

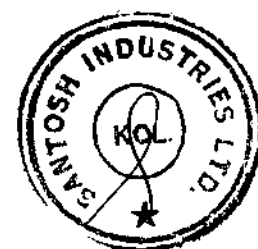
# **SANTOSH INDUSTRIES LIMITED**

Regd Office : Suite No. 3A, 3A, Auckland Place, 3<sup>rd</sup> Floor, Kolkata - 700017  
CIN : L51909WB1960PLC024531 Tele fax: +91 33 22903377, 22904477, Email : [sl@bmd.net.in](mailto:sl@bmd.net.in)

## **SANTOSH INDUSTRIES LIMITED**

**ANNUAL REPORT  
2016-17**

**CERTIFIED TO BE TRUE COPY**



# **SANTOSH INDUSTRIES LIMITED**

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

**Mr. Surendra Kumar Dugar**  
Managing Director  
**Mr. Umang Lodha**  
Chairman & Independent Director

**Mr. Ajit Kumar Bachhawat**  
Independent Director  
**Mr. Kamal Kumar Dugar**  
Non-Executive Director  
**Mrs. Madhu Dugar**  
Non- Executive Woman Director  
**Mr. Tulsi Kumar Dugar**  
Non-Executive Director

### **CHIEF FINANCIAL OFFICER**

Mr. Rishabh Dugar

### **BANKERS**

HDFC BANK LIMITED  
IDBI BANK  
UCO BANK  
THE FEDERAL BANK LIMITED  
CANARA BANK

### **REGISTERED OFFICE**

Suite No. 3A,  
3A, Auckland Place,  
Kolkata – 700 017  
Tele fax : 033-22902277,  
033-22903377  
Email : sil@bmd.net.in  
W: www.santoshindustrieslimited.in  
CIN: L51909WB1960PLC024531

## **AUDITORS**

### **Statutory Auditors**

Narendra Kochar & Co  
Chartered Accountants  
86, Canning Street,  
Kolkata- 700 001

### **Secretarial Auditor**

J.Patnaik & Associates  
Company Secretaries  
7A, Bentinck Street,  
Room No.403, 4<sup>th</sup> Floor,  
Kolkata – 700 001

### **COMPANY SECRETARY**

Mrs. Jyoti Bhartia

### **INTERNAL AUDITOR**

Mr.Killi Bhaskar Rao



CELEBRATING 100 YEARS OF INDEPENDENCE

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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 56<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the financial year ended March 31, 2017.

### FINANCIAL PERFORMANCE:

Rupees (in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Profit before taxation	2005.93	3211.23	2005.94	3211.23
Less: Provision for taxation				
Current Year	210	490	490	210
Earlier Year	(3.18)	(6.38)	(6.38)	(5.33)
Deferred Tax	(5.33)	-	(5.33)	
Profit after taxation	1804.44	2727.61	1804.44	2727.61
Share of Net Profit/(loss) of the Associates	-	-	35.89	27.27
Less: Transfer to Special Reserve (As per RBI Guidelines)	363	550	363	550
Less: Transfer to CSR Fund	45.31	59	45.31	59
Add: Post Acquisition share of profit till 31.03.2015	-	-	-	548.91
Add: Excess Provision for Earlier Years	-	-	-	-
Add: Balance brought forward from previous year	16551.22	14431.51	17126.30	14431.51
Balance Carried forward to Balance Sheet	17888.31	16550.12	18500.37	17126.30



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Earnings Per Share Basic	37.48	56.65	38.22	57.22
Earnings Per Share Diluted	37.48	56.65	38.22	57.22

## DIVIDEND

The Board in its meeting held on 26<sup>th</sup> May, 2017 has recommended a dividend on Equity Shares @ 10% i.e. Re. 1/- per Equity Share of the face value of 10/- each. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM) to be held on 18<sup>th</sup> September, 2017.

The Dividend, if approved at the ensuing AGM, would be paid to those Members whose name appears in the Register of Members/ Beneficial Owners as stated in Notice of the ensuing AGM.

## OPERATIONAL REVIEW

During the year under review, the Company recorded profit after tax of Rs. 1804.44 Lakhs for the year ended 31<sup>st</sup> March, 2017 as compared to Rs. 2727.61 Lakhs for the previous year.

The total assets of the Company stood at Rs. 3,34,57.94 Lakhs as against Rs. 3,17,56.64 Lakhs in the last year.

## APPROPRIATIONS

The Company proposes to transfer of Rs. 3,63 Lakhs (previous year Rs. 550 lakhs) to Special Reserve created u/s 45-IC of the Reserve Bank of India Act, 1934.

## DEPOSITS

The Company being a Non Deposit Accepting NBFC, has not accepted any deposit from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statement of the Company and its Associate Companies are prepared in accordance with the provisions of the Companies Act, 2013 (the Act) and applicable accounting standards along with all the relevant documents and the Auditors' Report thereon forms the part of this Annual Report. The Consolidated Financial Statement of the Company includes the Financial Statement of its Associate Companies also.

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## **INDIAN ACCOUNTING STANDARDS (IND AS)**

Your Company has not adopted Indian Accounting Standards ("Ind AS") for the financial period 2016-17 as it is not applicable for the Company; since NBFC Companies are specifically exempted vide MCA notification dated 16/02/2015.

## **MATERIAL CHANGES AND COMMITMENTS**

### **"PROPOSAL FOR LISTING OF EQUITY SHARES ON NATION –WIDE TRADING PLATFORM:**

Pursuant to the SEBI Circulars dated CIR/MRD/DSA/14/2012 and CIR/MRD/ DSA/05/2015 dated May 30, 2012 & April 17, 2015 and after a prolonged discussion, the Board of Directors of the Company thought it prudent to get the equity shares of the Company listed on the nationwide trading platform of BSE Limited in order to enhance the value of the Shareholders and persevere the status of listing of the equity shares of the Company."

## **SHARE CAPITAL**

During the year under review the Company, there is no change in the share capital of the Company.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

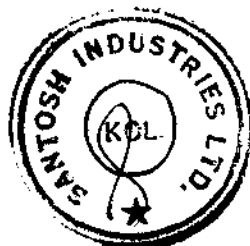
The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and corporate policies and procedures.

Internal Audit is conducted periodically by the Internal Auditor who verifies and reports on the efficiency and effectiveness of internal controls. The adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

## **INTERNAL FINANCIAL CONTROL SYSTEM**

The Company has a comprehensive Internal Financial Control system commensurate with the size, scale and complexity of its operations. The system encompasses the major processes to ensure reliability of financial reporting, compliances with policies, procedures, laws, regulations, safeguarding of assets and efficient use of resources.

The policies and procedures adopted by the company ensures the orderly and efficient conduct of its business and adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of records and the timely preparation of reliable financial information.



17/02/2017

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The Internal Auditor continuously monitors the efficiency of Internal Financial Control system with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management with regard to the Internal Financial Control system.

The Audit Committee meets regularly to review reports submitted by the Internal Auditor. The Audit Committee also consults with the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies and procedures followed by the Company.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES**

As on 31<sup>st</sup> March, 2017, the company has 3 (three) associate companies. Neither the Company has any subsidiaries nor has it entered in any joint venture with other companies during the financial year 2016-17. Details of such Associate Companies are given in AOC-1 (as Annexure A).

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 as required under section 92 of the Companies Act, 2013 is marked as (Annexure B) which is annexed hereto and forms part of the Directors' Report.

## **AUDITOR & AUDITORS' REPORT**

### **Statutory Auditor:**

Pursuant to section 139 of the Companies Act, 2013 read with the Rules framed there under, the term of office of M/s. Narendra & Kochar & Co., Chartered Accountants, Kolkata (Firm Registration No.315201E) as Statutory Auditors of the Company will expire at the ensuing Annual General Meeting of the Company.

The Board place on record its appreciation for the services rendered by M/s Narendra Kochar & Co., as the Statutory Auditors of the Company.

In accordance with the provisions of section 139 of the Companies Act, 2013 read with the Rules framed there under and on the recommendation of the Audit Committee, the Board of Directors of the Company proposed to appoint M/s. Bahety & Goenka, Chartered Accountants (Firm Registration No.31711E) as the Statutory Auditors of the Company who shall hold the office as Statutory Auditors of the Company from the conclusion of ensuing 56<sup>th</sup> Annual General Meeting (AGM) of the Company for a term of five consecutive years till the conclusion of 61<sup>th</sup> Annual General Meeting, subject to ratification by members at every AGM. The appointment of M/s Bahety & Goenka, Chartered Accountants, as the Statutory Auditors of the Company is placed before the members for approval at the ensuing Annual General Meeting of the Company.

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As required under the Provisions of section 139(1) of the Companies Act, 2013 the Company has received a written consent from M/s Bahety & Goenka, Chartered Accountants for their appointment and a certificate to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for appointment.

The Members are requested to consider the appointment of statutory as aforesaid and fix their remuneration.

The Auditors Report on the Financial Statement for the year ended 31<sup>st</sup> March, 2017 is unmodified i.e. it does not contain any qualification, reservation or adverse remark and notes thereto are self explanatory and do not contain any explanations.

## **Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s J. Patnaik & Associates, Practicing Company Secretaries (Certificate of Practice No.3102), Kolkata as Secretarial Auditor to conduct the Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2017. The Secretarial Audit Report for the financial ended 31<sup>st</sup> March, 2017 is appended to this Report as Annexure C.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **INFORMATION PURSUANT TO SEC. 134(3)(m) OF THE COMPANIES ACT, 2013**

Being an Investment Company these provisions are not applicable to the company.

## **COMMENTS ON FOREIGN EXCHANGE EARNING AND OUTGO**

There was no foreign exchange earnings and outgo during the year.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In view of the provisions of Section 203 of the Companies Act, 2013, Sri Surendra Kumar Dugar, Managing Director, Sri Rishabh Dugar, Chief Financial Officer and Smt Jyoti Bhartia , Company Secretary were identified and appointed as Key Managerial Personnel of the Company.

As per the provisions of the Companies Act, 2013, Mr. Kamal Kumar Dugar retires by rotation at the ensuing AGM and being eligible offers himself/herself for re- appointment. The Board recommends his re-appointment.

The Board on recommendation of Nomination and Remuneration Committee had appointed Smt Jyoti Bhartia as Company Secretary of the Company with effect from 25.07.2016.



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The Board due to the death of Smt Sohani Devi Dugar appointed Smt Madhu Dugar as an woman director in casual Vacancy with effect from 01.10.2016. Who had expressed her willingness to act as the Woman Director of the Company pursuant to Section 161 of the Companies Act, 2013 and has not been disqualified to act as a Director under section 164 of the Act, was appointed as a Director (Woman) on the Board of the Company.

The Board on recommendation of Nomination and Remuneration Committee and subject to the approval from the members of the Company, reappointed Sri Ajit Kumar Bachhawat as an Independent Director of the Company in its meeting held on 30.03.2017 with effect from 01.04.2017 for a period of five years who has expressed his willingness to act as an Independent Director of the Company pursuant to section 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and whose period of appointment shall not be liable to retire by rotation.

Mr. Surendra Kumar Dugar was appointed as Managing Director of the Company for a term of three years commencing from 22.09.2014 to 21.09.2017. He is working with the Company for a long period of time. He has enormous experience and knowledge in the affairs of the Company. The Company has achieved notable growth during his tenure as Managing director.

Therefore on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 11<sup>th</sup> August, 2017 proposed to reappoint Mr. Surendra Kumar Dugar as the Managing Director of the Company.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## **BOARD EVALUATION**

According to Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors was held to review the performance of the Non-Independent Directors and the Board as a whole. Accordingly, a meeting of Independent Directors was held on 13<sup>th</sup> February, 2017 wherein the performance of the Non-Independent Directors and the Board as a whole was evaluated.

Further the same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

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## **CRITERIA FOR EVALUATION OF DIRECTORS**

For the purpose of proper evaluation, the Directors of the Company have been divided into 2 (two) categories i.e. Independent and Board consisting of Non-Independent & Non- Executive and Executive Directors.

The criteria for evaluation includes factors such as engagement, strategic planning and vision, team spirit and consensus building, effective leadership, domain knowledge, management qualities, teamwork abilities, result/achievements, understanding and awareness, motivation/commitment/diligence, integrity/ethics/values and openness/receptivity.

## **NUMBER OF MEETINGS OF THE BOARD**

The details of the number of meetings of the Board held during the financial year 2016-17 forms part of the Corporate Governance Report.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

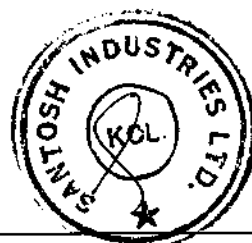
The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all Stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. The Vigil Mechanism/Whistle Blower Policy has also been uploaded on the website of the Company and may be accessed at the link <http://www.santoshindustrieslimited.in>.

## **SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules there under. During the year under review, no case of sexual harassment was reported.

## **COMPANIES POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company Pursuant to the provisions of Section 178 of the Companies Act, 2013 and under SEBI (Listing Obligations and Requirements) Regulations, 2015, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee has formulated a Nomination & Remuneration Policy.



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The Nomination & Remuneration Policy of the Company inter alia includes the objectives, principles of remuneration, guidelines for remuneration to Executive Directors and KMPs and Non- Executive Directors, criteria for identification, selection and appointment of Board and KMPs and the terms of reference and role of the Nomination & Remuneration Committee.

The criteria for identification of the Board members including that for determining qualification, positive attributes, independence etc. are summarily given hereunder:

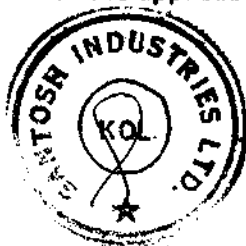
- The Board member shall possess appropriate skills, qualification, characteristics and experience. The object is to have a Board with diverse background and experience in business, government, academics, technology, social responsibilities, finance, law etc. and in such other areas as may be considered relevant or desirable to conduct the Company's business in a holistic manner.
- Independent Director shall be person of integrity and possess expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/strategy of the Company.
- In evaluating the suitability of individual Board Members, the Committee take into account many factors, including general understanding of the Company's business dynamics, social perspective, educational and professional background and personal achievements.
- Director should possess high level of personal and professional ethics, integrity and values and he must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. He must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieves its objectives.

## **RELATED PARTY TRANSACTIONS**

All transactions entered with Related Parties during the year under review were on an arm's length basis and in the ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in Form AOC-2 is not required.

Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate the transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules there under and the



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Listing Agreement. This policy was considered and approved by the Board and has been uploaded on the Company's website and may be accessed at the link <http://www.santoshindustrieslimited.in>

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Pursuant to Section 186(11) of the Companies Act, 2013 loans made, guarantees given or securities provided or acquisition of securities in the ordinary course of its business by non-banking financial companies are exempted. Therefore no such disclosure in this regard is required to be given in the Annual Report.

## **PARTICULARS OF EMPLOYEES:**

There were no employees within the purview of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the year ended 31<sup>st</sup> March 2017. None of the employees of the Company was in receipt of remuneration for that year which in the aggregate, was not less than Rs. 60, 00,000/- p.a.

## **DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as Annexure D which is annexed hereto and forms part of the Director' Report.

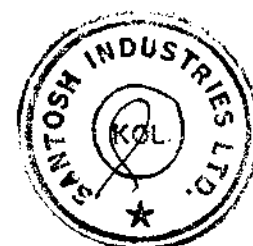
## **RISK MANAGEMENT**

Risk Management is the process of identification, assessment, and prioritization of risks followed by co-ordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. Since your Company is a NBFC Company, the Risk Management Process is also focused towards better management of the affairs of the Company and to bring about transparency in the transaction and to ensure that there is no bad Investment in securities and loans.

In this regard a Risk Management Committee has been constituted by the Board of Directors of the Company consisting of three members, two of whom are independent directors.

The Risk Management Committee conducts quarterly review of all Loan & Investment proposals and make recommendations to the Board. The guidelines in respect of Risk Management have been laid down by the Risk Management Committee in respect of Loans & Investments.

The Risk Management Policy has been uploaded on the Company's website and may be accessed at the link [http:// www.santoshindustrieslimited.in](http://www.santoshindustrieslimited.in)



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## **DIRECTORS' RESPONSIBILITY STATEMENT:**

In compliance with Section 134(3)(c) of the Companies Act, 2013 the Board of Directors of your Company confirm that:

- i) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and make judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affair of the company at the end of the financial year ended 31<sup>st</sup> March 2017 and of the profit and loss of the company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared annual accounts for the year ended 31<sup>st</sup> March, 2017 on a going concern basis ;
- v) the directors had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility (CSR) forms an integral part of your Company's business activities .Your Company is a responsible corporate citizen, supporting activities related to the benefit of the Society as a whole.

In compliance with section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility policy) Rules, 2014, the company has adopted a CSR policy which is available at <http://www.santoshindustrieslimited.in>

The Annual Report on CSR expenditures for the financial year 2016-17 is annexed herewith and forms part of this report (**Annexure E**).

CEA, Kolkata, 21.03.2017



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## **CORPORATE GOVERNANCE**

Your Company complies with the provisions laid down in Corporate Governance laws. It believes in and practices good corporate governance. The Company maintains transparency and also enhances corporate accountability. A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance with the conditions of Corporate Governance as stipulated under regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 forms part of this Annual Report.

## **ACKNOWLEDGEMENT**

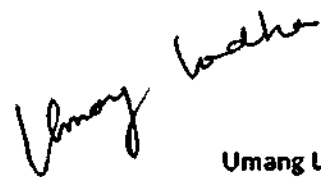
Your Directors wish to place records their sincere appreciation to the Bankers of the Company, Company's customers, vendors and investors for their continued support during the year.

The directors also wish to place their appreciation for the dedication and contribution made by employees at all levels and look forward to their support in future as well.

For and on behalf of the Board

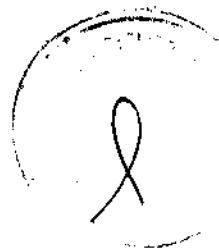
### **Registered Office:**

Suite No 3A, 3<sup>rd</sup> Floor,  
3A, Auckland Place  
Kolkata – 700 017.  
Dated: 26th May, 2017



Umang Lodha  
CHAIRMAN  
DIN: 06646876

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## **ANNEXURE -A Form AOC-I**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries-Not Applicable as the Company does not have any subsidiaries**

### **Part "B": Associates and Joint Ventures**

SN	1	2	3
Name of Associates	BRABOURNE DEVELOPERS PRIVATE LIMITED	EZRA DEVELOPERS PRIVATE LIMITED	BMD TECHNOLOGY PRIVATE LIMITED
1. Latest audited Balance Sheet Date	31/03/2017	31/03/2017	31/03/2017
2. Shares of Associate / Joint Ventures held by the company on the year end			
No.	275000	275000	500000
Amount of Investment in Associates/Joint Venture (in Rs.)	81,50,000	75,50,000	50,00,000
Extent of Holding %	30.02%	30.02%	31.29%
3. Description of how there is significant influence	Holding more than 20%	Holding more than 20%	Holding more than 20%
4. Reason why the associate/joint venture is not consolidated	-	-	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet (in Rs.)	13,25,54,038	9,78,30,522	5,47,62,175

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# SANTOSH INDUSTRIES LIMITED

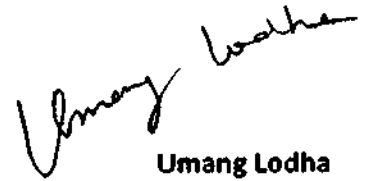
Regd Office : Suite No. 3A, 3A, Auckland Place, 3<sup>rd</sup> Floor, Kolkata – 700017  
CIN : L51909WB1960PLC024531 Tele fax: +91 33 22903377, 22904477, Email : [sil@bmd.net.in](mailto:sil@bmd.net.in)

6. Profit / Loss for the year	89,06,572	(60,492)	40,09,921
i. Considered in Consolidation	26,73,752.91	(18159.70)	1254704.28
i. Not Considered in Consolidation			

For and on behalf of the Board

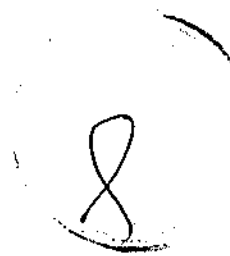
**Registered Office:**

Suite No 3A, 3<sup>rd</sup> Floor,  
3A, Auckland Place  
Kolkata – 700 017  
Dated: 26th May, 2017



**Umang Lodha**  
**CHAIRMAN**  
**DIN: 06646876**

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# **SANTOSH INDUSTRIES LIMITED**

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## **EXTRACT OF ANNUAL RETURN**

### **FORM NO. MGT-9**

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

#### **I. REGISTRATION & OTHER DETAILS:**

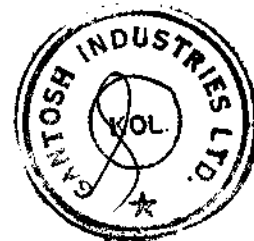
##### **ANNEXURE – B**

1.	CIN	L51909WB1960PLC024531
2.	Registration Date	25th day of January, 1960
3.	Name of the Company	<b>SANTOSH INDUSTRIES LIMITED</b>
4.	Category / Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	Suite No. 3A, 3rd Floor, 3A, Auckland Place, Kolkata – 700017 Telephone : 033 2290 2277 / 3377 / 4477 Fax Number : 033 2290 3377 Email : <a href="mailto:sil@bmd.net.in">sil@bmd.net.in</a> Website : <a href="http://www.santoshindustrieslimited.in">www.santoshindustrieslimited.in</a>
6.	Whether listed company	Yes
7.	Name, Address and Contact Details of Registrar & Transfer Agents ( RTA )	Maheshwari Datamatics Private Limited, 6, Mangoe Lane, Kolkata – 700001 Telephone : 033 22482248 Fax Number : 033 22484787 Email : <a href="mailto:mdpldc@yahoo.com">mdpldc@yahoo.com</a>

#### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the Business activities contributing 10% or more of the total turnover of the company shall be Stated:-

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Financial Activities	64990	100 %





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## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

[ No. of Companies for which information is being filled = 3]

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	BRABOURNE DEVELOPERS PRIVATE LIMITED	U45201WB2003PTC095722	Associate	30.02	Sec 2(6)
2	EZRA DEVELOPERS PRIVATE LIMITED	U45201WB2003PTC095721	Associate	30.02	Sec 2(6)
3	BMD TECHNOLOGY PRIVATE LIMITED	U74140WB2006PTC109776	Associate	31.29	Sec 2(6)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	3092900	18675	3111575	64.63	3322900	18675	3341575	69.41	4.7772
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>3092900</b>	<b>18675</b>	<b>3111575</b>	<b>64.63</b>	<b>3322900</b>	<b>18675</b>	<b>3341575</b>	<b>69.41</b>	<b>4.7772</b>
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00

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d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3092900</b>	<b>18675</b>	<b>3111575</b>	<b>64.63</b>	<b>3322900</b>	<b>18675</b>	<b>3341575</b>	<b>69.41</b>	<b>4.7772</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	898395	0	898395	18.66	807970	0	807970	16.78	-1.8782
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	30405	0	30405	0.63	128980	0	128980	2.68	2.0474
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh"	774200	0	774200	16.08	536050	0	536050	11.13	-4.9464
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>1703000</b>	<b>0</b>	<b>1703000</b>	<b>35.37</b>	<b>1473000</b>	<b>0</b>	<b>1703000</b>	<b>30.59</b>	<b>-4.7772</b>



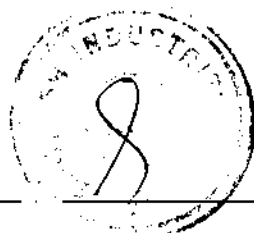
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Total Public Shareholding (B)=(B)(1)+(B)(2)	1703000	0	1703000	35.37	1473000	0	1473000	30.59	-4.7772
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	4795900	18675	4814575	0.00	4795900	18675	4814575	100	0.00

## B. Shareholding of Promoters

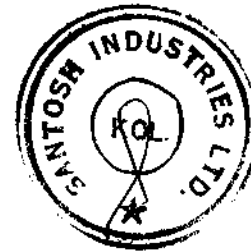
SN	Shareholder's Name	Shareholding at the beginning of the year[As on 01/04/2016]			Share holding at the end of the year[As on 31/03/2017]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbere d to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbere d to total shares	
1	KAMAL KUMAR DUGAR	860700	17.88	NIL	860700	17.88	NIL	0.00
2	TULSI KUMAR DUGAR	817000	16.97	NIL	817000	16.97	NIL	0.00
3	SURENDRA KUMAR DUGAR	642700	13.35	NIL	642700	13.35	NIL	0.00
4	SURENDRA KUMAR DUGAR	188000	3.91	NIL	188000	3.91	NIL	0.00
5	MADHU DUGAR	100000	2.08	NIL	180000	3.74	NIL	80.00
6	PRATIBHA DUGAR	100000	2.08	NIL	130000	2.70	NIL	30.00
7	VINITA DUGAR	100000	2.08	NIL	100000	2.08	NIL	0.00
8	KAMAL KUMAR DUGAR	70000	1.45	NIL	70000	1.45	NIL	0.00
9	SHREYANS DUGAR	63700	1.32	NIL	108700	2.26	NIL	70.64
10	TULSI KUMAR	50000	1.04	NIL	50000	1.04	NIL	0.00



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11	DUGAR SANYAM DUGAR	50000	1.04	NIL	125000	2.60	NIL	150.0
12	RISHABH DUGAR	50000	1.04	NIL	50000	1.04	NIL	0.00
13	MS. PRIYANKA JAIN	11750	0.24	NIL	11750	0.24	NIL	0.00
14	MRS. SAYAR BOTHRA	4800	0.10	NIL	4800	0.10	NIL	0.00
15	MS. KHUSHBO O JAIN	2125	0.04	NIL	2125	0.04	NIL	0.00
16	BUDHAMALL DUGAR	500	0.01	NIL	500	0.01	NIL	0.00
17	SOHANI DEVI DUGAR	300	0.01	NIL	300	0.01	NIL	0.00
<b>TOTAL</b>		<b>3111575</b>	<b>64.63</b>	<b>NIL</b>	<b>334157 5</b>	<b>69.41</b>	<b>NIL</b>	<b>NIL</b>

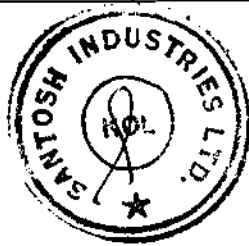


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## C. Change in Promoter's Shareholding

SN	Particulars	Shareholding at the beginning [01/04/2016] end of the year[31/03/2017]		Cumulative Shareholding during the year[01/04/2016 to 31/03/2017]	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Name				
1.	TULSI KUMAR DUGAR				
	01.04.2016	50000	1.0385		
	31.03.2017	50000	1.0385	50000	1.0385
2.	SURENDRA KUMAR DUGAR				
	01.04.2016	188000	3.9048		
	31.03.2017	188000	3.9048	188000	3.9048
3.	KAMAL KUMAR DUGAR				
	01.04.2016	70000	1.4539		
	31.03.2017	70000	1.4539	70000	1.4539
4.	SAYAR BOTHRA				
	01.04.2016	4800	0.0997		
	31.03.2017	4800	0.0997	4800	0.0997
5.	PRIYANKA JAIN				
	01.04.2016	11750	0.2441		
	31.03.2017	11750	0.2441	11750	0.2441
6.	KHUSHOO JAIN				
	01.04.2016	2125	0.0441		
	31.03.2017	2125	0.0441	2125	0.0441
7.	VINITA DUGAR				
	01.04.2016	100000	2.0770		
	31.03.2017	100000	2.0770	100000	2.0770
8.	SURENDRA KUMAR DUGAR				
	01.04.2016	642700	13.3490		



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	31.03.2017	642700	13.3490	642700	13.3490
9.	KAMAL KUMAR DUGAR				
	01.04.2016	860700	17.8870		
	31.03.2017	860700	17.8870	860700	17.8870
10.	MADHU DUGAR				
	01.04.2016	100000	2.0770		
	31.03.2017-Transfer	80000	1.6616	180000	3.7386
11.	TULSI KUMAR DUGAR				
	01.04.2016	817000	16.9693		
	31.03.2017	817000	16.9693	817000	16.9693
12.	PRATIBHA DUGAR				
	01.04.2016	100000	2.0770		
	31.03.2017-Transfer	30000	0.6231	130000	2.7001
13.	SOHANI DEVI DUGAR				
	01.04.2016	300	0.0062		
	31.03.2017	300	0.0062	300	0.0062
14.	BUDHAMALL DUGAR				
	01.4.2016	500	0.0104		
	31.03.2017	500	0.0104	500	0.0104
15.	RISHABH DUGAR				
	01.04.2016	50000	1.0385		
	31.03.2017	50000	1.0385	50000	1.0385
16.	SHREYANS DUGAR				



CERTIFICATE OF INCORPORATION

# SANTOSH INDUSTRIES LIMITED

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	01.04.2016	63700	1.3231		
	31.03.2017-Transfer	45000	0.9347	108700	2.2577
17.	SANYAM DUGAR				
	01.04.2016	50000	1.0385		
	31.03.2017-Transfer	75000	1.5578	125000	2.5963

## D.Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SN	Name	Particulars	Shareholding at the beginning[01/04/2016] end of the year[31/03/2017]		Cumulative Shareholding during the year[01.04.2016 to 31.03.2017]	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	CORE RESOURCE FINANCE LTD	BODY CORPORATE				
	01.04.2016		175000	3.6348		
	31.03.2017		175000	3.6348	175000	3.6348
2	SANJAY KUMAR JAIN	INDIVIDUAL				
	01.04.2016		154450	3.2080		
	31.03.2017-Transfer		-200	0.0042	154250	3.2038
3	OPULENT AGENTS PVT LTD	BODY CORPORATE				
	01.04.2016		115000	2.3886		
	31.03.2017		115000	2.3886	115000	2.3886
4	FORUM TRADING PVT LTD	BODY CORPORATE				
	01.04.2016		90000	1.8693		
	31.03.2017		90000	1.8693	90000	1.8693



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5	BINDAL MERCANTILE PVT LTD	BODY CORPORATE				
	01.04.2016		70000	1.4539		
	31.03.2017		70000	1.4539	70000	1.4539
6	BINDAL FINVEST PRIVATE LIMITED	BODY CORPORATE				
	01.04.2016		60000	1.2462		
	31.03.2017		60000	1.2462	60000	1.2462
7	BRIJDHAM COMMODITIES PRIVATE LIMITED	BODY CORPORATE				
	01.04.2016		60000	1.2462		
	31.03.2017		60000	1.2462	60000	1.2462
8	SHREE VIKASH FINVEST PRIVATE LIMITED	BODY CORPORATE				
	01.04.2016		60000	1.2462		
	31.03.2017		60000	1.2462	60000	1.2462
9	ARINDAM TRADERS PVT LTD	BODY CORPORATE				
	01.04.2016		59895	1.2440		
	31.03.2017		59898	1.2440	59895	1.2440
10	RAJ KUMAR JAJODIA[HUF]*	BODY CORPORATE				
	01.04.2016		52500	1.0904		
	31.03.2017		52500	1.0904	52500	1.0904
11	RAJ KUMAR KOTHARI #	INDIVIDUAL				
	01.04.2016		55250	1.1476		
	31.03.2017- Transfer		-55250	1.1476	0	0.00
*	Not in the list of Top 10 Shareholders as on 01/04/2016. The same has been reflected above since the Shareholder was one of the Top Shareholders as on 31/03/2017.					
#	Ceased to be in the list of Top Shareholders as on 31/03/2017. The same is reflected above since the shareholder was one of the Top 10 Shareholders as on 01/04/2016					

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## **E. Shareholding of Directors and Key Managerial Personnel**

SR	Name	Particular	Reason	Shareholding at the beginning[01.04.2016] end of the year[31/03/2017]		Cumulative Shareholding during the year[01.04.2016 to 31.03.2017]	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1	Tulsi Kumar Dugar	Director		817000	16.97	817000	16.97
2	Surendra Kumar Dugar	M. D.		642700	13.35	642700	13.35
3	Kamal Kumar Dugar	Director		860700	17.88	860700	17.88
4	Madhu Dugar	Director in casual vacancy	PURCH ASE	100000	2.08	180000	3.74
5	Rishabh Dugar	C F O		50000	1.04	50000	1.04



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## V. INDEBTEDNESS :

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
<b>Change in Indebtedness during the financial year</b>	0	0	0	0
Addition	0	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
<b>Indebtedness at the end of the financial year</b>	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

SN	Name of MD/WTD /Manager	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total	Ceiling as per the Act
		(a) Salary as per provisions contained in section 17(1) of the	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(c) Profits in lieu of salary under section 17(3) Income-			as % of profit	others			

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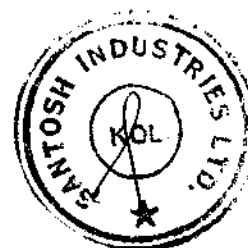
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		Income- tax Act, 1961		tax Act, 1961						
1	SURENDRA KUMAR DUGAR	42,00,000	-	-	-	-	-	-	-	42,00,000

## B. Remuneration to other directors

SN	Name of Directors	Independent Directors			Total (1)	Other Non-Executive Directors			Total (2)	Total (1+2)	Total Managerial Remuneration	Overall Ceiling as per the Act
		Fee for attending board / committee meetings	Commission	Others		Fee for attending board / committee meetings	Commission	Others				
1	KAMAL KUMAR DUGAR	-	-	-	-	-	-	-	-	-	-	-
2	SOHANI DEVI DUGAR	-	-	-	-	-	-	-	-	-	-	-
3	AJIT KUMAR BACHHAWAT	-	-	-	-	-	-	-	-	-	-	-
4	UMANG LODHA	-	-	-	-	-	-	-	-	-	-	-
5	TULSI KUMAR DUGAR	-	-	-	-	-	-	-	-	-	-	-



# SANTOSH INDUSTRIES LIMITED

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

SN	Name of Key Managerial Personnel	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			as % of profit	others		
1	RISHABH DUGAR	24,50,000	-	-	-	-	-	-	-	24,50,000
2	JYOTI BHARTIA	1,39,178*	-	-	-	-	-	-	-	1,39,178

Note: - \* Mrs Jyoti Bhartia appointed w.e.f. 25.07.2016.



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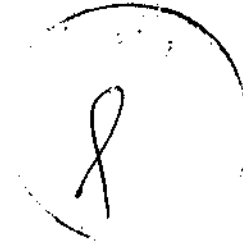
## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

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

For and on behalf of the Board

  
Umang Lodha  
CHAIRMAN  
DIN: 06646876

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**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017*(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies(Appointment & Remuneration of Managerial Personnel) Rules, 2014)*

To  
The Members  
Santosh Industries Ltd.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Santosh Industries Ltd** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **Santosh Industries Ltd** and also based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Santosh Industries Ltd** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-



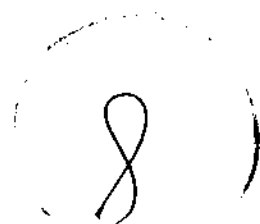
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not Applicable to the Company during the period under review)
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;(Not Applicable to the Company during the period under review)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not Applicable to the Company during the period under review)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the period under review);
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not Applicable to the Company during the period under review), and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Other applicable laws generally applicable to the Industry/Company:
- a) Factories Act, 1948;
  - b) The Payment of Wages Act, 1936;
  - c) The Minimum Wages Act, 1948;
  - d) The Payment of Gratuity Act, 1972;
  - e) The Child Labour (Prohibition & Regulations) Act, 1986;
  - f) The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;
  - g) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;
  - h) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
- (vii) Other applicable laws specifically applicable to the Industry/Company:
- a) Reserve Bank of India Directions, Guidelines and Circulars applicable to the non-banking financial companies;

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

- (i) Secretarial Standard-I and II issued by the Institute of Company Secretaries of India.



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- (iii) The Listing regulations entered into by the Company with Calcutta Stock Exchange Limited;

**I further report that**

The Board of Directors of the Company are duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

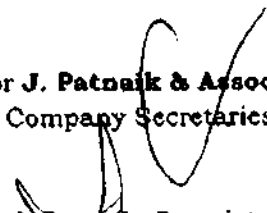
**I further report that** during the audit period there are no events or actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, referred to above for example.

- i) Public/ Right/ Preferential issue of shares/ debentures/ sweat equity
- ii) Redemption/ buy back of securities
- iii) Merger/ amalgamation/ reconstruction, etc
- iv) Foreign technical collaborations

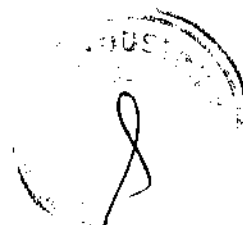
Place: Kolkata

Date: 26/05/17

For **J. Patnaik & Associates**  
Company Secretaries

  
J. Patnaik, Proprietor  
FCS No.: 5045  
C.P. No.:3102

TRUE COPY





# **SANTOSH INDUSTRIES LIMITED**

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## **ANNEXURE – D**

**(A) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars	
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Sri Surendra Kumar Dugar, Managing Director – 30.18	
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Sri Rishabh Dugar, Chief Financial Officer –16.67% Smt Jyoti Bhartia Jain, Company Secretary –NA	
(iii)	Percentage increase in the median remuneration of employees in the financial year	(32.93).%	
(iv)	Number of permanent employees on the rolls of the company	7	
(v)	Explanation on the relationship between average increase in remuneration and company performance	Average increase in remuneration – 10.93 % Average increase in Profit Before Tax – (37.53)%	
		(Rs in lacs)	
	Comparison of the	KMP	Remuneration Company Performan

SANTOSH INDUSTRIES LIMITED

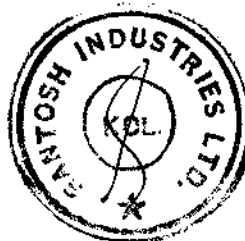
# SANTOSH INDUSTRIES LIMITED

Regd Office : Suite No. 3A, 3A, Auckland Place, 3<sup>rd</sup> Floor, Kolkata – 700017  
 CIN : LS1909WB1960PLC024531 Tele fax: +91 33 22903377, 22904477, Email : sil@bmd.net.in

(vi)	remuneration of the Key Managerial Personnel against the performance of the Company		ce (PBT)
		Sri Surendra Kumar Dugar , Managing Director	42.00 2005.93
		Sri Rishabh Dugar, Chief Financial Officer	24.50 2005.93
		Smt Jyoti Bhartia, Company Secretary	1.39 2005.93
(vii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	– Average increase in remuneration of Managerial Personnel – 16.67% – Average increase in remuneration of employees other than the Managerial Personnel – 10.93%  The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.	
(viii)	Key parameters for any variable component of remuneration availed by the directors	<ul style="list-style-type: none"> <li>Financial and operating performance of the Company</li> <li>Industry / sector trends for the remuneration paid to executive directors</li> </ul>	
(ix)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	None of the Employees have received any remuneration during the financial year 2016-17 in excess of the highest paid director during the year.	
(x)	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.	

# Smt Jyoti Bhartia, Company Secretary has appointed w.e.f. 25.07.2016 .

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## **(B) STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 .**

- (i) Persons employed throughout the financial year ended March 31st, 2017 who were in receipt of the remuneration which in the aggregate was not less than Rs. 60,00,000/- p.a :- None of the Employees.
- (ii) Persons employed for a part of the financial year ended March 31st, 2017 who were in receipt of remuneration for any part of that year, at a rate which, in the aggregate was not less than Rs. 5,00,000/- p.m :- None of the Employees
- (iii) No persons employed throughout the financial year or part thereof, were in receipt of remuneration which, in the aggregate, or as the case may be, at the rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

**Registered Office:**  
Suite No 3A, 3<sup>rd</sup> Floor,  
3A, Auckland Place  
Kolkata – 700 017.

Dated: 26th May, 2017

For and on behalf of the Board

  
Chairman  
Umang Lodha  
DIN: 06646876



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## **ANNEXURE - E**

### **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

A brief outline of the policy for undertaking the CSR activities of the company includes promoting education and Enhancing Vocational Skills, Livelihood enhancement.

This project is in accordance with Schedule VII of the Companies Act, 2013. The aforesaid projects have been carried out by the Company directly and /or through implementing agencies.

#### **Composition of CSR Committee:**

Shri Umang Lodha ,	Chairman
Shri Surendra Kumar Dugar,	Member
Shri Ajit Kumar Bachhawat,	Member

**Average Net Profit for the three previous Financial Years: 2265.00 Lacs**

**Prescribed CSR Expenditure: 45.31 lacs**

**Add previous year Provision: 59.00 lac**

**Total Prescribed CSR Expenditure: 104.31 lacs**

**Total Amount Spent in the financial year 2016-17: 103.05 lac**

**Amount unspent: 1.27 lac**

#### **Details of Amount spent on CSR activities for the Financial Year 2016-17**

Sl. No	CSR Project or Activity Identified	Sector which the project is covered#	Projects or Program	Amount spent on Projects or programs (1)Local area or other (2)Specify the state and District where projects	Amount outlay (budget) Project or Programs wise	Amount spent on the projects or programs 1)Direct expenditure on projects or Progra	Cumulative Expenditure upto the reporting period	Direct or through implementing agency
--------	------------------------------------	--------------------------------------	---------------------	--	---	--	--	---------------------------------------



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				or program was undertak en		m 2)Over heads		
1	Promoting Education & Enhancing Vocational Skills, Livelih ood enhanceme nt projects	(ii)	Education al Program mes, Job assistance	Jain Internati onal Trade Organisat ion (Kurla Road- Andheri East, Mumbai)	120.00	103.05	103.05	( Through Implementi ng Agency)

## RESPONSIBILITY STATEMENT

The Implementation and monitors of Corporate Social Responsibility (CSR) policy is in compliance and policy of the company.



Umang Lodha  
Director  
DIN -06646876  
Chairman – CSR Committee



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## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The financial statements are prepared under historical cost convention, on accrual basis of accounting and in compliance with the requirements of the Companies Act, 2013 and Accounting Standards issued by the Institute of Chartered Accountants of India.

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the company describing the company's objectives, expectations or predictions are based on the current beliefs, assumptions, expectations, estimates and projections of the directors and management of the company about the business, Industry and markets in which the company operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, many of which beyond the Company's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be regarded as a projection of future performance of the company. It should be noted that the actual performance or achievement of the Company may vary significantly from such statements. However, readers are cautioned that this discussion may contain "forward – looking statements" by the Company.

### **NBFC**

The Company is a Non-Banking Financial Company (NBFC) governed by Chapter III-B of the Reserve Bank of India Act, 1934 (RBI) which, with its regulatory and supervisory framework, ensures strong and healthy functioning of NBFCs by limiting excessive risk taking practices and protecting the interest of deposit holders. The Company does not accept Public Deposits and as required by the RBI, the Board of Directors have passed necessary resolution not to accept Public Deposits without prior approval of RBI.

### **Overview**

Your Company is a Non-Banking Finance Company dealing and making investment in shares & securities and mutual funds. The Performance of the Company depends upon market conditions with proper market strategy.

The move of demonetizing in November 2016, made with the objective to curb black money in circulation, weighed on growth during the second half of FY 17. This reflected in relatively weaker growth in manufacturing and rural consumption as well as services sector PMIs (purchase managers indices) in H2, FY17. However it is expected to have a positive long term impact on the economy through better tax compliance, increase in Tax-to-GDP ratio and higher tax collections. Continued fiscal consolidated and an anti-inflationary monetary policy stance helped cement macro-economic stability.



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The Year under review was characterized by declining interest rates and high liquidity in the monetary system with concern of a lower growth in manufacturing sector. Your Company continued to improve its financial performance within the ambit of strong risk management processes.

The Deployment of temporary surplus liquidity during the year remained guided by the twin objectives of capital protection and return optimization. The timely investments in various financial products such as bank fixed deposits, Mutual fund units coupled with purchase of tax free bonds , equity shares of listed companies and other Non convertible Bonds helped in enhancing yields.

India is fast developing country and Corporate India will continue to show impressive growth in earnings in future as well as the Capital Market. Your company' investment strategy is mix of investment in liquid and debt schemes of mutual fund and Equity Shares of various companies in secondary market has shown sound growth during the year under review.

We are looking ahead with the same philosophy and strategy of investment.

## **Opportunities and Threats**

There is a general improvement in the overall economic conditions in India with brighter aspect in Capital Market, increased foreign inflow is expected to provide sustained growth and this is likely to open up additional opportunities.

Your Company's major risks in the course of its business are interest rate risk and operational risk. Any change in the policies of the government towards NBFC Companies, Slowdown of the economy in India and the Global economy may pose as a challenge to the Company.

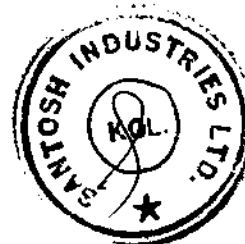
## **Risks & concerns**

Risk is inherent in every business activity and securities investments are subject to market risk. It is difficult to predict that the past performance will continue. Any general slowdown of the economy in India and the global economy as a whole may result in slower growth in the business. Trading volumes, settlement periods, transfer procedures changes, change of interest rate in government policy may restrict the liquidity of the investments and this could lead to limiting the business opportunity for the company.

## **Internal Control System and Adequacy**

Your Company has a proper and adequate system of internal controls with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes are duly complied with. The Company has constituted an Audit Committee to monitor the adequacy and efficiency of internal control system.

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## **Financial performance with reference to operational performance**

The Company recorded a profit after tax of Rs.1, 804.44 lacs for the year ended 31<sup>st</sup> March 2017 as compared to Rs. 2,727.61 lacs for the previous year.

The Company's Net worth as on March 31, 2017 stood at Rs.33, 391.82 lacs as against Rs. 31,748.37 lacs last year. Earnings per share have decreased from Rs. 56.65 to Rs. 37.48.

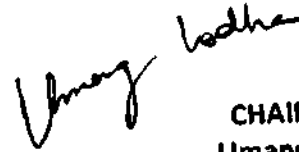
In order to optimize shareholder value, the company continues to focus on the investment strategy of Debt Schemes of Mutual Funds, Debenture/ Bonds of Companies, Tax Free Bonds, Fixed Deposits and Equity Shares of various companies.

### **Registered Office:**

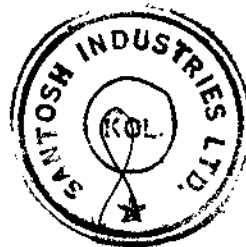
Suite No 3A, 3<sup>rd</sup> Floor,  
3A, Auckland Place  
Kolkata - 700 017.

Dated: 26<sup>th</sup> May, 2017

For and on behalf of the Board



CHAIRMAN  
Umang Lodha  
DIN: 06646876





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## **CORPORATE GOVERNANCE REPORT**

### **1. Company's Philosophy**

Corporate Governance pertains to systems, by which companies are directed and controlled, keeping in mind long-term interest of stakeholders. It aims to align interest of company with its stakeholders. The incentive for company and those who own and manage them to adopt global governance standards help them to achieve a long-term sustainable partnership with its stakeholders efficiently. The Company aims to achieve this through proper & full disclosure of material facts and achievement of the highest level of transparency and accountability in all aspects of its operations.

### **2. Board of Directors**

The strength of the Board of Directors as on 31<sup>st</sup> March 2017 is six (6) out of which two (2) are independent. The composition of the Board of Directors is in conformity with the Corporate Governance Code.

As required under Section 149(3) of the Companies Act, 2013, Smt Madhu Dugar has been appointed in Casual Vacancy due to death of Mrs Sohani Devi Dugar on 01.10.2016.

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in regulation 26 of SEBI (LODR) Regulations, 2015), across all the companies in which he/she is a Director.

#### **Brief resumes of Directors are as follows:**

Smt. Sohani Devi Dugar, Director of the Company, passed away on 1<sup>st</sup> October, 2016. She was a social & religious lady. She had been serving the community and the weaker sections of the society and was associated with various charitable foundations and trusts. She was known for her social & religious being in the society. Her association had aided the Company to perform its CSR activities.\*

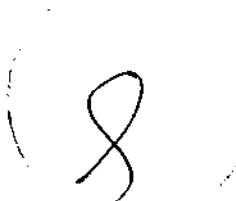
Sri. Umang Lodha aged about 29 years is a Chartered Accountant having good knowledge of finance and accounts & taxation.

Sri. Ajit Kumar Bachhawat aged about 52 Years is a commerce graduate and has around 18 years of working experience in Investment Business.

Sri. Surendra Kumar Dugar, Managing Director aged about 59 years has wide experience of Stock Market, Trading, Finance, Investment and Taxation.

Sri. Tulsī Kumar Dugar, Director aged about 52 years has wide experience of Stock Market, Trading, Finance, Investment .

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Sri. Kamal Kumar Dugar, Director aged about 49 years has wide experience of Stock Market, Trading, Finance, Investment and Taxation.

Smt Madhu Dugar aged about 46 years has a wide experience in the Capital market being a commerce graduate. She is regular investor in the market and has been doing so for more than 20 years. She has diversified portfolio of Investment which include investment in quoted shares, unquoted shares, Mutual funds, Bonds, Preference shares etc<sup>a</sup>

**NOTE:-** \* The casual vacancy occurred due to death of Smt. Sohani Devi Dugar Dugar w.e.f. 01.10.2016.

<sup>a</sup> Smt Madhu Dugar appointed in casual vacancy w.e.f. 01.10.2016

## **Directors' Induction, Familiarization and Training**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has entered into with the Stock exchanges, the Company shall provide suitable training to Independent Directors to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. The details of such training imparted are also required to be disclosed in the Annual Report.

The Company acknowledges the importance of continuous education and training of the Directors to enable effective discharge of their responsibility. The directors of the Company are also encouraged to participate in various seminars conducted by professional bodies to enhance and update their knowledge in the fields of accounts, finance, law and taxation. To enhance their skills and knowledge, the Directors are regularly updated on the change in policies, laws and regulations, developments in the business environment etc.

Efforts are also made to familiarize the Directors about their roles, rights, responsibility in the Company, its business model and the environment in which the Company operates.

The details of such familiarization programmes have been placed in the website of the Company and may be accessed at the link [http:// www.santoshindustrieslimited.in](http://www.santoshindustrieslimited.in)

## **Board Meetings held during the year:**

The Company has been following the practice of at least four Board meetings every year. During the Financial Year Ten Board Meetings were held on the following dates: 20<sup>th</sup> May 2016, 18<sup>th</sup> July 2016, 12<sup>th</sup> August 2016, 04<sup>th</sup> October 2016, 14<sup>th</sup> November 2016, 13<sup>rd</sup> February 2017, 10<sup>th</sup> March 2017, 22<sup>nd</sup> March 2016, 29<sup>th</sup> March 2016 and 30<sup>th</sup> March 2017.



# SANTOSH INDUSTRIES LIMITED

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CIN : L51909WB1960PLC024531 Tele fax: +91 33 22903377, 22904477, Email : sil@bmd.net.in

## Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

Name of Director	No. of Board Meetings		Attended Last AGM
	Held	Attended	
Sri. Surendra Kr Dugar	10	10	Yes
Sri Tulsi Kr Dugar	10	10	Yes
Smt Sohani Devi Dugar	10	2	No
Smt Madhu Dugar	10	5	No
Sri Ajit Kumar Bachhawat	10	10	Yes
Sri Kamal Kumar Dugar	10	10	Yes
Sri Umang Lodha	10	10	Yes

## Composition of the Board of Directors, their Directorship in other Companies and Committee Membership in the Company as on 31<sup>st</sup> March, 2017 as follows

Name of Director	Category	No. of other Directorship and Committee Membership/Chairmanship			No of Shares held <sup>^</sup>
		Other Directorship	Committee Membership	Committee Chairmanship	
Smt Madhu Dugar*	Promoter / Non-Executive Director	10	-	-	180000
Sri. Surendra Kr. Dugar	Promoter / Executive Director	16	-	-	642700
Sri Ajit Kumar Bachhawat	Non-Executive & Independent	7	-	-	-
Sri Umang Lodha	Non-Executive & Independent	2	-	-	-
Sri Tulsi Kumar Dugar	Promoter / Non Executive Director	19	-	-	817000
Sri Kamal Kumar Dugar	Promoter / Non Executive Director	18	-	-	860700

Note: \* Appointed in casual vacancy due to death of Smt.Sohani Devi Dugar

<sup>^</sup> Number of shares held as individual

TO THE DIRECTOR



# **SANTOSH INDUSTRIES LIMITED**

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## **Relationship between Directors inter-se**

Sri Surendra Kumar Dugar (Managing Director), Sri Tulsi Kumar Dugar (Director) and Sri Kamal Kumar Dugar (Director) are brothers and Madhu Dugar is the wife of Sri Kamal Kumar Dugar..

## **CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES**

As per the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company Secretary is the Compliance Officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading as well as a Code of Corporate Disclosure Practices in accordance with Regulation 4(2)(c) of Listing Regulations. All the Directors on the Board, Senior Management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code.

## **Code of Conduct of Independent Directors**

As per the provisions of Section 149(8) of the Companies Act, 2013, the company and independent directors shall abide by the provisions specified in Schedule IV. Further, Schedule IV lays down a code for Independent Directors of the Company. Pursuant to the said provisions of the Companies Act, 2013, the Company has drafted a Code for Independent Directors of the Company which forms part of the Letter of Appointment of Independent Director and the Letter of Appointment of Independent Director has been placed in the website of the company.

## **Audit Committee**

The role & terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Calcutta Stock Exchange Association Ltd.

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Reviewing, with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :



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- a. Matters required to be included in the Director's Responsibility Statement to be included in Board's Report in terms of clause(c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
4. Reviewing, with the management the quarterly financial statements before submission to the Board for approval;
  5. Review and monitor the auditor's independence and performance and effectiveness of audit process;
  6. Approval or any subsequent modification of transactions of transactions of the Company with related parties;
  7. Scrutiny of inter-corporate loans and investments;
  8. Valuations of undertakings or assets of the Company wherever it is necessary;
  9. Evaluation of internal financial controls and risk management systems;
  10. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  11. Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
  12. Discussion with internal auditors of any significant findings and follow up there on;
  13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  14. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  15. To review the functioning of the Whistle Blower Mechanism;



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16. Approval of appointment of CFO after assessing the qualifications, experience, background, etc of the candidate;
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the financial year ended 31.03.2017 the Committee met Five times under review on 20<sup>th</sup> May, 2016, 12<sup>th</sup> August 2016, 14<sup>th</sup> November, 2016, 13<sup>rd</sup> February 2017 and 22<sup>nd</sup> March 2017. The attendances of the members were as follows:

Sl. No.	Name of the Members	Category	Designation	No. of Meetings attended
1	Sri Umang Lodha	Independent	Chairman	5
5	Sri Ajit Kumar Bachhawat	Independent	Member	5
3	Sri Surendra Kumar Dugar	Executive, Non-Independent	Member	5

Mr. Umang Lodha acted as the Chairman of the Audit Committee. Mr. Umang Lodha is a Chartered Accountant having good knowledge of finance, accounts and company law. The Audit Committee as on 31.03.2017 comprises of two Non-Executive Independent Directors and one Executive Director.

The Managing Director, Chief Financial Officer and representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings.

## **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and shall be responsible for:

- i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- iii) Devising a policy on Board diversity;
- iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

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During the year, 4 meetings of the Nomination and Remuneration Committee of the Company were held i.e. on 20<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 30<sup>th</sup> March, 2017. The Composition and attendance of Directors at these meetings are as under:

Sl. No.	Name of the Members	Category	Designation	No. of Meetings attended
1	Sri Ajit Kumar Bachhawat	Independent	Chairman	4
2	Sri Umang Lodha	Independent	Member	4
4	Sri Tulsi Kumar Dugar	Non-Executive	Member	4

## **Remuneration Policy:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy for Directors and Key Managerial Personnel. The details of which forms part of the Directors' Report.

Details of remuneration paid/payable to the Directors during the financial year ended 31<sup>st</sup> March, 2017

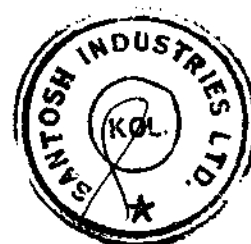
No remuneration was paid to any of the Directors during the financial year ended 31<sup>st</sup> March, 2017. The Managing Director Sri Surendra Kumar Dugar received Rs 42, 00,000/- as his remuneration for the financial year. Other non- executive directors have agreed to forgo their sitting fees for the financial year 2016-17.

## **Asset Liability Management Committee**

In compliance with the Reserve Bank of India Regulations as applicable to NBFCs, the Asset Liability Management Committee has been constituted for better management of the affairs of the Company by recommending to the Board of Directors prudent Asset Liability Management policies & procedures that enable the company to achieve its goals while operating in full compliance with all state and federal laws, rules and regulations.

The role of the Committee is to review the following:

- Local and national economic forecasts
- Interest rate forecasts
- Internal cost of funds
- Mismatches in the Balance Sheet
- Anticipated loan demands
- Liquidity Position



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- Maturity Distribution
- Net Interest Margin / Interest Rate Risk Measures
- Tax Position
- Investment Portfolio
- Current loan investment and funding strategies

The Committee also takes note of the ALM returns filed by the Company within stipulated time period and analyses the Provisional Annual Balance Sheet w.r.t.

- Inclusion of Disclosures as required in terms of Paragraph 13 of NBFC (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- Inclusion of Disclosures as required by Para 5 of Reserve Bank of India Circular No. RBI 2008-09/116 DNBS (PD), CC No. 125 / 03.05.002 / 2008-09

During the year, 2 meetings of the Asset Liability Management Committee of the Company were held i.e. on 20<sup>th</sup> May 2016 and 13<sup>th</sup> February, 2017. The Composition and attendance of Directors at these meetings are as under:

Sl. No.	Name of the Members	Category	Designation	No. of Meetings attended
1	Sri Umang Lodha	Independent	Chairman	2
2	Sri Surendra Kumar Dugar	Executive, Non-Independent	Member	2

## Risk Management Committee

The Company has a 'Risk Management Committee' to periodically review all Loan & Investment proposals and make recommendations to the Board. The guidelines in respect of Risk Management has been laid down by the Risk Management Committee in respect of Loans & Investments. During the year, 4 meetings of the Risk Management Committee were held on 20<sup>th</sup> May, 2016, 12<sup>th</sup> August 2016, 14<sup>th</sup> November, 2016 and 13<sup>th</sup> February 2017. The Composition and attendances of Directors at these meetings are as under:

Sl. No.	Name of the Members	Category	Designation	No. of Meetings attended
1	Sri Ajit Kumar Bachhawat	Independent	Chairman	4
2	Sri Surendra Kumar Dugar	Executive, Non-Independent	Member	4
3	Sri Umang Lodha	Independent	Member	4





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## **Stakeholders Relationship Committee & Share Transfer Committee**

The Company has a 'Share Transfer Committee' to approve transfer and transmission of securities, issue of duplicate certificates and deals with other shareholder related issues.

During the year 3 meetings of the Share Transfer Committee were held on 20<sup>th</sup> May 2016, 14<sup>th</sup> November, 2016 and 13<sup>th</sup> February 2017. The Composition and attendances of Directors at these meetings are as under:

Sl. No.	Name of the Members	Category	Designation	No. of Meetings attended
1	Sri Ajit Kumar Bachhawat	Independent	Chairman	3
2	Sri Surendra Kumar Dugar	Non-Executive, Non-Independent	Member	3

The Transfer of Shares are processed by the Registrar and Transfer Agents viz. Maheshwari Datamatics Pvt. Ltd. on behalf of the Company reports of which are placed before the Committee for approval.

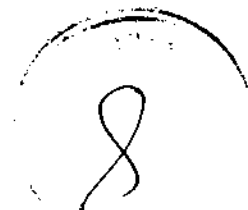
The Company has a 'Shareholders/Investors Grievance Committee' to specifically look into and redress the 'Shareholders and Investors' complaints and to improve investor relations.

During the year 4 meetings of the Shareholders/Investors Grievance Committee were held on 20<sup>th</sup> May, 12<sup>th</sup> August 2016, 14<sup>th</sup> November, 2016 and 13<sup>th</sup> February, 2017. The Composition and attendances of Directors at these meetings are as under:

Sl. No.	Name of the Members	Category	Designation	No. of Meetings attended
1	Sri Umang Lodha	Independent	Chairman	4
2	Sri Surendra Kumar Dugar	Executive, Non-Independent	Member	4

Mrs Jyoti Bhartia, Company Secretary of the Company during the financial year w.e.f 25.07.2016.

No Complaints have been received from the Shareholders during the year as per the report of the Registrar and Transfer Agents viz. Maheshwari Datamatics Pvt. Ltd.



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## **Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company on 30.01.2015 as per the provisions of Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014.

During the year two meeting of the CSR Committee was held on 1<sup>st</sup> September, 2016 and 10<sup>th</sup> March, 2017. The Composition and attendances of Directors at these meetings are as under:

Sl. No.	Name of the Members	Category	Designation	No. of Meetings attended
2	Sri Ajit Kumar Bachhawat	Independent	Chairman	2
3	Sri Umang Lodha	Independent	Member	2
4	Sri Surendra Kumar Dugar	Executive, Non-Independent	Member	2

## **Independent Directors' Meeting**

During the year under review the Independent Directors met on 13<sup>th</sup> February, 2017 inter-alia to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Evaluation of the quality, content and timeliness flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

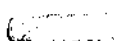
The composition and attendances of Directors at this meeting is as under:

Name	No. of meetings attended
Sri Umang Lodha*	1
Sri Ajit Kumar Bachhawat	1

\* Sri Umang Lodha was unanimously elected as the Chairman of the meetings.

## **Subsidiary Companies**

The Company has no subsidiaries hence disclosure in this regard is not required.





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## **General Body Meetings**

### **1. Locations date and time where three AGMs last held:**

<b>Financial Year</b>	<b>Date of AGM</b>	<b>Time</b>	<b>Venue</b>	<b>Details of Special Resolution(s) passed if any</b>
31.03.2014	25.08.2014	2.00 P.M.	Suit No 3A, 3 <sup>rd</sup> Floor, 3A, Auckland Place, Kolkata- 700017	
31.03.2015	24.09.2015	2.00 P.M.		1.) Appointment of Shri Umang Lodha as an Independent Director.
31.03.2016	22.09.2016	2.00 P.M.		

### **1. Extraordinary General Meeting**

No Extraordinary General Meeting of the members was held during the year.

### **2. Postal Ballot**

No Resolution has been passed through Postal Ballot during the year 2016-17.

### **Means of Communication**

The quarterly results (including half-yearly and annual results) of the Company are usually published in The Business Standard (English Daily) and Dainik Lipi (Bengali Daily). The results are also promptly forwarded to The Calcutta Stock Exchange Association Limited. The results are also displayed on the website of the Company at <http://www.santoshindustrieslimited.in>.

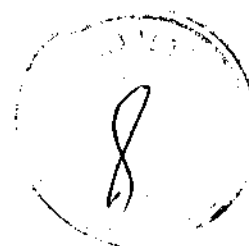
All material information about the Company is promptly sent through e-mail to the Calcutta Stock Exchange Association Limited where the Company's shares are listed.

Management Discussion and Analysis Report has been included as part of this Report.

### **Disclosures**

During the year, the company has transactions with M/s BMD Securities Ltd (Stock Broker) for its dealing in stock market. Except this, no material financial and commercial transactions has been undertaken, where management had personal interest that may have a potential conflict with the interest of the company at large.

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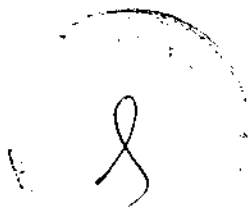
## Address for Correspondence for Share Transfer and Related Matters

1. Santosh Industries Limited  
Secretarial Deptt.  
Suite No 3A, 3<sup>rd</sup> Floor,  
3A, Auckland Place,  
Kolkata – 700 017.  
Email Id – sil@bmd.net.in

2. Registrar and Share Transfer Agent  
Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2<sup>nd</sup> Floor,  
Kolkata – 700 001.  
Email Id – mdpldc@yahoo.com

## General Shareholder information

<b>AGM:</b>	<b>Date</b> <b>Time</b> <b>Venue</b>	18 <sup>th</sup> Day of September, 2017 02.00 p.m. Suite No 3A, 3 <sup>rd</sup> Floor, 3A, Auckland Place. Kolkata – 700 017
<b>Financial Year</b>	April 2016 to March 2017	
<b>Financial Calendar</b>	<b>Financial Reporting For</b>	<b>Tentative Time Period</b>
	Quarter ending 30 <sup>th</sup> June, 2016	On or before August 15, 2016
	Quarter ending 30 <sup>th</sup> September, 2016	On or before November 15, 2016
	Quarter ending 31 <sup>st</sup> December, 2016	On or before February 15, 2016
	Quarter ending 31 <sup>st</sup> March, 2017	On or before May 30, 2017
<b>Date of Book Closure</b>	12 <sup>th</sup> September, 2017 to 18 <sup>th</sup> September, 2017 (both days inclusive)	
<b>Dividend Payment Date</b>	Declaration of dividend of Rs.1 per equity share for the year ended March 31, 2017 in the AGM dated 18 <sup>th</sup> September, 2017.	
<b>Listing on Stock Exchanges</b>	The Calcutta Stock Exchange Association Ltd 7, Lyons Range Kolkata -700 001	
<b>Stock Code / Symbol</b>	CSEA – 10029243	
<b>Demat ISIN Numbers in NSDL &amp; CDSL for Equity Shares</b>	ISIN No. : INE 576C01017	
<b>Market Price Data: High, Low during each month in the financial year 2016-17</b>	The shares of the Company are listed in the Calcutta Stock Exchange. Since the exchange does not provide an active trading platform, the market price data of the Company is not available. However the last traded price of the shares of the Company was Rs. 10.10.	
<b>Registrar and Share Transfer Agents</b>	Maheshwari Datamatics Pvt. Ltd., 6 Mangoe Lane, 2 <sup>nd</sup> Floor, Kolkata – 700 001.	
<b>Share Transfer System</b>	100% of the equity shares of the Company are in electronic mode. Transfer of these shares is done through depositories	



02/09/17

02/09/17

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	Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are proper in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. The Company offers the facility of transfer cum dematerialization to its shareholders.
Distribution of shareholding & Category-wise distribution	See Table No. 1 & 2 below
De-materialization of shares and liquidity	See Table No. 3
Address for correspondence	Registered Office: Suite No 3A, 3 <sup>rd</sup> Floor, 3A, Auckland Place, Kolkata – 700 017.

Table – 1 – Distribution of shareholding as on 31<sup>st</sup> March, 2017

No. of Equity Share held	No. of Share held	% of total shares	No. of Shareholders	% of total Shareholders
1 to 100	1,800	0.037	34	0.00
101 to 500	1,000	0.021	3	0.00
501 to 1000	0.00	0.00	0	0.00
1001 to 5000	22,655	0.471	7	10.53
5001 to 10000	1,11,250	2.310	12	3.51
10001 to 100000	14,91,520	30.98	33	70.17
100001 and above	31,86,350	66.181	12	15.79
<b>Total</b>	<b>48,14,575</b>	<b>100.000</b>	<b>101</b>	<b>100.00</b>

Table 2 – Category-wise distribution of shareholding as on 31<sup>st</sup> March, 2017

Sl. No.	Category	No. of Shareholders	No. of shares held	% of total shares
1.	Promoters	17	3341575	69.4054
2.	Bodies Corporate	12	807970	16.7818
3.	Resident Individuals	71	665030	13.8128
	<b>Total</b>	<b>101</b>	<b>4814575</b>	<b>100.00</b>

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Table – 3 – De-materialization of shares and liquidity

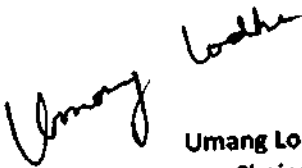
Mode	No. of Shareholders	% of total Shareholders	No. of shares	% of total shares
Physical	03	5.26	18675	0.3879
Electronic	98	94.74	4795900	99.6121
<b>Total</b>	<b>101</b>	<b>100.00</b>	<b>4814575</b>	<b>100.00</b>

For and on behalf of the Board

**Registered Office:**

Suit No 3A, 3<sup>rd</sup> Floor  
3A, Auckland Place,  
Kolkata – 700 017.

Dated: 26th May, 2017



Umang Lodha  
Chairman  
DIN -06646876

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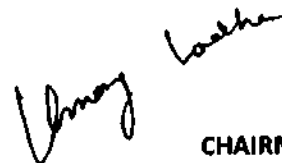
## Code of Conduct

The Company is consistently endeavoring to conduct its business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved. The Board of Directors has adopted the Code of Conduct for the Directors and Senior Management (“the Code”).

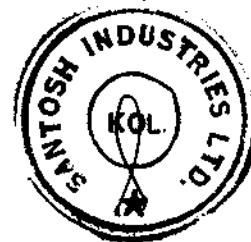
A copy of the Code has been put on the Company's website [www.santoshindustrieslimited.in](http://www.santoshindustrieslimited.in). The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given below.

“I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of financial year 2016-17.”

For and on behalf of the Board



CHAIRMAN  
Umang Lodha  
DIN -06646876



# **SANTOSH INDUSTRIES LIMITED**

Regd Office : Suite No. 3A, 3A, Auckland Place, 3<sup>rd</sup> Floor, Kolkata – 700017  
CIN : L51909WB1960PLC024531 Tele fax: +91 33 22903377, 22904477, Email : sil@bmd.net.in

## **Certification by Chief Financial Officer (CFO)**

We, Surendra Kumar Dugar, Managing Director and Rishabh Dugar, Chief Financial Officer of Santosh Industries Limited certify that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2017 and that to the best of our knowledge and belief:

- i. The statements do not contain materially untrue statement, or omit any material fact or contain statements that might be misleading;
- ii. The statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and Audit Committee:

- a. Significant changes in the internal controls over financial reporting during the year;
- b. Significant changes in accounting policies during the year and that the same have been disclosed notes to the financial statements and
- c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.



Place: Kolkata  
Date: 26<sup>th</sup> day of May, 2017

For Santosh Industries Limited

  
Rishabh Dugar  
Chief Financial Officer

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# **J. PATNAIK & ASSOCIATES**

Company Secretaries

7A, Bentinck Street, Room No. 403, 4th Floor, Kolkata - 700 001  
Phone : 2231 8702, E-mail : jpatnaikassociates@gmail.com

## **Company Secretary Certificate on Corporate Governance**

To  
The Members  
Santosh Industries Ltd

We have examined the compliance of conditions of Corporate Governance by Santosh Industries Ltd, for the year ended on 31<sup>st</sup> March 2017, as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulation, 2015.

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

Place: Kolkata  
Dated: 26/05/2017

For J. Patnaik & Associates  
Company Secretaries

J. Patnaik  
FCS: 5045 C.P.: 3102



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF: SANTOSH INDUSTRIES LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **SANTOSH INDUSTRIES LIMITED** ("the company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

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

**Auditor's Responsibility**

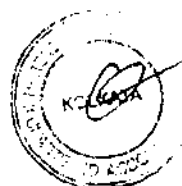
Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

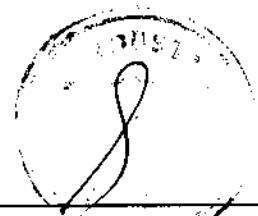
We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



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## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i The Company does not have any pending litigations which would impact its financial position.
    - ii The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii There are no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company.

Place : Kolkata - 700 001.  
Dated : 26.05.2017



For NARENDRA KOCHAR & CO.  
Chartered Accountants  
Firm Registration No. 315201E

NARENDRA KOCHAR  
Partner  
Membership No. 052491

**NARENDRA KOCHAR & CO.**

**CHARTERED ACCOUNTANTS**  
86, CANNING STREET  
KOLKATA- 700 001

To the Members of **SANTOSH INDUSTRIES LIMITED**

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that :

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in Non-Current Investments are held in the name of the Company.
- (ii) As explained to us physical verification of the inventories (held Physically and Demat Form) have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- (iii) The Company has granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) The Company being NBFC and charging Interest at a rate not less than the bank rate declared by the Reserve Bank of India, hence provisions of Section 185 & 186 of the Companies Act, 2013 is not applicable Accordingly, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- (v) In our opinion and according to the information given to us, the Company has not accepted any deposits from public, within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed there under.
- (vi) In our opinion maintenance of cost records has not been prescribed by the Central Government under sub-section (i) of Section 148 of the Act.

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- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of Custom, duty of Excise; value added tax, cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31st, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax/ Sales Tax/ Service Tax / duty of Custom/ duty of Excise, value added tax or cess which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in the repayment of dues to any financial institutions or banks as at the balance sheet date.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) or term loans. Accordingly, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) The Company has complied with Section 177 and 188 of Companies Act, 2013 for all transactions with the related parties and the details have been disclosed in the Financial Statements, as required under Accounting Standards – 18 related party disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with him during the year under review. Accordingly, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us the company is already registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Kolkata - 700 001.  
Dated : 26.05.2017



For NARENDRA KOCHAR & CO.  
Chartered Accountants  
Firm Registration No. 315201E

  
NARENDRA KOCHAR  
Partner  
Membership No. 052491

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**TO THE MEMBERS OF: SANTOSH INDUSTRIES LIMITED**

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Santosh Industries Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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



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## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kolkata - 700 001.  
Dated : 26.05.2017



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For NARENDRA KOCHAR & CO.  
Chartered Accountants  
Firm Registration No. 315201E

NARENDRA KOCHAR  
Partner  
Membership No. 052491

# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

## Balance Sheet as at 31st March, 2017

Amount in Rs.

Particulars	Note No	As at 31-03-2017	As at 31-03-2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2.1	4,81,45,750	4,81,45,750
Reserves and Surplus	2.2	3,29,10,36,615	3,12,66,91,753
		<b>3,33,91,82,365</b>	<b>3,17,48,37,503</b>
<b>Current Liabilities</b>			
Short Term Provisions	2.3	63,14,710	3,60,000
Other current liabilities	2.4	2,97,125	4,66,640
		<b>66,11,835</b>	<b>8,26,640</b>
		<b>3,34,57,94,200</b>	<b>3,17,56,64,143</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.5	11,69,554	15,57,811
Non-current investments	2.6	2,94,75,16,797	2,76,71,00,988
Deferred Tax Asset (Net)	2.7	5,33,000	-
Other Non-current assets	2.8	3,35,348	3,35,348
		<b>2,94,95,54,699</b>	<b>2,76,89,94,147</b>
<b>Current assets</b>			
Inventories	2.9	10,61,46,459	13,16,43,666
Trade Receivable	2.10	67,24,197	5,36,21,283
Cash and Bank Balances	2.11	41,30,594	3,16,01,269
Short-term loans and advances	2.12	23,15,39,955	14,90,11,689
Other current assets	2.13	4,76,98,297	4,07,92,089
		<b>39,62,39,502</b>	<b>40,66,69,996</b>
		<b>3,34,57,94,200</b>	<b>3,17,56,64,143</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
	1		

As per our report of even date attached

For and on behalf of Board of Directors

**For NARENDRA KOCHAR & CO**  
CHARTERED ACCOUNTANTS  
Firm Regn. No-315201E

(NARENDRA KOCHAR)  
PARTNER  
Membership No. - 052491

Place : Kolkata  
Dated :

26 MAY 2017



*Surendra Kumar Dugar*  
**SURENDRA KUMAR DUGAR**  
(Managing Director)  
DIN - 00638608

*Rishabh Dugar*  
**RISHABH DUGAR**  
(Chief Financial Officer)

*Umay Lodha*  
**UMANG LODHA**  
(Chairman &  
Independent Director)  
DIN - 06646876

*Jyoti Bhartiya*  
**JYOTI BHARTIA**  
(Company Secretary)





# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

## Statement of Profit & Loss for the year ended 31st March, 2017

Amount in Rs.

Particulars	Note No	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>REVENUE</b>			
Revenue from operations	2.14	16,45,88,363	29,25,22,884
Other Income	2.15	7,39,90,194	21,82,20,674
<b>Total Revenue</b>	<b>I</b>	<b>23,85,78,557</b>	<b>51,07,43,558</b>
<b>EXPENSES</b>			
Purchase of Traded Goods ( Shares & MF Units)		-	15,62,00,000
Changes in inventories ( Shares & MF Units)	2.16	2,54,97,207	1,91,44,448
Employee benefit expenses	2.17	70,49,903	63,55,414
Depreciation	2.5	5,32,889	7,44,409
Other expenses	2.18	47,45,090	71,75,912
Provision for Standard Assets	2.30	1,60,000	-
<b>Total Expenses</b>	<b>II</b>	<b>3,79,85,089</b>	<b>18,96,20,183</b>
<b>PROFIT BEFORE TAX</b>	<b>I - II</b>	<b>20,05,93,468</b>	<b>32,11,23,375</b>
Tax Expenses			
- Current Tax	2.12	2,10,00,000	4,90,00,000
- Relating to earlier year		(3,17,604)	(6,37,537)
- Deferred Tax Asset	2.7	(5,33,000)	-
<b>PROFIT AFTER TAX</b>		<b>18,04,44,072</b>	<b>27,27,60,912</b>
<b>Earning per equity share:</b>			
Basic & Diluted Earning per Share of Rs. 10/- each	2.19	37.48	56.65
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

As per our report of even date attached

For NARENDRA KOCHAR & CO  
CHARTERED ACCOUNTANTS  
Firm Regn. No-315201E



(NARENDRA KOCHAR)  
PARTNER  
Membership No. - 052491

Place : Kolkata  
Dated :

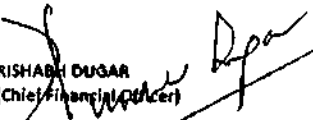
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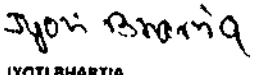


For and on behalf of Board of Directors

  
SURENDRA KUMAR DUGAR  
(Managing Director)  
DIN - 00638608

  
MANG LODHA  
(Chairman &  
Independent Director)  
DIN - 06646876

  
RISHABH DUGAR  
(Chief Financial Officer)

  
JYOTI BHARTIYA  
(Company Secretary)

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**SANTOSH INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

<b>Cash Flows From Operating Activities</b>				
Net Profit Before Tax and Extraordinary Items		20,05,93,468		32,11,23,374
<b>Adjustments For:</b>				
Depreciation	5,32,889		7,44,409	
Dividend	(86,90,050)		(97,30,149)	
Provision for Standard Asset	1,60,000		-	
(Profit)/Loss on Sale of Investment	(6,52,40,451)		(20,79,03,466)	
		(7,32,37,612)		(21,68,89,206)
<b>Operating Profit Before Working Capital Changes</b>		<b>12,73,55,857</b>		<b>10,42,34,168</b>
<b>Adjustments For:</b>				
Change in Inventory	2,54,97,207		1,91,44,449	
Change in Trade Receivables	4,68,97,086		(5,36,21,283)	
Loans, Advances & Other Current Assets	(8,87,44,208)		1,22,38,816	
Change in Current Liabilities	(1,69,515)		1,43,500	
		(1,65,19,430)		(2,20,94,518)
<b>Cash Generated From Operations</b>		<b>11,08,36,426</b>		<b>8,21,39,650</b>
Less: CSR Expense Paid		(1,03,04,500)		-
Less: Direct Taxes Paid (Net of refund)		(2,13,72,662)		(5,10,84,739)
<b>Net Cash generated From Operating Activities (A)</b>		<b>7,91,59,264</b>		<b>3,10,54,911</b>
<b>Cash Flows From Investing Activities</b>				
Sale of Investments	1,42,54,60,167		3,34,05,88,233	
Dividend	86,90,050		97,30,149	
Purchase of Investments	(1,54,06,35,524)		(3,41,55,74,958)	
Purchase of Fixed Assets	(1,44,632)		(1,92,500)	
<b>Net Cash generated from Investing Activities (B)</b>		<b>(10,66,29,939)</b>		<b>(6,54,49,076)</b>
<b>Cash Flow From Financing Activities</b>				
Net proceeds from Short term Borrowing		-		-
<b>Net Cash Flow from Financing activities (C)</b>		<b>-</b>		<b>-</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>		<b>(2,74,70,675)</b>		<b>(3,43,94,165)</b>
<b>Cash &amp; Cash Equivalent At the Beginning of the Year</b>		<b>3,16,01,269</b>		<b>6,59,95,434</b>
<b>Cash &amp; Cash Equivalent at the End of the Year</b>		<b>41,30,594</b>		<b>3,16,01,269</b>

As per our report of even d For and on behalf of the Board of Directors  
FOR NARENDRA KOCHAR & CO.  
(Chartered Accountants)

(NARENDRA KOCHAR)  
(PARTNER)  
M.No : 052491  
Firm Reg No : 315201E



Place : Kolkata  
Date :

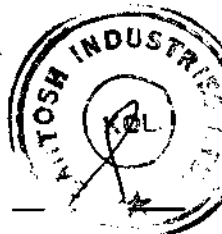
26 MAY 2017

SURENDRA KUMAR DUGAR  
(Managing Director)  
DIN - 00638608

RISHAB DUGAR  
(Chief Financial Officer)

MANG LODHA  
(Chairman & Independent Director)  
DIN - 06646876

JYOTI BHARTIA  
(Company Secretary)



# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

2 NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017			
		Amount in Rs.	
Particulars	As at 31.03.2017	As at 31.03.2016	
<b>2.1 SHARE CAPITAL</b>			
<u>Authorised Share Capital</u>			
4,850,000 ( P.Y. 4,850,000 ) Equity Shares of Rs. 10/- each	4,85,00,000	4,85,00,000	
15,000 ( P.Y. 15,000 ) 7% Tax Free Redeemable Cumulative Preference Shares, Rs. 100/- par value	15,00,000	15,00,000	
	<b>5,00,00,000</b>	<b>5,00,00,000</b>	
<u>Issued, Subscribed &amp; Fully Paid Share Capital</u>			
4,814,575 ( P.Y. 4,814,575 ) Equity Shares of Rs.10/- each	<b>4,81,45,750</b>	<b>4,81,45,750</b>	
The reconciliation of number of the shares outstanding at the beginning and at the end of the year			
At the beginning of period	Number of Shares 48,14,575	Number of Shares 48,14,575	
Add : Issued during the year	-	-	
Outstanding at the end of period	<b>48,14,575</b>	<b>48,14,575</b>	
The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share			
Details of each shareholder holding more than 5% shares:			
	<u>No. Of Shares %</u>	<u>No. Of Shares %</u>	
Surendra Kumar Dugar	830700 (17.25%)	642700 (13.35%)	
Tulsi Kumar Dugar	867000 (18.01%)	817000 (16.97%)	
Kamal Kumar Dugar	930700 (19.33%)	860700 (17.88%)	
<b>2.2 RESERVES &amp; SURPLUS</b>			
Capital Reserve as per last Balance Sheet	57,98,350	57,98,350	
Amalgamation Reserve as per last Balance Sheet	94,79,81,191	94,79,81,191	
General Reserve as per last Balance Sheet	6,30,00,000	6,30,00,000	
Special Reserve (u/s 45IC of RBI Act ,1934 ) As per last Balance Sheet	44,90,00,000	39,40,00,000	
Add : Transfer from Statement of Profit & Loss	3,63,00,000	5,50,00,000	
	<b>48,53,00,000</b>	<b>44,90,00,000</b>	
Corporate Social Responsibility Fund			
Opening Balance	59,00,000	-	
Add: Transfer during the year (Transfer from Statement of Profit & Loss)	45,31,000	59,00,000	
Less: Expenditure made during the year	1,03,04,500	-	
Closing Balance	<b>1,26,500</b>	<b>59,00,000</b>	
Surplus in the Statement of Profit & Loss As per last Balance Sheet	1,65,50,12,212	1,44,31,51,300	
Add : Net profit after tax transferred from Statement of Profit & Loss	18,04,44,072	27,27,60,912	
Amount available for appropriation	1,83,54,56,284	1,71,59,12,212	
Less : Appropriations			
Proposed Dividend on Equity Shares @ Re. 1 per share	(48,14,575)	-	
Provision for DDT	(9,80,135)	-	
Amount transferred to Special Reserve u/s 45-IC of RBI Act, 1934	(3,63,00,000)	(5,50,00,000)	
Amount transferred to Corporate Social Responsibility Fund	(45,31,000)	(59,00,000)	
Surplus - Closing Balance	<b>1,78,88,30,574</b>	<b>1,65,50,12,212</b>	
	<b>3,29,10,36,615</b>	<b>3,12,66,91,753</b>	
<b>2.3 SHORT TERM PROVISIONS</b>			
Provision for Standard Asset (as per RBI Guidelines)	5,20,000	3,60,000	
Proposed Dividend @ Re. 1 Per Share	48,14,575	-	
Provision for DDT	9,80,135	-	
	<b>63,14,710</b>	<b>3,60,000</b>	
<b>2.4 OTHER CURRENT LAIBILITIES</b>			
TDS Payable	1,76,739	4,04,331	
Expenses Payable	1,18,126	58,929	
Professional Tax Payable	260	3,380	
	<b>2,97,125</b>	<b>4,66,640</b>	

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**SANTOSH INDUSTRIES LIMITED**

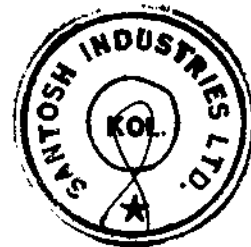
CIN NO L51909WB1960PLC024531

2.5 FIXED ASSETS											
Tangible Assets											
Particulars	Gross Block				Depreciation				Net Block		Net Block
	As at 1st April, 2016	Additions	Disposal	As at 31st March, 2017	As at 1st April, 2016	For the period	Disposal	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016	
Office Equipment	10,58,528	1,44,632	-	12,03,160	9,06,611	83,915	-	9,90,526	2,12,634	1,51,917	
Computer	5,86,109	-	-	5,86,109	5,63,300	4,535	-	5,67,835	18,274	22,809	
Furniture & Fixture	6,76,845	-	-	6,76,845	4,95,918	52,675	-	5,48,593	1,28,252	1,80,927	
Motor Car	39,46,813	-	-	39,46,813	27,44,655	3,91,764	-	31,36,419	8,10,394	12,02,158	
<b>Total :-</b>	<b>62,68,295</b>	<b>1,44,632</b>	<b>-</b>	<b>64,12,927</b>	<b>47,10,484</b>	<b>5,32,869</b>	<b>-</b>	<b>52,41,373</b>	<b>11,69,554</b>	<b>15,57,811</b>	

Previous Year

FIXED ASSETS											
Tangible Assets											
Particulars	Gross Block				Depreciation				Net Block		Net Block
	As at 1st April, 2015	Additions	Disposal	As at 31st March, 2016	As at 1st April, 2015	For the period	Disposal	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015	
Office Equipment	9,56,028	1,02,500	-	10,58,528	8,22,605	84,006	-	9,06,611	1,51,917	1,33,423	
Computer	5,86,109	-	-	5,86,109	5,45,655	17,645	-	5,63,300	22,809	40,454	
Furniture & Fixture	5,86,845	90,000	-	6,76,845	4,39,648	56,270	-	4,95,918	1,80,927	1,47,197	
Motor Car	39,46,813	-	-	39,46,813	21,58,157	5,86,488	-	27,44,655	12,02,158	17,89,646	
<b>Total :-</b>	<b>60,75,795</b>	<b>1,92,500</b>	<b>-</b>	<b>62,68,295</b>	<b>39,66,075</b>	<b>7,44,409</b>	<b>-</b>	<b>47,10,484</b>	<b>15,57,811</b>	<b>21,09,720</b>	

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# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1950PLC024531

2.6 NON CURRENT INVESTMENTS QUOTED					
Name of the Company	Face Value (Rs.)	As at 31.03.2017		As at 31.03.2016	
		No(s)	Amount (Rs.)	No(s)	Amount (Rs.)
<b>A. EQUITY SHARES</b>					
Andhra Petro Limited	10	11,500	2,72,084	11,500	2,72,084
BF Utility Limited	5	10,000	42,66,843	-	-
Choksi Laboratories Limited	10	37,852	7,89,461	37,852	7,89,461
Container Corporation Of India Limited	10	2,700	18,41,973	2,700	18,41,973
Electrosteel Steel Limited	10	18,50,000	89,70,469	18,50,000	89,70,469
Escort Limited	10	3,000	1,25,400	3,000	1,25,400
Gujrat Narmada Valley Fertilizer Ltd	10	10,000	28,00,191	-	-
Gennex Laboratories Ltd	1	-	-	30,000	2,70,404
Goodricke Group Ltd	10	-	-	62,830	1,18,27,846
Himachal Futuristic Communications Limited	1	-	-	28,96,994	5,70,01,174
Hindustan Construction Co. Ltd	1	27,000	9,43,618	27,000	9,43,618
I.D.B.I. Limited	10	3,375	4,47,997	3,375	4,47,997
India Bulls Real Estates Limited	2	1,00,000	81,69,468	-	-
Krebs Biochemical & Industries Limited	10	1,000	35,927	1,000	35,927
Mahanagar Telephone Nigam Limited	10	4,500	3,01,371	4,500	3,01,371
Mahindra CIE Automotive Ltd	10	77,360	1,77,17,168	25,000	68,67,701
Merck Limited	10	2,500	26,57,474	-	-
Pfizer Ltd	10	-	-	2,000	50,67,381
Polylink Polymers India	5	23,828	2,48,003	35,000	3,52,030
Power Grid Limited	10	300	54,244	-	-
PTC India Limited	10	33,045	29,16,548	-	-
Sanofi India Ltd	10	-	-	3,400	1,46,95,147
SML Isuzu Ltd	10	-	-	5,000	62,99,417
Tata Coffee Ltd	1	-	-	34,630	32,66,882
The Federal Bank Ltd	2	5,500	87,500	7,500	1,87,500
			<b>5,26,45,740</b>		<b>11,95,63,782</b>
<b>B. BONDS</b>					
<b>DEEP DISCOUNT BOND</b>					
NABARD	20000	6,840	6,25,51,800	6,840	6,25,51,800
<b>TAXFREE BONDS</b>					
7.35% Nabard Bank for Agriculture & Rural Development	1000	5,010	50,10,000	5,010	50,10,000
7.39% HUDCO	1000	7,007	70,07,000	7,007	70,07,000
8.10% HUDCO 05 Mar 22	1000	70,010	7,16,64,920	70,010	7,16,64,920
7.51% HUDCO	1000	97,500	9,80,33,343	97,500	9,80,33,343
8% Indian Railway Finance Corporation Ltd. 23 Feb 22	1000	52,420	5,29,91,955	52,420	5,29,91,955
8.20% National Highways Authority Of India. BD 25 Jan 22	1000	61,365	6,15,22,423	61,365	6,15,22,423
8.50% National Highways Authority Of India.	1000	50,000	5,00,00,000	50,000	5,00,00,000
7.39% National Highways Authority Of India.	1000	7,709	77,09,000	7,709	77,09,000
7.35% National Highways Authority Of India.	1000	28,570	2,85,70,000	28,570	2,85,70,000
8.63% National Housing Bank	5000	2,166	1,08,30,000	2,166	1,08,30,000
8.68% National Housing Bank	5000	6,384	3,19,20,000	6,384	3,19,20,000
8.76% National Housing Bank	5000	1,444	72,20,000	1,444	72,20,000
8.54% National Hydro Power Corporation	1000	16,105	1,61,05,000	16,105	1,61,05,000
8.48% National Thermal Power Corporation	1000	15,833	1,58,33,000	15,833	1,58,33,000
8.66% National Thermal Power Corporation	1000	15,832	1,58,32,000	15,832	1,58,32,000
8.20% Power Finance Corporation Ltd. SR-1	1000	3,500	35,94,778	3,500	35,94,778
8.16% Power Finance Corporation Ltd. SR80B	1000000	400	4,00,00,000	400	4,00,00,000
8.46% Power Finance Corporation Ltd.	1000000	100	10,50,91,350	100	10,50,91,350
7.17% IREDA	1000200	50	5,00,10,000	50	5,00,10,000
7.49% IREDA	1000	8,515	85,15,000	8,515	85,15,000
6.30% Indian Railway Finance Corporation BD 08 Mar 17	1000000	-	-	700	7,00,00,000
6.70% Indian Railway Finance Corporation BD 08 Mar 20	1000000	800	8,00,00,000	800	8,00,00,000
7.28% Indian Railway Finance Corporation	1000	18,120	1,81,20,000	18,120	1,81,20,000
8.26% India Infra Fin Co. Ltd. Tax Free Bond	1000000	50	5,00,05,000	50	5,00,05,000
8.55% India Infra Fin Co. Ltd. Tax Free Bond	1000	1,00,000	10,00,00,000	1,00,000	10,00,00,000
8.12% Rural Electrification Corporation Ltd SR-2	1000	39,499	3,94,99,000	39,499	3,94,99,000
8.46% Rural Electrification Corporation Ltd 30 Aug 2028	1000000	50	5,00,40,000	50	5,00,40,000
8.46% Rural Electrification Corporation Ltd 24 Sept 2028	1000	50,000	5,00,00,000	50,000	5,00,00,000
8.63% Rural Electrification Corporation Ltd 24 Mar 2029	1000	50,000	5,00,00,000	50,000	5,00,00,000
			<b>1,18,76,75,569</b>		<b>1,25,76,75,569</b>
<b>Total</b>			<b>1,24,03,21,309</b>		<b>1,37,72,39,351</b>

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# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

UNQUOTED A. EQUITY SHARES	Face Value	As at 31.03.2017		As at 31.03.2016	
		No(s)	Amount (Rs.)	No(s)	Amount (Rs.)
<b>In Associate Companies</b>					
BMD Technology Private Limited	10	5,00,000	50,00,000	5,00,000	50,00,000
Drabourne Developers Private Limited	10	2,75,000	81,50,000	2,75,000	81,50,000
Ezra Developers Private Limited	10	2,75,000	75,50,000	2,75,000	75,50,000
			<b>2,07,00,000</b>		<b>2,07,00,000</b>
<b>Other Group Companies</b>					
Auckland Mirman Pvt Ltd	10	12,500	7,76,938	12,500	7,76,938
Auckland Properties Pvt Ltd	10	25,000	14,53,625	25,000	14,53,625
BMD Vanijya Pvt Ltd	10	70,000	23,15,775	70,000	23,15,775
Glaxo Finance Private Limited (Carwin Mercantiles Pvt Ltd)	10	2,14,300	21,43,000	2,14,300	21,43,000
Pragya Merchantile Private Limited	10	11,60,000	1,74,00,000	11,60,000	1,74,00,000
			<b>2,40,89,338</b>		<b>2,40,89,338</b>
<b>Other Companies</b>					
Niel E Security Private Limited	10	12,09,852	1,35,01,949	12,09,852	1,35,01,949
Skyline Radio Network Ltd	10	10,00,000	1,00,00,000	10,00,000	1,00,00,000
			<b>2,35,01,949</b>		<b>2,35,01,949</b>
<b>B. NON CONVERTIBLE DEBENTURES &amp; TAXABLE BONDS</b>					
10.25% Tata Capital Financial Services Limited	500000	102	5,10,06,450	102	5,10,06,450
N.T.P.C. Limited	12.50	4,500	56,250	4,500	56,250
9.95% State Bank of India	100000	650	72,49,284	600	66,77,981
			<b>5,83,11,984</b>		<b>5,77,40,681</b>
<b>C. NON CUMULATIVE REDEMABLE PREFERENCE SHARES</b>					
ILFS LTD	7,500	1,600	2,00,00,000	1,600	2,00,00,000
ILFS LTD	15,000	2,000	3,00,00,000	2,000	3,00,00,000
Tata Capital Ltd.	1,000	40,000	4,00,00,000	40,000	4,00,00,000
			<b>9,00,00,000</b>		<b>9,00,00,000</b>
<b>MUTUAL FUNDS UNITS (DEBT FUND)</b>					
Axis Liquid Fund Institutional Growth	1,000	-	-	15,306	2,55,36,989
Birla Dynamic Bond Fund	10	12,60,112	2,50,00,000	12,60,112	2,50,00,000
Birla Sunlife Income Fund Growth	10	4,96,555	2,64,00,000	4,96,555	2,64,00,000
Birla Sunlife Cash Plus-Growth Regular	10	2,56,326	6,70,56,388	-	-
Canara Robeco Savings Plus	10	44,01,116	9,70,78,736	70,67,796	13,58,77,720
Canara Robeco Treasury Advantage Institutional Growth Fund	1,000	-	-	9,431	1,39,47,595
Canara Robeco Medium Term Fund	10	2,50,000	25,00,000	2,50,000	25,00,000
DSP Short Term Fund Growth	10	76,061	11,77,439	76,061	11,77,439
DSP Black Rock Ultra Short Term Fund	10	84,70,702	8,80,00,000	84,70,702	8,80,00,000
HDFC Cash Management Fund Saving Plan Growth	10	16,687	5,50,00,000	-	-
HDFC Cash Management Fund Treasury	10	19,72,581	6,65,00,000	-	-
HDFC Charity Fund for Cancer	10	40,000	4,00,000	-	-
HDFC Cash Mgmt Treasury Advantage Plan Wholesale Growth	10	6,34,956	1,24,80,353	6,34,956	1,24,80,353
HDFC Liquid Fund - Regular Growth	10	18,840	6,02,52,516	-	-
HDFC Debt Fund For Cancer Cure 50% Dividend Option	10	-	-	10,000	1,00,000
HDFC Floating Rate Income	10	-	-	18,77,002	4,63,00,000
HDFC Floating Rate Income	10	-	-	2,56,337	63,23,064
ICICI Prudential Income Fund Growth	10	6,73,682	2,50,00,000	6,73,682	2,50,00,000
ICICI Prudential Short Term Fund Growth	10	10,44,277	2,50,00,000	10,44,277	2,50,00,000
ICICI Flexible Income Fund	100	1,73,784	4,90,00,000	1,73,784	4,90,00,000
ICICI Prudential Liquid Plan	100	41,818	1,00,00,000	-	-
ICICI Prudential Savings Fund	100	29,766	71,00,000	-	-
IDBI Liquid Growth Fund	10	13,280	2,26,01,679	-	-
IDBI Ultra Short Term Fund Regular	10	31,640	5,32,00,000	-	-
IDFC Dynamic Bond Fund Regular Growth	10	1,73,437	24,00,000	1,73,437	24,00,000
IDFC Dynamic Bond Fund Regular Growth	10	49,80,881	7,00,00,000	49,80,881	7,00,00,000
IDFC Monthly Income Plan Fund Of Fund Growth	10	5,00,000	5,00,00,000	5,00,000	50,00,000
IDFC Super Saver Income Fund -Medium Term	10	10,21,765	2,10,00,000	10,21,765	2,10,00,000
IDFC Ultra Short Term Fund	10	24,84,954	5,00,00,000	24,84,954	5,00,00,000
Kotak Floater Long Term Growth	10	28,39,114	3,94,51,191	28,39,114	3,94,51,191
Kotak GK Regular	10	34,602	14,05,912	34,602	14,05,912
Kotak Treasury Advantage	10	26,17,561	6,00,00,000	26,17,561	6,00,00,000
Reliance Dynamic Bond Fund	10	6,38,525	1,00,00,000	6,38,525	1,00,00,000
Reliance Liquid Treasury Growth	10	6,762	2,65,93,487	-	-
Reliance Money Manager Fund Growth	10	2,984	66,04,425	-	-
Religare Invesco Ultra Short Term	1,000	28,482	5,69,00,000	24,995	4,95,00,000
Religare Liquid Fund Regular Growth	1,000	1,907	40,00,000	-	-
Reliance Liquid Fund Treasury	1,000	-	-	952	35,00,000
SBI Dynamic Bond Fund Growth	10	23,79,964	3,50,00,000	23,79,964	3,50,00,000
SBI Magnum Insta Cash Fund Growth	1,000	-	-	10,781	2,05,51,303
SBI Ultra Short Term	1,000	50,768	9,90,00,000	18,887	3,50,00,000
TATA Floater Fund Regular Growth	1,000	41,780	9,85,00,000	-	-
Tata Liquid Plan A Growth	1,000	3,680	50,00,000	11,488	3,20,00,000
UTI Treasury Advantage	1,000	6,134	1,20,00,000	6,134	1,20,00,000
UTI Liquid Cash Plan Institutional growth Option	1,000	12,386	3,20,82,036	38,999	8,24,68,051
			<b>1,32,86,84,164</b>		<b>1,01,19,11,616</b>

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## SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

Particulars	Face Value	As at 31.03.2017		As at 31.03.2016	
		No(s)	Amount (Rs.)	No(s)	Amount (Rs.)
<b>E. MUTUAL FUNDS UNITS (EQUITY FUND)</b>					
Birla SunLife Dividend Yield Plus Growth	10	24,059	25,00,000	24,059	25,00,000
DSP Blackrock Tiger Fund	10	50,961	25,00,000	50,961	25,00,000
DSP Blackrock Equity Fund Regular Plan Growth	10	36,273	6,00,000	36,273	6,00,000
Franklin India Smaller Company	10	30,000	3,00,000	30,000	3,00,000
Franklin India Bluechip Fund Growth	10	15,055	6,00,000	15,055	6,00,000
Franklin India High Growth Fund	10	19,560	3,00,000	19,560	2,00,000
HDFC Equity Fund - Dividend	10	58,824	25,00,000	58,824	25,00,000
HDFC Top 200 Fund Growth	10	9,758	17,25,000	9,758	17,25,000
ICICI Value Discovery Fund	10	4,477	5,00,000	4,477	5,00,000
IDFC Premier Equity Fund	10	73,317	18,00,000	73,317	18,00,000
JM Basic Fund Growth Plan	10	16,374	2,25,802	16,374	2,25,802
Principal Large Capital Fund	10	39,887	8,50,000	39,887	8,50,000
SBI Emerging Business Fund	10	22,300	12,00,000	22,300	12,00,000
Sundaram BNP Financial Services Opp Regular Growth	10	97,800	10,00,000	97,800	10,00,000
			<b>1,68,00,802</b>		<b>1,68,00,802</b>
<b>F. IMMOVABLE PROPERTIES</b>					
Plots at Fort Legend (5B, 6B, 7B)		3	14,54,07,251	3	14,54,07,251
			<b>14,54,07,251</b>		<b>14,54,07,251</b>
<b>Total</b>			<b>1,70,71,95,488</b>		<b>1,38,98,61,637</b>
<b>GRAND TOTAL</b>			<b>2,94,75,16,797</b>		<b>2,76,71,00,988</b>
Aggregate Amount of Quoted Investments			1,24,03,21,309		1,37,72,39,351
Aggregate Amount of Unquoted Investments			1,70,71,95,488		1,38,98,61,637
Market Value of Quoted Investments			1,31,48,97,432		1,42,87,97,988
NAV of Equity Oriented Mutual Funds			2,88,49,782		2,31,15,874
NAV of Debt Oriented Mutual Funds			1,55,50,51,789		1,20,76,20,352

Particulars	As at 31.03.2016	As at 31.03.2016
<b>2.7 DEFERRED TAX ASSETS (NET)</b>		
Opening Balance	-	-
Add: Recognised during the year	5,33,000	-
Less: Reversed during the year	-	-
Closing Balance	<b>5,33,000</b>	-

Particulars	As at 31.03.2016	As at 31.03.2016
<b>2.8 OTHER NON-CURRENT ASSETS</b>		
Security Deposit	3,35,348	3,35,348
	<b>3,35,348</b>	<b>3,35,348</b>

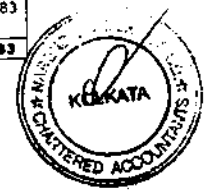
Name of the Company	Face Value	As at 31.03.2017		As at 31.03.2016	
		No(s)	Amount (Rs.)	No(s)	Amount (Rs.)
<b>2.9 INVENTORIES</b>					
<b>QUOTED</b>					
<b>EQUITY SHARES</b>					
Birla Corporation Limited	10	3,500	6,85,650	6,500	12,73,350
Co-Neck Alloys Limited	10	1,000	31,700	1,000	31,700
Milton Plastic Limited	10	1,900	6,282	1,900	6,282
N.T.P.C. Limited	10	4,500	5,79,600	4,500	5,79,600
Shree Acid & Chemicals Limited	10	500	300	500	300
			<b>13,05,532</b>		<b>18,93,232</b>
<b>UNQUOTED</b>					
<b>MUTUAL FUND UNITS (DEBT)</b>					
Axus Treasury Advantage Fund	1,000	36,830	5,76,06,138	36,830	5,76,06,138
DSP Blackrock Liquidity Fund Institutional Growth	1,000	-	-	3,621	76,93,838
JM Short Term Fund Institutional Growth	10	25,02,515	3,55,21,731	25,02,515	3,55,21,731
Principal Cash Management Growth	1,000	-	-	20,798	1,72,15,669
Sundaram Ultra Short Term Fund	10	5,93,824	1,15,13,058	5,93,824	1,15,13,058
			<b>10,46,40,927</b>		<b>12,95,50,434</b>
<b>UNQUOTED</b>					
<b>MUTUAL FUND UNITS (EQUITY)</b>					
ICICI Value Discovery Fund	10	1,962	2,00,000	1,962	2,00,000
			<b>2,00,000</b>		<b>2,00,000</b>
<b>GRAND TOTAL</b>			<b>10,61,46,459</b>		<b>13,16,43,666</b>

Particulars	As at 31.03.2017	As at 31.03.2016
<b>2.10 TRADE RECEIVABLE</b>		
Sundry Debtors (Outstanding for less than six months due from a concern in which directors are interested)	67,24,197	5,36,21,283
	<b>67,24,197</b>	<b>5,36,21,283</b>

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# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

Amount in Rs.

Note	Particulars	As at 31.03.2017	As at 31.03.2016
2.11	<b>Cash &amp; Bank Balances</b>		
	Cash & Cash Equivalents		
	Balances with banks in Current Account	41,07,604	3,15,60,226
	Cash on hand	22,989	41,043
		<b>41,30,594</b>	<b>3,16,01,269</b>
2.12	<b>Short-Term Loans &amp; Advances</b>		
	Unsecured & Considered Good		
	- Income Tax refundable	37,14,243	18,39,069
	- Income Tax & TDS (Net of Provision)	9,15,712	21,00,620
	- Margin Deposit in form of FDR	3,96,00,000	7,70,70,000
	- Loans to Bodies Corporate - related parties	14,76,00,000	6,80,00,000
	- Advance agst. Property	3,97,10,000	-
	- Advance to staff	-	2,000
		<b>23,15,39,955</b>	<b>14,90,11,689</b>
2.13	<b>Other Current Assets</b>		
	Prepaid Expenses	1,12,873	1,39,828
	Interest Receivable on Margin Deposit	12,88,215	37,95,355
	Interest Receivable on Taxable Bonds	21,80,924	21,31,174
	Interest Receivable Tax Free Bonds	3,27,53,777	3,20,63,443
	Interest Receivable on Loan to Bodies Corporate	1,13,62,508	26,62,289
		<b>4,76,98,297</b>	<b>4,07,92,089</b>
	<b>Particulars</b>	<b>For the year ended 31.03.2017</b>	<b>For the year ended 31.03.2016</b>
2.14	<b>Revenue From Operation</b>		
	Sale of Mutual Fund Units	3,92,80,978	11,64,76,545
	Sale of Shares	20,73,997	7,76,39,601
	Interest on Loan	1,37,56,955	29,57,916
	Interest on Fixed Deposits	-	6,05,081
	Interest on Margin Deposits	53,98,191	68,57,312
	Difference in intra day trading	34,99,608	(57,55,768)
	Interest on Taxable Bonds	58,79,013	58,24,500
	Interest on Tax Free Bonds	9,46,99,621	8,79,17,697
		<b>16,45,88,363</b>	<b>29,25,22,884</b>
2.15	<b>Other Income</b>		
	Dividend (Held as Inventories)	58,620	56,250
	Dividend (Held as Investments)	86,90,050	96,73,899
	Interest on Bond Application Money	-	5,87,059
	Misc. Income	1,074	-
	Profit on Sale of Investments	6,52,40,451	20,79,03,466
		<b>7,39,90,194</b>	<b>21,82,20,674</b>

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# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

Note	Particulars	Amount in Rs.	
		For the year ended 31.03.2017	For the year ended 31.03.2016
2.16	<b>Changes in Inventories</b>		
	Opening Stock		
	-Shares	18,93,232	6,33,33,625
	-Mutual Fund Units	12,97,50,434	8,74,54,489
		13,16,43,666	15,07,88,114
	Closing Stock		
	-Shares	13,05,532	18,93,232
	-Mutual Fund Units	10,48,40,927	12,97,50,434
		10,61,46,459	13,16,43,666
	<b>Changes in Inventories</b>	<b>2,54,97,207</b>	<b>1,91,44,448</b>
2.17	<b>Employee Benefits Expenses</b>		
	Salary & Bonus	70,29,089	62,96,757
	Staff Welfare	10,126	31,537
	Transport Allowance	10,688	27,120
		<b>70,49,903</b>	<b>63,55,414</b>
2.18	<b>Other Expenses</b>		
	Advertisement/Publicity & Business Promotion Expenses	4,06,515	11,86,562
	Auditor's Remuneration		
	Audit Fee	30,000	30,000
	Tax Audit Fee	11,000	11,000
	Service Tax (Audit Fees)	6,150	5,945
	Bank Charges	1,569	1,039
	Custodial Charges	21,805	20,610
	Demat Charges	4,836	4,700
	Donation	11,03,672	2,335
	Filing Fee	22,200	37,887
	Electricity Charges	1,31,310	-
	Entertainment Expenses	1,15,428	1,24,951
	General Expenses	12,148	20,194
	Professional Charges	3,77,000	8,72,500
	Listing Fee	28,625	28,090
	Motor Car Expenses	3,17,625	3,79,327
	Motor Car Insurance	50,255	56,078
	Office Rent	6,00,000	15,90,000
	Postage & Telegram	9,723	1,242
	Printing & Stationery	89,990	64,720
	Professional Tax	2,500	2,500
	Rates & Taxes	1,900	1,900
	Service & Maintenance	1,02,273	97,655
	STT on Investment	10,63,032	22,05,236
	STT on Share Trading	29,419	1,60,605
	Telephone Expenses	61,455	49,326
	Travelling & Conveyance Expenses	1,18,222	2,02,067
	Registrar Charges	26,438	19,443
		<b>47,45,090</b>	<b>71,75,912</b>

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2.19 **Earning per Equity Shares**

a) Basic and Diluted Earnings per share are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of shares outstanding during the year

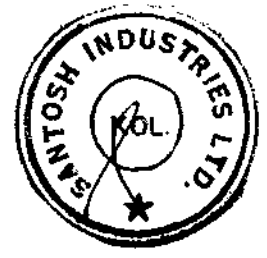
b) The following represents the income and share data used in computation of Basic and Diluted Earnings per share

	2016-17	2015-16
i) Net profit after tax as per statement of Profit & Loss attributed to Equity Shareholders (₹)	180444072.18	272760912.27
ii) Weighted average number of equity shares used as denominator for calculating EPS	4814575	4814575
iii) Basic and Diluted Earnings per share (₹)	37.48	56.65
iv) Face Value per share (₹)	10.00	10.00

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# SANTOSH INDUSTRIES LTD

CIN NO L51909WB1960PLC024531

## 2.20 Related Party Disclosure:

*(Information given in accordance with Accounting Standard – 18)*

### A. Related Party Relationship

#### i) Key Management Personnel

1. Sri. Surendra Kumar Dugar. - Managing Director
2. Sri. Tulsi Kumar Dugar - Director
3. Sri. Kamal Kumar Dugar - Director
4. Sri. Rishabh Dugar - CFO
5. Jyoti Bhartia. CS (Appointed on 25/07/2016)

#### ii) Enterprises/Trust over which key management personnel exercise significant influence

1. BMD Securities Limited
2. Ezra Developers Private Limited
3. Elgin Vinimay (P) Ltd.
4. PS Magnum
5. Maple Dealcom Pvt Ltd
6. Arion Vanijya Pvt Ltd
7. Brabourne Developers Pvt Ltd
8. Auckland Nirman Pvt Ltd

**Note : Related Parties have been identified by the management.**

### B. Transaction with Related Parties

A separate Annexure has been attached.

### C. (i) Amount due to Related Parties at the end of the year: -

A separate Annexure has been attached.

(ii) Amount Due from Related Parties at the end of the year:- A separate Annexure has been attached.

2.21 Cash in hand is as certified by the management.

2.22 The major components of deferred tax assets and liabilities are:

Deferred Tax Assets due to difference in Depreciation as per Companies Act and Income Tax Act of Rs. 5,33,000/- . (P.Y. 5,17,121/-)

2.23 Based on the intimation received by the company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises (MSMED) Act, 2006. Accordingly, no disclosures relating to amounts unpaid as at the year ended together with interest paid / payable are required to be furnished.

2.24 Particulars as per NBFC, as per Separate Schedule attached.



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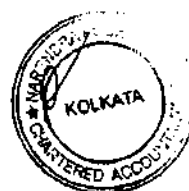
## SANTOSH INDUSTRIES LTD

CIN NO L51909WB1960PLC024531

- 2.25 Capital Contracts remaining to be executed on capital accounts against purchase of flats is amounting to Rs. 22,89,900/- (Previous year- NIL)
- 2.26 The equity Shares of the Company are listed with the The Calcutta Stock Exchange Association Limited Kolkata and the annual listing fee has been paid for the year.
- 2.27 Margin Deposit of Rs. 3,96,00,000/-(P.Y. Rs. 7,70,70,000/-) is lying with a brokerage through whom the company carries out its securities Investment & derivative business and are in form of Bank Deposit in the name of recognized stock exchanges and said brokerage. Interest thereon is received directly by the company from banks and shown as interest on margin deposit with brokerage.
- 2.28 The terms of employment doesn't provide for payment of gratuity, since The Payment of Gratuity Act, 1972 is not applicable.
- 2.29 The company has transferred an amount of Rs. 45.31 Lakh from Statement of Profit and Loss as required in Corporate Social Responsibility Fund and spent the required amount towards Corporate Social Responsibility during the financial year 2016-17.
- 2.30 Previous period figures have been regrouped/ reclassified wherever necessary to confirm to the current period presentation.
- 2.32 Contingent Liabilities - NIL (Previous year - NIL)
- 2.33 Earnings & Expenditure in Foreign Exchange - NIL (Previous Year Nil)
- 2.34 The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 is as under:

	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	0.00	29528.47	29528.47
Add: Permitted Receipts	0.00	150000.00	150000.00
Less: Permitted Payments	0.00	66995.00	66995.00
Less: Amount Deposited in Banks	0.00	0.00	0.00
Closing Cash in hand as on 30.12.016	0.00	112533.47	112533.47

- 2.35 In the opinion of the Directors, Current assets, loans, advances and deposits are not having lower realizable value than the value at which they have been stated in the Balance Sheet.
- 2.36 Reduction in the Value of Quoted Equity Shares held as investments is considered temporary in nature by the management. Hence no provision for diminution in value of shares held as investments is made.

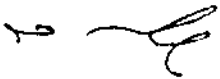


# SANTOSH INDUSTRIES LTD

CIN NO L51909WB1960PLC024531

2.37 Other additional information pursuant to paragraph 5 of Part II of Schedule III of the Companies Act, 2013- NIL (Previous Year - NIL)


**For NARENDRA KOCHAR & CO**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No-315201E


  
(NARENDRA KOCHAR)  
PARTNER  
Membership No. - 052491

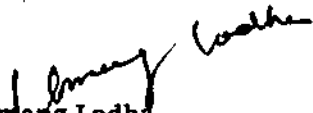


Place : Kolkata  
Dated :

26 MAY 2017

  
Surendra Kumar Dugar  
(Managing Director)  
DIN - 00638608

  
Rishabh Dugar  
(Chief Financial Officer)

  
Umang Lodha  
(Chairman & Independent Director)  
DIN - 06646876

  
Jyoti Bhartiya  
(Company Secretary)



SANTOSH INDUSTRIES LIMITED

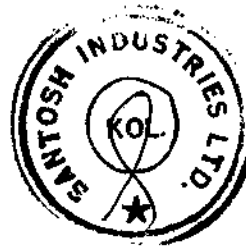
NOTE NO. 2.20 RELATED PARTY TRANSACTIONS

Sl NO	PARTY NAME	TRANSACTION AMOUNT	REPAYMENT	PRINCIPAL O/S	INTEREST	INTEREST RECEIVED	BALANCE O/S	RELATION	REMARKS
1	SRI SURENDRA KUMAR DUGAR	42,00,000.00					NIL	DIRECTOR	DIRECTOR REMUNERATION
2	SRI RISHABH DUGAR	24,50,000.00					NIL	SON OF DIRECTOR / CFO	SALARY
3	MRS JYOTI BHARTIA	1,39,178.00					NIL	COMPANY SECRETARY	SALARY
4	EZRA DEVELOPERS PVT LTD	6,00,000.00					NIL	GROUP COMPANY	RENT
5	EZRA DEVELOPERS PVT LTD	82,00,000.00		82,00,000.00	43,791.00		82,43,791.00	GROUP COMPANY	AMOUNT PAID TOWARDS LOAN
6	ARION VANIYA PRIVATE LIMITED	1,15,00,000.00	1,15,00,000.00		74,860.00		74,860.00	GROUP COMPANY	AMOUNT PAID TOWARDS LOAN
7	AUCKLAND MIRMAN PVT LTD	85,00,000.00		85,00,000.00	2,795.00		85,02,795.00	GROUP COMPANY	AMOUNT PAID TOWARDS LOAN
8	BRABOURNE DEVELOPERS PVT LTD	4,98,00,000.00		4,98,00,000.00	34,63,781.00		5,32,63,781.00	GROUP COMPANY	AMOUNT PAID TOWARDS LOAN
9	ELGIN VINHAY PRIVATE LIMITED	4,31,00,000.00		4,31,00,000.00	34,50,318.00	3,25,033.00	4,65,50,318.00	GROUP COMPANY	AMOUNT PAID TOWARDS LOAN
10	MAPLE DEALCOM PRIVATE LIMITED	1,23,00,000.00	1,23,00,000.00		80,068.00		80,068.00	GROUP COMPANY	AMOUNT PAID TOWARDS LOAN
11	SUNVIEW SUPPLIERS PVT LTD	3,80,00,000.00		3,80,00,000.00	14,76,073.00		3,94,76,073.00	GROUP COMPANY	AMOUNT PAID TOWARDS LOAN
12	BMD SECURITIES LIMITED						67,24,197.00	GROUP COMPANY	TRADE RECEIVABLE
13	BMD SECURITIES LIMITED	3,96,00,000.00					3,96,00,000.00	GROUP COMPANY	MARGIN DEPOSIT
13	P S MAGNUM				5,45,605.00	5,45,605.00	NIL	CFO IS A DIRECTOR OF A COMPANY IN WHICH SUCH COMPANY IS A PARTNER	AMOUNT PAID TOWARDS LOAN

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6/11/2023



**SANTOSH INDUSTRIES LTD.**

ANNEXURE - A

DEPRECIATION ON FIXED ASSETS AS ON 31.03.2017 AS PER INCOME TAX ACT, 1961

(ASS. YEAR 2017-18)

DESCRIPTION	Rate of Dep as per I.Tax Act	W.D.V. As on 01.04.2016	Addition during the year		Sale During the Year	Total As on 31.03.2017	Depreciation For the Year	W.D.V. As on 31.03.2017
			More than 180 Days	Less than 180 Days				
Motor Car	15%	25,07,481.51	-	-	-	25,07,481.51	3,76,122.23	21,31,359.28
Computer	60%	10,606.19	-	-	-	10,606.19	6,363.71	4,242.48
Furniture & Fixture	10%	3,95,117.96	-	-	-	3,95,117.96	39,511.80	3,55,606.16
Generator	15%	1,623.75	-	-	-	1,623.75	243.56	1,380.19
Air Conditioner	15%	22,753.95	27,000.00	-	-	49,753.95	7,463.09	42,290.86
Office Equipments	15%	1,63,563.91	47,632.00	-	-	2,11,195.91	31,679.39	1,79,516.52
Mobile Phone	15%	1,18,632.24	-	70,000.00	-	1,88,632.24	23,044.84	1,65,587.40
<b>TOTAL</b>		<b>32,19,779.51</b>	<b>74,632.00</b>	<b>70,000.00</b>		<b>33,64,411.51</b>	<b>4,84,428.61</b>	<b>28,79,982.90</b>

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# SANTOSH INDUSTRIES LTD

CIN NO L51909WB1960PLC024531

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation of Financial Statements

The financial statements have been prepared in conformity with generally accepted accounting principles (Indian GAAP) to comply in all material respects with the Accounting Standards ('AS') prescribed under relevant provisions of the Companies Act, 2013 ('the Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non Banking Finance Company ('NBFC'). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### 1.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

### 1.3 Fixed Assets, Depreciation/Amortization and Impairment of assets

#### Fixed Assets

Fixed assets are stated at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### Depreciation/Amortisation

Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated/amortised over the revised/remaining useful lives using WDV method.

#### Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### 1.4 Investments

Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as non current (long-term) investments. The investments are stated at cost.





# SANTOSH INDUSTRIES LTD

CIN NO L51909WB1960PLC024531

## 1.5 Inventories

Inventories are valued at lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make sale.

## 1.6 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

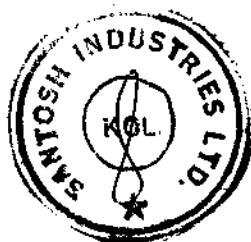
- I. Interest income on fixed deposits/margin money, call money (CBLO), certificate of deposits and pass through certificates are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- II. Sale and Purchase of Share & Securities are recognized on Contract note date followed by passing of ownership.
- III. Dividend Income: Revenue is recognized when the shareholders/units holders right to receive/payment of dividend is established.

## 1.7 Income tax

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. Deferred Tax Assets and Liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred Tax Assets are not recognized subject to management's judgment and as matter of prudence no provision has been made for deferred tax assets. No deferred tax asset is being carried in the financial statement in view of the absence of the virtual certainty and convincing evidence as required by Accounting Standard 22.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the carrying amount of MAT at each Balance Sheet date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during specified period.

Income tax provision is made as per Income Tax Act, 1961 considering the applicable provision including MAT. Since there is no virtual certainty of its credit in future as per applicable provision, the same is charged during the year and not considered as components of deferred tax asset.



# SANTOSH INDUSTRIES LTD

CIN NO L51909WB1960PLC024531

## 1.8 Segment reporting

### Identification of segments:

The Company's operating businesses are organized and managed in one segment only. The analysis of geographical segments is based on the areas in which major operation of the company exists.

## 1.9 Earnings per share

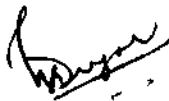
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

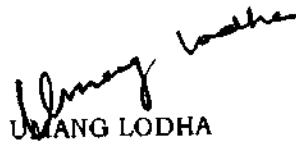
## 1.10 Provisions

A provision is recognised when the company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

For and on behalf of the Board of Director



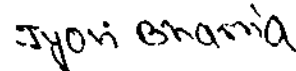
SURENDRA KUMAR DUGAR  
(Managing Director)  
DIN - 00638608



UDAY LODHA  
(Chairman & Independent Director)  
DIN - 06646876



RISHABH DUGAR  
(Chief Financial Officer)



JYOTI BHARTIA  
(Company Secretary)



## Details of Significant Accounting Policies

### Deffered Tax Asset/Liability Details

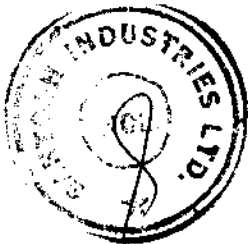
WDV as per Books	11,69,554
WDV as per Income Tax	<u>28,79,983</u>
	<u>17,10,429</u>
Deffered Tax Asset @ 30.9% of Rs. 17,10,429/-	<u>5,28,523</u>

### Details of Dividend received from equity shares held other than long term non trade investment

Birla Corporation Ltd	39,000
NTPC Ltd	<u>19,620</u>
Total :-	<u>58,620</u>

*a R. J. ll*

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# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

**NOTE : 2.24**

**Particulars as per NBFC Directions as at 31-03-2017**

Disclosure of details as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in lakhs)

	Particulars		Amount Outstanding	Amount Overdue
	<b>Liabilities Side</b>			
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:			
	(a) Debentures : Secured		-	-
	Unsecured (other than falling within the meaning of public deposits*)		-	-
	(b) Deferred Credits		-	-
	(c) Term Loans		-	-
	(d) Inter-corporate loans and borrowing		-	-
	(e) Commercial Paper		-	-
	(f) Secured Loan ( Overdraft Borrowings )		-	-
	Short term loans repayable within a year			
	* Please see Note 1 below			

(Rs. in lakhs)

	Assets Side :		Amount outstanding
2	Break-up of Loans and Advances including bills receivables other than those included in (4) below : Net of NPAs		
	(a) Secured		0.00
	(b) Unsecured		1589.63
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		0.00
	(b) Operating lease		0.00
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		0.00
	(b) Repossessed Assets		0.00
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		0.00
	(b) Loans other than (a) above		0.00

4	Break-up of Investments :		
	<b>Current Investments :</b> (Includes Inventories)		
	I. Quoted :		
	(i) Shares : (a) Equity		13.06
	(b) Preference		0.00
	(ii) Debentures and Bonds		0.00
	(iii) Units of mutual funds		0.00
	(iv) Government Securities		0.00
	(v) Others (please specify)		0.00

c p l e



## SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

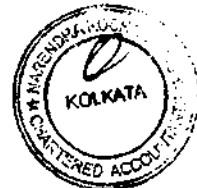
2. Unquoted :		
(i) Shares : (a) Equity		0.00
(b) Preference		0.00
(ii) Debentures and Bonds		0.00
(iii) Units of mutual funds		1048.41
(iv) Government Securities		0.00
(v) Others (please specify)		0.00
<b>Long Term investments :</b>		
<b>Net of NPAs</b>		
1. Quoted :		0.00
(i) Shares : (a) Equity		526.46
(b) Preference		0.00
(ii) Debentures and Bonds		11876.76
(iii) Units of mutual funds		0.00
(iv) Government Securities		0.00
(v) Others (please specify)		0.00
2. Unquoted :		
(i) Shares : (a) Equity		682.91
(b) Preference		900.00
(ii) Debentures and Bonds		583.12
(iii) Units of mutual funds		13451.85
(iv) Government Securities		0.00
(v) Others (Flats)		1454.07

5 Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below			
Category (Amount net of provisions)	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries	0.00	0.00	0.00
(b) Companies in the same group	0.00	1561.42	1561.42
(c) Other related parties	0.00	0.00	0.00
2. Other than related parties	0.00	28.21	28.21
<b>Total</b>		<b>1,589.63</b>	<b>1,589.63</b>

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			
Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **			
(a) Subsidiaries*		0.00	0.00
(b) Companies in the same group***		2979.58	447.89
(c) Other related parties		0.00	0.00
2. Other than related parties		33272.21	30088.74
<b>Total</b>		<b>36251.79</b>	<b>30536.63</b>

\*\*\* represent the investment in unquoted equity shares which are taken at their break up value as on 31-03-2016/31-03-2017 in absence of break value as on 31-03-2017 of the investee companies

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# SANTOSH INDUSTRIES LIMITED

CIN NO L51909WB1960PLC024531

## (7) Other information

Particulars		Amount
(i)	Gross Non-Performing Assets*	0.00
	(a) Related parties	0.00
	(b) Other than related parties	0.00
(ii)	Net Non-Performing Assets	0.00
	(a) Related parties	0.00
	(b) Other than related parties	0.00
(iii)	Assets acquired in satisfaction of debt	0.00

\*The gross and net are the same since at the balance sheet date these amounts are after making adjustments as shown in the audited accounts.

As per our report of even date attached

For NARENDRA KOCHAR & CO  
CHARTERED ACCOUNTANTS  
Firm Regn. No-315201E

(NARENDRA KOCHAR)  
PARTNER  
Membership No. - 052491

Place : Kolkata  
Dated :



For and on behalf of Board of Directors

SURENDRA KUMAR DUGAR  
(Managing Director)  
DIN - 00638608

OMANG LODHA  
(Chairman & Independent)  
DIN - 06646876

RISHABH DUGAR  
(Chief Financial Officer)

JYOTI BHARTIA  
(Company Secretary)

