

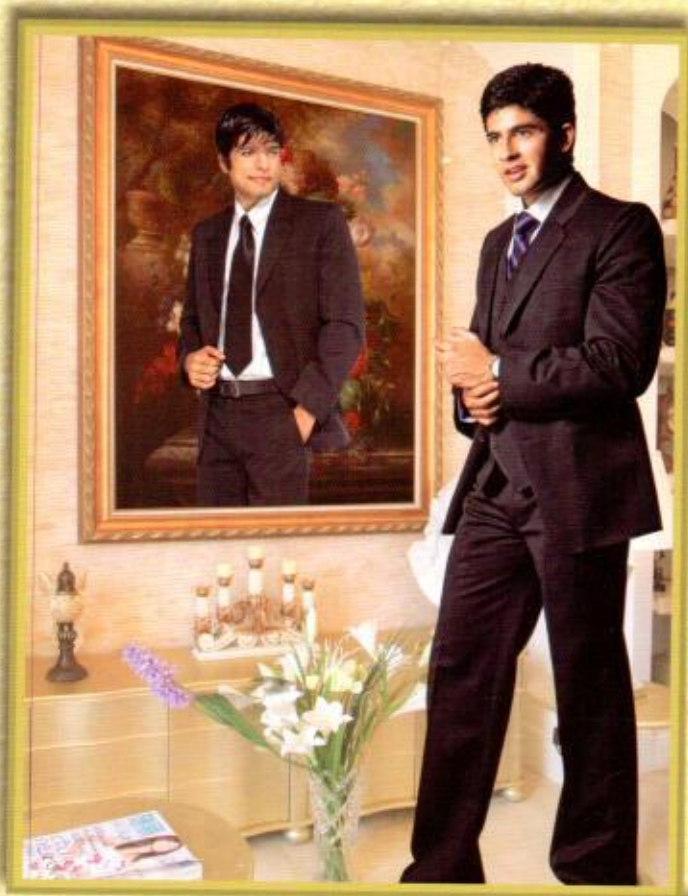
2011-2012



TOTAL *Perfection* 100% Satisfaction

SANTOSH Fine-Fab Ltd.
Mumbai

30TH ANNUAL REPORT



TOTAL Perfection 100% Satisfaction

SATISFACTION
UNLIMITED !!



30th ANNUAL REPORT 2011-2012

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 RADHAVALLABH TIBREWALA	DIRECTOR
SHRI ASHARAM S.RUNGTA	DIRECTOR

AUDITORS

M/S. BHUWANIA & AGRAWAL ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS

STATE BANK OF INDIA

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

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of SANTOSH FINE-FAB LIMITED will be held at 112, Sanjay Bldg No. 6, Mittal Estate, Mumbai – 400 059 on Friday, the 21st September, 2012 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2012 and the Balance Sheet as on that date together with the Directors' and Auditors' Reports.
2. To appoint a Director in place of Shri Santosh R Tulsiyan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Subhash R Tulsiyan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.

2. Members/Proxies should bring the attendance slip duly filed in for attending the meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 19th September, 2012 to Friday, the 21st September, 2012 (both days inclusive).

4. The Securities & Exchange Board of India has made trading in the shares of the Company compulsory in dematerialized form for all investors with effect from 30th April, 2011. The Equity Shares of the Company have been allotted International Securities Identification Number (ISIN) INE612D01018.

5. Since the Company's shares are traded compulsorily in dematerialized form, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.

6. Equity Shares of the Company are listed on the Bombay Stock Exchange Limited. The Company has paid the annual listing fee to the Bombay Stock Exchange Limited.

7. A brief resume of the directors proposed to be reappointed vide item nos. 2 and 3 in the Notice are as follows:

Shri Santosh R. Tulsiyan having Diploma in textile management from SASMIRA and possesses vast knowledge of Textile Industries and has over 33 years experience of Finance and Administration in the textile industry. He has been associated with the Company since April, 1987.

Shri Subhash R. Tulsiyan possesses vast knowledge and has over 28 years experience by virtue of his long association with the textile industry. He has been associated with the Company since May, 1992.

8. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them in the prescribed Form No.2B. Shareholders are requested to avail this facility.
9. Members intending to require information about the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
10. Members are requested to consolidate the multiple folios existing in the same names and in identical orders so as to facilitate better and efficient service. Consolidation of folios does not amount to transfer of shares and therefore, no stamp duty or other expenses are payable.
11. Shareholders are requested to provide their Folio Number along with Bank Account Number, Name and Address of the Bank/Branch to M/s Adroit Corporate Services Pvt. Ltd., Registrar & Share Transfer Agent of the company at 19, Jafarbhoy Ind. Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai-400 059, in respect of shares held in physical mode and to their respective DPs for shares held in Demat mode to enable the Company to update the records.
12. The ministry of corporate affairs (vide circular no.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) as undertaken a green initiative in corporate governance and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this initiative by registering/updating their email address, in respect of shares held in dematerialised form with their respective depository participants and in respect of held in physical form, with the company's registrar and share transfer agents, M/s Adroit corporate Services Pvt. Ltd.
13. In case you desire to receive the Annual Report in electric form, please inform us by sending us an email on investor@santoshgroup.in mentioning your DP ID client ID. Your mail will be considered as an affirmation and accordingly the Annual Report will be sent to you in electronic form.

BY THE ORDER OF THE BOARD

(SANTOSH R TULSIYAN)
MANAGING DIRECTOR

Registered Office:
112, Sanjay Bldg No.6,
Mittal Estate,
Mumbai 400059.
Dated: 29.05.2012

SANTOSH FINE FAB LIMITED**DIRECTORS' REPORT**

TO THE MEMBERS,

Your Directors present to you the Thirtieth Annual Report of the Company with the Audited Statement of Accounts for the year ended on 31st March, 2012.

FINANCIAL RESULTS

PARTICULARS	(RS. IN LACS)	
	2011-2012	2010-2011
Sales and other Income	2665.42	2613.46
Profit before Tax	11.32	8.05
Profit after Tax	6.04	6.02
Profit brought forward	130.80	124.78
Balance available for appropriation	136.84	130.80
Total Balance carried forward to balance Sheet after all adjustments	136.84	130.80

DIVIDEND

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

DIRECTORS

Shri Santosh R Tulsiyan and Shri Subhash R Tulsiyan, Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

AUDITORS

Your company's auditors M/s Bhuwania & Agrawal Associates retire and are eligible for reappointment. You are requested to re-appoint auditors and fix their remuneration.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in the said clause 49 of the Listing Agreement is annexed thereto.

COMPLIANCE CERTIFICATE

The Ministry of Corporate Affairs, vide notification dated 5th January, 2009 extended the exemption for appointment of Company Secretary in the whole time employment of the Company from a paid up capital of Rs. 2 crores to Rs. 5 crores. However, the Companies in question are required to furnish a Compliance Certificate from a Company Secretary in whole time practice. The Compliance Certificate obtained from Mrs. Lalita Lath, a Practicing Company Secretary is annexed.

PERSONNEL

During the year under review no employee has drawn salary exceeding the limits stated in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 are set out in the annexure "A" forming part of this report.

COST AUDIT

In pursuance to the directives issued by the Government of India, the Board of directors of the Company has appointed Mr. V.C. Kothari, Cost Accountant, as the Cost Auditor to audit the cost accounts relating to "Textiles" for the year ended 31st March, 2012.

INDUSTRIAL RELATION

The relations between the employees and the Management have remained cordial throughout the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

- that 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;
- that they have 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 for that period;
- that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGMENT

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

FOR AND ON BEHALF OF THE BOARD

(SANTOSH R. TULSIYAN)
MANAGING DIRECTOR

Place : Mumbai.
Dated: 29.05.2012

ANNEXURE "A" TO THE DIRECTORS' REPORT

A) CONSERVATION OF ENERGY

ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY:

ELECTRICAL 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.

ADDITIONAL INVESTMENT AND PROPOSALS IF ANY BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY

Changes have generally been evolutionary in nature and as such no major additional capital is envisaged

IMPACT OF THE ABOVE MEASURES

Optimization and control of energy related cost helps your company to remain competitive in markets.

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM "A" HEREUNDER POWER AND FUEL CONSUMPTION

FOR THE YEAR ENDED
31ST MARCH, 2012

ELECTRICITY

1. Purchase units of electric (KWH)	718784
2. Total amount - Rs.	2772791
3. Rate/unit Rs.	3.86

OWN GENERATION

1. Through Diesel generator units (KWH)	30340
Units per Litre of diesel oil	3.70
Cost/unit Rs	11.73
2. Through stream turbine/generator	NIL
3. Furnace Oil	NIL
4. Other internal generations	NIL

RESEARCH AND DEVELOPMENT (R & D)

- 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.

B. TECHNOLOGY ABSORPTION ADOPTION AND INNOVATION

No technology has been imported by the company. Technology innovation and changes wherever possible are being absorbed and adopted.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earning Rs.	509.96 Laes
Foreign Exchange Outgo Rs.	14.97 Laes

SECRETARIAL COMPLIANCE CERTIFICATE

COMPANY NO. 11-025443.
AUTHORISED SHARE CAPITAL : RS. 4,00,00,000/-
PAID UP SHARE CAPITAL : RS. 3,43,26,889/-

The Members,
M/S SANTOSH FINEFAB LIMITED
112, SANJAY BUILDING NO 6,
MITTAL ESTATE, A.K. ROAD,
MUMBAI-400059.

I have examined the registers, records, books and papers M/S SANTOSH FINEFAB LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on March 31, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in ANNEXURE - 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made there under wherever applicable as per ANNEXURE - 'B'.

3. The Company being a Public Limited Company, comments not required.
4. The Board of Directors duly met convened and conducted board meetings in each quarter in the financial year from 1st April 2011 to 31st March 2012 in respect of which Meetings notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members during the financial year and necessary compliances have been made.
6. The Company held its Annual General Meeting during the year in time i.e. on 23rd September, 2011 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting were held during the financial year.
8. The Company has not given or advanced any amount as defined in Section 295 of the Companies Act, 1956.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make entries in the register maintained under Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has :
 - i. duly complied with the requirements of Section 217 of the Act,
 - ii. other clauses are not applicable.
14. The Board of Directors of the Company is duly constituted.
15. There was no appointment of Managing Director / Whole Time Director / Manager during the financial year.
16. The company has not appointed any Sole Selling Agents during the financial year.
17. The Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has complied with the provisions of 293 (1) (d) of the Act.
25. The Company has not made Investments/loans/advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from the one state to another during the year under scrutiny.

27. The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to Name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment has been imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company is regular in depositing its contribution towards Provident Fund during the financial year.

[LALITALATH]
ACS: 16854; COP: 5310.
Place: Mumbai
Date : 29th May, 2012.

ANNEXURE - 'A' TO THE SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company: M/S SANTOSH FINE FAB LIMITED.

DETAILS OF REGISTERS MAINTAINED :

Sr No.	Section Number	Name Of Register
1.	108	Share Transfer Register
2.	150	Register of Members
3.	193	Minutes of all meetings of Board of Directors
4.	193(1)	Minutes of General Meetings
5.	301	Register of Contracts.
6.	303	Register of Directors.
7.	125	Register of Charges
8.	307	Register of Directors Shareholding

ANNEXURE - 'B' TO THE SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company: M/S SANTOSH FINEFAB LIMITED.

DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES :

Sr No.	Document/ Under Section	Filed on	Whether filed in time	Whether additional fee paid
1.	Annual Return. U/s. 159, Form 20B	29/11/2011	No.	Yes
2.	Balance Sheet U/s. 210, Form 23AC & 23ACA	20/12/2011	Yes	No.
3.	Secretarial Compliance Certificate U/s. 383A. Form 66	25/10/2011	Yes	No.
4.	Form 23B	27/10/2011	Yes	No.

Sd/-
[LALITA LATH]
ACS: 16854; COP: 5310.
Place: Mumbai
Date : 30TH May, 2011.

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

- The Company has an optimum combination of executive and non-executive directors. The Board is chaired by the Chairman & Managing Director.
- 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 28.09.2010		
Santosh R. Tulsiyan	Chairman & Managing Director	4	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
Radhavallabh Tibrewala	Independent Non executive	3	Yes	Nil	Nil

* This excludes directorships held in Private Limited Companies.

- During the financial year five Board meetings were held on the following dates: 30.05.2011, 28.07.2011, 23.09.2011, 05.11.2011 & 03.02.2012.

3. AUDIT COMMITTEE

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

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

During the financial year 2011-12 the committee met on 30th May, 2011, 28th July, 2011, 05th November, 2011, and on 03rd February, 2012. 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:

<u>SR.NO.</u>	<u>NAME OF MEMBERS</u>	<u>CATEGORY</u>	<u>NO. OF MEETING ATTEND</u>
1	Asharam S. Rungta, Chairman	Independent/ Non-Executive	4
2	Sanjeev D. Saran	Independent/ Non-Executive	1
3	Radhavallabh 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.

<u>SR.NO.</u>	<u>NAME OF MEMBERS</u>	<u>CATEGORY</u>	<u>No. of Meeting Attend</u>
1	Radhavallabh Tibrewala, Chairman	Independent/ Non-Executive	-
2	Sanjeev D. Saran	Independent/ Non-Executive	-
3	Asharam S. Rungta	Independent/ Non-Executive	-

The Committee did not meet during the year. As there was no need to transact any business

Details of remuneration paid to all the directors for the year ended 31st March, 2011 are as follows :

<u>Director</u>	<u>Relationship With other Directors</u>	<u>Business Relationship</u>	<u>Loans & Advance From The Company</u>	<u>Sitting Fees</u>	<u>Salary & Contribution to fund</u>	<u>Commission</u>	<u>Total</u>
Santosh R. Tulsian	Brother of Subhash Tulsian	Promoter	Nil	Nil	240000	Nil	240000
Subhash R. Tulsian	Brother of Santosh Tulsian	Promoter	Nil	Nil	240000	Nil	240000
Ashok V. Tulsian	None	Promoter	Nil	Nil	Nil	Nil	Nil
Sanjeev D. Saran	None	None	Nil	Nil	Nil	Nil	Nil
Asharam S. Rungta	None	None	Nil	Nil	Nil	Nil	Nil
Radhavallabh Tibrewala	None	None	Nil	Nil	Nil	Nil	Nil

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:

<u>SR.NO.</u>	<u>NAME OF MEMBERS</u>	<u>CATEGORY</u>	<u>NO. OF MEETING ATTEND DURING THE YEAR 2010-11</u>
1	Subhash R. Tulsian	Non-Independent/ Executive	4
2	Asharam S. Rungta	Independent/ Non-Executive	4
3	Radhavallabh Tibrewala	Independent/ Non-Executive	3

During the year the Investor Grievance Committee held its Meetings on the following dates: 30th May, 2011, 28th July, 2011, 05th November, 2011, and on 03rd February, 2012.

NAME AND DESIGNATION OF COMPLIANCE OFFICER:

SAJJAN AGARWAL
Secretarial Officer

The Company had received two request from shareholder to demand the copies of Minutes of Annual General Meeting held on 23rd September, 2011 along with various details and explanation. The company replied them individually with copies of Minutes for the meeting held as above with all required informations and explanations within 15 days.

Details of shares in physical form lodged for transfer during 2011-12 are as follows:

<u>Sr. No.</u>	<u>Total No. of Transfer Deed Received</u>	<u>Dispatched within 30 days of receipt</u>	<u>Dispatched after 30 days of receipt</u>
1	02	500	NIL

Share Transfer

- All shares have been processed and returned within 30 days from the date of receipt, so long as the documents have been clear in all respects.
- Total number of shares processed during the year ended 31st March, 2012 was 500 equity shares

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
27 th AGM	25 th September, 2009	11.00 a.m.	112, Sanjay Bldg. No.6, Mittal Estate, Andheri Kurla Road, Andheri (east) Mumbai 400059	Nil
28 th AGM	28 th September, 2010	11.30 a.m.	112, Sanjay Bldg. No.6, Mittal Estate, Andheri Kurla Road, Andheri (east) Mumbai 400059	Nil
29 th AGM	23 rd September, 2011	11.30 a.m.	112, Sanjay Bldg. No.6, Mittal Estate, Andheri Kurla Road, Andheri (east) Mumbai 400059	Nil

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 2011-12. Accordingly, the Companies (Postal Ballot) Rules 2001 is not applicable for said year.

APPOINTMENT/ REAPPOINTMENT OF DIRECTORS

Shri Santosh R Tulsiyan and Shri Subhash R Tulsiyan, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re appointment. Shri Santosh R. Tulsiyan possesses vast knowledge of Textile Industries and has over 33 years experience of Finance and Administration in the textile industry. He has been associated with the Company since April, 1987. Shri Subhash R. Tulsiyan possesses vast knowledge and has over 28 years experience by virtue of his long association with the textile industry. He has been associated with the Company since May, 1992.

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.7 of Schedule "O" to the Accounts may be considered as related party transactions. There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges does not arise. Implementation of the Whistle Blower policy is in the process and the report of the same would be Placed before the Board. The Company is fully compliant with the applicable mandatory requirements of the clause 49, although it is not mandatory, a Remuneration committee of the Board is in place. Details of the same have been provided in this Report.

8. MEANS OF COMMUNICATION

The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchange and published in newspapers in accordance with the Listing Agreement. Your Company's quarterly results are usually published in the The Asian Age, Mumbai (English daily) and Mumbai Lakshadeep (Mumbai). Your Company's Management Discussion & Analysis of the operations for the year ended 31st March, 2012 forms a part of this Annual Report and is given under the Section so captioned.

9. GENERAL SHAREHOLDER INFORMATION

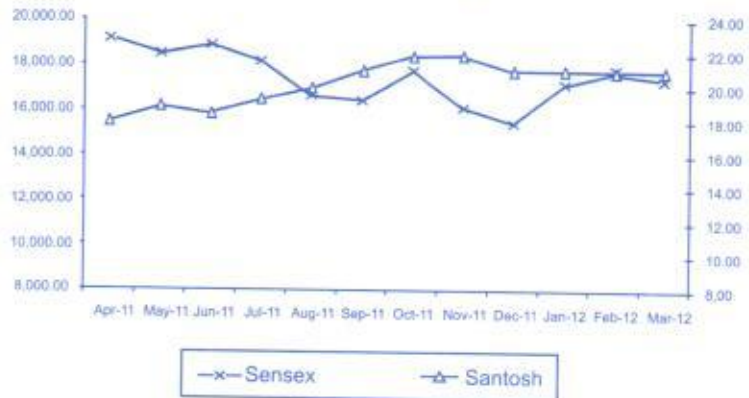
SR. NO.	SALIENT ITEMS OF INTEREST	PARTICULARS
i.	AGM Date, time and venue	21st September, 2012, Friday 11.30 A.M., 112, Sanjay Bldg. No.6, Mittal Industrial Estate, Andheri Kurla Road, Andheri (East) Mumbai 400059.
ii.	Financial Calendar	Year ending March 31, 2012
iii.	Date of Book Closure	19th September, 2012 to 21st September, 2012 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., 19/20, Jaferbhoy Industrial Estate, 1st Floor., Makwana Road, Marol Naka, Andheri (East) Mumbai 400059 Phone No: 28596060 /28594060 /28594428 / 28594442 /28590942, Fax 28503748, Contact person: Mr. Sada Shiva Shetty.
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 processed and the share certificates normally returned within 30 days from the receipt, if the documents are clear in all respects.
ix.	Dematerialisation of Shares and liquidity	As on 31st March, 2012, 617275 shares (17.51%) 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 2011-2012 on Stock Exchange, Mumbai:

	HIGH(RS.)	LOW(RS.)
April 2011	18.00	17.25
May 2011	18.90	18.90
June 2011	18.50	18.50
July 2011	19.35	19.35
August 2011	20.30	20.00
Sept. 2011	21.00	20.00
October 2011	22.05	21.90
November 2011	-	-
December 2011	21.00	21.00
January 2012	-	-
February 2012	-	-
March 2012	-	-

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, 2012:

Slab of shareholdings	Shareholders	%	No. Of Shares	%
0-5000	774	64.77	222887	6.32
5001-10000	177	14.81	146978	4.17
10001-20000	132	11.05	200780	5.7
20001-30000	22	1.84	53897	1.53
30001-40000	4	0.33	15160	0.43
40001-50000	14	1.17	67900	1.93
50001-100000	17	1.42	152788	4.33
Above 100000	55	4.60	2664210	75.59
Total	1195	100	3524600	100

Categories of Shareholding as on March 31, 2012:

CATEGORIES	Number of shares	Amount In Rs.	%
Promoters, Directors, Relatives and associated companies	1838050	18380500	52.15
Mutual Funds and UTI	300	3000	0.01
Banks, Financial Institutions, Insurance Companies	Nil	Nil	Nil
Private Corporate Bodies	85867	858670	2.44
Indian Public	1539284	15392840	43.67
NRIs/OCBs	61099	610990	1.73
Total	3524600	35246000	100.00

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

TO,
The Members of SANTOSH FINE FAB LIMITED

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

I, Santosh R. Tulsian, Chairman & Managing Director of SANTOSH FINE FAB LIMITED hereby declare that all the members of the Board of Directors and senior management personnel have affirmed Compliance with the code of conduct for the year ended 31st March, 2012.

PLACE : MUMBAI
DATED : 29th MAY, 2012

Santosh R. Tulsian
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian textiles industry has an overwhelming presence in the economic life of the country. Textile exports have been registering a continuous and steady increase over the previous periods. It also provides employment to millions of people. The sector gets full attention from the government.

1. OVERALL PERFORMANCE:

The overall performance during the year 2011-12 has been reasonably satisfactory. This has been possible due to:

- a) Better Asset Utilization.
- b) Cost reduction measures involving focus on operational efficiencies, energy savings and control over administrative costs.
- c) Better working capital management.

2. BUSINESS REVIEW:

As compared to the earlier years, The Textile industry is setting for the positive growth. Despite competition at global level, there are positive signs for efficient and innovative companies and your company is set to follow the best practices to perform well.

3. FINANCIAL REVIEW:

During the year under review, Company has managed better production activity by utilizing additional capacity for conversion of job work. The profit has also increased due to this reason along with other cost cutting major including better finance control etc..

4. OUTLOOK:

Demand (both domestic as well as international) for textiles remains healthy. The company has started showing better profitability on that basis, we are optimistic and confident about the prospects for the coming year. The Company has a clear objective to enhance the sales volumes in the domestic and international markets.

5. RISK AND CONCERNS:

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

6. INTERNAL CONTROL SYSTEMS AND ADEQUACY:

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. HUMAN RESOURCE DEVELOPMENT:

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 of Directors considers internal controls as adequate.

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, 2012, 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.

[LALITA LATH]

ACS: 16854; COP: 5310.

Place: Mumbai

Date: 29th May, 2012.

AUDITORS' REPORT

TO THE MEMBERS OF

SANTOSH FINE-FAB LIMITED

1) We have audited the attached Balance Sheet of Santosh Fine-Fab Limited ("the Company") as at 31st March 2012, and the related Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conduct our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

3) As required by the Companies (Auditor's Report) Order, 2003 (CARO), and as amended by the Companies (Auditors Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the attached Balance Sheet, Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable except non provision of long term defined employee benefits as referred in point No. 24 of notes on account.

e) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by board of Directors, none of the Directors are disqualified as on 31st March 2012 from being appointed as Directors in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principle generally accepted in India.

i. In the case of Balance Sheet of the state of affairs of the Company as at 31st March 2012;

ii. In the case of the Profit and Loss Account of the Profit for the year ended on that date and

iii. In the case of the Cash Flow Statement of the Cash Flow of the company for the year ended on that date.

For **Bhuwania & Agrawal Associates**
(Chartered Accountants)
(Regn.No.101483W)

N. K. Agrawal
(Partner)
M.No. 34659

PLACE: MUMBAI

DATE: 29th May, 2012

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date to the members of Santosh Fine-Fab Limited on the accounts for the year ended 31st March, 2012)

i. In respect of the Fixed Assets,

- a) The company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b) As per the information and explanations given to us, physical verification of fixed assets has been carried out by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and nature of its business.
- c) No substantial part of fixed assets has been disposed off during the year under review, which could affect the going concern status of the company.

ii. In respect of the inventories :

- a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company has maintained proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.

- iii. In respect of loans granted, secured or unsecured, to the companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956, we report, as per the information and explanations provided to us, that the Company has not granted any such loans and therefore, sub-clauses (b), (c) and (d) of clause (iii) of paragraph 4 of the said Order are not applicable to the Company.

In respect of loans taken, secured or unsecured, from the companies, firms or other parties covered in Register maintained under Section 301 of Companies Act, 1956, details of the same has been provided as under

(Amt. in Rs. Lac)			
No. of Account	Amount Of Loan taken	Maximum Outstanding.	Closing Balance
2	90.00	62.00	---

In our opinion, and according to the information and explanations given to us, other terms and conditions of above loan taken is prima facie not prejudicial to the interest of the company.

In absence of any stipulated term for repayment of principal amount we are unable to comment on whether the principal amount is due for repayment.

As stated above in the absence of any stipulated term for repayment of principal amount, we are unable to comment on whether there has been any overdue amount of Rs. 1.00 Lac for more than one year.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not come across any continuing failure to correct major weaknesses in internal control system.

- v. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we report that the transactions that need to be entered into a register in pursuance of section 301 of the Act, have been so entered.

- b) In our opinion and according to the information and explanations give to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 and exceeding the value of five lacs rupees in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- vi. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public, within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and rules made there under. Therefore, the provisions of clause (vi) of paragraph 4 of the said Order are not applicable to the Company.

- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.

- viii. The Central Government has prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956 in respect of textile manufacturing activity of the company. We have broadly reviewed the books of accounts and records maintained by the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

- ix. a) According to the information and explanations given to us and the records examined by us, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Provident Fund, Sales Tax and any other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, and information and explanations given to us there are no dues of Income tax / Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty/ Excise Duty/ Cess which has not been deposited on account of disputes.
- x. There are no accumulated losses of the Company as on 31st March 2012. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. As per the information and explanations given to us and based on our audit, the Company has not defaulted in repayment of dues to financial institution or bank.
- xii. Based on our examination of the records and the information given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause (xii) of paragraph 4 of the said Order are not applicable to the Company.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the said Order are not applicable to the Company.
- xiv. Based on our examination of the records and the information given to us, the Company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the said Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The company has not taken any term loans during the year. Therefore, the provisions of clause (xvi) of paragraph 4 of the said Order are not applicable to the Company.
- xvii. In our opinion and according to information and explanations made available to us, no short term funds have been utilized for long term purposes during the year.
- xviii. During the year, the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures. Therefore, the provisions of clause (xix) of paragraph 4 of the said Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year covered by our report. Therefore, the provisions of clause (xx) of paragraph 4 of the said Order are not applicable to the Company.
- xxi. Based on our audit procedures performed for the purpose of reporting the true and fair view of financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Bhuwania & Agrawal Associates
(Chartered Accountants)
(Regn.No.101483W)

N. K. Agrawal
(Partner)
M.No. 34659

PLACE: MUMBAI
DATE: 29th May, 2012

BALANCE SHEET AS ON 31ST MARCH 2012

Amount In Rs.

PARTICULARS	Note No.	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
I. EQUITY AND LIABILITIES			
(1) Share Holders' Fund			
(a) Share Capital	2	34326889	34326889
(b) Reserve & Surplus	3	39483455	38879810
(c) Money Received Against Share Warrants		-	-
Total Of Share Holder's Funds		73810344	73206699
(2) Share Application Money Pending Allotment		-	-
(3) Non Current Liabilities			
(a) Long Term Borrowing		-	-
(b) Deferred Tax Liability (Net)	4	2912987	3247237
(c) Other Long Term Liabilities		-	-
(d) Long Term Provision		-	-
Total Of Non Current Liabilities		2912987	3247237
(4) Current Liabilities			
(a) Short Term Borrowings	5	57361485	64774889
(b) Trade Payables	6	52013732	40007757
(c) Other Current Liabilities	7	5386076	5805538
(d) Short Term Provisions	8	860000	975000
Total Of Current Liabilities		115621293	111563184
TOTAL OF EQUITY AND LIABILITIES		192344624	188017120
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		23653459	26585201
(ii) Intangible Assets		17900	25173
(iii) Capital Work In Progress		-	-
(iv) Intangible Assets Under Development		-	-
		23671359	26610374
(b) Non-Current Investment		-	-
(c) Deferred Tax Assets(Net)		-	-
(d) Long Term Loans & Advances	10	450150	450150
(e) Other Non Current Assets		-	-
		450150	450150
Total Of Non Current Assets		24121509	27060524
(2) Current Assets			
(a) Current Investment		-	-
(b) Inventories	11	101821288	99766173
(c) Trade Receivables	12	60957269	55424938
(d) Cash & Cash Equivalents	13	349880	658210
(e) Short Term Loan & Advances	14	4496846	4695182
(f) Other Current Assets	15	597832	412093
Total Of Current Assets		168223115	160956596
TOTAL OF ASSETS		192344624	188017120

Notes To Accounts

As Per Our Report Of Even Date Attached
For Bhuvania & Agarwal Associates
Chartered Accountants

N.K.Agrawal
Partner
Mem.No:34659)

Place : Mumbai
Date: 29/05/2012

For and on behalf of the Board of Directors

Santosh R. Tulsian
(Managing Director)

Subhash R. Tulsian
(Executive Director)

Ashok V.Tulsian
(Director)

Sanjeev D Saran
(Director)

Asharam S. Rungta
(Director)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH 2012

Amount In Rs.

PARTICULARS	Note No.	FOR THE YEAR ENDED 31st MARCH 2012	FOR THE YEAR ENDED 31st MARCH 2011
REVENUE			
Revenue From Operations	16	264134007	261368892
Other Income	17	2407682	1777265
Total Revenue		266541689	263146157
EXPENSES			
Cost Of Raw Materials Consumed	18	88561902	86563689
Purchase Of Stock In Trade		91570790	101336697
Manufacturing Costs	19	32262473	40210439
Decrease/(Increase) In Stock Of Finished Goods And Stock In Process	20	3982311	(11241723)
Employees Benefits Expenses	21	10472174	7838385
Finance Costs	22	10800530	8699705
Depreciation & Amortization Expenses	9	3483927	3738274
Other Expenses	23	24291381	25196170
Total Expenses		265425488	262341636
Profit Before Exceptional And Extraordinary Items & Taxes		1116201	804521
Exceptional Items		-	-
Profit Before Extraordinary Items & Taxes		1116201	804521
Extraordinary Items		-	-
Prior Period Adjustment		(15722)	30694
Profit Before Tax		1131923	773827
Tax Expenses			
Current Tax		860000	975000
Short Provision Of Earlier Year		2528	6409
Deferred Tax		(334250)	(809307)
Profit For The Period		603645	601725
Earning Per Share			
Basic & Diluted		0.17	0.17

Notes to Accounts

As Per Our Report Of Even Date
For Bhuwania & Agrawal Associate

Chartered Accountants

N.K.Agrawal

Partner

Mem.No.34659

Place: Mumbai

Date: 29/05/2012

1

For and on behalf of the Board of Directors

Santosh R. Tulsiyan

(Managing Director)

Ashok V.Tulsiyan

(Director)

Asharam S Rungta

(Director)

Subhash R. Tulsiyan

(Executive Director)

Sanjeev D Saran

(Director)

NOTES TO ACCOUNTS**NOTE NO.2 SHARE CAPITAL****A. Authorised, Issued, Subscribed and Paid Up Share Capital**

Particular	<u>As At 31st March 2012</u>		<u>As At 31st March, 2011</u>	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised Share Capital				
Equity Shares of Rs.10/- each	4000000	40000000	4000000	40000000
Issued, Subscribed and Paid up*				
Equity Shares of Rs.10/- each fully paid up	3524600	35246000	3524600	35246000
Less: Calls in Arrears* (On 306300 Share)		919111		919111
		34326889		34326889

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

B. Reconciliation of the number of share outstanding

	<u>As At 31st March 2012</u>		<u>As At 31st March, 2011</u>	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Equity Share Outstanding at the beginning of period	3524600	34326889	3524600	34326889
Add: Equity Share issued during the year	-	-	-	-
Less: Share brought back during the year	-	-	-	-
Equity Share Outstanding at the end of the period	3524600	34326889	3524600	34326889

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 proposed by the Board of Directors is subject to the approval of shareholders in the ensuing General Meeting. Dividend is paid to the Equity Shareholders, whose name appear in the register of members as on record date.

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

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

Name of the Shareholder	<u>Equity Share</u>		<u>Equity Share</u>	
	Number	% Of Holding	Number	% Of Holding
Arjun R Tulsiyan	331800	9.41%	331800	9.41%
Madhu S Tulsiyan	182500	5.18%	182500	5.18%
Sunil Tulsiyan Huf	179900	5.10%	179900	5.10%

NOTE NO. 3- RESERVE & SURPLUS
In Rs.

Particular	<u>As At</u> 31st March 2011	<u>Addition</u> During the year	<u>Deduction</u> During the year	<u>As At</u> 31st March 2012
(a) Share Premium**	21826890			21826890
(b) General Reserve	3972975			3972975
c) Surplus Profit & Loss Accounts*	13079945	603645		13683590
Total	38879810	603645	0	39483455

	<u>As At 31st March 2012</u>	<u>As At 31st March 2011</u>
* Profit for the year	603645	601725
Less: Dividend on Equity Share	-	-
Less: Transfer to General Reserve	-	-
	603645	601725
Total	603645	601725

**Share premium is net of arrears of Rs.9,19,110 which is not received

NOTE NO.4- DEFERRED TAX LIABILITY (Net)

Particular	<u>As At 31st March 2012</u>	<u>As At 31st March 2011</u>
Deferred Tax Liabilities		
Related to fixed assets	3251834	3569899
Deferred Tax Assets		
Provision of Debts	338847	322662
	2912987	3247237

NOTE NO.5 SHORT TERM BORROWING
In Rs

Particular	<u>As At 31st March 2012</u>	<u>As At 31st March 2011</u>
SECURED		
A. Loan Payable on demand		
From Bank		
Foreign Currency Loan	41225823	41191037
Rupee Loans	16135662	21563695
(Loan are secured against mortgage of Land, Building, Machinery & hypothecation of Stock, Book Debts, Movable Assets & Personal Guarantee of Two Directors)	57361485	62754732
UNSECURED		
A. Loan & Advances from Related Parties	-	2020157
B. From Others	-	-
(Of the above Rs. Nil is guaranteed by Directors and others)		
Total	57361485	64774889

NOTE NO.6 TRADE PAYABLE

Particular	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
Creditors for Goods and Expenses		52013732		40007757
Total		52013732		40007757

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

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

NOTE NO.7 OTHER CURRENT LIABILITIES

Particular	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
Deposit From Dealers		512900		512900
Advance From Customer		3469680		3739288
Other Payable*		1403496		1553350
Total		5386076		5805538

*Other payable includes Commission & Expenses Payable.

NOTE NO.8- SHORT TERM PROVISION

Particular	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
Income Tax Provision		860000		975000
		860000		975000

NOTE NO.9- FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		
	As On 01.04.2011	Additions during the Year	Deductions/ Adjustments during the Year	Impairment during the year	As On 31.03.2012	As On 01.04.2011	Provided during the Year	Deductions/ Adjustments during the Year	As On 31.03.2012	As On 31.03.2012	As On 31.03.2011
TANGIBLE ASSETS											
1. Land											
Leasehold	192760	-	-	-	192760	-	-	-	-	192760	192760
Freehold	51451	-	-	-	51451	-	-	-	-	51451	51451
2. Buildings											
Residential Flat	618448	-	-	-	618448	91277	10081	-	101358	517090	527171
Factory Building	18670491	-	-	-	18670491	8924170	623595	-	9547765	9122726	9746321
3. Plant & Machinery	49283995	-	-	-	49283995	39326419	2086981	-	41413400	7870595	9957576
4. Furn. & Fixtures	8694412	-	-	-	8694412	4151282	441602	-	4592884	4101528	4543130
5. Vehicles	399722	-	-	-	399722	399722	-	-	399722	-	-
6. Office Equipments	1367253	33281	39484	-	1361050	526821	86692	39484	574029	787021	840432
7. Computers	1356288	557435	342427	-	1571296	629928	227703	296623	561008	1010288	726360
Total (A)	80634820	590716	381911	-	80843625	54049619	3476654	336107	57190166	23653459	26585201
INTANGIBLE ASSETS											
Trade Mark	1000	-	-	-	1000	1000	-	-	1000	-	-
Software	44868	-	-	-	44868	19695	7273	-	26968	17900	25173
Total (B)	45868	-	-	-	45868	20695	7273	-	27968	17900	25173
GROSS TOTAL	80680688	590716	381911	-	80889493	54070314	3483927	336107	57218134	23671359	26610374
PREVIOUS YEAR(2011)	78479837	2200851	-	-	80680688	50332040	3738274	-	54070314	26610374	

NOTE NO.10- LONG TERM LOANS AND ADVANCES
In Rs.

Particular	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
Security Deposits				
Unsecured, considered good				
Deposit Electricity	426700		426700	
Deposit Water(MIDC)	23450	450150	23450	450150
Total		450150		450150

NOTE NO.11- INVENTORIES

Particular	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
Inventories				
Raw Material		20381751		19003291
Goods in Transit (Raw Material)		-		-
Stock in Process		24897640		21558954
Finished Goods		55363955		58158023
Store & Spare		366546		243136
Packing Material		811396		802769
Total		101821288		99766173

Mode of Valuation of Inventories

- Raw Material: Lower of Cost or Net Realizable Value
- Stock In Process: At estimated cost
- Finish Stock : Lower of Cost or Net Realizable Value

NOTE NO.12- TRADE RECEIVABLES

Particular	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
UNSECURED				
Over Six Months- Considered Good	15225030		14613159	
Doubtful Debts	<u>1044214</u>	16269244	<u>1044214</u>	15657373
Other Debts				
Other Debts	43507238		39108233	
Due From Related Party	<u>2225001</u>	45732239	<u>1703546</u>	40811779
		62001483		56469152
Less: Provision for doubtful debts		1044214		1044214
Total		60957269		55424938

NOTE NO.13- Cash & Cash Equivalents**In Rs**

Particular	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
Balances With Banks				
In Current Accounts		88244		354666
Cheques Draft on Hand		-		-
Cash on hand		261636		303544
Total		349880		658210

NOTE NO.14- SHORT TERM LOANS AND ADVANCES

Particulars	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
Secured		-		-
Unsecured, Considered Goods				
From Related Party		-		-
Balance With Government Authorities				
Income Tax (Net)	1244353		1164168	
Sales Tax (Including Vat)	1352038		1059239	
Excise	<u>26545</u>	2622936	<u>4035</u>	2227442
Advance to Supplier for Goods & Expenses		564435		726773
Advance to Employee		201947		435552
Others		1107528		1305415
Total		4496846		4695182

NOTE NO.15- OTHER CURRENT ASSETS

Particulars	<u>As At 31st March 2012</u>		<u>As At 31st March 2011</u>	
Duty Drawback Receivable		92856		362740
Interest Receivable		23478		18992
Other		481498		30361
Total		597832		412093

For the Year 2011-12 For the Year 2010-11
Amount(Rs.) Amount(Rs.) Amount(Rs.) Amount(Rs.)

NOTE NO.16- REVENUE FROM OPERATIONS

Revenue From Sale of Product				
Domestic	198563903		200660826	
Export	<u>51831057</u>	250394960	<u>47598976</u>	248259802
Job Work		9848361		9522547
Other Revenue				
Export Incentive		3890686		3586543
Total		264134007		261368892

NOTE NO.17- OTHER INCOME

Interest Income(Gross)		648653		777265
Net gain on sale of investments		-		1000000
Others				
Transfer of Keyman Policy*		1292053		-
Exchange Fluctuation Gain		466976		-
Total		2407682		1777265

* The Keyman Policy has been transferred to Mr Sunil Tulsian (Relative of Directors) at the surrendered value

NOTE NO.18- COST OF RAW MATERIAL CONSUMED

Raw material consumed				
Yarn				
Opening Stock	19003291		12590386	
Add: Purchases	<u>74585107</u>		<u>61936631</u>	
	93588398		74527017	
Less: Closing Stock	<u>20381751</u>	73206647	<u>19003291</u>	55523726
Grey Fabrics				
Opening Stock	4109635		3319163	
Add: Purchases	<u>19882184</u>		<u>31830435</u>	
	23991819		35149598	
Less: Closing Stock	<u>8636564</u>	15355255	<u>4109635</u>	31039963
Total		88561902		86563689

NOTE NO.19- MANUFACTURING AND OPERATING COSTS

Dyeing & Process charges	15269867		20128527	
Power & Fuel	3523370		3333920	
Labour Contractor	9702624		13078593	
Rate & taxes, licence & permit fees	162888		41750	
Repair Building	22910		21309	
Repair Machinery	784832		631458	
Store & consumable	1331051		1398033	
Carriage Inward	337056		757199	
Other Manufacturing Expenses	1127875		819650	
		32262473		40210439
Total		32262473		40210439

Note 1 : Significant Accounting Policy**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

Financial statements have been prepared as a going concern basis under historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

B. USE OF ESTIMATE

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialized.

C. FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction, net of cenvat/Value added Tax, less accumulated depreciation and impairment loss, if any. All costs, including finance cost till commencement of commercial production & net charges on forward exchange contracts attributable to the fixed assets are capitalised.

D. INTANGIBLE ASSETS

i. Intangible assets are stated at cost of acquisition less accumulated amortization. Computer Software is amortized over a period of five years.

ii. As per Accounting Standard-26 "Intangible Assets", expenditure from which no future economic benefits can be derived are recognised as an expense, like expenditure on start-up activities, unless this expenditure is included in the cost of an item of Fixed Assets under AS-10. Start up costs may consists of Preliminary Expenses incurred in establishing a legal entity such as legal and secretarial costs, etc.

E. CAPITAL WORK-IN-PROGRESS

All expenses including direct and indirect expenses that are exclusively being incurred for the proposed project, except as mentioned in AS-26 but otherwise required by AS-10, are being accumulated and will be attributable to the proposed acquisition / construction of fixed assets to make it reach in its working condition for its intended use, including depreciation, enabling ultimate allocation to different assets on a reasonable basis.

F. DEPRECIATION

i. Depreciation is provided on straight line method at the rates and in the manner prescribed in Schedule XIV, of the Companies Act, 1956.

ii. Depreciation on addition / deletion during the year has been provided on prorata basis to the date of addition/deletion.

iii. No depreciation has been charged on Lease-hold land.

G. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

H. 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.

I. TRANSACTION IN FOREIGN CURRENCY

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 in the profit and loss account 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.

J. REVENUE RECOGNITION

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

K. EXPORT INCENTIVES

- i. Benefit on account of entitlement to Import duty free materials under the "Duty Exemption pass book Scheme/Focus Market Scheme/Focus Product scheme" is recognized as and when right to receive are established as per the terms of the scheme.
- ii. The Benefits in respect of Advance Licence received by the Company against the Export made by it are recognized as and when goods are imported against them.
- iii. The Benefit in respect of Duty Drawback is recognised at the time of exports.

L. INVENTORIES

Inventories are valued at lower of cost and net realisable value. Work in process and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

M. 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, whereas Long Term Defined Benefits are accounted on the basis of as and when it is paid.

N. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax will be provided at the end of year, if any.

O. PROVISION, 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.

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS ON 31ST MARCH 2012
(RUPEES IN LACS)

PARTICULARS	31.03.2012	31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEM	11.16	8.05
ADJUSTMENTS FOR:		
DEPRECIATION & AMORTIZATION OF EXP.	34.84	37.38
FINANCE CHARGES	108.01	86.99
INTEREST RECEIVED	(6.49)	(7.77)
(PROFIT)/LOSS ON DISCARDED ASSETS	0.46	
(PROFIT)/LOSS ON SALE OF INVESTMENT		(10.00)
PROVISION FOR DOUBTFUL DEBTS		10.44
OPERATING PROFIT BEFORE WORKING CAPITAL	147.98	125.09
ADJUSTMENTS FOR:		
TRADE AND OTHER RECEIVABLES	(54.40)	129.55
INVENTORIES	(20.55)	(173.81)
TRADE PAYABLES	115.87	(36.89)
CASH GENERATED FROM OPERATIONS	188.90	43.94
PRIOR YEAR ADJUSTMENT	0.16	(0.31)
DIRECT TAXES (PAID) REFUND	(10.58)	(11.06)
NET CASH FROM OPERATING ACTIVITIES	178.48	32.57
B. CASH FLOW FROM INVESTING ACTIVITIES:		
PURCHASE OF FIXED ASSETS	(5.91)	(4.43)
INTEREST RECEIVED	6.49	7.77
SALE OF INVESTMENT		25.80
NET CASH FLOW IN INVESTING ACTIVITIES	0.58	29.14
C. CASH FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM CALLS IN ARREARS		0.12
PROCEEDS FROM SHORT TERM LOAN	(20.20)	20.20
BANK BORROWING	(53.93)	6.23
FINANCE CHARGES	(108.01)	(86.99)
DIVIDENDS PAID (INCLUDING CORPORATE TAX)		
NET CASH FLOW IN FINANCING ACTIVITIES	(182.14)	(60.44)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(3.08)	1.27
CASH AND CASH EQUIVALENTS (OP. BALANCE)	6.58	5.31
CASH AND CASH EQUIVALENTS (CL. BALANCE)	3.50	6.58

As Per Our Report Of Even Date
For Bhuvania & Agrawal Associates
Chartered Accountants

N.K.AGRawal
Partner
M.No. 34659
Place: Mumbai
Date: 29/05/2012

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)	

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of SANTOSH FINE-FAB LTD. For the year ended 31st March 2012. The statement has been prepared by the Company in accordance with the requirement of listing Agreement Clause 32 with Mumbai Stock Exchange, and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our Report of 2012 to the members of the Company.

**FOR BHUWANIA & AGRAWAL ASSOCIATES
(CHARTERED ACCOUNTANTS)**

**(N.K.AGRAWAL)
PARTNER**

**PLACE : MUMBAI
DATED : 29/05/2012**

SANTOSH FINE-FAB LIMITED

112/113, Sanjay Mittal Bldg. No. 6,
Mittal Ind. Estate, Andheri (East), Mumbai 400059.

ATTENDANCE SLIP

30th Annual General Meeting on 21st September, 2012

To be handed over at the entrance of the Meeting Hall.

Name of the attending Member (In Block Letters)	Membership Folio Number or DP-ID & Client ID	I/We hereby record my/our presence at the Thirtieth Annual General Meeting of the Company to be held on 21 st day of September, 2012 at 11.30 A.M. at 112/113, Sanjay Bldg. No.6, Mittal Industrial Estate, Andheri (East), Mumbai 400059
Name of the Proxy (IN BLOCK LETTERS) (To be filled in if the Proxy attends instead of the Members).	Number of Equity Shares held	
		Member's/Proxy's Signature (To be signed at the time of handing over this slip)

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP AT THE MEETING.

SANTOSH FINE-FAB LIMITED

112/113, Sanjay Mittal Bldg. No. 6,
Mittal Ind. Estate, Andheri (East), Mumbai 400059.

PROXY FORM

I/We _____

being a Member/Members of SANTOSH FINE FAB LIMITED hereby appoint _____

_____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the Thirtieth Annual General meeting of the
company to be held on Friday, 21st September, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Folio No. _____

DP-ID _____ Client ID _____

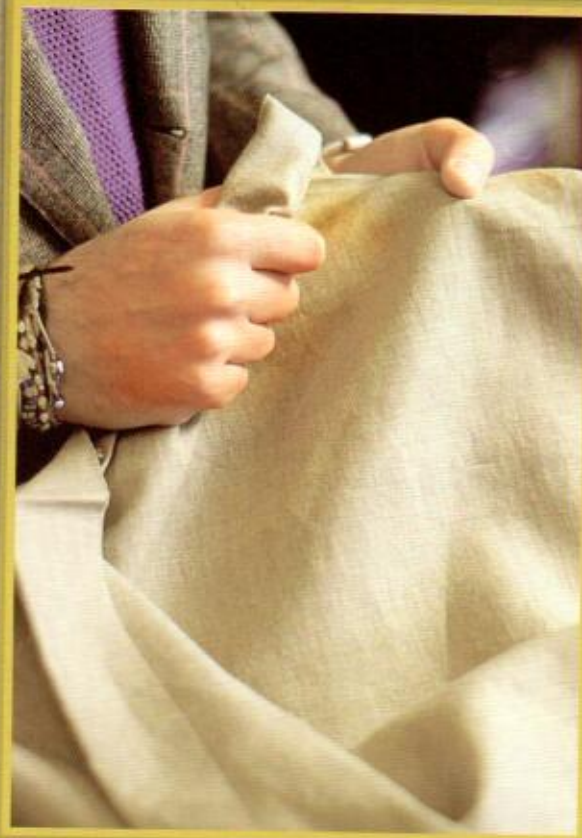
No. Of Shares Held _____

1 Rupee
Revenue
Stamp

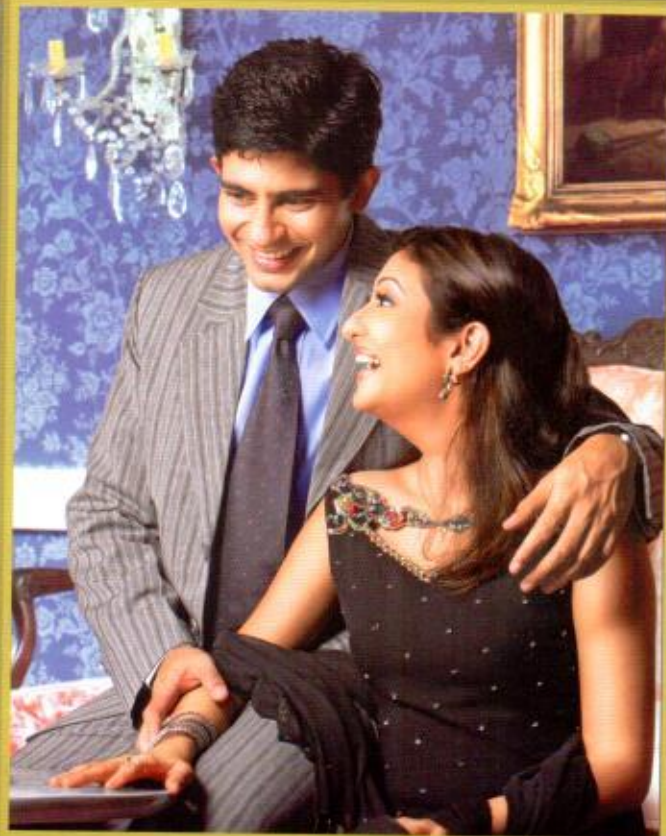
Note : The Proxy Form duly completed and Stamped must be lodged with the Company not less than 48 hours before the time
for holding the aforesaid meeting.



TOTAL *Perfection* 100% Satisfaction



SATISFACTION
UNLIMITED !!



2011-2012
30TH
ANNUAL
REPORT



TOTAL *Perfection* 100% Satisfaction

SANTOSH Fine-Fab Ltd.

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

TEL.: 4253 2000 • Fax:(91-22) 2850 2471

E-mail : sales@santoshgroup.in

Website : www.santoshgroup.in