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# 37<sup>th</sup> ANNUAL REPORT | 2018-2019

**SANTOSH** Fine-Fab Ltd.  
Mumbai

## **37<sup>th</sup> ANNUAL REPORT 2018-2019**

**SANTOSH FINE-FAB LIMITED**

### **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, 1<sup>ST</sup> FLOOR,  
MAKWANA ROAD, MAROL NAKA,  
ANDHERI EAST, MUMBAI 400 059.

**NOTICE TO THE MEMBERS**

Notice is hereby given that the Thirty Seventh 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 Friday, the 27th September, 2019 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 2019, 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 Sanjeev D Saran (DIN: 00775337), who retires by rotation and being eligible, offers himself for re-appointment.

**3. Appointment of Director:**

To appoint a Director in place of Shri Radhaballabh Tibrewala (DIN: 00323570), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****4. Re-appointment of Mr. Santosh R Tulsiyan as Managing Director of the company:**

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, and 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the reappointment of Mr. Santosh R Tulsiyan (holding DIN 00310573), as the "Managing Director" of the Company for a period of five years effective from 5th October, 2019, on the terms and conditions of appointment and remuneration for the aforesaid period which are set out in Explanatory Statement annexed to the notice convening this meeting, as approved by the Nomination & Remuneration Committee in its meeting held on 29th May, 2019.

**5. Re-appointment of Mr. Subhash R Tulsiyan as Whole time Director of the company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, approval of the members be and is hereby accorded to the appointment of Mr. Subhash R Tulsiyan (DIN :00308899) as a Whole time director of the company for a period of five years commencing from 5th October, 2019 on the terms and conditions of appointment and remuneration for the aforesaid period which are set out in Explanatory Statement annexed to the notice convening this meeting, as approved by the Nomination & Remuneration Committee in its meeting held on 29th May, 2019.

BY THE ORDER OF THE BOARD

(SANTOSH R TULSIYAN)  
MANAGING DIRECTOR

Registered Office:  
112/113, Sanjay Bldg No.6,  
Mittal Estate,  
Mumbai 400059.  
Dated: 29.05.2019

#### NOTES:

- 1 The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 & 5 of the Notice, is annexed hereto.
- 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 25th September, 2019 to 27th September, 2019, 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 and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
- 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 following e-mail: [info@adnitiemcorporate.com](mailto:info@adnitiemcorporate.com)
- 14 The Notice of the AGM along with the Annual Report 2018-19 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
- 16 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 e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

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

5. Your password details are given below:

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

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

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

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

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

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

Details on Step 2 is given below:

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

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

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [lalithalath@gmail.com](mailto:lalithalath@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - II) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20.09.2019.
  - 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., 20.09.2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - V) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - VI) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - VII) Mrs. Lalita Lath, Company Secretary (Membership No. 16854) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - VIII) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of 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 28.09.2019 and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- I. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
- II. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants. The nomination form can be downloaded from the Company's website.

BY THE ORDER OF THE BOARD

(SANTOSH R TULSIYAN)  
MANAGING DIRECTOR

Registered Office:  
112/113, Sanjay Bldg No.6,  
Mittal Estate,  
Mumbai 400059.  
Dated: 29.05.2019



**ANNEXURE TO THE NOTICE**  
**Explanatory Statement**  
**[Pursuant to Section 102(2) of the Companies Act, 2013]**

**Item no 4:**

Shri Santosh R. Tulsian was appointed as the Managing Director of the Company for a period of five years with effect from 05-10-2014. The term of office of Shri Santosh R. Tulsian as Managing Director of the Company is due to expire on 04-10-2019. The Board of Directors of the Company at its Board meeting held on 29th May, 2019 has re-appointed Shri Santosh R. Tulsian as the Managing Director for a further period of five years commencing from 05-10-2019.

The payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on 29th May, 2019 & subsequently by the Board of Directors in its Board Meeting held on the same date. Therefore the Board proposes to seek approval of the Shareholders of the Company, approving the payment of remuneration for a maximum of Rs. 90,000/- per month to Mr. Santosh R Tulsian as detailed here under:

**Salary:** For such amount as may be decided by the Board of Directors up to a maximum of Rs. 90,000 per month..

**Perquisites and allowances:** In addition to the salary, the Managing Director shall also be entitled to perquisites like accommodation, house maintenance allowance, together with utilities thereof such as gas, electricity, water, furnishings, repairs, medical reimbursement, accidental insurance, leave travel concession for himself and his family, club fees etc. in accordance with the Rules of the Company or as may be agreed to by the Board of Directors. Such perquisites to be restricted to Rs. 2.40 Lacs per annum or such other limit as may be permitted by the competent authority.

**Item no 5:**

Shri Subhash R. Tulsian was appointed as the Whole time Director for a period of five years with effect from 05-10-2014. The term of office of Shri Subhash R. Tulsian as a whole time director of the Company is due to expire on 04-10-2019. The Board of Directors of the Company at its Board meeting held on 29th May, 2019 has re-appointed Shri Subhash R. Tulsian as the Whole time Director for a further period of five years commencing from 05-10-2019.

The payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on 29th May, 2019 & subsequently by the Board of Directors in its Board Meeting held on the same date. Therefore the Board proposes to seek approval of the Shareholders of the Company, approving the payment of remuneration for a maximum of Rs. 90,000/- per month to Mr. Subhash R Tulsian as detailed here under:

**Salary:** For such amount as may be decided by the Board of Directors up to a maximum of Rs. 90,000 per month.

**Perquisites and allowances:** In addition to the salary, the Managing Director shall also be entitled to perquisites like accommodation, house maintenance allowance, together with utilities thereof such as gas, electricity, water, furnishings, repairs, medical reimbursement, accidental insurance, leave travel concession for himself and his family, club fees etc. in accordance with the Rules of the Company or as may be agreed to by the Board of Directors. Such perquisites to be restricted to Rs. 2.40 Lacs per annum or such other limit as may be permitted by the competent authority.

**Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Managing Director & Whole Time Director shall be paid salary, perquisites and other allowances, as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Central Government, if so required, in accordance with the provisions of the Companies Act, 2013.

The above payment of remuneration has been approved by the Nomination and Remuneration Committee. In compliance with the provision of the Companies Act, 2013, the terms of appointment and the terms of remuneration specified above are now being placed before the members in the General Meeting for their approval.

Shri Santosh R. Tulsian being director is relative of Shri Subhash R. Tulsian and is concerned or interested in the resolution at item no.4.

Shri Subhash R. Tulsian, being director is relative of Shri Santosh R. Tulsian and is concerned or interested in the resolution at item no.5.

**ANNEXURE TO ITEMS 2,3& 4 OF THE NOTICE**

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

Name of the Director	<b>Sanjeev D Saran</b>	<b>Shri RadhaBallabhTibrewala</b>
Director Identification Number (DIN)	<b>00775337</b>	<b>00323570</b>
Date of Birth	<b>28/08/1957</b>	<b>13/05/1943</b>
Nationality	<b>Indian</b>	<b>Indian</b>
Date of First Appointment on Board	<b>29/03/2001</b>	<b>30/09/2002</b>
Qualification	<b>M A Economics</b>	<b>Degree</b>
Shareholding in Santosh Fine-Fab Ltd.	<b>NIL</b>	<b>NIL</b>
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	<b>NIL</b>	<b>NIL</b>
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	<b>NIL</b>	<b>NIL</b>



**DIRECTORS REPORT**

To,  
The Members,

Your Directors have pleasure in presenting their Thirty Seventh Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

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

The company's financial performance, for the year ended March, 2019 is summarized below (In Laacs)

Particulars	2018-2019	2017-2018
Gross Income	2356.23	2398.92
Profit Before Interest and Depreciation	71.50	65.04
Finance Charges	48.34	36.67
Gross Profit	436.35	408.16
Provision for Depreciation	22.43	20.46
Net Profit Before Tax	0.72	7.91
Provision for Tax (Including Deferred Taxes)	0.33	2.42
Net Profit After Tax	0.40	5.49
Balance of Profit brought forward	232.45	226.96
Balance available for appropriation	232.85	232.45
Transfer to Depreciation Reserve	Nil	Nil
Proposed Dividend on Equity Shares	Nil	Nil
Tax on proposed Dividend	Nil	Nil
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	232.85	232.45

**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. Profitability of Company decreased from Rs. 5.49 lakhs to Rs. 0.40 lakhs.

A detailed analysis of Company's working during the year is provided under Management Discussion and Analysis Report under Corporate Governance Report.

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

There is no such change in nature of business.

**4. Dividend**

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

**5. Reserves**

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

**6. Change of Name**

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

**7. Directors and Key Managerial Personnel**

Shri Sanjeev D Saron (DIN: 00775337) and Shri Radhaballabh Tihrewala (DIN: 00323570), Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

**8. Particulars of Employees**

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

**9. Meetings**

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

**10. Board Evaluation**

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

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

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

**12. Remuneration Policy**

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

**Managerial Remuneration:**

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

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

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

**13. Details of Subsidiary/Joint Ventures/Associate Companies**

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

**14. Auditors:**

M/s. B.P. Kabra & Associates, Chartered Accountants (F.R.No. 124578W), 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.

**15. Auditors' Report**

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

**16. Disclosure about Cost Audit**

As per the Cost Audit Orders, Cost Audit is not applicable to the Company for the FY 2018-19.

**17. Secretarial Auditors**

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

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

**18. Internal Audit & Controls**

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

**19. Vigil Mechanism :**

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