31,800	9.41%	3,31,800	9.41%
Santosh R Tulsiyan	2,65,550	7.53%	2,65,550	7.53%
Madhu S Tulsiyan	1,82,500	5.18%	1,82,500	5.18%
Sunil Tulsiyan Huf	1,79,900	5.10%	1,79,900	5.10%

Note 14 - Other Equity

(Amount In Rs)

Particulars	Reserves & surplus				
	Share Premium	General Reserve	Retained Earnings		Total Other Equity
Balance as at 31st March 2019	21829696	3972975	23285049		**49087720**
Total Comprehensive Income For the year 2019-20	0	0	-4695950		**-4695950**
Balance as at 31st March 2020	21829696	3972975	18589099	0	**44391770**

* Share premium is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

* General Reserve created against plant and machinery. These reserve is utilised in accordance with the provisions of the Act.

Note 15 - Non- Current Liabilities-Provisions

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Gratuity	3958672	3146327
	3958672	3146327

Note 16 - Current Financial Liabilities - Borrowings

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Secured Loans:		
From Banks		
Cash Credit (In INR)*	45019295	47894706
Unsecured Loans:	-	-
	45019295	47894706

***(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 2020	As at 31st March 2019
For Goods and Expenses :		
(In Ordinary Course of th business)		
(A) Total Outstanding dues Of		
Micro and Small Enterprises	529527	1046177
(B) Total Outstanding dues of creditor		
other than Micro and Small Enterprises	27050939	52430716
	27580466	53476893

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

Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (The Act).

Some Suppliers has given the information under Micro and Small Enterprises Act, disclosure for amount due to Micro and Small Enterprises under the above is discolsed accordingly.

Note 18 - Current Financial Liabilities- Others

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Current Maturity of Long Term Debts:		
-Term Loan	0	393590
Interest Accrued but not due on borrowings	0	2304
Others payable	2975828	265386
	2975828	661279

Note 19 - Current Liabilities -Others

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deposit From Dealers	435100	435100
Advance From Customers	1411471	17940549
Taxes & Duties	248520	265614
	2095091	18641263

Note 20 - Current Liabilities-Provisions

(Amount In Rs)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision For Gratuity	253486	250133
Others	246732	283813
	500218	533946

	FOR THE YEAR 2019-20	**FOR THE YEAR 2018-19**

NOTE NO.21- Revenue From Operations

Revenue From Sale of Product (Fabrics)				
Domestic	15,13,79,664		19,66,97,450	
Export	3,31,29,632	18,45,09,296	2,54,08,338	22,21,05,788
Job Work		1,61,17,821		1,20,58,658
Other Operating Revenue		-		-
Total		20,06,27,118		23,41,64,446

21.1 There are no unsatisfied performance obligations resulting from revenue from contract with customers as at March 31,2020 except as stated below in relation to goods shipped/despatched for export but not delivered to customers.

Reconciliation of Revenue recognised with contract price:	2019-20	2018-19
Revenue as per Contracted prices	21,81,05,982	25,90,39,133
Adjustments for:-		
1) Discounts, Rebates, Sales Returns, etc.	1,69,13,143	1,07,55,481
2) Goods despatched and shipped for export but not delivered to customers	5,65,721	1,41,19,206
Revenue from contract with customers/Revenue from operations	**20,06,27,118**	**23,41,64,446**

NOTE NO.22- Other Income

Interest Income(Gross)		1,05,750		1,51,770
Exchange Flactuation Gain		22,165		2,67,336
Export Incentive		12,98,139		9,30,719
Dividend Received		10,675		10,675
Other Income		1,40,141		65,346
Sales Tax Refund		-		32,212
Total		15,76,870		14,58,058

NOTE NO.23- Cost Of Raw Materials Consumed

Raw material consumed				
Yarn				
Opening Stock	1,54,66,826		1,34,27,246	
Add: Purchases	2,32,97,832		4,18,53,735	
	3,87,64,658		5,52,80,981	
Less: Closing Stock	1,05,91,915	2,81,72,743	1,54,66,826	3,98,14,155
Grey Fabrics				
Opening Stock	82,45,896		1,01,04,060	
Add: Purchases	5,81,78,381		6,21,73,760	-
	6,64,24,277		7,22,77,820	
Less: Closing Stock	18,18,829	6,46,05,448	82,45,896	6,40,31,924
Total		**9,27,78,191**		**10,38,46,079**

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

OPENING STOCK				
Finished Goods (Fabric)	5,48,81,990		4,44,04,895	
Stock In Process (WIP)	98,84,684	6,47,66,674	80,40,186	5,24,45,081
CLOSING STOCK				
Finished Goods (Fabric)	3,79,16,073		5,48,81,990	
Stock In Process (WIP)	1,29,98,407	5,09,14,480	98,84,684	6,47,66,674
Total		1,38,52,194		(1,23,21,593)

NOTE NO.25- Employees Benefits Expenses

Salaries and Wages		1,71,61,035		1,59,70,683
Bonus/ Ex Gratia		11,88,918		13,30,774
Contribution to Provident Fund & ESIC		10,09,361		9,81,269
Staff Welfare		4,79,404		5,17,635
Gratuity		9,47,293		(17,035)
Total		2,07,86,011		1,87,83,326

(Amount In Rs)

	FOR THE YEAR 2019-20		**FOR THE YEAR 2018-19**	
NOTE NO.26- Finance Costs				
Interest Expenses				
Interest to Bank		46,77,725		44,50,763
Other Interest		385		52,691
Other Borrowing Costs				
Bank Charges		3,58,526		3,30,725
Total		50,36,637		48,34,179

SANTOSH FINE FAB LTD

NOTE NO.27- Other Expenses

A. Manufacturing & Operating Expenses				
Dyeing & Process charges	2,61,64,438		2,30,27,759	
Power & Fuel	32,78,987		25,44,148	
Labour Contractor	36,34,554		30,46,444	
Weaving & Stitching Charges Paid	74,24,659		35,56,079	
Rate & taxes, licence & permit fees	45,930		2,27,048	
Repair Machinery	11,40,695		16,54,434	
Store & consumable	17,20,106		15,15,565	
Carriage Inward	5,22,524		3,98,507	
Designing & Sampling Charges	8,67,587		11,16,404	
Other Manufacturing Expenses	7,50,224	4,55,49,705	7,52,156	3,78,38,545
B. Administrative Expenses				
Conveyance Expenses	13,08,621		13,11,259	
Director Remuneration & Perquisite	23,38,915		22,41,036	
Insurance Expenses	2,87,216		2,85,289	
Legal & Proffessional Fees	5,93,515		5,32,729	
Motor Car & Vehicle Expenses	3,33,809		3,59,300	
Membership Subscription	3,21,350		2,72,450	
Postage & Stamps	5,75,784		5,41,340	
Rent, Rate & Taxes	4,65,006		4,75,234	
Payment To Auditors (refer footnote (27.3)	2,65,000		2,55,000	
Telephone Expenses	92,302		1,36,822	
Other Administrative Expenses	12,48,874	78,30,392	12,06,358	76,16,817
C. Selling & Distribution Expenses				
Commission & Brokerage	36,54,216		20,64,204	
Export Freight & Insurance	5,62,077		5,75,615	
Packing Expenses (refer footnote (27.2)	52,88,389		46,12,300	
Sales Incentive	5,30,138		8,12,809	
Sales Promotion & Adv Expenses	10,86,329		10,82,536	
Traveling Expenses	13,20,273		13,14,443	
Other Selling & Distribution Expenses	11,61,654	1,36,03,077	10,80,945	1,15,42,852
Total (Other Expenses)		**6,69,83,174**		**5,69,98,214**

Footnote:

27.1 Value of Raw Material & Stores Consumed

	For The Year 2019-20		For The Year 2018-19	
	Amount(In Rs)	**% of consumption**	**Amount(In Rs)**	**% of consumption**
Stores				
Imported	-	0.00	0	0.00
Indigenous	17,20,106	100.00	15,15,565	100.00
	17,20,106	100.00	15,15,565	100.00

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

27.2 Value of Packing Material Consumed

Opening Stock	8,20,574		8,81,832	
Add: Purchases	48,07,436		45,51,042	
	56,28,010		54,32,874	
Less: Closing Stock	3,39,621	52,88,389	8,20,574	46,12,300
Total		52,88,389		46,12,300

27.3 Payment To Auditors

		Amount(In Rs)		Amount(In Rs)
Audit Fees		2,20,000		2,10,000
For Certification Work		45,000		45,000
Other Charges		-		-
		2,65,000		**2,55,000**

27.4- Expenditure In Foreign Currency

		Amount(In Rs)		Amount(In Rs)
Commission on Sale		1,23,743		1,14,955
Travelling		35,250		41,904
Total Expenditure in Foreign Cuurency		**1,58,993**		**1,56,859**

27.5- Earning In Foreign Currency(FOB)

		Amount(In Rs)		Amount(In Rs)
Export of Goods(FOB)		3,23,87,502		2,37,14,023

NOTE NO.28- EMPLOYEE BENEFITS

28.1 :As per IND AS-19, the disclosures required are as under:

A. Defined Contribution Plan	**Year ended 31st March 2020**	**Year ended 31st March 2019**
Contribution to Defined Contribution Plan, recognised and charged off for the year are as under :		
Employer's Contribution to Provident Fund	733442	667564

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 2020**	**As At 31st March 2019**
Mortality Table (LIC)	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Interest / Discount Rate	6.75%	7.75%
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	24	24

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 2020	As At 31st March 2019
Present value obligation at beginning of period	3396460	3413495
Interest cost	263226	264546
Current Service Cost	302858	261472
Past Service Cost- (non vested benefits)	0	0
Past Service Cost -(vested benefits)	0	0
Benefits Paid	-131595	0
Actuarial (Gain)/Loss on obligation	381209	-543053
Present value obligation at the end of period	4212158	3396460

c.Reconciliation of fair value of assets and obligations :-

Particulars	As At 31st March 2020	As At 31st March 2019
Fair value of plan assets at year end	-	-
Present value of obligation at year end	4212158	3396460
Amount recognised in Balance Sheet		
- Current	253486	250133
- Non - Current	3958672	3146327

d. Expenses recognized during the year

Particulars	As At 31st March 2020	As At 31st March 2019
Current Service Cost	302858	261472
Interest Cost	263226	264546
Expected return on plan assets	0	0
Actuarial (gain) / loss	381209	-543053
Net Cost	947293	-17035

e. Amount for the current and previous four years are as follows :

Gratuity :	Year ended 31st				
	March,20	**March,19**	**March,18**	**March,17**	**March,16**
Defined Benefit Obligation	4212158	3396460	3413495	376635	2852876
Plan Assets	0	0	0	0	0

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 IND AS 108 "Operating Segments" notified by Ministry Of Corporate Affairs".

NOTE NO.30 - FINANCIAL INSTRUMENTS

1) CAPITAL MANAGEMENT

The primary objective of the Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance. The Company is monitoring capital using debt equity ratio as its base which is debt to equity. For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings (including current maturities of long term debt) as reduced by cash and cash equivalents.

Debt-to-equity ratio are as follows:

Particulars	31-Mar-20	31-Mar-19
Debt (Total Debt- Cash & Cash equivalent) (A)	44904666	48139895
Equity (B)	78721465	83417415
Debt to Equity Ratio (A/B)	**0.57**	**0.58**

2) FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. The Company's documented risk management policies are effective tool in mitigating the various financial risk to which the business is exposed to in the course of daily operations This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, to promote a shared vision of risk management and encourage discussion on risks at all levels of the organisation to provide a clear understanding of risk/benefit trade-offs, to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks. Activities are developed to provide feedback to management and other interested parties (e.g. Audit committee, Board etc.). The results of these activities ensure that risk management plan is effective in the long term.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk.

i) Foreign Exchange Risk and Sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts business primarily in USD. The Company obtains foreign currency loans and has foreign currency trade payables, derivative instruments and receivables and is therefore, exposed to foreign exchange risk. The Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

ii) Interest Rate Risk and Sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates .In order to optimize the Company's position with regards to interest expenses and to manage the interest rate risk treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

iii) Commodity Price Risk

The Company's raw materials i.e.Yarn & Grey Fabric and finished goods i.e. Finished Fabric. Commodity price risk arises due to fluctuation in prices of textile products. The Company mitigate the risk by natural hedge as any increase/decrease in raw materials price directly reflect the finished goods price.

b) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, other bank balances, loans, other financial assets and financial guarantees.

i) Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Sales made to customers on credit are secured through Letters of Credit in some cases to mitigate the credit risk to an extent.

ii) Bank Balances

The Company seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring funds from trade receivables and bank facilities are available.

Maturity Patterns of Financial Liabilities

	As at 31st March, 2020		
Particulars	**0-1 Years**	**1-5 Years**	**Total**
Borrowings	-	4,50,19,295	4,50,19,295
Trade Payable	2,75,80,466	-	2,75,80,466
Other Financial Liability	50,70,919	-	50,70,919

	As at 31st March, 2019		
Particulars	**0-1 Years**	**1-5 Years**	**Total**
Borrowings	3,95,894	4,78,94,706	4,82,90,600
Trade Payable	5,34,76,893	-	5,34,76,893
Other Financial Liability	1,89,06,649	-	1,89,06,649

SANTOSH FINE FAB LTD

NOTE NO.31- TRANSACTION WITH RELATED PARTY

			2019-2020		2018-19	
Name Of The Party	**Relation**	**Nature Of The Transaction**	**Amount Of The Transaction**	**Balance As On 31.03.2020**	**Amount Of The Transaction**	**Balance As On 31.03.2019**
			Rs.	Debit/ (Credit)	Rs.	Debit/ (Credit)
Silwester Tex. P.Ltd	Company in which Directors are interested	Process Charges Paid	1,22,53,177	(31,05,132)	1,61,24,079	(1,06,32,162)
Silwester Tex. P.Ltd	Company in which Directors are interested	Purchase Of Fabrics	-	-	53,74,055	(1,06,32,162)
Silwester Tex. P.Ltd	Company in which Directors are interested	Sale Of Job Charges	-	-	8,90,459	-
Silwester Tex. P.Ltd	Company in which Directors are interested	Sale Of Fabrics	20,862	-	-	-
Jamnagar Wollen Tex. Mills Pvt. Ltd.	Company in which Directors are interested	Sale Of Fabrics	2,88,042	-	12,63,936	1,81,115
Jamnagar Wollen Tex. Mills Pvt. Ltd.	Company in which Directors are interested	Purchase Of Fabrics	5,209	-	-	-
Signora Exports	Firm In Which Directors Are Interested	Purchase Of Fabrics	-	-	41,071	-
Signora Exports	Firm In Which Directors Are Interested	Sale Of Fabrics	30,48,251	-	2,01,290	-
Signora Exports	Firm In Which Directors Are Interested	Sale Of Job Charges	50,09,249	4,45,678	17,58,608	5,08,226
JMD Syntex (Mumbai) LLP	Firm In Which Directors Are Interested	Packing Charges	5,07,958	(22,286)	9,60,748	(22,351)
JMD Syntex (Mumbai) LLP	Firm In Which Directors Are Interested	Purchase Of Fabrics	4,65,140	(22,286)	22,65,849	(22,351)
JMD Syntex (Mumbai) LLP	Firm In Which Directors Are Interested	Sale Of Fabrics	2,30,897	-	38,55,352	8,68,554
Santosh Tulsiyan	Director	Remuneration	9,56,130	-	9,00,000	-
Subhash Tulsiyan	Director	Remuneration	9,56,130	-	9,00,000	-
Sumeeta Tulsiyan	Director	Remuneration	3,94,355		3,60,000	
Sunil Tulsiyan	Relative Of Director	Salary	7,47,189	-	7,86,513	-
Arjun Tulsiyan	Relative Of Director	Gala Compensation	2,16,000	-	1,74,000	-

Notes:
i) No amounts in respect of Related Parties have been written off/written back during the year, nor has any provision been made for doubtful debts / receivables during the year, except as discussed above.

ii) Related party relationships have been identified by the management and relied upon by the Auditors.

iii) Related party transactions have been disclosed on basis of value of transactions entered.

iv) Terms and conditions of transactions with related parties :-
The Transactions of Sales, Purchases,Rent,Processing charges etc. with Related Parties are made on terms equivalent to those that prevail in arm's length transactions, and are in the ordinary course of business based on normal commercial terms, conditions, market rates.

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

The Company has not recorded any loss/impairment allowance for transactions among related parties for the year ended 31/03/20

This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

SANTOSH FINE FAB LTD

NOTE NO.32- EARNING PER SHARE(EPS)

PARTICULARS		2019-20	2018-19
		-	-
Net Profit Before Taxes	In Rs	(52,95,535)	72,273
Provision for Taxes (Including Deferred Taxes)	In Rs	(5,99,585)	32,699
Profit after Taxes	In Rs	**(46,95,950)**	**39,574**
Equity Shares	Number	**35,24,600**	**35,24,600**
Earning Per Share (Face Value Rs.10/-Each)			
Basic	Rs/ Share	-1.33	0.01
Diluted	Rs/ Share	-1.33	0.01

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:

	As at 31st March,2020		As at 31st March,2019	
Particulars	**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	$17,956.41	1382465	$24,799.96	1726823
Advances and Other Receivables- USD	$36,599.37	2704693	$33,980.32	2314739
Advances From Debtors- USD	$16,909.08	1249581	$2,56,702.61	17874203
Total	$71,464.86	5336739	$3,15,482.89	21915765

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

The balances of Sundry Creditors, Debtors & other advances are subject to confirmation and subsequent reconciliation, if any required and the management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements and recoverable and payable during the normal course of business. The Management does not expect any material difference affecting the current year's financial statement due to the same.

NOTE NO.36- IMPACT OF COVID-19

The company has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, intangibles, inventories, investments and other assets / liabilities. Based on the current indicators of economic conditions, the company expects to recover the carrying amount of all its assets. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the company will continue to closely monitor any material changes to the economic conditions in the future.

NOTE NO.37- Previous year figures have 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 : 30.06.2020

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)

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 38th Annual General Meeting of the company, to be held on the Tuesday, 29thSeptember, 2020 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.

Sl. 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, 2020		
2.	Re-appointment of Shri Asharam S.Rungta (DIN: 00320409),who retires by rotation		
3.	Re-appointment of Mrs. Sumeeta S. Tulsiyan (DIN: 01319879), who retires by rotation		
4.	To approve decrease in remuneration of Mr. Subhash Tulsiyan, Whole time director of the company		

* Applicable for investors holding shares in Electronic form.

Signed this _____day of _____2020

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.

(CIN: L17112MH1981PLC025443)
Regd. Off.: 112/113, Sanjay Building No 6, Mittal Ind. Estate, Andheri (East), Mumbai 400059.

ATTENDANCE SLIP FOR 38th 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 the38th Annual General Meeting of the company, to be held on the Tuesday, 29thSeptember, 2020 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.

SANTOSH

SUITINGS

SANTOSH

GROUP



