

# SAMTEX FASHIONS LIMITED



## **BOARD OF DIRECTORS**

Atul Mittal

S. K. Gupta

Raman Ohri

Shubhra Bhambri

*Managing Director*

*Director*

*Director*

*Director*

## **COMPANY SECRETARY & GM FINANCE**

Kamini Gupta

## **AUDITORS**

M/s Aggarwal & Rampal

*Chartered Accountants*

New Delhi

## **INTERNAL AUDITORS**

M/s Ashok Aggarwal & Co.

*Chartered Accountants*

Delhi

## **BANKERS**

STATE BANK OF INDIA

Overseas Branch,

9th Floor, Jawahar Vayapar Bhawan,

Tolstoy Marg, New Delhi - 110 001

## **CORPORATE IDENTIFICATION NUMBER**

L17112UP1993PLC022479

## **REGISTERED OFFICE & WORKS**

Property No. D-100, Phase II,

Hosiery Complex Noida,

Gautam Buddha Nagar,

U.P. - 201305

## **CORPORATE OFFICE**

21, Arcon Plaza,

Local shopping Centre,

Madangir, New Delhi -110062

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## NOTICE

**Notice** is hereby given that the Twenty Fourth Annual General Meeting of M/s Samtex Fashions Limited will be held on Friday, the 29th September, 2017 at 9.30 A.M. at the Registered Office of the Company at Property No. D-100, Phase II, Hosiery Complex Noida, Gautam Buddha Nagar, (UP)- 201 305 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2017 including the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit & Loss for the financial year ended on that date, together with the Directors' Report and Auditors' Report thereon and also the consolidated Audited Balance Sheet as at 31st March, 2017 and consolidated Statement of Profit and Loss for the year ended 31st March, 2017.
2. To appoint a Director in place of Mr. Atul Mittal (DIN 00223366), who retires by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 139,141,142 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 and pursuant to recommendation of the Audit Committee of the Board of Directors, M/s Kapil Kumar & Co. Chartered Accountants ( Registration No.006241N), be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Aggarwal & Rampal retiring Statutory Auditors and to hold office for the term of 5 years from the conclusion of this AGM, till the conclusion of AGM of the Company to be held in the financial year ending 2022 (subject to ratification of appointment by the Members at every AGM held after this AGM) at the remuneration to be determined by the Board of Directors of the Company."

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 149, 152 & 161 of the Companies Act, 2013 and any other applicable provisions if any, consent of the members be and is hereby accorded for the appointment of Ms. Shubhra Bhambri as an Independent Director for the term of 5 Year w.e.f 29<sup>th</sup> September, 2017, who was appointed as an Additional Director by the Board wef 1<sup>st</sup> October, 2016. Ms. Shubhra Bhambri is not liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr. Atul Mittal, Managing Director of the Company, be and is hereby authorized to file relevant forms with the Registrar of Companies and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment"

By order of the Board  
For **SAMTEX FASHIONS LIMITED**

**KAMINI GUPTA**  
Company Secretary & GM Finance  
FCS 5882

Date : 28.08.2017  
Place : New Delhi

### REGISTERED OFFICE & WORK

Property No. D-100, Phase II,  
Hosiery Complex Noida,  
Gautam Buddha Nagar, U.P.-201305  
Phone No. : 0120- 4209800, 4209900  
E-Mail : [samtex.compliance@gmail.com](mailto:samtex.compliance@gmail.com)  
Website: [www.samtexfashions.com](http://www.samtexfashions.com)  
CIN : L17112UP1993PLC022479



## **NOTES :**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF. A PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.** Proxies in order to be effective must be received by the company not less than 48 hours before the scheduled time of meeting. A blank proxy form is enclosed. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- b) The Register of Member and Share Transfer Books of the Company will remain closed from 23-09-2017 to 29-09-2017 (both days inclusive).
- c) Members/Proxies should bring the Attendance Slip send herewith duly filled up for attending the meeting.
- d) Members are requested to communicate change in their address/ residential status, if any to the Company, quoting respective folios in case their holdings in physical form, and their Depository Participant (DPs) in respect of their holdings in dematerialized form.
- d) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least Ten days before the date of meeting, so that any information required by the members may be made available at the meeting.
- e) The Notice of the 24<sup>th</sup> Annual General Meeting and instructions for e-voting, along with the attendance Slip, Proxy Form and the Annual Report 2016-17, is being sent by electronic mode to all members whose email addresses are registered with the Registrar and Share Transfer Agent of the Company / Depository Participant(s) unless a member has requested for a hard copy of the same.
- f) Members may also note that the Notice of the 24<sup>th</sup> Annual General Meeting and the Annual Report for the year 2016-17 will also be available on the Company's website [www.samtextfashions.com] for their download. The physical copies of the aforesaid documents and documents referred to in the notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 will be available for inspection at the Company's Registered Office and Corporate Office during 11:00 A.M. to 1:00 P.M. on all working days up to the date of the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [samtex.compliance@gmail.com].
- g) The securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every applicant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Member holding the shares in physical form their PAN details to the Company.
- h) Member are requested to inform the Company's Registrar and Share Transfer Agent i.e Beetal Financial & Computer services (P) Ltd., Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi-110062 about the changes, if any, in their registered address along with the PIN code, quoting their Folio No. and DP ID. All correspondence relating to transfer of shares may be sent directly to the aforesaid Registrar and Share Transfer Agent of the Company.
- i) Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by Ministry of Corporate Affairs and to avail remote e- voting facility in respect of the resolutions which would be passed at the General Meeting of the Company.
- j) Pursuant to the prohibition imposed vide Secretarial Standard on General Meeting (SS-2) issued by the ICSI and MCA circular, no gift /coupons shall be distributed at the Meeting.

## **Remote E-voting**

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 22, 2017, i.e. Cutoff Date, are entitled to vote on the Resolutions set forth in this Notice. Remote e-voting is optional. The remote e-voting period will commence on Tuesday, September 26, 2017 at 10.00 A.M. (IST) and ends on Thursday, September 28, 2017 at 5.00 P.M. (IST). The facility for voting by ballot/polling paper shall also be made available at



the Annual General Meeting (AGM) and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. A person who is not a member as on the cut off date should treat this Notice for information purposes only.

Mr. Deepak Kukreja, Practicing Company Secretary, FCS No: 4140 has been appointed to act as the Scrutinizer, to scrutinize the remote e-voting process and voting by ballot/polling paper at the AGM in a fair and transparent manner. The Members desiring to vote through remote e-voting may refer to the detailed procedure given hereinafter.

The Scrutinizer shall immediately after the conclusion at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make in writing, of conclusion of the AGM, a consolidated Scrutinizer's Report to the Chairman or any person authorized by him, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

The manner in which members have cast their votes, that is, affirming or negating the resolution(s), shall remain secret and not available to the Chairman, Scrutinizer or any other person till the votes are cast in the AGM. However for the purpose of ensuring that members who have cast their votes through remote e-voting do not vote again at the AGM, the scrutinizer shall have access, after the closure of period for remote e-voting and before the start of the AGM, details relating to members, such as their names, folios, number of shares held and such other information that the scrutinizer may require, who have cast votes through remote e-voting but not the manner in which they have cast their votes.

The result of the remote e-voting along with the result of the poll conducted at the AGM and the Scrutinizer's Report shall be sent to stock exchanges, where the securities of the Company are listed and placed on the Company's website "www.samtextfashions.com" immediately after the results are declared by the Chairperson.

- k) Members are requested to bring their copy of the Annual Report to the meeting.
- l) The Complete details of the instruction for e-voting is annexed to this Notice.

## **Process and Manner for Members opting for Remote E- Voting:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 24<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through E-Voting Services provided by Central Depository Services (India) Limited (CDSL):

### **1. Instruction for Remote E-Voting:-**

(A) The instruction for members for voting electronically is as under:-

- (i) The remote e- voting period begins on **Tuesday, September 26, 2017 at 10.00 A.M. (IST) and ends on Thursday September 28, 2017 at 5.00 P.M. (IST)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Friday, September 22, 2017 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the (remote) e-voting website [www.evotingindia.com](http://www.evotingindia.com)/[www.evoting.nsdl.com](http://www.evoting.nsdl.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now select "SAMTEX FASHIONS LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:



<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company an which they are eligible to vote, provided that Company opts for remote e- voting through CDSL platform, It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for remote e- voting or the resolutions contained in this Notice.
- (xii) Click on the EVSN for "Samtex Fashions Limited" on which you choose to vote
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT"; a confirmation box will be displayed. If you wish to confirm your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
- (xxi) Note for institutional Shareholders/ non individual/custodians :-
- Institutional shareholders/ Non individual (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to Log on to <https://www.evotingindia.co.in> and register themselves as Corporate and custodians respectively.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and (remote) e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (C) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the remote e- voting period unblock the votes in the presence of at least two (2) witness not in employment of the Company and make a Scrutinizer's Report of the Votes cast in favour or against, if any, forthwith to the Managing Director of the Company.  
The results declared along with the Scrutinizer's Report shall be placed on the Company's website: [www.samtexfashions.com](http://www.samtexfashions.com) and on the website of CDSL and the same be communicated to the Stock Exchange(s).
- (D) The term Members has been used to denote Shareholders of "Samtex Fashions Limited".

## **Poll at the Meeting**

After the items of the notice have been discussed, the Chairman will order poll in respect of the items. Poll will be conducted and supervised under the Scrutinizer appointed for remote e-voting and poll as stated above. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date and who have not cast their vote by remote e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM

A route map and prominent land mark for easy location to the venue of AGM is attached to this Notice.

## **EXPLANATORY STATEMENT**

The following statement in terms of Section 102 of the Companies Act, 2013 is annexed to and forms part of the Notice convening the 24<sup>th</sup> Annual general meeting:

### **ITEM NO. 4**

Ms. Shubhra Bhambri (DIN-01167504) was appointed as an additional Director of the Company wef 1<sup>st</sup> October, 2016 and her tenure is upto the conclusion of this Annual General Meeting subject to the ratification by shareholders for 5 years.

She is seeking appointment as an Independent Director in the upcoming 24<sup>th</sup> Annual General Meeting for the term of 5 years w.e.f 30 September, 2017.

She is a graduate in commerce and is an associate member of Institute of Chartered Accountants of India (ACA) and having experience of more than 16 years in Finance, Audit, Accounting and Taxation.

### **Memorandum of Interest:-**

None is concerned or interested in the appointment / Resolution.

The board recommends the resolutions for the approval by the Share Holders.

By order of the Board  
For **SAMTEX FASHIONS LIMITED**

**KAMINI GUPTA**  
Company Secretary & GM Finance  
FCS 5882

Date: 28.08.2017  
Place: New Delhi

### **REGISTERED OFFICE & WORK**

Property No. D-100, Phase II,  
Hosiery Complex Noida,  
Gautam Buddha Nagar, U.P.-201305  
Phone No. : 0120- 4209800, 4209900  
E-Mail : [samtex.compliance@gmail.com](mailto:samtex.compliance@gmail.com)  
Website: [www.samtexfashions.com](http://www.samtexfashions.com)  
CIN : L17112UP1993PLC022479



Details of Directors seeking appointment/ Reappointment at the ensuing Annual General Meeting under regulation 36(3) of SEBI (LODR) 2015.

Name of the Director	Mr. Atul Mittal	Ms. Shubhra Bhambri
Date of Birth	25-04-1977	03-06-1975
Date of Appointment	29-07-2002	01-10-2016
Qualification	Graduate	Chartered Accountant
Expertise in specific functional areas	General Management	Finance and Taxation
List of Directorship held in other Companies as on 31 <sup>st</sup> March, 2017	ARLIN Foods Limited and ARLIN Exim Pvt. Ltd.	NIL
Chairman/Member of the Committees of the Board of Public Companies on which he is a Director as on 31 <sup>st</sup> March, 2017	Chairman- NIL Membership-3	Membership-1
Shareholding in the Company as on 31 <sup>st</sup> March, 2017:- Equity Shares in Numbers	2600000	NIL
Relationship with other Directors	None	None



## BOARD'S REPORT

To,

The Members,

The Board of Directors hereby submit the 24<sup>th</sup> Annual Report of your Company together with the Audited Accounts of the Company for the year ended 31st March' 2017.

### FINANCIAL RESULTS

	Rs. In Lakhs	
<b>PARTICULARS</b>	<b>2016-2017</b>	<b>2015-2016</b>
<b>Sales and other Income</b>	<b>4728.32</b>	<b>8538.15</b>
<b>Profit before tax, interest, depreciation and write offs</b>	<b>1796.98</b>	<b>530.85</b>
<b>Interest &amp; Financial Expenses</b>	<b>171.14</b>	<b>312.14</b>
<b>Depreciation</b>	<b>98.16</b>	<b>102.64</b>
<b>Profits</b>	<b>(2066.28)</b>	<b>116.07</b>
<b>Exceptional Expenses</b>	<b>4028.67</b>	<b>-</b>
<b>Exceptional Income</b>	<b>1527.74</b>	<b>-</b>
<b>Profit Before Tax</b>	<b>(4567.22)</b>	<b>116.07</b>
<b>Provision for Taxation :</b>		
<b>Current</b>	<b>(0.29)</b>	<b>19.90</b>
<b>Deferred</b>	<b>(23.00)</b>	<b>(15.41)</b>
<b>Earlier year</b>	<b>-</b>	<b>-</b>
<b>Profit after Tax</b>	<b>(4543.93)</b>	<b>108.38</b>
<b>Balance of Profit from Previous Years</b>	<b>2678.84</b>	<b>2715.43</b>
<b>Adjustments</b>	<b>-</b>	<b>144.98</b>
<b>Balance of Profit carried forward</b>	<b>(1865.09)</b>	<b>2678.84</b>

\*The Company does not propose any transfer to General Reserve.

### REVIEW OF OPERATIONS & FUTURE PROSPECTS:

The Gross Sales and other Income for the year ended 31st March, 2017 stood at Rs. 47.28 crore as compared to Rs. 85.38 crore in the previous year. During the year under report Company has incurred Net Loss after the exceptional items amounting to Rs. 45.43 crore as compared to Profit Rs. 1.08 crore in the previous year..

During the year Company 's manufacturing operations were run partially and company was able to partially dispose off its assets and utilised the funds to pay off its liabilities and as on date is a Debt Free company. The Company has shifted and started its manufacturing operations at a new premises ,which is also been the Registered office of the Company.

Your Company's Wholly Owned Subsidiary namely SSA International Limited has achieved a Turnover of Rs. 1235.59 crores. During the year there was Flood occurred at mandideep unit. With continuing recessionary trends in Rice Mill Industry and downfall in value of inventory, SSA incurred heavy losses amounting to Rs. 322.47 crores. The Company been declared as Non performing asset NPA by the lenders/banks.

As you are already aware that Company's other wholly owned Subsidiary namely Arlin Foods Limited (formerly known as Sam Buildcon Limited) is not operational. Your Board is exploring new avenues to revive the Company.

### MATERIAL CHANGES

No material change and commitments have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report, which may affect the financial position of the Company.





## **DIVIDEND**

In order to conserve and strengthen the financial resources of the Company, the Directors regret their inability to recommend any dividend for the year 2016-2017.

## **DIRECTORS**

The Board of Directors, at its meeting held on 24<sup>th</sup> September, 2017, on the recommendation of Nomination and Remuneration committee has appointed Ms. Shubhra Bhambri, (DIN 01167504) as an Additional Director (Independent). Her candidature has been proposed for the approval of shareholders in the ensuing Annual General Meeting.

In accordance with the requirements of the Companies Act, 2013 and the Company's Articles of Association, Mr. Atul Mittal, Managing Director of the Company, retires by rotation and being eligible offers himself for re-appointment. Mrs. Rita Mittal resigned from the Position of the Managing Director of the Company w.e.f-16.08.2016. Your board would like to place on record its appreciation for the valuable services rendered by her during her tenure as a Managing director.

Mr. Atul Mittal has been appointed as managing Director w.e.f. 01 September, 2016 for a tenure of 3 years approved by the Shareholders in the Annual General Meeting held on 30<sup>th</sup> September, 2016.

## **BOARD OF DIRECTORS MEETINGS**

During the year 6 (Six) Board Meetings and 6 (Six) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **AUDIT COMMITTEE**

Pursuant to the provisions of section 177 of the Companies Act, 2013 and as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audit Committee comprise the following members:-

- i) Mr. S.K. Gupta
- ii) Mr. Atul Mittal
- iii) Mrs. Shubhra Bhambri

## **AUDITORS**

### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the tenure of current auditors - M/s Aggarwal & Rampal Chartered Accountants shall come to an end at the conclusion of forthcoming AGM. Accordingly, M/s Kapil Kumar & Co. Chartered Accountants, (Firm Registration No. 006241N) have been recommended by the Audit Committee and by the Board of Directors to be appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 24<sup>th</sup> Annual General Meeting until the conclusion of 29<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by Members at every Annual General Meeting, on such remuneration as may be decided by the Board. They being eligible have consented and offered themselves for appointment as statutory auditors for conducting audit of accounts for five consecutive financial years starting from 2017-18.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate dated 9<sup>th</sup> August, 2017 from the Chartered Accountant Firm, to the effect, inter-alia, that their appointment, if made, would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws and also that the list of proceedings against them or any of their partners pending with respect to professional matter of conduct, as disclosed in the certificate, is true and correct.

### **SECRETARIAL AUDIT**

Pursuant to 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. DMK, Associates, Company Secretaries, as Secretarial Auditor to undertake the Secretarial Audit of the Company for the FY 2016-17.

The Secretarial Audit Report for the Financial Year 2016-17 submitted by them in prescribed form MR-3 has been



annexed hereto marked as **ANNEXURE -4** and forms an integral part of this Report. The Secretarial Auditor has made certain observations. The observations and reply thereto are as under:

Qualifications/Observations.

1. ***It is observed that the company has not followed the procedure of reclassification of equity shares from promoter category to public category in terms of regulation 31A of the SEBI (Listing Obligation and Disclosure Requirement), 2015 (LODR).***

The Company made necessary requests to promoter Shareholders (PAC) whose shares are not in Dematerialised form and not having the PAN to regularise their holdings. After giving sufficient time and no any reply received from their side, made a request to the Stock Exchange, Mumbai for exemption and after eliminating the names of PAC, submitted the Shareholding Pattern with revised Promoter's List having 100% shareholding in dematerialised form since 31<sup>st</sup> March 2016 and since then the same was accepted by the Stock Exchange in compliance of Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement), 2015 (LODR).

2. ***The constitution of Internal Complaints Committee (ICC) is not in accordance with Section 3 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.***

The company is under process to appoint any one person as nominated by the reputed NGO.

3. ***The AOC-1 attached with the Annual Report was not signed in the manner as stated in Section 129 of the Companies Act, 2013.***

The same has been complied for the current period.

## INTERNAL AUDIT

M/s. Ashok Aggarwal & Co. a firm of Chartered Accountants is conducting periodic Internal Audit of all operations of the Company and the Audit Committee of the Board of Directors has reviewed their findings regularly. Their reports have been well received by the Audit Committee.

## AUDITORS' REPORT

The Statutory Auditors of the Company has submitted their reports on the standalone and consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017. The Auditor has made certain observations. The observations and reply thereto are as under:

Qualifications/Observations

- a) ***The company has ceased its business operations at NSEZ plant and transferred its premises at NSEZ to M/s Capgemini Technology Services India Limited. However, as per the information and explanations provided to us, the company has shifted its manufacturing activities to a new factory outside NSEZ and commenced the production after the date of Financial Statements.***

The financial transaction for transferring the premises has been accounted for in the audited Financial statements for the year ended 31.03.2017. The manufacturing operations have been started at the new premises, which has also been setup as the company's Registered office.

- b) ***The company had given a Corporate Guarantee for an amount of Rs. 807.46 crores against secured loans taken by its Wholly owned Subsidiary, namely, M/S SSA International Ltd which has been declared Non Performing Assets (NPAs) by the banks. The company has also received the notice u/s 13(2) of the SARFAESI Act, 2002 from consortium of banks for revocation of its Corporate Guarantee.***

The Company has received a notice u/s 13(2) of the SARFAESI Act, 2002 from consortium of banks for revocation of its Corporate Guarantee. SSA is taking care for the same.

- c) ***The company has made a provision for Diminution in Value of Investments of its wholly owned subsidiary, namely, SSA International Ltd, as the net worth of the company has been fully eroded during the year, refer Note- N, Para-(vi).***

M/s SSA International Limited, the wholly owned subsidiary of the company has incurred heavy losses during the year and its net worth have been fully eroded. So the necessary provisions have been made in compliance of Indian Accounting Standards AS 13



**d) *Balances of Unsecured Loans are subject to confirmation and consequential effect (if any) on the financial statement remains unascertained.***

The Unsecured Loans were received in compliance of the conditions stipulated by the lending Banks for providing the funds to meet the company's financial requirements.

**COMPLIANCE CERTIFICATE FROM COST AUDITOR FOR MAINTENANCE OF COST RECORDS**

Pursuant to the provisions of section 148 of the Companies Act, 2013 and rules made there under and with Cost Accounting Record Rules 2011, the company is maintaining the Cost records.

**BOARD EVALUATION**

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board and as collated by Nomination and Remuneration Committee and the Board expressed its satisfaction.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

As required by Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion & Analysis Report is appended in the Annual report.

**CORPORATE GOVERNANCE**

The Company is committed to maintain the standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

As required under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 a separate report on Corporate Governance report along with Certificate on its compliance is annexed to this report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(3)(c) read with Section 134(5), Your Directors state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) 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;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

All independent directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

In terms of Section 178(3) of the Companies Act, 2013, upon recommendation of the Nomination and Remuneration Committee, the Board has adopted the Nomination and Remuneration Policy of the Company. Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other prescribed matters, are governed by such policy. As per terms of Section 178(4) of the Act, such policy is attached hereto as **ANNEXURE - 1** which forms part of this report.



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

The Company has a vigil mechanism Policy to deal with instance of fraud and mismanagement, if any.

As per the policy objective, the Company encourages its employees who have concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment. A vigil mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director/Chairman of the Audit Committee in exceptional cases. Such policy is made available on the website of the Company.

## **CREDIT RATING**

During the year under review the long term credit rating of “BB+” and short term credit “A4+” assigned was get suspended .

## **SUBSIDIARIES**

The Company has two subsidiaries namely, **SSA International Limited** and **Arlin Foods Limited**. During the year, the Board of Directors (‘the Board’) reviewed the affairs of the subsidiaries. As per Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a Consolidated Financial Statement of the Company and its subsidiary has been prepared and attached to the Standalone Financial Statement of the Company. The **Consolidated Financial Statements** have been prepared in accordance with the relevant accounting standards.

Pursuant to the provisions of the rule 8 of Companies (Accounts) Rules, 2014, Form AOC-1 annexed to the Financial Statements.

The accounts of the Subsidiaries are also available for inspection for shareholders /members /investor, during the business hours at the registered office of the company.

## **DIMINUTION IN VALUE OF INVESTMENTS**

The wholly owned subsidiary of the Company M/s SSA International Limited, has incurred heavy losses during the year and its networth have been fully eroded. The fair value of Investment in M/s Yogendra Worsted Limited is not available. So the necessary provisions have been made in compliance of Indian Accounting Standards AS 13 and the value of investment have been diminished.

## **CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of Business of the Company during the year. The Company has two wholly owned subsidiaries namely M/s SSA International Limited and M/s. Arlin Foods Limited (formerly known as M/s. Sam Buildcon Limited). There was no change in the nature of business in SSA International Limited as well as Arlin Foods Limited.

## **PUBLIC DEPOSIT**

The Company has not invited or accepted fixed deposits from public during the year under review, under Chapter V of the Companies Act, 2013 and the Rules made there under.

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

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal Audit functions reports to the Chairman of the Audit Committee and to Chairman and Managing Director of the Company. The Internal Audit monitors and evaluates the efficiency and adequacy of Internal control systems in the company. It’s compliances with operating systems, accounting procedure and policies at all locations of the Company.

## **RELATED PARTY TRANSACTIONS**

During the year under review, there was no new transaction with related parties falling under the purview of Section 188 of the Act. All the transactions with the related parties were in ordinary course of business and on arm’s length basis, hence, were out of the purview of Section 188 of the Act. All transactions with related parties were duly reviewed by the Audit Committee of the Board. Particulars of such transactions are mentioned in the prescribed Form AOC-2 is appended as **ANNEXURE-** to the Board’s Report.



## LOANS, GUARANTEES AND INVESTMENT

During the year under report the company has not made any fresh investments nor have provided any new Guarantee .

## INDUSTRIAL RELATIONS

The Industrial relations remained cordial during the year under review.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO

In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, a statement containing details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in the manner as prescribed under the Companies (Accounts) Rules, 2014, is given in **ANNEXURE - 2** hereto and forms part of this Report.

## EXTRACT OF THE ANNUAL RETURN

In terms of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return in form MGT-9 is annexed herewith as **ANNEXURE – 3**

## POLICIES

As per the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all listed entities are required to formulate certain policies. All such policies are available on our website i.e. [www.samtexfashions.com](http://www.samtexfashions.com). Key policies that have been adopted by the Board are as follows:

Name of the Policy	Brief description	Web link
Vigil Mechanism Policy	The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439197042.pdf&amp;name=VIGIL+MECHANISM+POLICY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439197042.pdf&amp;name=VIGIL+MECHANISM+POLICY</a>
Board Diversity	To ensure a transparent Board nomination process with the diversity of thoughts, experience, knowledge, perspective and gender in the Board	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196915.pdf&amp;name=POLICY+ON+BOARD+DIVERSITY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196915.pdf&amp;name=POLICY+ON+BOARD+DIVERSITY</a>
Policy on Preservation of Documents	This policy deals with the retention and archival of corporate records of the Company	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372452.pdf&amp;name=Policy+on+Preservation+of+Documents">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372452.pdf&amp;name=Policy+on+Preservation+of+Documents</a>
Policy- Dealing with Related Parties	This policy regulates all the transactions between the Company and its related parties	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372529.pdf&amp;name=Policy-+Dealing+with+Related+Parties">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372529.pdf&amp;name=Policy-+Dealing+with+Related+Parties</a>
Policy on Material Subsidiary	This policy deals with determination of Material Subsidiaries of Samtex Fashions Limited in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI LODR)	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372662.pdf&amp;name=Policy-+Determining+Material+Subsidiary">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372662.pdf&amp;name=Policy-+Determining+Material+Subsidiary</a>
Materiality of Events	The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372810.pdf&amp;name=Policy+on+Materiality+of++Events">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372810.pdf&amp;name=Policy+on+Materiality+of++Events</a>
Risk Management Policy	The objective of Risk Management at Samtex Fashions Limited is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities.	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196980.pdf&amp;name=RISK+MANAGEMENT+POLICY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196980.pdf&amp;name=RISK+MANAGEMENT+POLICY</a>



## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/TRIBUNALS**

A demand Notice dated 11.07.2016 from Employees Provident Fund Organisation under section 7-A of the Employees Provident Funds & Miscellaneous Provisions Act, 1952 was received . An Appeal before the Employees Provident Fund Appellate Tribunal , New Delhi have been filed. The notice issued to the company was settled and set aside by the concerned authority.

The Company did not receive any other order passed by any Court or Tribunal or Regulator.

## **DEMATERIALIZATION OF SHARES**

Your Company's shares are participating both with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN number of the Company is **INE931D01020**

## **STOCK EXCHANGE LISTING**

The Equity shares of your Company are listed at: The Bombay Stock Exchange, (BSE), Mumbai.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company was not required to constitute corporate social responsibility committee pursuant to section 135 of the Companies Act, 2013.

## **CODE OF CONDUCT**

In compliance with Regulation 26(3) of the **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015** and the Companies Act, 2013, the Company has framed and adopted a code of conduct. The code is applicable to the members of the Board and all employees of the Company.

The Board Members have affirmed compliance with the Code of Conduct for the period ended March 31, 2017.

## **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy.

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **ACKNOWLEDGEMENT**

Your Directors wish to place on record their gratitude to members, business associates, various agencies of the Government, Financial Institutions and Banks for all the help and Co-operation extended by them to the Company.

They also acknowledge with appreciation the devoted services rendered by the workers, staff and Executives at all levels of the Company.

**For and on behalf of the Board of Directors  
For SAMTEX FASHIONS LIMITED**

**Atul Mittal  
Managing Director  
DIN 00223366**

**Place : New Delhi  
Dated : 28.08.2017**

## **ANNEXURE-1**

### **NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

#### **1. OBJECTIVE:**

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;





- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

## 2. **ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## 3. **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

## 4. **EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

## 5. **REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## 6. **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 7. **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### 1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.



b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors [excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013] shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of pay structure as per the Company's Policy, in compliance with the provisions of the Companies Act, 2013.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

c) Any performance based pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

## 8. AMENDMENTS

This policy can be modified or repealed at any time by the Board of Directors of the Company.

**For and on behalf of the Board of Directors  
For SAMTEX FASHIONS LIMITED**

**Atul Mittal  
Managing Director  
DIN 00223366**

**Place : New Delhi**

**Dated : 28.08.2017**

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## **ANNEXURE-2**

### **A. CONSERVATION OF ENERGY:**

a) Energy Conservation measures taken: Company's operations involve low energy consumption. The Company has always been taking steps towards conservation of energy. The Company continues to envisage and implement energy conservation measures in its manufacturing operations and leading to savings in consumption of power and fuel.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of Energy: Introduced energy saving features in the systems by which the user saves power consumption to a considerable extent.

c) Impact of the measures of (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods: The impact of the measures taken above is that the same would result in reduction in energy consumption in future years and increase in productivity.

d) Total energy consumptions, energy consumption per unit of production:





	Current Year	Previous Year
<b>1. POWER AND FUEL COSUMPTION</b>		
a) Purchased		
Unit	202519	418172
Total Amount (Rs. Lakhs)	18.39	44.47
Rate/Unit (Rs.)	9.08	10.63
b) Own Generation Through Diesel Generator		
Unit	9263	34226
Total Amount (Rs. Lakhs)	1.16	4.14
Cost/Unit (Rs.)	12.56	12.09

## B. RESEARCH AND DEVELOPMENT

### (i) RESEARCH AND DEVELOPMENT

The Company has no specific R & D activities. However the Company has well equipped Quality Control department to check the quality of Garments manufactured.

### (ii) TECHNOLOGY ABSORPTION

New technology absorption is the endeavor of the Company. Development of new products, designs and quality improvement is a continuous process. Value Addition by up gradation of Technology is a regular process.

## C. FOREIGN EXCHANGE EARNING AND OUTGO

**Activities relating to Exports, initiative taken to increase exports, development of new export markets for product and services and export plans:**

Regularly developing the new international markets. In order to develop new export markets for its products your company is regularly participating through its buyers, in international exhibitions. Company has its own office in New York with arrangement of display of Company's Products and exploring new markets and products.

	(Rs. In Lakhs)	
	Current Year	Previous Year
i. Earnings for the year (FOB value of Exports )	484.15	2226.23
ii. Outgo for the year: :		
Raw Material	0	950.67

During the year under review your Company has exported goods. The details of foreign exchange earnings and outgo are given in the Notes to the accounts which form a part of the Annual Report.

**For and on behalf of the Board of Directors  
For SAMTEX FASHIONS LIMITED**

**Atul Mittal  
Managing Director  
DIN 00223366**

Place : New Delhi  
Dated : 28.08.2017



**Particulars of employees pursuant to section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014**

- 1 The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

S. No.	Name of Director, KMP & Designation	Remuneration of Director/KMP for financial year 2015-16 (in Rs.)	Remuneration of Director/KMP for financial year 2016-17 (in Rs.)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees (times)
1	Mrs. Rita Mittal	13,26,942	Nil	NA	NA
2	Mr. Atul Mittal- Chairman and Managing Director	36,41,000	38,56,000	5.91%	12.05
3	Mr. Surendra Kumar Gupta Independent Director		Nil		
4	Ms. Shubhra Bhambri Independent Director				
5	Mr. Raman Ohri Independent Director				
6	Ms. Kamini Gupta Company Secretary	6,50,400	6,50,400	NIL	NIL

The median remuneration of employees of the Company during the financial year 2015-16 was Rs. 302,100/- p.a. whereas in 16-17 it is Rs. 243,672/- p.a. Therefore in the financial year 16-17, there is an increase of % in the median remuneration of employees.

3. Number of Permanent Employees on the rolls of Company as on 31.03.2017: 2
- 4 The Average percentile increase/decrease in the salaries of the employees (other than Managerial Personnel) for FY 2016-17 was NIL whereas the average percentile increase/decrease in the managerial remuneration for the FY 2016-17 is 5.91%. The Company's variable compensation philosophy for its managerial personnel is to ensure its competitive in the global markets in which it operates, for attracting & retaining the best talent.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Statement pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014**

- The details of Employees who were employed throughout the FY- 2016-17 and were in receipt of minimum aggregate Remuneration of Rs.1.2 Cr.: Nil
- The details of Employees who were employed for the part of FY 2016-17 and for that part they received minimum aggregate remuneration of Rs. 8.5 lakh per month. NIL
- The details of Employees who were employed during FY 2016-17 (whether for full year or part thereof) and were drawing remuneration which is in excess of the remuneration drawn by MD or WTD or Manager and along with this, he is holding minimum 2% of the equity shares of the company together with his wife & dependent children.:

**PARTICULARS OF REMUNERATION ( RELATIVE ) EMPLOYEES**

Statement pursuant to Section 197 and 188 the Companies Act, 2013 the particulars employees drawing remuneration for the year ended 31st March' 2017

# SAMTEX FASHIONS LIMITED



Sl. No	NAME	Designation/ Duties	Qualification	Remuneration Rs.in Lakhs	Experience In Years	Date of Commencement of Employment	Age in Years	Last Employment held
1	Mr. Anubhav Mittal	Vice President Overseas Marketing	Diploma in G.M.T. (F.I.T New York)	62.74	21	01.10.96	42	-

## Note :

1. Nature of employment of Mr. Anubhav Mittal is contractual .
2. Nature of Duties of the appointee includes Development & Promotion of Export Marketing of the Company's Products in USA and other Western Countries.
3. Mr. Anubhav Mittal is related to Mr. Atul Mittal, Chairman & Managing Director of the Company.
4. The remuneration specified above includes salary, allowances, bonus and value of perquisites.
5. Mr. Anubhav Mittal , the above named employee along with his spouse hold 7.64 % of Equity Shares of the Company, on the date of this report.
4. Detail of top employees (having less than 10 employees for period under report ) in terms of remuneration drawn:-

S. No	Name	Designation	Salary Received (2016-17)	Perma- nent	D.O.B.	D.O.J.	Qualification	Last Employment before Joining the company	Equity Share held by the Em- ployee	Relation with Director
1	Ms. Kamini Gupta	Company Secretary & GM Finance	650400	On Roll	19.07.1965	01.03.1995	Company Sec- retary, ICWA & B.Com (Hon)	Metro Appliances Ltd.	NA	No
2	Mr. Ranjan Kumar	Factory Manager	570000	On Roll	11.12.1976	06.12.2012	BA-Arts	Sam Buildcon Ltd	NA	No
3	Mr. Vijender K Rai	Manager-Ac- counts	269252	On Roll	10.07.1986	21.04.2014	Post Gradua- tion-MBA Finance, B Com	West Coast Fine F Pvt Ltd	NA	No
4	Mr. Sharad Verma	Sr. Manager-HR	240000	On Roll	15.12.1970	02.08.2010	Post Gradua- tion-Marketing & Advertising	AMS Fashions Pvt Ltd	NA	No
5	Mr. Digamber Singh	Electrician	282000	On Roll	10.01.1973	18.10.1993	12th Pass & ITI-Electrician Trade	Surya Vanaspati Ltd	NA	No
6	Mr. Suresh S Sengar	Commercial Executive	117000	On Roll	08.08.1967	06.10.2004	BA Pass	Mira Overseas	NA	No
7	Mr. Rampal Singh	Commercial Executive	162000	On Roll	20.07.1973	01.09.2003	BA Pass	Meenu Creations	NA	No

**For and on behalf of the Board of Directors  
For SAMTEX FASHIONS LIMITED**

**Atul Mittal  
Managing Director  
DIN 00223366**

**Place : New Delhi  
Dated : 28.08.2017**



## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on Financial Year ended on 31.03.2017

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:

i	CIN	L17112UP1993PLC022479
ii	Registration Date	26.04.1993
iii	Name of the Company	Samtex Fashions Limited
iv	Category/Sub-category of the Company	Public Company
v	Address of the Registered office & contact details	Property No. D-100, Phase II, Hosiery Complex Noida, Gautam Budha Nagar, Uttar Pradesh, Pin-201305
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind Local Shoping Centre, Near Dada Harsukdas Mandir, New Delhi-110062, Contact No. 011-29961281

#### 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

SL No	Name & Description of mainproducts/ services	NIC Code of the Product /service	% to total turnover of the company
1	Garments- Apparels	62034300	4572.11 Lacs (100%)

#### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	SSA International Ltd.	U15122DL1995PLC068186	Subsidiary	100%	2(87)(ii)
2	Arlin Foods Ltd.	U15209DL2008PLC173566	Subsidiary	100%	2(87)(ii)

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

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	31168440	0	31168440	41.84	31168440	0	31168440	41.84	0	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0.00	0	0	0	0	0	0
d) Bank/FI	0	0	0	0.00	0	0	0	0	0	0
e) Any other	0	0	0	0.00	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>31168440</b>	<b>0</b>	<b>31168440</b>	<b>41.84</b>	<b>31168440</b>	<b>0</b>	<b>31168440</b>	<b>41.84</b>	<b>0</b>	<b>0.00</b>



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>(2) Foreign</b>										
a) NRI- Individuals	5697500	0	5697500	7.65	5697500	0	5697500	7.65	0	0
b) Other Individuals	0	0	0	0.00	0	0	0			
c) Bodies Corp.	0	0	0	0.00	0	0	0		0	0.00
d) Banks/FI	0	0	0	0.00	0	0	0			
e) Any other...	0	0	0	0.00	0	0	0			
	0	0	0	0	0	0	0			
<b>SUB TOTAL (A) (2)</b>	<b>5697500</b>	<b>0</b>	<b>5697500</b>	<b>7.65</b>	<b>5697500</b>	<b>0</b>	<b>5697500</b>	<b>7.65</b>	<b>0</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>36865940</b>	<b>0</b>	<b>36865940</b>	<b>49.48</b>	<b>36865940</b>	<b>0</b>	<b>36865940</b>	<b>49.48</b>	<b>0</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	0	53000	53000	0.07	0	53000	53000	0.07	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0	0
c) Cenntal govt	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investor	99600	0	99600	0.13	0	0	0	0.00	-99600	-0.13
<b>SUB TOTAL (B)(1):</b>	<b>99600</b>	<b>53000</b>	<b>152600</b>	<b>0.20</b>	<b>0</b>	<b>53000</b>	<b>53000</b>	<b>0.07</b>	<b>-99600</b>	<b>-0.13</b>
<b>(2) Non Institutions</b>										
a) Bodies corpo-rates				0.00					0	0.00
i) Indian	10299555	16505	10316060	13.85	9197508	14505	9212013	12.37	-1104047	-1.48
ii) Overseas		1550000	1550000	2.08		1550000	1550000	2.08	0	0
b) Individuals	0	0	0	0	0	0	0			
i) Individuals shareholders holding nominal share capital upto of Rs. 1 lakhs	4180366	2053565	6233931	8.37	5492838	1973045	7465883	10.02	1231952	1.65
ii) Individuals shareholders hold-ing nominal share capital in excess of Rs. 1 lakhs	14796772	56500	14853272	19.94	13746618	56500	13803118	18.53	-1050154	-1.41
c) Others (specify)										



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		
i) Clearing Member	2250	0	2250	0.00	16457	0	16457	0.02	14207	0.02
ii) HUF	317270	0	317270	0.43	425890	0	425890	0.57	108620	0.15
III) NRI	4193177	15500	4208677	5.65	5092199	15500	5107699	6.86	899022	1.21
<b>SUB TOTAL (B)(2):</b>	<b>33789390</b>	<b>3692070</b>	<b>37481460</b>	<b>50.31</b>	<b>33971510</b>	<b>3609550</b>	<b>37581060</b>	<b>50.44</b>	<b>99600</b>	<b>0.13</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>33888990</b>	<b>3745070</b>	<b>37634060</b>	<b>50.52</b>	<b>33971510</b>	<b>3662550</b>	<b>37634060</b>	<b>50.52</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>70754930</b>	<b>3745070</b>	<b>74500000</b>	<b>100</b>	<b>70837450</b>	<b>3662550</b>	<b>74500000</b>	<b>100</b>	<b>0</b>	<b>0</b>

## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mrs Anju Mittal	5500	0.01	0.00	5500	0.01	0.00	0.00
2	Mr. Suraj Gupta	100000	0.13	0.00	100000	0.13	0.00	0.00
3	Mr. Sunil Mittal	110500	0.15	0.00	110500	0.15	0.00	0.00
4	Mr. Indersain Bansal	125000	0.17	0.17	125000	0.17	0.17	0.00
5	Mrs Sushma Bansal	125000	0.17	0.17	125000	0.17	0.17	0.00
6	Mr. Gautam Aggarwal	125000	0.17	0.00	125000	0.17	0.00	0.00
7	Mr. Anil K. Gupta	175000	0.23	0.00	175000	0.23	0.00	0.00
8	Mrs Neena Mittal	385500	0.52	0.52	385500	0.52	0.52	0.00
9	Mr. Saurabh Mittal	500000	0.67	0.67	500000	0.67	0.67	0.00
10	Mr. Sahil Mittal	500000	0.67	0.67	500000	0.67	0.67	0.00
11	Kanika Mittal	500000	0.67	0.67	500000	0.67	0.67	0.00
12	Mr. Vinay Mittal	1060500	1.42	1.42	1060500	1.42	1.42	0.00
13	Mrs Rita Mittal	2860150	3.84	0.35	2860150	3.84	0.35	0.00
14	Mrs. Rama Mittal	1693750	2.27	0.00	1693750	2.27	0.00	0.00
15	Mrs. Sujata Mittal	1800000	2.42	0.33	1800000	2.42	0.33	0.00
16	Mrs. Neha Mittal	2075000	2.79	0.60	2075000	2.79	0.60	0.00
17	Mr. Rahul Mittal	2091750	2.81	0.00	2091750	2.81	0.00	0.00
18	Mrs. Pooja Mittal	2500000	3.36	1.68	2500000	3.36	1.68	0.00
19	Mr. Sanjeev Mittal	2506000	3.36	0.00	2506000	3.36	0.00	0.00



Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
20	Mr. Amit Mittal	2550000	3.42	1.41	2550000	3.42	1.41	0.00
21	Mr. Karan Mittal	2589785	3.48	1.34	2589785	3.48	1.34	0.00
22	Mr Atul Mittal	2600000	3.49	1.81	2600000	3.49	1.81	0.00
23	Mr Naveen Mittal	2690005	3.61	0.20	2690005	3.61	0.20	0.00
24	Mr. Anil Mittal	1500000	2.01	0.00	1500000	2.01	0.00	0.00
25	Mrs Nitika Mittal	2500000	3.36	0.00	2500000	3.36	0.00	0.00
26	Mr. Anubhav Mittal	3197500	4.29	0.00	3197500	4.29	0.00	0.00
	Total	36865940	49.48	12.01	36865940	49.48	12.01	0.00

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name of the Promoter	SHAREHOLDING			Increase/ (Decrease) in Share Holding	Reason for Increase / (Decrease)	No. of Shares	% of total Shares of the Company
		No of share at the beginning/ End of the year	% of total Shares of the Company	Date				
NO CHANGE								

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)

Sl. No.	Name of the Shareholder	SHAREHOLDING			Increase/ (Decrease) in Share Holding	Reason for Increase / (Decrease)	No. of shares	% of total Shares of the Company
		No of share at the beginning/ End of the year	% of total Shares of the Company	Date				
1	Anil Kumar Goel	4960000	6.6577	31-Mar-16		Nil Movement	4960000	6.6577
	AAJPG2552Q			31-Mar-17			4960000	6.6577
2	GPM Spinning Mills Private Limited	3500000	4.70	31-Mar-16	0	Nil Movement	3500000	4.70
	AACCG3172C			31-Mar-17			3500000	4.70
3	Kanika Finlease Limited	3250000	4.36	31-Mar-16	0	Nil Movement	3250000	4.36
	AAACK5867E			31-Mar-17			3250000	4.36



Sl. No.	Name of the Shareholder	SHAREHOLDING			Increase/ (Decrease) in Share Holding	Reason for Increase / (Decrease)	No. of shares	Cumulative Shareholding During the year (01-04-2016 to 31-03-2017)	%of total Shares of the Company
		No of share at the beginning/ End of the year	%of total Shares of the Company	Date					
4	<b>Rajesh Dheri</b>	2359340	<b>3.17</b>	31-Mar-16	0	Nil Movement	2359340	3.17	
	AJWPD5242Q			<b>31-Mar-17</b>			2359340	3.17	
5	<b>Seema Goel</b>	1350000	<b>1.81</b>	31-Mar-16	0	Nil Movement	1350000	1.81	
	AHAPG8015A			<b>31-Mar-17</b>			<b>1350000</b>	<b>1.81</b>	
6	<b>Sandeepati Scandata Solutions Private Limited</b>	1000000	<b>1.34</b>	31-Mar-16	0	Nil Movement	1000000	1.34	
	AAHCS6862Q			<b>31-Mar-17</b>			<b>1000000</b>	<b>1.34</b>	
7	<b>Ashish Nanda</b>	0		31-Mar-16			0	1.2013	
	ABWPN6778P			<b>31-Mar-17</b>		Transfer	894976	1.2013	
8	<b>Sanjay Devki nandan Gupta</b>	1500000	<b>2.01</b>	31-Mar-16				0	
	<b>AABPG4873C</b>			16-Dec-16	-230000	Transfer	1270000	1.7047	
				10-Feb-17	-471599	Transfer	798401	1.0717	
				31-Mar-17			798401	1.0717	
9	<b>Krishan Kumar Kapoor</b>	750000	1.0067	31-Mar-16		Nil Movement	750000	1.0067	
	AEGPK6318H	750000	1.0067	31-Mar-17			750000	1.0067	
10	<b>Porinju V Veliyath</b>	775000	1.0403	31-Mar-16				0	
	<b>AADPP6420G</b>		0	16-Dec-16	-225000	Transfer	550000	0.7383	
			0.7383	31-Mar-17			550000	0.7383	
10	<b>Krishan Kumar Kapoor</b>	750000	<b>1.01</b>	31-Mar-16	0	Nil Movement	750000	1.01	
				<b>31-Mar-17</b>			<b>750000</b>	<b>1.01</b>	
11	<b>IMAGE SECURITIES LTD</b>	894976	1.2013	31-Mar-16				0	
	AAACI7757D		0	31-Mar-17	-894976	Transfer	0	0	
		0	0	31-Mar-17			0	0	





## (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Name of the Shareholder	SHAREHOLDING					No. of shares	
		No of share at the beginning/ End of the year	% of total Shares of the Company	Date	Increase/ (Decrease) in Share Holding	Reason for Increase / (Decrease)	Cumulative Shareholding During the year (01-04-201 to 31-03-2016)	% of total Shares of the Company
1	Atul Mittal	2600000	3.49	31-Mar-16	0	Nil Movement	2600000	3.49
	Managing Director	2600000	3.49	31-Mar-17			2600000	3.49
2	Raman Ohri	0	0	31-Mar-16	0	No Shares Held	0	0
	Director			31-Mar-17			0	0
3	S.K Gupta	0	0	31-Mar-16	0	No Shares Held	0	0
	Director			31-Mar-17			0	0
4	Shbhra Bhambri	0	0	31-Mar-16	0	No Shares Held	0	0
	Director			31-Mar-17			0	0
5	Kamini Gupta	0	0	31-Mar-16	0	No Shares Held	0	0
	Company secretary			31-Mar-17			0	0

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. In Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	2286.42	650.30	Nil	2936.72
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	2286.42	650.30	0.00	2936.72
<b>Change in Indebtedness during the financial year</b>				
Additions	Nil	Nil	Nil	Nil
Reduction	2286.42	Nil	Nil	2286.42
<b>Net Change</b>	-2286.42	Nil	Nil	-2286.42
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	650.30	Nil	650.30
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	0.00	650.30	0.00	650.30



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	<b>Gross salary</b>	Mr. Atul Mittal , WTD/MD- Executive	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1800000	1800000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1840000	1840000
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	nil	
2	Stock option	nil	
3	Sweat Equity	nil	
4	Commission	nil	
	as % of profit		
	others (specify)		
5	Others, please specify- Provident Fund contribution	216000	216000
	<b>Total (A)</b>	3856000	3856000
	<b>Ceiling as per the Act</b>	NA (due to loss in current year)	

### B. REMUNERATION TO OTHER DIRECTORS:

Sl. No	Particulars of Remuneration	Name of the Directors			Total
		Mr. S.K. Gupta	Mrs. Shubhra Bhamri	Mr. Raman Ohri	
1	Independent Directors	Mr. S.K. Gupta	Mrs. Shubhra Bhamri	Mr. Raman Ohri	Total
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c ) Others, please specify	-	-	-	-
	<b>Total (1)</b>	0	0	0	0
2	Other Non Executive Directors	No any			
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify.				
	<b>Total (2)</b>	0	0	0	0
	<b>Total (B)=(1+2)</b>				0
	<b>Total Managerial Remuneration</b>				3856000
	<b>Overall Ceiling as per the Act.</b>	NA (due to loss in current year )			



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	650400	Drwaing remuneration in the capacity as WTD/ MD	650400
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0		0
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0		0
2	Stock Option	nil		nil
3	Sweat Equity	nil		nil
4	Commission	nil		nil
	as % of profit			
	others, specify			
5	Others, please specify- Reimbursement LTA , Medical and Contribution to PF	59600		59600
	<b>Total</b>	710000		710000

## (V) 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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



Form No. MR-3

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31.03.2017**

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

To,  
**THE MEMBERS**  
**M/S SAMTEX FASHIONS LIMITED**  
**CIN: L17112UP1993PLC022479**  
**PROPERTY NO. D-100 PHASE II,**  
**HOSIERY COMPLEX NOIDA**  
**GAUTAM BUDDHA NAGAR**  
**UP 201305 IN**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAMTEX FASHIONS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 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 along with Annexure 1 attached to this report:-:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 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; **(Not applicable to the Company during the Audit Period);**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **(No FDI, ODI and ECB was taken by the company during the Audit Period);**
- (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, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**



- 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; **(Not applicable to the Company during the Audit Period)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

## (vi) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY

- ii. Special Economic Zone Act, 2005 & SEZ Rules, 2006
- iv. Foreign Trade (Development & Regulations) Act, 1992

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

- a. Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- b. The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with the Listing Agreement entered into by the company with BSE Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. mentioned above subject to following:

1. *It is observed that the company has not followed the procedure of reclassification of equity shares from promoter category to public category in terms of regulation 31A of the SEBI (Listing Obligation and Disclosure Requirement), 2015 (LODR).*
2. *The constitution of Internal Complaints Committee (ICC) is not in accordance with Section 3 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.*
3. *The AOC-1 attached with the Annual Report was not signed in the manner as stated in Section 129 of the Companies Act, 2013.*

Based on the information received and records maintained, we further report that

1. The Board of Directors of the Company is constituted with balance of Executive, Non-Executive, women 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.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda 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.

**We 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.

**We further report that** during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc. except as follows:

- a) Special Resolution under section 13 of the Companies Act, 2013 was passed by the members in the Annual General Meeting of the company held on September 30, 2016 for amendment in Clause III A of the Main Objects of the Company by insertion of clauses 5 and 6 after clause 4 of the Memorandum of Association of the company..
- b) Board resolution under section 179 and 180 (1)(a) of the Companies Act 2013 was passed in the Board Meeting held on September 24, 2016 to sell or otherwise dispose off whole/substantially whole of company's



fixed assets situated at Plot 134-135 NSEZ, Phase II Noida ,UP comprising of Building, Plant & Machinery and other assets to the extent but not exceeding Rs.6,00,00,000/- (Rupees Six Crore only).

- c) The company has ceased its business operations at NSEZ and transferred that premises to M/s Capgemini Technology Services India Limited. However, as per the information and explanations provided to us, the company has shifted its manufacturing activities to a new factory outside NSEZ and commenced the production in the Financial Year 2017-18.
- d) The Company had given Corporate Guarantee for an amount of Rs. 807.46 crores to the banks for the secured loans taken by SSA International Limited, its Wholly owned Subsidiary. SSA International Limited has received notice u/s 13(2) of the SARFAESI Act, 2002 from State Bank of India dated 15.05.2017 and the copy of the same has been received by company as a Corporate Guarantee in this matter.
- e) The company has made a provision for Diminution in Value of Investment of its wholly owned subsidiary, namely, SSA International Ltd, as the net worth of the company has been fully eroded during the year

**FOR DMK ASSOCIATES  
COMPANY SECRETARIES**

**(MONIKA KOHLI)  
B. Com (H), FCS, LL.B.  
PARTNER  
FCS No. 5480  
CP No. 4936**

Date: 28.08.2017  
Place: New Delhi



To,  
The Members,

**M/S SAMTEX FASHIONS LIMITED  
CIN: L17112UP1993PLC022479  
PROPERTY NO. D-100 PHASE II,  
HOSIERY COMPLEX NOIDA  
GAUTAM BUDDHA NAGAR  
UP 201305 IN**

**Sub: Our Secretarial Audit for the Financial Year ended March 31, 2017 of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. *As regard to other Laws, our report is limited to compliances of specific Laws identified by the Management.*

**FOR DMK ASSOCIATES  
COMPANY SECRETARIES**

**(MONIKA KOHLI)  
B. Com (H), FCS, LL.B.  
PARTNER  
FCS No. 5480  
CP No. 4936**

Date: 28.08.2017  
Place: New Delhi



## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

**Overview: -**

### **Company Background**

The Company was incorporated on 26<sup>th</sup> April, 1993 and having its Registered Office at D-100, Phase II, Hosiery Complex Noida Gautam Buddha Nagar UP 201305, engaged in the business of manufacturing and selling of Ready Made Garments.

Its Corporate Office is located at Unit No. 21, Arcon Plaza, Local shopping Centre, Madangir, New Delhi -110062 and it also has a Trading Office in USA in the city of New York in order to facilitate the marketing of Company's products. This Trading Office is headed by Vice President, Overseas Marketing.

### **Company Management**

The Board of Directors of the Company presently comprised of Four Directors headed by Mr. Atul Mittal Managing Director of the Company. The Board has a combination of Executive and non-Executive Directors comprising of one Executive Director - namely Mr. Atul Mittal Managing Director and three non-Executive Independent Directors.

The Board of Directors meets regularly at least 4 times in a year. In the year 2016-2017 six such meetings were held, the details of the attendance of Directors in the Board Meetings have been given in the Report of Corporate Governance. The Board has also constituted Committees namely, (a) Audit Committee (b) Nomination and Remuneration Committee (c) Stake holders Relationship Committee. The committee members' meet regularly from time to time to dispose of the work assigned to them respectively.

### **Product and Services**

The Company is engaged in the business of manufacturing and selling of Ready Made Garments. The Production process is being carried in the Company's factory located at D-100, Phase II, Hosiery Complex Noida Gautam Buddha Nagar UP 201305. Presently the entire production of the company is exported to the overseas markets. The Company has major one segment activity i.e. Readymade Garments. Its geographical distribution is in India and in USA.

### **Industry Structure and Development**

The Indian Textile Industry especially Garment Sector is export oriented and is one of the leading textile industry in the world, having an overwhelming presence in the Indian Economy. The international trade in clothing and textile plays a vital role through its contribution to industrial output, employment generation and export earnings for the country. The Industry is targeting towards modernization and expansions being encouraged by the prevailing textile strategies and policies.

The Indian clothing and textile industry has attracted huge investments and is moving towards economic growth. Restructuring its system and operations to match the international levels of technology, quality and standards. As a result, the capacity has expanded to meet the future requirements as the demands are growing but with slow speed . The business environment is very challenging.

### **Opportunities and Threats.**

The modern technology, improvements in infrastructure and regulations, all are playing significant role among the different sectors of the Industry.

The textile and clothing industry is also facing increase in input prices as well as increase in conversion cost. The inflationary pressure both within the country and globally have bearing on the outlook of the textile and clothing industry.





In the current financial year 2017 -18 the Management is planning to run the manufacturing operations at its efficiency levels. Management is trying to explore the new buyers and new product/type of garments, which will ultimately result in increased volumes and improvements in financial position.

### **Internal control system and their Adequacy**

The Company's Quality Control Department strictly follows the Quality Control Rules defined by the Company and inspects each and every piece of Readymade Garments before it is dispatched for Exports. The Operational and Financial performances are also monitored through Internal Audit Systems which always keeps an eye so as to ensure that the operational performance is always kept commensurate with the Financial Performance and maintaining the effectiveness and efficiency of the system.

**For and on behalf of the Board of Directors  
For SAMTEX FASHIONS LIMITED**

**Place : New Delhi  
Dated : 28.08.2017**

**Atul Mittal  
Managing Director  
DIN 00223366**



## CORPORATE GOVERNANCE REPORT

### 1. Company's philosophy

Samtex Fashions Limited, (SFL), SFL 's philosophy on corporate governance envisages to attain Transparency, Accountability, Fairness, Integrity and Social Responsibility in all facets of its operations. The corporate governance enables us to have our system in place and gives us sufficient freedom to operate within the framework of accountability. The company has a firm belief that the Code of Corporate Governance provides the structure by which the rights and responsibilities are mentioned and distributed amongst the different members of the organisation.

### 2. Board of Directors:

During the year under report the Board of Directors Comprised of Four Directors – one Executive Director and Three Non- Executive Independent Directors.

The composition of Board of Directors, their category and other directorships as on 31<sup>st</sup> March, 2017 given as under :-

Sl. No	Name of Directors	Designation	Category	No.of directorship and Committee membership/chairmanship		
				Other Directorship	Committee Membership	Committee Chairmanship
1.	Mr. Atul Mittal	Managing Director	Promoter & Executive	2	2	-
2.	Mr. Raman Ohri	Director	Non-executive Independent	1	3	-
3.	Mr. S.K.Gupta	Director	Non-executive Independent	1	3	3
4.	Mrs. Shubhra Bhambri	Director	Non-executive Independent	-	2	0

#### Retiring Directors :

Mr. Atul Mittal, Managing Director is retiring by rotation in the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

**Mr. Atul Mittal is a graduate, belonging to an industrial family and is having experience of 18 years. He possesses command in his field of operations and managing the affairs of the Company.**

#### Board Meetings and attendance of Directors :

During the year, Six Meetings of the Board were held on 28.05.2016, 12.08.2016, 27.08.2016, 24.09.2016, 14.11.2016 and 14.02.2017.

#### Attendance record of Directors :

The table given below gives the attendance record of all the Directors at the six Board Meetings held during 2016-17 ,as well as at the last Annual General Meeting.

Sl. No.	Name of Director	No. of Board Meeting attended	Attendance at the last AGM held on 30.09.2016
1	Mr.Atul Mittal	6	Yes
2	Mr.S.K. Gupta	5	Yes
3	Mr.Raman Ohri	2	No
4	Mrs. Rita Mittal (Resigned wef 16.08.2016)	2	NA
5	Mr. Nishant Chandra Joined wef 28.05.2016 and cessation as on 30.9.16)	2	NA
6	Mrs. Shubhra Bhambri (Joined wef 1.10.16)	2	NA



### 3. ShareHolding of Non Executive Directors - Nil

### 4. Familiarization Programme for Directors

The company conduct familiarization programmes for the Directors to enable them to familiarise with the company. Web- link [http://www.samtextfashions.com/finance\\_reports/finance\\_report\\_download.php?id=1460372738..pdf&name=Familiarisation+Programme+-+Independent+Director](http://www.samtextfashions.com/finance_reports/finance_report_download.php?id=1460372738..pdf&name=Familiarisation+Programme+-+Independent+Director)

### 5. Independent Directors Meeting

As required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements ) Regulations, 2015 a separate meeting of Independent Directors of the Company was held on 28.03.2017. All the Independent Directors have attended that meeting.

### 6. Audit committee

In the year under reference , the Audit committee comprised of four Directors, three of them are Non-Executive Independent Directors. Ms. Shubhra Bhambri was inducted, possessing the accounting experience, in the meeting held on 14.11.2016. All these Directors possessed good knowledge of Corporate Finance, Accounts and Company Law.

The constitution of the Audit Committee as below :-

1. Mr.S.K.Gupta- Chairman
2. Mrs. Raman Ohri- Member
3. Mr. Atul Mittal – Member
4. Mrs. Shubhra Bhambri ( appointed in the BOD meeting held on 14.11.2016)

The meetings were scheduled well in advance. In addition to the members of the audit committee, these meetings were attended by the head of the Accounts Department, the Statutory Auditors and Internal Auditors of the Company.

The terms of reference of Audit committee are extensive and include all that is mandated in Regulation 18 of SEBI ( LODR ) Regulations 2015 and Corresponding section 177 of the Companies Act,2013.

The Company Secretary of the Company acts as the Secretary to the Committee. The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings.

#### Audit Committee Meetings

Sl. No	Date of Meeting	Strength	No. of Member Present
1.	26.05.2016	3	3
2.	11.08.2016	3	2
3.	27.08.2016	3	2
4.	12.11.2016	3	2
5.	14.02.2017	4	3

#### The Attendance of the Members of the Committee is given below:-

Members	No. of Meetings Attended	Category
Mr. S.K.Gupta	5	Member & Chairman
Mr. Raman Ohri	1	Member
Mr. Atul Mittal	5	Member
Ms. Shubhra Bhambri	1	Member

Mr. S.K. Gupta Chaired the Meeting of Audit Committee held on 27<sup>th</sup> July,2017 for reviewing and approving the Final Accounts for the period ended 31<sup>st</sup> March, 2017.

#### Terms of reference

The Audit Committee has the powers as provided under section 177 of the Companies Act, 2013 as well as requirements under Listing Agreement/ Securities and Exchange Board of India ( Listing Obligation



& Disclosure Requirements ) Regulations , 2015 pertaining to Audit Committee, which include amongst others:

- Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements and audit report before submission to the Board.
- Reviewing with management, performance of statutory and internal auditors and adequacy of internal control systems.
- Reviewing with management the quarterly Financial Statements before submission to Board of Directors for approval.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority, reporting structure coverage and frequency of internal audit.
- Review and functioning of Whistle Blower/ Vigil Mechanism.

The Committee review the Management Discussion and Analysis of the financial condition, results of operations and statements of significant Related Party Transactions, internal control and any other matter which may be a part of its terms of reference or referred to by the Board of Directors.

## 7. Internal Auditors

M/s Ashok Aggarwal & Co. a Firm of Chartered Accountants have been appointed w.e.f. 1<sup>st</sup> April,2008 as the Internal Auditors to review the Internal control system of the company and to report thereon. They are conducting periodic audit of all operations of the Company and the Audit Committee of the Board of Directors has reviewed their findings regularly. Their reports have been well received by the Audit Committee.

## 8. Nomination and Remuneration Committee :

The Nomination and Remuneration committee comprises of Three Directors, two of them are Non- Executive Independent Directors.

The terms of reference are in line with the requirement of Code of Corporate Governance. The Nomination and Remuneration Committee has the powers as provided under section 178 of the Companies Act, 2013 as well as requirements under Listing Agreement/ Securities and Exchange Board of India ( Listing Obligation & Disclosure Requirements ) Regulations , 2015 pertaining to Nomination & Remuneration Committee, which include amongst others:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Recommend to the Board a policy relating to the remuneration for the directors, Key managerial Personnel and Senior Management.
- Fixation of salary, perquisites etc. of all Executives Directors of the company at the time of their appointment/re-appointment.
- Deciding commission payable to executive directors.
- Identify persons who qualify to become Directors and who may be appointed in senior management in accordance with criteria laid down and recommend to the Board their appointment and removal.

**The Constitution of the committee is as follows:**

1. Mr.S.K.Gupta- Chairman
2. Mr. Raman Ohri- Member
3. Ms. Shubhra Bhambri – Member

### Meetings and Attendance:

Sl. No.	Date of Meeting	Strength	No. of Member Present
1.	28.05.2016	3	3
2.	27.08.2016	3	2
3.	24.09.2016	3	2



**The Attendance of the Members of the Committee is given below:-**

Members	No. of Meetings Attended	Category
Mr. S.K.Gupta	2	Member & Chairman
Mr. Raman Ohri	2	Member
Mr. Atul Mittal	3	Member

During the year under report three meetings of the committee were held to consider and appoint Mr. Nishant Chandra as additional director, Mr. Atul Mittal as the Managing Director and to fix the remuneration and Mrs. Shubhra Bhambri as additional director of the Company .

**9. Director's Remuneration**

**a) Managing Director/Executive Directors:**

The Company pays remuneration to the Managing Director / Executive Directors as recommended by the Remuneration Committee and the Board of Directors of the Company. It has also been approved by the Members of the company in their General Meeting. Details of Remuneration to Directors for the Year 2016-17: -

In Rs.

Name	Designation	Salary	Perquisites	P.F.	Gross Remuneration
Atul Mittal	Whole Time Director and Managing Director wef 1.09.2016	1800000	1840000	216000	<b>3856000</b>

**b) Non-Executive Directors:**

Non-Executive Directors have not been paid any remuneration.

**10. Stake Holders Relationship Committee :**

Stake Holders Relationship Committee meets regularly and during the year 4 meetings were held. To expedite the process of Share Transfers the powers are delegated to the Company Secretary & GM Finance and one Executive Director, and the delegated authority attends to Share Transfer formalities once in a fortnight. In case of any difference of opinion or there being a dispute among the claimants the matter is forwarded to the Stake holders Relationship Committee for their Approval. The Committee comprises of three Directors, one of whom is Executive Director. The Chairman , Mr. S.K. Gupta , is a Non-Executive Director.

**The Constitution of the committee is as follows:**

Mr. S.K. Gupta	Chairman
Mr. Raman Ohri	Member
Mr. Atul Mittal	Member

- There was no share Transfer / Demat cases, or Complaints pending for more than 30 days, as on 31<sup>st</sup> March, 2017.
- **Compliance Officer** : The Board has designated **Ms. Kamini Gupta, Company Secretary and GM Finance** as the Compliance officer.

Address :- 21, Arcon Plaza, Local shopping Centre , Madangir, New Delhi -110062.

Ph. No. 41258950 Email ID: [samtex.compliance@gmail.com](mailto:samtex.compliance@gmail.com)

**11. Details of Shareholders Complaints during the FY 2016-17:-**

Investors Compliant	SEBI	BSE	Investor
Number of complaints pending at the beginning of year	Nil	Nil	Nil
Number of complaints Received	Nil	Nil	Nil
Number of complaints resolved	Nil	Nil	Nil
Number of complaints pending complaints at the end of year	Nil	Nil	Nil



## 12. Code of Conduct

Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, continuous improvement of the internal control system and sound investor relations.

### **Declaration as required under Regulation 26(3) and Schedule V of SEBI (LODR) Regulations , 2015**

All Directors and Senior Management of the Company have affirmed Compliance with the Samtex Code of Conduct for the financial year ended 31<sup>st</sup> March, 2017

**Atul Mittal**  
**Managing Director**  
**(DIN 00223366)**

New Delhi, 28<sup>th</sup> August, 2017

## 13. General Body Meeting :

The details of last three Annual General Meetings are given as follows:-

Annual General Meeting/Year	Day, Date & Time of the AGM	Venue
21 <sup>st</sup> AGM 2013-14	Tuesday, 30 <sup>th</sup> September, 2014 at 9.30AM	Regd Office: Plot No-134-135, NSEZ, Phase-II, Noida-201305, U.P.
22 <sup>nd</sup> AGM 2014-15	Wednesday, 30 <sup>th</sup> September, 2015 at 9.30 AM	--- Do---
23 <sup>rd</sup> AGM 2015-16	Friday, 30 <sup>th</sup> September, 2016 at 9.30 AM	--- Do---

## 14. Details of Special Resolutions:

1. 21<sup>st</sup> AGM
  - i) Appointment of Mrs. Rita Mittal, Chairman & Managing Director with Remuneration Managing Director of the Company for holding place of profit.
  - ii) Re-appointment of Mr. Atul Mittal as Whole Time Director- designated as Joint Managing Director with increased remuneration for a period of 3 years w.e.f. 16.02.2014.
  - iii) Alteration of Article of Association by adding new Article no. 111 A.
2. 22<sup>nd</sup> AGM
  - i) Adoption of new set of Articles of Association of the Company.
  - ii) Alteration in Memorandum of Association .
3. 23<sup>rd</sup> AGM
  - i) Alteration in Object Clause in the Memorandum of the Company.
  - ii) Appointment of Mr. Atul Mittal as Managing Director for the period of 3 years w.e.f 01.09.2016.

## 15. Postal Ballot

During the year under review no resolution was passed through Postal Ballot.

Currently there is no Special Resolution is proposed to be passed through Postal Ballot.

## 16. Subsidiary Companies

The Company has two wholly owned subsidiary companies, namely SSA International Limited and ARLIN Foods Limited ( earlier name Sambuildcon Limited ). The requirements of Regulation 24 of SEBI ( LODR ) Regulations 2015 with regard to subsidiary companies have been complied with, to the extent applicable.

## 17. Disclosures :

### **Related Party Transactions as required :**

- a) Related Party Transactions as required by the Accounting Standards (AS) 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountant of India have been disclosed in Notes to Accounts to the Financial Statements. Members may refer to the notes to accounts for details of related Party Transactions. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Accounts.



- b) The Company generally complied with the requirements of regulatory authorities on Capital Market. The Company was penalised for delay in adoption and publishing of quarterly Unaudited Financial Results for the Quarter ended 30<sup>th</sup> June, 2016. Except this there were no any other penalties or strictures were imposed on the Company by the Stock Exchanges for , SEBI or any other statutory authority on any matter relating to the capital markets during the last three years.

## 18. Auditors Certificate on Corporate Governance

As stipulated in Regulation 17 to 27 clauses (b)to (i) of sub regulation ( 2) of regulation 46 and paragraph C,D and E of Schedule V of the SEBI ( Listing Obligations and Disclosures Requirements) Regulations, 2015 ( "Listing Regulations") the Auditors Certificate regarding compliance of Corporate Governance is annexed to the Board Report.

## 19. CEO/CFO Certification

Mr. Atul Mittal, CFO of the company have given an annual certification on financial reporting and the internal controls to the Board in terms of provisions of SEBI ( Listing Obligations and Disclosures Requirements) Regulations, 2015 at its meeting held on 27.07.2017.

## 20. Means of communication :

The company communicates with the shareholders at large through its Annual Reports, Publication of Financial Results ,and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges and The Registrar of Companies. The quarterly results are published in prominent daily newspapers, Financial Express (English) and Regional language (Hindi) Newspaper. The Company has also posted information relating to its financial results, Annual Report, Corporate Governance Report and shareholding pattern in Electronic Data with Mumbai Stock Exchange and can be viewed at the company's Website : [www.samtexfashions.com](http://www.samtexfashions.com) .

## 21. General Shareholders Information :

### Registrars and Share Transfer Agents :

- i) Beetal Financial & Computer Services (P) Ltd  
Registrars and Transfer Agents  
Beetal House, 3<sup>rd</sup> Floor  
99, Madangir, BH- Local Shopping Center  
New Delhi-110062  
Ph. : 011-29961281,29961282 Fax : 011-29961284

### ii) Company's Corporate Office :

21, Arcon Plaza,  
Local shopping Centre ,  
Madangir, New Delhi -110062  
Ph. No. 41258950 Email ID: [samtex.compliance@gmail.com](mailto:samtex.compliance@gmail.com)

### Investors Correspondence :

In case of any delay in attending to transfer of shares, non receipt of Annual Report or any other related matter the following official of Samtex Fashions Ltd. may be contacted.

Ms. Kamini Gupta, Company Secretary & GM Finance.

### Registered office & Works :

#### Samtex Fashions Ltd.

Property No. D-100  
Phase II, Hosiery Complex Noida  
Gautam Buddha Nagar UP 201305



## General Shareholders Information :

- i) 24<sup>th</sup> Annual General Meeting:-  
 Date : 29<sup>th</sup> September, 2017  
 Time : 9:30 A.M  
 Venue : Property No. D-100  
 Phase II, Hosiery Complex Noida  
 Gautam Buddha Nagar UP 201305
- ii) Book closure Details :- 23<sup>rd</sup> September 2017 to 29<sup>th</sup> September, 2017
- iii) Dividend Payment Details:- N.A
- iv) **Financial Calendar (2017-2018-Tentative)**  
 First quarter results : August, 2017  
 Second quarter results : November, 2017  
 Third quarter results : February, 2018  
 Fourth quarter results : May, 2018  
 Annual results : May, 2018  
 AGM for the year ended 31.03.2018 September, 2018
- v) Listing and Stock code : The company's Equity shares are listed on  
 The Stock Exchange, Mumbai, BSE Limited , Phiroze Towers, Dalal Street Mumbai, Scrip Code 521206
- vi) Stock Market Data : **(Scrip Code-521206)**

Year 2016 -2017 (Month)	The Stock Exchange, Mumbai		
	Highest	Lowest	Closing
April- 2016	13.56	11.10	13.56
May -2016	14.00	11.56	12.15
June -2016	14.45	11.51	13.90
July -2016	17.90	13.85	15.09
August -2016	18.00	12.10	12.40
September -2016	14.30	11.80	12.21
October -2016	12.96	11.00	11.53
November -2016	11.88	8.04	10.66
December -2016	14.79	9.50	10.62
January -2017	12.95	10.31	11.87
February -2017	12.94	8.31	8.31
March -2017	7.90	5.84	5.84

## 22. Listing Fees :

The company has paid the annual listing fees to the Stock Exchange for the year 2017 -2018.

## 23. Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2017 :

Category of Shareholders	No of shares	Percentage
Promoter's Holding	36865940	49.48
Mutual Funds/UTI	53000	0.07
Banks/Financial institution (Central /State Govt. inst/Non Govt inst)	---	---
Private Corporate Bodies	9212013	12.38
NRI/OCBs	6657699	8.94
Others (Trust and Clearing Members)	442347	0.59
Indian Public	21269001	28.54
Total	74500000	100.00







## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,  
The Board of Directors,  
Samtex Fashions Limited.

I, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Samtex Fashions Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2017 on standalone and consolidated basis and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year 2016-17 which are fraudulent, illegal or violative of the Company's code of conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
4. I have disclosed to the Auditors and the Audit committee
  - (a) significant changes ,if any, in internal control over financial reporting during the Year;
  - (b) significant changes ,if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.
5. It is further declared that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and ethics for the year 2016-17 covered by this report.

Sd/-

Atul Mittal

Managing Director & CFO

(DIN 00223366)

Date : 27.07.2017

Place : New Delhi



## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
**THE MEMBERS OF SAMTEX FASHIONS LIMITED**  
**PROPERTY NO, D-100 PHASE II,**  
**HOSIERY COMPLEX**  
**NOIDA GAUTAM BUDDHA NAGAR**  
**UP 201305 IN**

We have examined the compliance of conditions of corporate governance by Samtex Fashions Limited ('the Company') for the year ended March 31, 2017, as stipulated in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination is 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as specified under paragraph 1 above during the year ended 31 March 2017.

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.

**For DEEPAK KUKREJA & ASSOCIATES**  
**COMPANY SECRETARIES**

**(DEEPAK KUKREJA)**  
**COMPANY SECRETARY**  
**C.P. No.8265**

**Place : New Delhi**  
**Date : 28.08.2017**



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
M/S SAMTEX FASHIONS LIMITED

We have audited the accompanying financial statements of **M/s SAMTEX FASHIONS LIMITED** ("The Company") (Financial statements of trading office of the company at New York are duly audited by R. Rehani & Co. Certified Public Accountants P.C. New York) which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT RESPONSIBILITY:**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY:**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and 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 control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, 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 financial statements.

### **OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give, the information required by the Act in the manner so required and give a true and fair view (**subject to the matters of emphasis mentioned below**) in conformity with the accounting principles generally accepted in India;

Subject to the above we report that the accounts represent true and fair view:

- a) In the case of the standalone Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the Statement of Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## EMPHASIS OF MATTERS

We draw attention to the following observation:–

- a) *The company has ceased its business operations at NSEZ plant and transferred its premises at NSEZ to M/s Capgemini Technology Services India Limited. However, as per the information and explanations provided to us, the company has shifted its manufacturing activities to a new factory outside NSEZ and commenced the production after the date of Financial Statements.*
- b) *The company had given a Corporate Guarantee for an amount of Rs. 807.46 crores against secured loans taken by its Wholly owned Subsidiary, namely, M/S SSA International Ltd which has been declared Non Performing Assets (NPAs) by the banks. The company has also received the notice u/s 13(2) of the SARFAESI Act, 2002 from consortium of banks for revocation of its Corporate Guarantee.*
- c) *The company has made a provision for Diminution in Value of Investments of its wholly owned subsidiary, namely, SSA International Ltd, as the net worth of the company has been fully eroded during the year, refer Note- N, Para-(vi).*
- d) *Balances of Unsecured Loans are subject to confirmation and consequential effect (if any) on the financial statement remains unascertained.*

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as required by Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement (Annexure – A) on the matters specified in said 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 purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as 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 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 control 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 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 has disclosed the impact of pending litigations on its FINANCIAL position in its financial statements – Refer note 28 Part A to the financial statements.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There was not required to transfer amounts, to the Investor Education and Protection FUND by the Company.
    - iv. The company has 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. These are in accordance with the books of accounts maintained by the company.

**For AGGARWAL & RAMPAL  
CHARTERED ACCOUNTANTS  
FRN: 003072N**

**Vinay Aggarwal  
Partner  
M.No.-082045**

Place : New Delhi  
Date : July 27, 2017



## ANNEXURE - A TO THE AUDITORS' REPORT

### ANNEXURE REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE OF M/S SAMTEX FASHIONS LIMITED, PURSUANT TO THE COMPANIES (AUDITORS' REPORT) ORDER 2016 ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

- i. (a) **The Company has not updated its records of fixed assets showing full particulars including quantitative details and situation of Fixed Assets.**
  - (b) As explained to us, the fixed assets have been physically verified by the management during the year. As informed to us there is a regular program which has been carried out during the year. However we are unable to comment on any difference in physical verification and book records as Fixed Asset Register is pending to be updated.
  - (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 are held in the name of the Company.
- ii. **According to the information and explanations given to us the inventory has been physically verified during the year by the management, but the Stock records were under updation. Accordingly they were not produced before us for verification and we have relied upon the information provide to us by the management. Further as explained to us discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of accounts.**
- iii. As explained to us, the Company has not granted any loans, secured or unsecured to companies, firm, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Companies Act. 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public.
- vi. We have reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) **The Company is not regular in depositing with appropriate authorities undisputed statutory dues including, income tax, sales tax, wealth tax, Service tax, custom duty, excise-duty, cess, Provident fund & ESI and other statutory dues applicable to it. According to the information and explanations given to us, following undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.**

Particulars	Amount (Rs.)
ESIC payable	10,72,219
Provident Fund Payable	12,54,037
TDS on Rent	1,53,000
TDS on Contractor	99,143
TDS on Professional	1,20,569
TDS on Salary	5,30,000

- (b) **According to information and explanation given to us, the disputed statutory dues i.e. Income tax aggregating to Rs. 166.29 lakh that have not been provided for in the books of accounts on account of matters pending before concerned appellate authorities and ITAT Delhi bench. The company is also in the process of filing SLP before Supreme Court. (Refer note no. 28 part A to notes to accounts)**



- viii. According to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). And term loans raised during the year were applied for the purposes for which those are raised.
- x. According to the information and explanations given to us, no material 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 give to us and based on our examination of the records of the Company, the Company has paid/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. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For AGGARWAL & RAMPAL  
CHARTERED ACCOUNTANTS  
FRN: 003072N**

**Vinay Aggarwal  
Partner  
M.No.-082045**

Place : New Delhi  
Date : July 27, 2017

## **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 Samtex Fashions 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.

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

***In our opinion and according to the information and explanations given to us, the company does not have an adequate internal financial control system commensurate with the size of company and the nature of its business.***

**For AGGARWAL & RAMPAL  
CHARTERED ACCOUNTANTS  
FRN: 003072N**

**Vinay Aggarwal  
Partner  
M.No.-082045**

Place : New Delhi  
Date : July 27, 2017





## BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	As at 31.03.2017		As at 31.03.2016	
		Amount (INR)	Amount (INR)	Amount (INR)	Amount (INR)
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's Fund</b>					
(a) Share Capital	3	149,180,000		149,180,000	
(b) Reserves & Surplus	4	(71,509,146)		382,884,058	
			<b>77,670,854</b>		<b>532,064,058</b>
<b>Non-current liabilities</b>					
(a) Long-term borrowings	5	65,030,000		65,030,000	
(b) Deferred tax liabilities (Net)					
(c) Long-term provisions	6	1,987,997	<b>67,017,997</b>	11,833,034	76,863,034
<b>Current liabilities</b>					
(a) Short-term borrowings	7	-		228,642,347	
(b) Trade payables	8	311,076,293		170,681,635	
(c) Other current liabilities	9	11,219,373		18,472,088	
(d) Short-term provisions	10	355,055		2,817,803	
		<b>322,650,721</b>	<b>322,650,721</b>	420,613,874	420,613,874
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	11	54,744,592		107,221,201	
(ii) Intangible Assets		-		-	
(b) Non-current Investments	12	15,000,700		393,000,700	
(c) Deferred Tax Assets(Net)	13	10,781,335		8,481,102	
(c) Long-term loans and advances	14	3,580,076	<b>84,106,703</b>	5,270,025	513,973,027
<b>Current Assets</b>					
(a) Current investments					
(b) Inventories	15	48,114,955		380,896,322	
(c) Trade receivables	16	108,629,650		102,211,278	
(d) Cash and Bank Balances	17	205,969,444		12,052,328	
(e) Short-term loans and advances	18	17,728,868		17,246,010	
(f) Other current assets	19	2,789,952	<b>383,232,869</b>	3,162,000	515,567,939
		-	<b>467,339,572</b>	-	1,029,540,966
Significant Accounting Policies	1 & 2				

### SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
**VINAY AGGARWAL**  
 PARTNER  
 M. NO. 082045

Sd/-  
**ATUL MITTAL**  
 (MANAGING DIRECTOR & CFO)  
 DIN NO. 00223366

Sd/-  
**SURENDRA KUMAR GUPTA**  
 (DIRECTOR)  
 DIN NO. 00223035

Place : New Delhi  
 Date : 27<sup>th</sup> July, 2017

Sd/-  
**KAMINI GUPTA**  
 (COMPANY SECRETARY & GM FINANCE)  
 M. No. FCS 5882



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note	As at 31.03.2017	As at 31.03.2016
		Amount (INR)	Amount (INR)
<b>I. Revenue :-</b>			
Revenue from Operations		457,211,158	848,472,995
Add : Transfer to New York		10,459,960	-
	20	467,671,118	848,472,995
Other Income	21	5,160,501	5,342,595
<b>Total Revenue</b>		<b>472,831,620</b>	<b>853,815,590</b>
<b>II. Expenses :-</b>			
Cost of Material Consumed	22	176,998,954	143,020,425
Purchase of Stock-in-Trade		183,002,667	423,198,086
<b>Less Stock received from India</b>		<b>10,459,960</b>	-
Change in Inventories of Finished Goods, Work-In-Progress and Stock in Trade	23	169,492,118	68,174,646
Employee's Benefit Expenses	24	45,068,882	91,409,658
Finance Cost	25	17,114,128	31,214,003
Depreciation and Amortisation	26	9,815,949	10,264,815
Other Expenses	27	67,507,193	74,926,166
<b>Total Expenses</b>		<b>679,459,850</b>	<b>842,207,799</b>
<b>III. Profit Before Prior Period Items ( I-II)</b>		<b>(206,628,231)</b>	11,607,791
<b>IV. Prior Period (Income)/Expenses</b>		-	320,915
<b>V. Profit Before Exceptional, Extraordinary Items and Taxes (III-IV)</b>		<b>(206,628,231)</b>	11,286,876
<b>IV. Exceptional Items</b>		<b>402,867,321</b>	-
Exceptional Item Expenses			
<b>V. Loss on sales of Fixed Assets</b>		<b>152,773,582</b>	
Exceptional Item Income			
<b>VI. Profit/(Loss) before Taxes - PBT</b>		<b>(456,721,970)</b>	11,286,876
<b>VII. Tax expense :-</b>			
Current Tax		(28,533)	1,990,014
Deferred Tax		(2,300,233)	(1,541,923)
<b>VIII. Profit (Loss) for the Period from Continuing Operations (VI-VII)</b>		<b>(454,393,204)</b>	10,838,785
Earnings per Equity share			
- Basic		(6.10)	0.15
- Diluted		(6.10)	0.15
Face Value per Equity Share		2	2

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS 28

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
**VINAY AGGARWAL**  
 PARTNER  
 M. NO. 082045

Sd/-  
**ATUL MITTAL**  
 (MANAGING DIRECTOR & CFO)  
 DIN NO. 00223366

Sd/-  
**SURENDRA KUMAR GUPTA**  
 (DIRECTOR)  
 DIN NO. 00223035

Place : New Delhi  
 Date : 27<sup>th</sup> July, 2017

Sd/-  
**KAMINI GUPTA**  
 (COMPANY SECRETARY & GM FINANCE)  
 M. No. FCS 5882



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	F.Y 2016-17		F.Y 2015-16	
	Amount in INR		Amount in INR	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(456,721,970)		11,286,876
Adjustments for:				
Depreciation and amortisation	9,815,949		10,264,815	
Finance costs	17,114,128		31,214,003	
Interest income	(219,981)	26,710,097	(271,775)	41,207,042
Operating profit / (loss) before working capital changes		(430,011,874)		52,493,918
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	332,781,367		61,876,321	
Trade receivables	(6,418,372)		(3,190,026)	
Short-term loans and advances	(482,857)		36,512,761	
Long-term loans and advances	1,689,950		98,055	
Other current assets	372,048		49,162	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	140,394,657		(39,328,618)	
Other current liabilities	(7,252,715)		(13,900,046)	
Short-term provisions	(2,462,748)		67,812	
Long-term provisions	(9,845,037)	448,776,292	(592,808)	41,592,614
Cash generated from operations		18,764,419		94,086,531
Net income tax (paid) / refunds		(28,533)		1,990,014
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>18,735,887</b>		<b>96,076,546</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	42,107,858		(20,451,009)	
Bank balances not considered as Cash and cash equivalents :				
- Placed	1,059,787		1,509,710	
Interest received	219,981		271,775	
- Others	378,000,000	421,387,626	(15,000,000)	(33,669,524)
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>421,387,626</b>		<b>(33,669,524)</b>



Particulars	F.Y 2016-17		F.Y 2015-16	
	Amount in INR		Amount in INR	
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-		-	
Repayment of long-term borrowings	-		-	
Net increase / (decrease) in working capital borrowings	(228,642,347)		(30,876,370)	
Net proceed from long-term borrowing	-		-	
Finance cost	(17,114,128)	(245,756,475)	(31,214,003)	(62,090,373)
<b>Net cash flow from/(used in) financing activities (C)</b>		(245,756,475)		(62,090,373)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		194,367,038		316,650
Cash and cash equivalents at the beginning of the year		10,542,618		10,225,968
<b>Cash and cash equivalents at the end of the year</b>		204,909,655		10,542,618
<b>Components of Cash and cash equivalents:-</b>				
(a) Cash on hand		6,941		1,351,059
(b) Balances with banks:				
(i) In current accounts		204,104,457		6,514,637
(ii) in Term Deposits with original maturity of less than 3 months.		798,258		2,676,921
(c) Current investments considered as part of Cash and cash equivalents				
<b>Cash &amp; Cash Equivalents</b>		204,909,656		10,542,618

Notes:

1. Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3; "Cash Flow Statement" as per Companies (Accounting Standard) Rules, 2006.
2. Previous year's figures have been regrouped/reclassified wherever applicable.
3. The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Sd/-**  
**VINAY AGGARWAL**  
 PARTNER  
 M. NO. 082045

**Sd/-**  
**ATUL MITTAL**  
 (MANAGING DIRECTOR & CFO)  
 DIN NO. 00223366

**Sd/-**  
**SURENDRA KUMAR GUPTA**  
 (DIRECTOR)  
 DIN NO. 00223035

Place : New Delhi  
 Date : 27<sup>th</sup> July, 2017

**Sd/-**  
**KAMINI GUPTA**  
 (COMPANY SECRETARY & GM FINANCE)  
 M. No. FCS 5882



## NOTE NO. 1- SIGNIFICANT ACCOUNTING POLICIES

### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principals (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2014, the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Management evaluates all recently issued or revised accounting standards on an ongoing concern basis.
- b) The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

### B. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and Assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Example of such estimates includes estimate of carrying value of work in progress, provision for doubtful debts and useful life of fixed assets. Actual results could differ from estimates.

### C. FIXED ASSETS AND DEPRECIATION

- a) Expenditure of capital nature are capitalized at cost (comprising of purchase price (net of rebates and discounts) and any other cost which is directly attributable to bringing the asset to its working condition for the intended use).
- b) Depreciation on fixed assets is provided on Straight-line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.
- c) Fixed Assets Acquired at New York Trading Office is capitalized at historical cost. Depreciation on these Fixed Assets is accounted for as charged in the branch Profit & Loss Account. The same is converted in INR based on the rate prevailing at the time of acquisition of relevant fixed assets.

### D. INVESTMENTS

Investments are in the nature of long term investments and are valued at cost to the Company in accordance with AS – 13 accounting for Investments.

### E. FOREIGN EXCHANGE TRANSACTIONS

In view of the Accounting Standard (AS)-11 “ Accounting for the effects of Changes in Foreign Exchange rates” (AS-11) issued by the Institute of Chartered Accountants of India, being mandatory with effect from the 1st April, 1995 foreign currency transactions are translated as under :

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction as far as possible.
- b) Monetary items denominated in foreign currency other than the foreign currency loans outstanding as at the year end are recorded at the closing rate and the difference is adjusted in profit & loss account.
- c) Exchange differences arising on foreign currency transactions are recognized as income or expenditure in the year in which they arise.
- d) Financial Statement of Overseas branch are translated and incorporated in the books of Head Office in



accordance to with the AS - 11.

## F. INVENTORY VALUATION

- a) Stock of Raw Materials are valued according to FIFO method as prescribed for the valuation of Inventory, at purchase cost or net realisable value whichever is low. The quantity and valuation of stocks of Raw Material is taken as physically verified, valued and certified by the Management at the end of the year. The inventory of Raw Material includes raw material supplied by foreign parties for the execution of their export orders by the company and the same is valued at the end of the year.
- b) Finished goods are valued at lower of cost or net realisable value. Cost for the purpose is determined on the basis of absorption costing method the quantity and valuation of finished goods is taken as physically verified valued and certified by the management at the end of the year. Cost for the purpose of valuation is inclusive of all the expenses except selling expenses. Excise duty levied on domestic tariff area sales does not form part of the cost since the quantum of these sales out of the finished goods stock cannot be ascertained.
- c) The stock of Work In Process, is valued at the estimated cost or net realizable value whichever is lower to the company based on absorption costing method. Packing material and accessories like thread, buttons, etc is valued at Cost or Net realizable value whichever is low. The quantity and valuation of Inventory of WIP is taken as physically verified, valued and certified by the management at the end of the year.

## G. REVENUE RECOGNITION

### a) EXPORT SALES

Sales are recognized on the basis of Bill Of Lading. Sales of companies' overseas branches are recognized as and when they are executed at their country. In respect of sales where material are supplied by the foreign buyers, purchases are booked at the amount debited by them for supply of materials and sales invoices includes the value of material so debited.

### b) DOMESTIC SALES

The Company main manufacturing units situated in NSEZ thus Domestic sales are recognized in the Books of Account at the time of dispatch from the gate at NSEZ, and sales executed at the Delhi office is recognized at the date of dispatch from Delhi Office.

## H. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made on the basis of assessable income under the Income Tax Act, 1961. Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized on timing differences being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated and accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date.

## I. PROVISIONS & CONTINGENT LIABILITIES

In terms of the requirement of the Accounting Standard 29 (AS-29) on "Provisions, Contingent Liabilities and Contingent Assets".

- (a) Where, as a result of past events, there is a present obligation that probably requires an outflow of



resources and reliable estimates' can be made of the amount of obligation- an appropriate provision is created and disclosed.

- (b) Where as a result of past events, there is a possible obligation that may, but probably will not require an outflow of resources no provision is recognized but appropriate disclosure made as contingent liability unless the possibility of out flow is remote.

## **J. BORROWING COST**

Borrowing cost specifically identified to the acquisition or construction of qualifying assets are capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit & Loss Account.

## **K. IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## **L. EMPLOYEE BENEFITS**

### **a) PROVIDENT FUND**

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employees' salary. The company has no further obligations under the plan beyond its monthly contributions.

### **b) GRATUITY**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non - funded, defined benefit retirement plan (the gratuity plan) covering all employees. The plan, subject to the provisions of the Act, provides a lump sum payment to vested employees at retirement or termination of employment with the company.

The Company estimates its liability on adhoc basis in the interim financial reports and on an actuarial valuation basis as of year end balance sheet date carried out by an independent actuary, and is charged to Profit & Loss Account in accordance with AS-15 (revised).

### **c) LEAVE ENCASHMENT**

Leave encashment cost is a defined benefit, and is accrued on adhoc basis in the interim financial reports and on An actuarial valuation basis as of year end balance sheet date carried out by an independent actuary, and is charged to Profit & Loss Account in accordance with AS-15 (revised).

## **NOTE NO.2- CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)		AS AT 31.03.2016 (Amount INR)	
3	<b>SHARE CAPITAL:</b>				
		NO. OF SHARES	AMOUNT	NO OF SHARES	AMOUNT
	<b>AUTHORIZED SHARES</b>				
	EQUITY SHARES OF ₹ 2/- EACH	<u>80,000,000</u>	<u>160,000,000</u>	<u>80,000,000</u>	<u>160,000,000</u>
	<b>ISSUED, SUBSCRIBED AND PAID UP SHARES</b>				
	EQUITY SHARES OF ₹ 2/- EACH FULLY PAID UP	74,500,000	149,000,000	74,500,000	149,000,000
	<b>FORFEITED SHARES</b>				
	AMOUNT ORIGINALLY PAID -UP ON 1,00,000 ZERO COUPON WARRANT @ ₹ 1.80 PER WARRANT.	100,000	180,000	100,000	180,000
	<b>TOTAL</b>	<u>74,600,000</u>	<u>149,180,000</u>	<u>74,600,000</u>	<u>149,180,000</u>

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the year:

PARTICULARS	AS AT 31.03.2017		AS AT 31.03.2016	
	NO OF SHARES	AMOUNT (₹)	NO OF SHARES	AMOUNT (₹)
<b>Equity Shares:</b>				
At the beginning of the year	74,500,000	149,000,000	14,900,000	149,000,000
Issued during the year as fully paid	—	—	—	—
<b>Outstanding at the end of the year</b>	<b>74,500,000</b>	<b>149,000,000</b>	<b>14,900,000</b>	<b>149,000,000</b>

(b) Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. The equity shareholders of the Company have voting rights and are subject to the preferential rights as prescribed under law, if any. The equity shares are also subject to restriction as prescribed under the Companies Act, 2013. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31st March 2017, no dividend is declared by Board of Directors. (Previous year - Nil)

(c) Shares held by Holding / Ultimate holding company and/or their subsidiaries/associates: Nil (Previous year -Nil)

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
4	<b>RESERVE &amp; SURPLUS:</b>		
	<b>CAPITAL RESERVE</b>		
	(STATE CAPITAL SUBSIDY)	<u>1,000,000</u>	<u>1,000,000</u>
		<u>1,000,000</u>	<u>1,000,000</u>
	<b>SECURITY PREMIUM</b>	<u>114,000,000</u>	<u>114,000,000</u>
		<u>114,000,000</u>	<u>114,000,000</u>





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
	<b><u>SURPLUS / (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS</u></b>		
	BALANCE AS PER THE LAST FINANCIAL STATEMENT	267,884,058	271,543,317
	LESS: ADJUST. EXCHANGE FLUCT NY	-	14,498,044
	ADD: PROFIT / (LOSS) FROM CURRENT YEAR	(454,393,204)	10,838,785
	Closing Balance	(186,509,146)	267,884,058
	<b>Total of Reserves and Surplus</b>	<b>(71,509,146)</b>	<b>382,884,058</b>
5	<b><u>LONG TERM BORROWINGS</u></b>		
	<b><u>TERM LOANS (UNSECURED) UNCONFIRMED:</u></b>		
	<b>FROM OTHERS</b>		
	LOANS AND ADVANCES FROM RELATED PARTIES	65,030,000	65,030,000
	<b>TOTAL</b>	<b>65,030,000</b>	<b>65,030,000</b>
6	<b><u>LONG TERM PROVISIONS</u></b>		
	PROVISIONS FOR EMPLOYEE BENEFITS:-		
	PROVISION FOR GRATUITY	1,068,745	10,043,206
	PROVISION FOR LEAVE ENCASHMENT	919,252	1,789,828
	<b>TOTAL</b>	<b>1,987,997</b>	<b>11,833,034</b>
7	<b><u>SHORT TERM BORROWINGS</u></b>		
	<b>Loan Repayable on Demand</b>		
	<b>From Bank</b>		
	<b>A) SECURED</b>		
	WORKING CAPITAL LOAN FROM STATE BANK OF INDIA	-	228,642,347
	<b>B) UN-SECURED</b>		
	BANK OVER DRAFT WITH STATE BANK OF INDIA	-	-
	<b>FROM OTHERS</b>		
	<b>TOTAL</b>	<b>-</b>	<b>228,642,347</b>

# SAMTEX FASHIONS LIMITED



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>8</b>	<b>TRADE PAYABLES</b>		
	<b>TRADE PAYABLES (UNCONFIRMED)</b>		
	A) OUTSTANDING DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES	-	-
	B) OUTSTANDING DUE TO OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	<b>311,076,293</b>	170,681,635
	<b>TOTAL</b>	<b>311,076,293</b>	170,681,635
<b>9</b>	<b>OTHER CURRENT LIABILITIES</b>		
	TERM LOAN INSTALLMENT DUE WITHIN 1 YEAR ( REF. NOTE NO. 6)	-	-
	INTEREST ACCRUED AND DUE ON BORROWINGS	-	-
	EXPENSES PAYABLE	<b>4,245,807</b>	9,617,747
	CORPORATE TAX PAYABLE	-	-
	STATUTORY DUES PAYABLE:-	-	-
	TDS PAYABLE	<b>902,712</b>	556,099
	TCS PAYABLE	-	247
	ESI PAYABLE	<b>1,072,219</b>	-
	PF PAYABLE	<b>1,254,037</b>	1,260,782
	OTHERS PAYABLE	<b>3,744,598</b>	7,037,213
	<b>TOTAL</b>	<b>11,219,373</b>	18,472,088
<b>10</b>	<b>SHORT TERM PROVISIONS</b>		
	<b>PROVISIONS FOR EMPLOYEE BENEFITS:-</b>		
	PROVISION FOR GRATUITY	<b>27,417</b>	379,578
	PROVISION FOR LEAVE ENCASHMENT	<b>25,082</b>	67,452
	PROVISION FOR BONUS	<b>302,556</b>	2,370,773
	<b>TOTAL</b>	<b>355,055</b>	2,817,803

### NOTE 11 : FIXED ASSETS

#### Part-A

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET CARRYING Value	
	As at 01.04.2016 (Amount INR)	Additions During the Year (Amount INR)	Sales/ Adjustment During the Year (Amount INR)	As at 31.03.2017 (Amount INR)	Up to 01.04.2016 (Amount INR)	For the year (Amount INR)	Adjust- ment	W.Back During the Year (Amount INR)	Up to 31.03.2017 (Amount INR)	As at 31.03.2017 (Amount INR)	As at 31.03.2016 (Amount INR)
<b>Tangible Assets</b>											
Building and Site Development	91,805,270	-	91,805,270	-	47,407,031	3,371,821	-	50,778,852	-	-	44,398,239
Plant & Machinery	227,997,227	-	3,010,000	224,987,227	182,007,780	5,257,356	-	1,375,758	185,889,378	39,097,849	45,989,447
Furniture & Fixtures	24,055,358	-	-	24,055,358	22,511,952	124,761	-	-	22,636,713	1,418,645	1,543,406
Electrical Installation	12,275,208	-	-	12,275,208	10,563,945	780,468	-	-	11,344,413	930,795	1,711,263
Office Equipment's	9,267,044	-	-	9,267,044	8,573,435	102,573	-	-	8,676,008	591,036	693,609
Vehicles	9,782,645	-	-	9,782,645	9,293,513	-	-	-	9,293,513	489,132	489,132
Mobiles	495,013	-	-	495,013	221,627	178,970	-	-	400,597	94,416	273,386
<b>Total (A)</b>	<b>375,677,765</b>	<b>-</b>	<b>94,815,270</b>	<b>280,862,495</b>	<b>280,579,282</b>	<b>9,815,949</b>	<b>-</b>	<b>52,154,610</b>	<b>238,240,621</b>	<b>42,621,874</b>	<b>95,098,483</b>
<b>Part-B</b>											
Housing Project	12,122,718	-	-	12,122,718	-	-	-	-	-	12,122,718	12,122,718
<b>Total (A+B)</b>	<b>387,800,483</b>	<b>-</b>	<b>94,815,270</b>	<b>292,985,213</b>	<b>280,579,282</b>	<b>9,815,949</b>	<b>-</b>	<b>52,154,610</b>	<b>238,240,621</b>	<b>54,744,592</b>	<b>107,221,201</b>
Previous year	387,485,933	314,550	-	387,800,483	270,314,467	10,264,815	-	-	280,579,282	107,221,201	117,171,465



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
12.	<b>NON CURRENT INVESTMENTS</b>		
	<b>INVESTMENT (VALUED AT COST)</b>		
A)	<b>TRADE INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED) IN WHOLLY OWNED SUBSIDIARY COMPANIES.</b>		
I)	<b>SSA INTERNATIONAL LIMITED.</b> 37,200,000 ( PREVIOUS YEAR 37,200,000) EQUITY SHARES OF 10/- EACH FULLY PAID-UP	372,000,000	372,000,000
II)	<b>ARLIN FOODS LTD (FORMERLY KNOWN AS SAM BUILDCON LIMITED)</b> 1,500,070 ( PREVIOUS YEAR 1,500,070) EQUITY SHARES OF 10/- EACH FULLY PAID-UP	15,000,700	15,000,700
B)	<b>OTHER INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED) YOGENDRA WORSTED LIMITED</b> 600,000 (PREVIOUS YEAR 600,000) EQUITY SHARES OF 10/- EACH FULLY PAID-UP	6,000,000	6,000,000
	<b>TOTAL A</b>	<u>393,000,700</u>	<u>393,000,700</u>
	LESS PROVISION FOR DIMNUTION IN VALUE OF INVESTMENT		
	<b>SSA INTERNATIONAL LIMITED</b>	372,000,000	-
	<b>YOGENDRA WORSTED LIMITED</b>	6,000,000	-
	<b>TOTAL B</b>	<u>378,000,000</u>	<u>-</u>
	<b>TOTAL (A-B)</b>	<u>15,000,700</u>	<u>-</u>
13.	<b>DEFERRED TAX ASSETS (NET)</b>		
	DEFERRED TAX ASSETS	10,781,335	8,481,102
	<b>TOTAL</b>	<u>10,781,335</u>	<u>8,481,102</u>
	<b>NOTE* ITEM WISE DETAIL OF DEFERRED TAX</b>		
	RELATED TO DEPRECIATION ON FIXED ASSETS(DTA/(DTL))	-	4,864,087
	RELATED TO GRATUITY AND LEAVE ENCASHMENT (DTA)	-	3,617,015
14.	<b>LONG TERM LOANS AND ADVANCES</b>		
	<b>SECURITY DEPOSITS (UNCONFIRMED)</b>		
	SECURED, CONSIDER GOOD		
	UNSECURED, CONSIDER GOOD	3,580,076	5,270,025
	<b>TOTAL</b>	<u>3,580,076</u>	<u>5,270,025</u>
15.	<b>INVENTORIES</b>		
	RAW MATERIAL*	13,901,050	175,132,669
	FINISHED GOODS	34,213,905	188,292,192
	WORK IN PROGRESS	-	15,048,051
	SCRAP MATERIAL	-	365,780
	OTHER STORES	-	2,057,630
	<b>TOTAL</b>	<u>48,114,955</u>	<u>380,896,322</u>
16.	<b>TRADE RECEIVABLES</b>		
	<b>UNSECURED, CONSIDER GOOD (UNCONFIRMED):-</b>		
	<b>TRADE RECEIVABLES</b>		
	- OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY	19,818,165	41,190,921
	- OTHERS	88,811,485	61,020,358
	<b>TOTAL</b>	<u>108,629,650</u>	<u>102,211,278</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>17.</b>	<b>CASH &amp; BANK BALANCES</b>		
	<b>CASH AND CASH EQUIVALENTS:-</b>		
	BALANCES WITH BANKS		
	ON CURRENT ACCOUNT	204,104,457	6,514,637
	ON TERM DEPOSITS WITH ORIGINAL MATURITY OF LESS THAN 3 MONTHS.	798,258	2,676,921
	CASH ON HAND	6,941	1,351,059
		<u>204,909,657</u>	<u>10,542,618</u>
	<b>OTHER BANK BALANCES:-</b>		
	DEPOSITS WITH ORIGINAL MATURITY FOR MORE THAN 3 MONTHS BUT LESS THAN 12 MONTHS	1,059,787	1,509,710
	<b>TOTAL</b>	<u>205,969,444</u>	<u>12,052,328</u>
<b>18.</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)</b>		
	ADVANCES TO EMPLOYEES	-	-
	TRADE ADVANCES TO SUPPLIERS	2,647,143	1,777,259
	PREPAID EXPENSES	330,000	457,854
	LOAN & ADVANCE TO RELATED PARTIES	-	-
	SHARE APPLICATION MONEY ( PAID)	-	-
	BALANCES WITH GOVERNMENT AUTHORITIES		
	- TDS RECEIVABLES	39,934	152,424
	- VAT RECEIVABLES	2,842,110	2,989,517
	- DEPOSIT AGAINST DISPUTE WITH GOVT. AUTHORITIES	11,867,681	11,867,681
	OTHERS	2,000	1,275
		-	-
	<b>TOTAL</b>	<u>17,728,868</u>	<u>17,246,010</u>
<b>19.</b>	<b>OTHER CURRENT ASSETS</b>		
	INTEREST ACCRUED ON FIXED DEPOSITS	731,331	855,490
	OTHERS	2,058,621	2,306,510
	<b>TOTAL</b>	<u>2,789,952</u>	<u>3,162,000</u>
	Note *Readymade garments being dismantled & converted into fabric Pannels. Hence Finished Goods has been reclassified as Raw Material		
<b>20.</b>	<b>REVENUE FROM OPERATIONS</b>		
	SALE OF MANUFACTURING GOODS :-		
	EXPORT SALES	288,116,153	798,598,892
	DOMESTIC SALES OF TRADE GOODS	179,554,965	49,706,670
	SCRAPE SALES	-	167,433
	<b>NET REVENUE FROM OPERATION</b>	<u>467,671,118</u>	<u>848,472,995</u>
<b>21.</b>	<b>OTHER INCOME</b>		
	INTEREST	219,981	271,775
	EXCHANGE FLUCTUATIONS	3,213,610	2,477,098
	RENT RECEIVED	-	9,075
	MISCELLANEOUS INCOMES	1,726,910	2,584,647
	<b>TOTAL</b>	<u>5,160,501</u>	<u>5,342,595</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>22.</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	OPENING BALANCE OF STOCK	175,132,669	168,232,993
	ADD :- MATERIAL PURCHASED	15,767,335	149,920,101
	LESS :- CLOSING STOCK	13,901,050	175,132,669
	<b>COST OF MATERIAL CONSUMED</b>	<b>176,998,954</b>	<b>143,020,425</b>
	<b><u>MATERIAL CONSUMED COMPRISES :-</u></b>		
	FABRICS	97,743,820	115,978,159
	TRIMS	64,636,015	12,436,449
	OTHERS	14,619,119	14,605,817
<b>23.</b>	<b><u>CHANGES IN INVENTORIES</u></b>		
	<b><u>FINISHED GOODS:-</u></b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	182,795,950	218,414,577
	AT THE ENDING OF THE ACCOUNTING PERIOD	34,213,905	182,795,950
	<b>CHANGE IN FINISH GOODS</b>	<b>148,582,045</b>	<b>35,618,627</b>
	<b><u>FINISHED GOODS IN TRANSIT (TO)</u></b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	5,496,242	20,400,000
	AT THE ENDING OF THE ACCOUNTING PERIOD	-	5,496,242
	<b>CHANGE IN FINISH GOODS</b>	<b>5,496,242</b>	<b>14,903,758</b>
	<b><u>WORK-IN-PROGRESS</u></b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	15,048,051	31,178,518
	AT THE ENDING OF THE ACCOUNTING PERIOD	-	15,048,051
	<b>CHANGE IN WORK-IN-PROGRESS</b>	<b>15,048,051</b>	<b>16,130,467</b>
	<b><u>SCRAP MATERIAL</u></b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	365,780	1,887,574
	AT THE ENDING OF THE ACCOUNTING PERIOD	-	365,780
	<b>CHANGE IN SCRAP MATERIAL</b>	<b>365,780</b>	<b>1,521,794</b>
	<b>TOTAL</b>	<b>169,492,118</b>	<b>68,174,646</b>
<b>24.</b>	<b><u>EMPLOYEE BENEFITS EXPENSE</u></b>		
	<b><u>SALARY AND WAGES :-</u></b>		
	WAGES AND OTHER BENEFITS	27,482,139	65,533,230
	OFFICE STAFF SALARY	8,818,034	10,570,711
	BONUS	73,019	2,567,543
	SECURITY CHARGES	392,954	794,013
	DIRECTOR'S REMUNERATION	3,640,000	4,614,484
	LTA REIMBURSEMENT	38,000	79,250
	EXGRATIA/MEDICAL	-	26,200
	LEAVE ENCASHMENT	237,615	442,511
	NOTICE PAY	-	241,289
	GRATUITY EXPENSES	3,850,250	2,300,524
	<b>CONTRIBUTION TO PROVIDENT FUND AND OTHER FUNDS :-</b>		
	CONTRIBUTION TO PROVIDENT FUND	414,869	2,624,296
	CONTRIBUTION TO EMPLOYEE'S STATE INSURANCE FUND	103,614	1,365,567
	<b>STAFF WELFARE EXPENSES :-</b>		
	STAFF WELFARE EXPENSES	18,388	250,040
	<b>TOTAL</b>	<b>45,068,882</b>	<b>91,409,658</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>25.</b>	<b>FINANCE COSTS</b>		
	INTEREST ON WORKING CAPITAL LOANS	11,642,313	20,441,789
	INTEREST ON TERM LOANS	-	148,677
	INTEREST OTHERS	4,523,454	8,318,315
	BANK CHARGES	948,360	2,305,222
	FORWARD CONTRACT/ FACTORING CHARGES	-	-
	<b>TOTAL</b>	<b>17,114,128</b>	<b>31,214,003</b>
<b>26.</b>	<b>DEPRECIATION AND AMORTZATION</b>		
	DEPRECIATION ON TANGIBLE ASSETS	9,815,949	10,264,815
	<b>TOTAL</b>	<b>9,815,949</b>	<b>10,264,815</b>
<b>27.</b>	<b>OTHER EXPENSES</b>		
	<b>MANUFACTURING EXPENSES :-</b>		
	<b>CONSUMPTION OF STORES AND SPARES :-</b>		
	STOCK AT BEGINNING OF THE ACCOUNTING PERIOD	2,057,630	2,658,982
	ADD: STORES AND CONSUMABLES PURCHASED	9,470	1,533,311
	LESS: STOCK AT ENDING OF THE ACCOUNTING PERIOD	-	2,057,630
	STORES AND SPARES CONSUMED	2,067,100	2,134,663
	POWER AND FUEL	1,957,013	7,770,622
	CUSTOM/ EXCISE DUTY	-	47,582
	IMPORT CLEARING EXPENSES	-	634,298
	FREIGHT INWARDS	38,000	298,150
	REPAIR AND MAINTENANCE( MACHINERY)	19,232	737,898
	REPAIR AND MAINTENANCE( ELECTRICALS)	-	176,884
	PROCESSING AND FINISHING EXPENSES	373,878	1,639,198
	<b>GENERAL &amp; ADMINISTRATIVE EXPENSES :-</b>		
	AUDITOR'S REMUNERATION	161,210	134,350
	TRAVELLING AND CONVEYANCE EXPENSES	929,094	2,972,276
	RENT EXPENSES	12,573,515	10,625,313
	LEGAL AND PROFESSIONAL CHARGES	1,245,625	1,693,394
	INSURANCE EXPENSES	6,819,485	7,732,465
	RATES AND TAXES	614,284	1,249,124
	PRINTING AND STATIONARY EXPENSES	-	496,020
	INTEREST ON TDS	49,718	306,762
	POSTAGE, TELEGRAM AND TELEPHONE EXPENSES	2,287,547	3,377,815
	GENERAL EXPENSES	20,484,436	14,435,495
	COMPLIANCE AUDIT FEES	-	60,000
	BOOKS AND PERIODICALS	15,000	21,189
	CHARITY AND DONATION	-	260,675



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
	DIRECTOR'S SITTING FEES	-	75,500
	GUEST HOUSE EXPENSES	-	104,548
	REPAIR AND MAINTENANCE- VEHICLE	-	283,889
	REPAIR AND MAINTENANCE- BUILDING	-	-
	REPAIR AND MAINTENANCE- OTHERS	404,236	1,003,866
	EARLIER YEAR INCOME TAX	-	-
	INCOME TAX A.Y 2013-14	-	1,519,232
	EXCHANGE FLUCTUATION	3,405,064	0
	DUTY DRAWBACK PAID	500,160	85,566
	LOSS ON SALES OF FIXED ASSETS	72,091	-
	<b>SELLING AND DISTRIBUTION EXPENSES :-</b>	-	-
	FREIGHT OUTWARDS	810,132	372,270
	EXPORT CLEARING CHARGES	2,409,378	944,336
	SAMPLING AND SUPPLIED CHARGES	3,460,151	3,717,970
	REBATE AND DISCOUNT	1,502,731	(445,570)
	SALES COMMISSION	132,252	66,944
	ADVERTISEMENT EXPENSES	97,719	347,834
	BUSINESS PROMOTION EXPENSES	5,078,142	10,021,602
	HANDLING CHARGES	-	-
	EXPORT SHIPMENT DAMAGE CHARGES	-	24,009
	<b>TOTAL</b>	<b>67,507,193</b>	<b>74,926,166</b>

### NOTE 28 : OTHER NOTES

#### A. CONTINGENT LIABILITIES

(a) No provision has been made in the books of accounts by the company for a sum of Rs. 59,02,380/-, Rs. 60,66,639/- Rs. 5,80,198/- & Rs. 40,80,705/- for which the demand has been raised by the Income Tax Department for the A.Y. 2000-01, A.Y. 2001-02, A.Y. 2003-04 & A.Y. 2007-2008, respectively. Appeal before High Court for A.Y. 2000-01 & 2001-02 have been dismissed, hence, the company is in the process of filing Special Leave Petition (SLP) before Supreme Court. The liability for A.Y. 2003-04 and A.Y. 2007-08 stands before the Appellate Authority.

#### b) Guarantees

The company has guaranteed a sum of Rs. 80,746 Lacs (Previous Year Rs. 80,746 Lacs) against secured Loans taken by SSA International Ltd. from financial institutions; these are wholly owned subsidiaries of the Company.

#### B. DEFINED BENEFIT PLANS/LONG TERM COMPENSATED ABSENCES

The employee gratuity fund & leave encashment scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

As per actuarial valuations as on 31st March 2017 and recognized in the financial statement in respect of employee benefit schemes :-



Amount in INR)

Particulars	Gratuity		Leave Encashment	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<b>I. Assumptions</b>				
Discount Rate	7.37%	8.00%	7.37%	8.00%
Future Salary Increase	5.00%	5.00%	5.00%	5.00%
<b>II. Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	10,422,784	10,943,129	1,857,280	1,892,141
Interest Cost	833,823	875,450	148,582	151,371
Past Service Cost	-	-	-	-
Current Services Cost	52,971	584,236	48,176	127,418
Benefit Paid	(13,225,585)	(2,820,869)	(1,150,561)	(477,372)
Actuarial (gain)/loss on obligation	2,963,456	840,838	40,857	163,722
Liability at the end of the year	1,047,449	10,422,784	944,334	1,857,280
<b>III. Tables of Fair value of Plan Assets</b>				
Fair value of plan assets at the beginning of the year				
Expected return on Plan Assets				
Contributions				
Benefit Paid				
Actuarial (gain)/loss on Plan Assets				
Fair Value of Plan Assets at the end of the year				
Total actuarial gain / (loss) to be recognized				
<b>IV. Actual Return on Plan Assets</b>				
Expected Return on Plan Assets				
Actuarial (gain)/loss on Plan Assets				
Actuarial Return on Plan Assets				
<b>V. Amount recognized in the Balance Sheet</b>				
Liability at the end of the year	1,047,449	10,422,784	944,334	1,857,280
Fair value of plan assets at the end of the year	-	-	-	-
Difference	(1,047,449)	(10,422,784)	(944,334)	(1,857,280)
Excess of actual over estimated	-	-	-	-
Unrecognized Actuarial (gain)/losses	-	-	-	-
Amount recognized in the Balance sheet	(1,047,449)	(10,422,784)	(944,334)	(1,857,280)
<b>VI. Expenses recognized in the Income Statement</b>				
Current Service Cost	52,971	584,236	48,176	127,418
Interest Cost	833,823	875,450	148,582	151,371
Expected Return On Plan Assets	-	-	-	-
Net actuarial (gain)/loss to be recognized	2,963,456	840,838	40,857	163,722
Expenses Recognized in Profit & Loss A/c	3,850,250	2,300,524	237,615	442,511
<b>VII. Amount Recognized in the Balance Sheet</b>				
Opening net liability	10,422,784	10,943,129	1,857,280	1,892,141
Expense as above	3,850,250	2,300,524	237,615	442,511
Employers Contribution Paid	(13,225,585)	(2,820,869)	(1,150,561)	(477,372)
Closing net Liability	1,047,449	10,422,784	944,334	1,857,280





## C. RELATED PARTY DISCLOSURES

I. Related Parties with Whom Transactions have been Taken Place and Relationships.

S. No.	Name of Related Parties	Relationship
1	SSA International Limited	Wholly owned Subsidiary company
2	Arlin Foods Limited	Wholly owned Subsidiary company

II. Related Parties with Whom Transactions have been Taken Place and Nature of Transactions **(Amount in INR)**

Nature of Transaction	Wholly owned Subsidiary companies			
	SSA International Limited		Arlin Foods Limited	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
<b>A. Investments</b>				
Opening Balance	372,000,000	357,000,000	15,000,700	15,000,700
Issued during the Year	-	15,000,000	-	-
Closing Balance	372,000,000	372,000,000	15,000,700	15,000,700
<b>B. Share Application Money Paid for Investments</b>				
Opening Balance	-	10,000,000	-	-
Received during the Year	-	5,000,000	-	-
Equity issued during the Year	-	15,000,000	-	-
Closing Balance	-	-	-	-
<b>C. Loan &amp; Advances</b>				
Opening Balance	-	-	-	-
Given During the Year	-	-	-	-
Repaid During the Year	-	-	-	-
Transferred to Equity Investment/Running	-	-	-	-
Closing Balance	-	-	-	-
<b>D. Sale &amp; Job work</b>				
Sale/Job Work Done	-	-	-	-
<b>E. Creditors</b>				
Opening Balance	-	-	1,532,200	2,492,200
Amount Received during the year	-	-	1,000,000	480,000
Amount Paid during the year	-	-	1,000,000	1,440,000
Purchase during the year	-	-	-	-
Sale/Job Work Done	-	-	-	-
Realise During the Year	-	-	-	-
Closing Balance	-	-	1,532,200	1,532,200

## D. SEGMENT REPORTING

The company has identified a geographical reportable segment viz M/S Samtex Fashions Ltd. New York. Segments have been identified and reported taking into account the Differing risk and returns and the Financial business reporting systems. The accounting policies adopted for segment reporting are in line with the Accounting Policy of the Company. Except the Accounting period which is for the Segment is calendar year.

**Segment Assets and Segment Liabilities represent Assets and Liabilities in Respective segments.**

# SAMTEX FASHIONS LIMITED



## (I) PRIMARY SEGMENT INFORMATION :-

(AMOUNT IN INR)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
<b>1). TOTAL SALES AT EACH SEGMENT.</b>		
USA	239,700,762.45	575,975,272.26
INDIA	227,970,356.00	272,497,722.64
<b>GROSS SALES</b>	<b>467,671,118.45</b>	<b>848,472,994.90</b>
LESS :- INTER SEGMENT REVENUE	10,459,960.00	209,593,144.24
<b>NET SALES / INCOME FROM OPERATION</b>	<b>457,211,158.45</b>	<b>638,879,850.66</b>
<b>2). SEGMENT RESULTS ( PROFIT/ LOSS BEFORE TAX AND INTEREST FOR EACH SEGMENT)</b>		
USA	(46,827,104.52)	6,274,547.72
INDIA	(395,923,786.08)	25,154,703.45
<b>TOTAL</b>	<b>(442,750,890.60)</b>	<b>31,429,251.17</b>
INTEREST	11,642,313.31	20,590,465.79
<b>TOTAL PROFIT BEFORE TAX</b>	<b>(454,393,203.91)</b>	<b>10,838,785.38</b>
<b>3). SEGMENT ASSETS</b>		
USA	80,034,120.46	100,152,447.91
INDIA	393,571,205.07	920,907,415.80
<b>TOTAL</b>	<b>473,605,325.53</b>	<b>1,021,059,863.71</b>
<b>4). SEGMENT LIABILITIES</b>		
USA	39,470,191.39	31,334,679.36
INDIA	350,525,467.62	491,623,257.88
<b>TOTAL</b>	<b>389,995,659.01</b>	<b>522,957,937.24</b>
<b>5). DEPRECIATION</b>		
USA	-	-
INDIA	9,815,949.00	10,264,815.00
<b>TOTAL</b>	<b>9,815,949.00</b>	<b>10,264,815.00</b>
<b>6). CAPITAL EMPLOYED</b>		
USA	40,563,929.07	68,817,768.55
INDIA	43,045,737.45	429,284,157.92
<b>TOTAL</b>	<b>83,609,666.52</b>	<b>498,101,926.47</b>

As per Accounting Standard on Segment Reporting As –17, prescribed by Companies (Accounting Standard) Rules 2006, The Company has reported segment information.

### E. IMPAIRMENT OF ASSETS

The Company has revised the future discounted cash flows based on value in use of fixed assets and is hopefully sure that the recoverable amount is more than the amount carried in the books. Accordingly, no provision is required to be made for the impairment in the accounts.

### F. Value and percentage of Imported and Indigenous raw materials, stores and spares consumed :

PARTICULARS	RAW MATERIALS		STORES AND SPARES	
	Value	(%)	Value	(%)
Imported	110,888,237	63	-	-
	(131,867,564)	(92)	-	-
Indigenous	66,110,717	37	-	100
	(11,152,861)	(8)	(1,533,311)	100
<b>TOTAL</b>	<b>176,998,954</b>	<b>100</b>	<b>-</b>	<b>100</b>
	<b>(143,020,425)</b>	<b>100%</b>	<b>(1,533,311)</b>	<b>100%</b>

Note :- Figures in bracket are of Previous Year.



**G. EXPENDITURE IN FOREIGN CURRENCY** (AMOUNT IN INR)

C.I.F Value of Imports:-

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
Raw Materials	-	95,067,553
<b>TOTAL</b>	<b>-</b>	<b>95,067,553</b>

**H. EARNINGS IN FOREIGN CURRENCY**

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
F.O.B. value of Exports* (Inclusive Rice)	48,415,391	222,623,620

\*Export FOB has been calculated on the basis of Shipping Bill issued by Customs Department.

**I. SUNDRY DEBTORS INCLUDES BILLS DISCOUNTED WITH SCHEDULED BANK OF COMPANY AGAINST DEBTORS FOR EXPORTS**

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
i Bill of Exchange	-	11,508,881
<b>TOTAL</b>	<b>-</b>	<b>11,508,881</b>

**J. EARNINGS PER EQUITY SHARE**

PARTICULARS	Unit	AS AT 31.03.2017	AS AT 31.03.2016
<b>Earnings Per Equity Share:</b>			
Net Profit after tax	Rupees	(454,393,204)	10,838,785
Equity Shares outstanding	Numbers	7,45,00,000	14,900,000
Weighted Average Equity Shares	Numbers	7,45,00,000	14,900,000
Nominal Value of Equity Share	Rupees	2	10
Basic Earnings per Share	Rupees	(6.10)	0.73
Diluted Earnings per Share	Rupees	(6.10)	0.73

**K. PAYMENTS TO AUDITOR**

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
(a) Statutory Audit Fee	100,000	100,000
(b) Other Services		
(i) For certification	-	4,809
(ii) For Income Tax	272,500	176,352
<b>TOTAL</b>	<b>372,500</b>	<b>281,161</b>

**L. DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 08TH NOVEMBER 2016 TO 30TH DECEMBER 2016**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08-Nov-2016	320,000	401,970	721,970
(+) Permitted Receipts	-	135,500	135,500
(-) Permitted Payments	258,000	231,246	489,246
(-) Amount deposited in banks	62,000		62,000
Closing cash in hand as on 30-Dec-2016	-	306,224	306,224



## M. TRANSACTION WITH MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has not received information from vendors regarding their status and status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence necessary disclosures under this Act have not been given.

## N. OTHERS

- (i) Fixed assets installed and put to use have been certified by the management and relied upon by the auditors, being a technical matter.
- (ii) In the opinion of the directors, current assets, loans and advances are of the value stated if realized in the ordinary course of business except otherwise stated. The provision for all the known liabilities is adequate and not in excess of the amount considered reasonably necessary. All the balance are subject to their respective confirmations
- (iii) The personal accounts of the parties are subject to their respective confirmations
- (iv) Security deposit includes Rs. 25,81,528/- (Previous Year Rs. 26,36,950/-) equivalent US\$ 39815 (Previous Year US\$ 39815) representing security given by the New York Trading Office of the company.
- (v) The fair value of Investment in M/s Yogendra Worsteds Limited is not available, hence, the provision for Diminution in value of Investment for an amount of Rs. 60 Lakh has been made.
- (vi) Investment of Rs 3720 Lakh in SSA International Limited, for which provision for diminution in value of Investment has been booked during the year, as the company has incurred heavy losses in FY 2016-17 due to which networth of the company has been eroded.
- (vii) During the year, the company has transferred NSEZ Building to M/s Capgemini Technology Services India Limited, However the company has shifted its manufacturing operations at a new factory outside NSEZ.
- (viii) The Company's main manufacturing unit was situated in NSEZ during the year, thus Domestic sales are recognized in the Books of Account at the time of dispatch from the gate at NSEZ, i.e. as per the Revenue Recognition policy of the company and sales executed at the Delhi office is recognized at the date of dispatch from Delhi Office.
- (ix) The wholly owned Subsidiary of the company, namely, M/S SSA International Ltd has been declared Non Performing Assets (NPAs) by the banks. The company has also received the notice u/s 13(2) of the SARFAESI Act, 2002 from consortium of banks for revocation of its Corporate Guarantee.

## O. PREVIOUS YEAR FIGURES

The Company has regrouped/reclassified the previous year figures to make them comparable with current year figures.

AS PER OUR REPORT OF EVEN DATE ATTACHED

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Sd/-**  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 082045

**Sd/-**  
**ATUL MITTAL**  
(MANAGING DIRECTOR & CFO)  
DIN NO. 00223366

**Sd/-**  
**SURENDRA KUMAR GUPTA**  
(DIRECTOR)  
DIN NO. 00223035

Place : New Delhi  
Date : 27<sup>th</sup> July, 2017

**Sd/-**  
**KAMINI GUPTA**  
(COMPANY SECRETARY & GM FINANCE)  
M. No. FCS 5882

**Form AOC-1**

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

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

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts Rs. In lakhs )

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	<b>SSA International Limited</b>	<b>Arlin Foods Limited (Formerly known as Sam Buildcon Limited)</b>
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital	3720.00	150.00
5.	Reserves & surplus	(17931.42)	10.08
6.	Total assets	45403.18	333.15
7.	Total Liabilities	45403.18	333.15
8.	Investments	559.85	Nil
9.	Turnover & other Income	123935.63	1.91
10.	Profit before taxation	(33122.04)	1.32
11.	Provision for taxation	(875.36)	0
12.	Profit after taxation	(32246.67)	1.32
13.	Proposed Dividend	0	Nil
14.	% of shareholding	100	100

**PART "B": ASSOCIATES & JOINT VENTURES**

-----NA-----

AS PER OUR REPORT OF EVEN DATE ATTACHED

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Sd/-**  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 082045

**Sd/-**  
**ATUL MITTAL**  
(MANAGING DIRECTOR & CFO)  
DIN NO. 00223366

**Sd/-**  
**SURENDRA KUMAR GUPTA**  
(DIRECTOR)  
DIN NO. 00223035

Place : New Delhi  
Date : 27<sup>th</sup> July, 2017

**Sd/-**  
**KAMINI GUPTA**  
(COMPANY SECRETARY & GM FINANCE)  
M. No. FCS 5882



## FORM NO. AOC -2

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

1. Details of contracts or arrangements or transactions not at Arm's length basis. - **N.A**
2. Details of contracts or arrangements or transactions at Arm's length basis. **Nil**

SL. No.	Particulars	Name	Name
a)	Name (s) of the related party & nature of relationship	SSA International Limited (wholly owned Subsidiary)	Arlin Foods Limited, (wholly owned Subsidiary)
b)	Nature of contracts/arrangements/ transaction	N.A	N.A
c)	Duration of the contracts/arrangements/ transaction	N.A	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A	N.A
e)	Date of approval by the Board	N.A	N.A
f)	Amount paid as advances, if any	N.A	N.A

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/  
**ATUL MITTAL**  
(MANAGING DIRECTOR & CFO)  
DIN NO. 00223366

Place : New Delhi  
Date : 27<sup>th</sup> July, 2017



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

### **M/S SAMTEX FASHIONS LIMITED**

We have audited the accompanying consolidated financial statements of **M/s SAMTEX FASHIONS LIMITED ("The Company")** and its subsidiaries (SSA International Limited and Arlin Foods Limited formerly known as Sam Buildcon Limited) constitute the "Group" which comprise the consolidated Balance Sheet as at March 31, 2017 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT RESPONSIBILITY:**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and consolidated 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 the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and 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 control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

### **OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give, the information required by the Act in the manner so required and give a true and fair view (**subject to the matters of emphasis mentioned below**) in conformity with the accounting principles generally accepted in India;

Subject to the above we report that the accounts represent true and fair view:

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of the consolidated Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.



## EMPHASIS OF MATTERS

We draw attention to the following observation:

- a) *The company has ceased its business operations at NSEZ plant and transferred its premises at NSEZ to M/s Caggemini Technology Services India Limited. However, as per the information and explanations provided to us, the company has shifted its manufacturing activities to a new factory outside NSEZ and commenced the production after the date of Financial Statements.*
- b) *The company had given a Corporate Guarantee for an amount of Rs. 807.46 crores against secured loans taken by its Wholly owned Subsidiary, namely, M/S SSA International Ltd which has been declared Non Performing Assets (NPAs) by the banks. The company has also received the notice u/s 13(2) of the SARFAESI Act, 2002 from consortium of banks for revocation of its Corporate Guarantee.*
- c) *The company has made a provision for Diminution in Value of Investments of its wholly owned subsidiary, namely, SSA International Ltd, as the net worth of the company has been fully eroded during the year.*
- d) *During the year, the Wholly owned Subsidiary of the company, i.e., SSA International limited incurred the loss of Rs. 4,35,05,509/- due to Floods which is recognized in the Financial Statement as Extraordinary Item.*
- e) *We have observed that Forensic audit of the Wholly Owned Subsidiary company, i.e. SSA International Limited has been undertaken by a firm of Independent Chartered Accountants nominated by the bankers, however, no such report has been provided to us.*
- f) *The number of independent directors in SSA International Limited is less than the minimum requirement as per section 149(4) of the Companies Act, 2013. However no provision for any penalty/ interest has been booked by the company.*
- g) *There was a casual vacancy of Women Director in SSA International Limited after resignation of Ms. Rita Mittal on August 16, 2016 which was in contravention of section 149(1) of the Companies Act, 2013. However no provision for any penalty/ interest has been booked by the company.*
- h) *Balances of Trade Payables, Unsecured Loans, Trade Receivables and Loans & advances of SSA International Limited are subject to confirmation and consequential effect (if any) on the financial statement remains unascertained.*
- i) *The Wholly Owned Subsidiary company, i.e., Arlin foods Limited has not undertaken any business activity during the year. However the financial statements have been prepared on a going concern basis.*

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as required by Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give that the same are annexed to standalone audit report of the Company "Samtex Fashions Limited".
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 purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid consolidated 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 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 control over financial reporting of the company and the operating effectiveness of such controls, we give that the same are annexed to standalone audit report of the Company "Samtex Fashions Limited" and
- g) With respect to the other matters 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 has disclosed the impact of pending litigations on its FINANCIAL position in its financial statements – Refer note 29 Part I to the financial statements.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There was not required to transfer amounts, to the Investor Education and Protection FUND by the Company.
  - iv. The company has 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. These are in accordance with the books of accounts maintained by the company.

**For AGGARWAL & RAMPAL  
CHARTERED ACCOUNTANTS  
FRN: 003072N**

**Vinay Aggarwal  
Partner  
M.No.-082045**

Place : New Delhi  
Date : July 27, 2017



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016
		(Amount INR)	(Amount INR)
<b>EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS FUNDS</b>			
(a) SHARE CAPITAL	3	149,180,000	149,180,000
(b) RESERVES AND SURPLUS	4	(1,484,334,658)	1,825,617,696
<b>TOTAL(1)</b>		<b>(1,335,154,658)</b>	<b>1,974,797,696</b>
<b>2 NON-CURRENT LIABILITIES</b>			
(a) LONG TERM BORROWINGS	5	183,879,548	279,759,145
(b) DEFERRED TAX LIABILITIES (NET)			110,209,718
(c) LONG-TERM PROVISIONS	6	6,731,311	24,050,820
<b>TOTAL(2)</b>		<b>190,610,859</b>	<b>414,019,683</b>
<b>3 CURRENT LIABILITIES</b>			
(a) SHORT TERM BORROWINGS	7	5,606,733,897	6,399,010,099
(b) TRADE PAYABLES	8	367,183,376	866,098,806
(c) OTHER CURRENT LIABILITIES	9	188,174,594	147,004,692
(d) SHORT TERM PROVISIONS	10	5,385,198	27,014,131
<b>TOTAL(3)</b>		<b>6,167,477,064</b>	<b>7,439,127,728</b>
<b>TOTAL(1+2+3)</b>		<b>5,022,933,265</b>	<b>9,827,945,107</b>
<b>ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) FIXED ASSETS	11		
(i) TANGIBLE ASSTS		1,150,135,425	1,322,616,513
(ii) INTANGIBLE ASSETS		266,604	377,399
(iii) CAPITAL WORK-IN-PROGRESS		17,034,110	8,650,277
(b) NON-CURRENT INVESTMENTS	12	30,000,000	36,000,000
(c) DEFERRED TAX ASSETS	13	6,806,424	
(d) LONG-TERM LOANS AND ADVANCES	14	54,923,789	60,986,967
<b>TOTAL(1)</b>		<b>1,259,166,352</b>	<b>1,428,631,156</b>
<b>2 CURRENT ASSETS</b>			
(a) INVENTORIES	15	728,203,796	7,395,339,854
(b) TRADE RECEIVABLES	16	2,310,722,784	664,150,646
(c) CASH AND BANK BALANCES	17	463,618,091	183,936,213
(d) SHORT-TERM LOANS AND ADVANCES	18	257,985,962	152,281,329
(e) OTHER CURRENT ASSETS	19	3,236,279	3,605,908
<b>TOTAL(2)</b>		<b>3,763,766,912</b>	<b>8,399,313,950</b>
<b>TOTAL(1+2)</b>		<b>5,022,933,265</b>	<b>9,827,945,107</b>
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>	<b>1-32</b>		

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
**VINAY AGGARWAL**  
 PARTNER  
 M. NO. 082045

Sd/-  
**ATUL MITTAL**  
 (MANAGING DIRECTOR & CFO)  
 DIN NO. 00223366

Sd/-  
**SURENDRA KUMAR GUPTA**  
 (DIRECTOR)  
 DIN NO. 00223035

Place : New Delhi  
 Date : 27<sup>th</sup> July, 2017

Sd/-  
**KAMINI GUPTA**  
 (COMPANY SECRETARY & GM FINANCE)  
 M. No. FCS 5882



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

S. NO.	PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016
			(Amount INR)	(Amount INR)
<b>I</b>	<b>REVENUE FROM OPERATIONS</b>			
	(1) REVENUE FROM OPERATIONS (GROSS)	20	12,823,578,469	17,230,665,913
	(2) OTHER INCOME	21	43,008,418	18,692,337
	<b>TOTAL REVENUE</b>		<b>12,866,586,887</b>	<b>17,249,358,250</b>
<b>II</b>	<b>EXPENSES:</b>			
	(1) COST OF MATERIAL CONSUMED	22	9,512,430,788	15,146,360,655
	(2) PURCHASES OF STOCK IN TRADE	23	546,853,082	1,429,198,091
	(3) CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK -IN-TRADE	24	4,722,751,909	(1,578,075,064)
	(4) EMPLOYEE BENEFITS EXPENSES	25	156,604,029	226,028,296
	(5) FINANCE COSTS	26	532,300,412	731,612,777
	(6) DEPRECIATION AND AMORTIZATION EXPENSE	27	116,057,532	118,554,175
	(7) OTHER EXPENSES	28	748,747,821	1,012,130,457
	<b>TOTAL EXPENSES</b>		<b>16,335,745,572</b>	<b>17,085,809,387</b>
<b>III</b>	<b>PROFIT BEFORE PRIOR PERIOD ITEMS (I-II)</b>		<b>(3,469,158,684)</b>	<b>163,548,863</b>
<b>IV</b>	<b>PRIOR PERIOD (INCOME)/EXPENSE</b>	29	<b>844,093</b>	<b>1,328,616</b>
<b>V</b>	<b>PROFIT BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX (III-IV)</b>		<b>(3,470,002,777)</b>	<b>162,220,247</b>
<b>VI</b>	<b>EXCEPTIONAL ITEMS</b>	30	<b>258,016,393</b>	<b>(426,287)</b>
<b>VII</b>	<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>		<b>(3,728,019,170)</b>	<b>162,646,534</b>
<b>VIII</b>	<b>EXTRAORDINARY ITEMS</b>	31	<b>43,505,509</b>	<b>-</b>
<b>IX</b>	<b>PROFIT BEFORE TAX (VII-VIII)</b>		<b>(3,771,524,679)</b>	<b>162,646,534</b>
<b>X</b>	<b>TAX EXPENSE</b>			
	CURRENT TAX		(28,533)	33,802,972
	CORPORATION TAX		3,753	94,176
	EARLIAR YEARS TAX		27,179,596	48,067,057
	DEFERRED TAX (Assets) /LIABILITY		(117,016,142)	(1,758,251)
<b>XI</b>	<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)</b>		<b>(3,681,663,353)</b>	<b>82,440,580</b>
<b>XII</b>	<b>PROFIT (LOSS) FROM DISCONTINUING OPERATIONS</b>			
<b>XIII</b>	<b>TAX EXPENSE OF DISCONTINUING OPERATIONS</b>			
<b>XIV</b>	<b>PROFIT (LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)</b>			
<b>XV</b>	<b>PROFIT (LOSS) FOR THE PERIOD (XI+XIV)</b>		<b>(3,681,663,353)</b>	<b>82,440,580</b>
<b>XVI</b>	<b>EARNING PER EQUITY SHARE</b>			
	BASIC		(49.42)	1.11
	DILUTED		(49.42)	1.11
	NUMBER OF EQUITY SHARES			
	BASIC		74,500,000	74,500,000
	DILUTED		74,500,000	74,500,000

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
**VINAY AGGARWAL**  
 PARTNER  
 M. NO. 082045

Sd/-  
**ATUL MITTAL**  
 (MANAGING DIRECTOR & CFO)  
 DIN NO. 00223366

Sd/-  
**SURENDRA KUMAR GUPTA**  
 (DIRECTOR)  
 DIN NO. 00223035

Place : New Delhi  
 Date : 27<sup>th</sup> July, 2017

Sd/-  
**KAMINI GUPTA**  
 (COMPANY SECRETARY & GM FINANCE)  
 M. No. FCS 5882



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2017

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
	(Amount in INR)		(Amount in INR)	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(3,771,524,679)		162,646,534
<i>Adjustments for:</i>				
Depreciation and amortisation	116,057,532		118,554,175	
(Profit) / loss on sale / write off of assets	7,922,654		(426,287)	
Finance costs	532,300,412		731,612,777	
Interest income	(8,597,663)		(9,725,846)	
Net (gain) / loss on sale of land	-		-	
Appropriation of Profit	-		-	
Capital investment subsidy	(289,000)	647,393,935	(289,000)	839,725,819
Operating profit/(loss) before working capital changes		(3,124,130,745)		1,002,372,353
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	6,667,136,058		(410,349,444)	
Trade receivables	(1,646,939,581)		491,720,597	
Short-term loans and advances	(105,704,633)		15,685,900	
Long-term loans and advances	6,063,179		(1,938,252)	
long -term Investment	-		-	
Other current assets	369,630		2,588	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(497,415,430)		231,877,768	
Other current liabilities	41,169,901		(136,343,987)	
Short-term provisions	(21,238,933)		(24,860,565)	
Long-term provisions	(17,319,509)	4,426,120,681	2,054,007	167,848,612
Cash generated from operations		1,301,989,936		1,170,220,965
Net income tax (paid) / refunds		27,211,880		77,984,177
<b>Net cash flow from/(used in) operating activities(A)</b>		<b>1,274,778,056</b>		<b>1,092,236,788</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	33,331,864		(33,638,617)	
Proceeds from sale of fixed assets	6,417,984		2,345,583	
Proceeds from sale of land	-		-	
Bank balances not considered as Cash and cash equivalents:				
- Placed	83,565,310		(91,033,516)	
Interest received				
- Others	8,597,663		9,725,846	
	378,000,000	509,912,821	-	(112,600,704)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>509,912,821</b>		<b>(112,600,704)</b>



Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
	(Amount in INR)		(Amount in INR)	
<b>C. Cash flow from financing activities</b>				
Repayment of long-term borrowings	(97,379,597)		(93,556,937)	
Net increase/(decrease) in working capital borrowings	(792,276,202)		(179,633,702)	
Finance cost	(532,300,412)	(1,421,956,211)	(731,612,777)	(1,004,803,416)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(1,421,956,211)</b>		<b>(1,004,803,416)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>362,734,666</b>		<b>(25,167,332)</b>
Cash and cash equivalents at the beginning of the year		<b>25,362,396</b>		50,529,729
<b>Cash and cash equivalents at the end of the year</b>		<b>388,097,062</b>		25,362,395
* Comprises:				
(a) Cash on hand		<b>437,723</b>		12,502,320
(b) Cheques, drafts on hand		-		-
(c) Balances with banks:				
(i) In current accounts		<b>386,807,596</b>		10,127,686
(ii) In term deposit with original maturity of less than 3 months		<b>851,742</b>		2,732,390
(d) Current investments considered as part of Cash and cash equivalents				
Total		<b>388,097,061</b>		25,362,396

**Notes:**

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.]

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Sd/-**  
**VINAY AGGARWAL**  
 PARTNER  
 M. NO. 082045

**Sd/-**  
**ATUL MITTAL**  
 (MANAGING DIRECTOR & CFO)  
 DIN NO. 00223366

**Sd/-**  
**SURENDRA KUMAR GUPTA**  
 (DIRECTOR)  
 DIN NO. 00223035

Place : New Delhi  
 Date : 27<sup>th</sup> July, 2017

**Sd/-**  
**KAMINI GUPTA**  
 (COMPANY SECRETARY & GM FINANCE)  
 M. No. FCS 5882



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**  
**(All amounts are in Indian Rupees unless otherwise stated)**

**Note 1: Significant Accounting Policies:**

**I BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Management evaluates all recently issued or revised accounting standards on going concern basis.

The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**II USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires management to make estimates and Assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Example of such estimates includes estimate of carrying value of work in progress, provision for doubtful debts and useful life of fixed assets. Actual results could differ from estimates.

**III FIXED ASSETS AND DEPRECIATION**

- a) Expenditure of capital nature are capitalized at cost comprising of purchase price (net of rebates and discounts) and any other cost which is directly attributable to bringing the asset to its working condition for the intended use.
- b) Depreciation is provided in accordance with the useful life specified in the Part C of Schedule II of the Companies Act 2013 on straight line method basis according to the number of days being put to use and number of shifts it is used. However based on internal assessment management believes that the useful lives of wooden crates (Dunnege) is 2 years Hence the useful lives of the wooden crates is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.
- c) Fixed Assets Acquired at New York Trading Office is capitalized at historical cost. Depreciation on these Fixed Assets is accounted for as charged in the branch Profit & Loss Account. The same is converted in INR based on the rate prevailing at the time of acquisition of relevant fixed assets.

**IV REVENUE RECOGNITION**

**Export Sales:** Export sales are recognised in the books of accounts of company at the date of bill of lading.

**Domestic Sales:** Domestic sales are recognised in the books of accounts at the time of dispatch from the factory gate/godown gate/warehouse gate. Sales are booked after deducting taxes from invoiced value of goods.

**Other Income**

**Interest income :** Income from Interest are recognised on time proportion basis.

**V INVESTMENT**

Investments are in the nature of long term investments and are valued at cost to the Company in accordance with AS – 13: 'Accounting for Investments'.

**VI FOREIGN EXCHANGE TRANSACTIONS**

In view of the Accounting Standard on "Accounting for the effects of Changes in Foreign Exchange Rates" (AS-11) issued by the Institute of Chartered Accountants of India, being mandatory with effect from the 1st April, 1995, foreign currency transactions are translated as under

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction as far as possible



- b) Monetary items denominated in foreign currency other than the foreign currency loans outstanding as at the year end are recorded at the closing rate and the difference is adjusted in profit & loss account.
- c) Exchange differences arising on foreign currency transactions are recognized as income or expenditure in the year in which they arise.
- d) Financial Statement of Overseas branch are translated and incorporated in the books of Head Office in accordance to with the AS – 11

## VII INVENTORY VALUATION

- a) Stocks of Raw Material are valued at Cost or Net Realisable value whichever is low, based on First In First Out method. The cost includes the purchase price as well as direct incidental expenses. The quantity and valuation of stocks of Raw Material at the year end is taken as physically verified, valued, and certified by the management.
- b) Finished goods are valued at Cost or Net Realisable value whichever is low, method. The cost for the purpose of valuation is inclusive of all the expenses (incurred in the process of its production and the packing material cost) except selling expenses and any other cost incurred in bringing them to their respective present location and condition. The quantity and valuation of Stocks of Finished Goods at the year end is taken as physically verified, valued, and certified by the management.
- c) The Work In Progress is valued at estimated cost or Net Realisable Value whichever is low to the company. The Stores, Spares and Packing Material are valued at cost or net Realisable value whichever is low, based on First In First out method. The quantity and valuation of stocks at the year end is taken as physically verified, valued, and certified by the management.

## VIII EMPLOYEE BENEFITS

The Company's obligation towards various employee benefits has been recognized as follows:

### a) **Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, short term compensated balances and bonus etc. are recognized in the Profit and Loss Account in the period in which the employee renders the related service.

### b) **Defined contribution plan**

In respect of the retirement benefit in the form of Provident fund, the Company's contribution paid/payable under the schemes is recognized as an expense in the period in which the employee renders the related service. The Company's contributions towards provident fund, which are being deposited with the Regional Provident Fund Commissioner, are charged to the Profit and Loss Account.

### c) **Defined benefit plan**

The Company's gratuity scheme and leave encashment/ compensated absences is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government securities as at the balance sheet date.

## IX PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961. As per Accounting standard "22", Deferred Tax is recognized on timing differences; differences between the taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such Deferred assets can be realized. The tax effect is calculated and accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date.



## **X PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

In term of the requirement of the Accounting Standard 29 (AS-29) on “Provisions, Contingent Liabilities and Contingent Assets”:

- a) Where, as a result of past events, there is a present obligation that probably requires an outflow of resources and reliable estimates’ can be made of the amount of obligation-an appropriate provision is created and disclosed
- b) Where as results of past events, there is a possible that may, but probably will not require an outflow of resources- no provision is recognised but appropriate disclosure made as contingent liability unless the possibility of outflow is remote.

## **XI SEGMENT REPORTING**

To identify segments based on the dominate source and nature of risks and returns and the internal organization and management structure. To account for inter-segment revenue on the basis of transactions which are primarily market led. To include under “Unallocated Corporate Expenses” revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

## **XII IMPAIRMENT OF ASSETS**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset’s net sales price or present value as determined above. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is recorded only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss has been recognized.

## **XIII BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **XIV LEASES**

Leases of Fixed assets where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments .Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance charge is charged to the Profit and Loss Account over the lease period. Lease rentals in respect of assets taken/ given on “Operating Lease” are charged to the Profit and Loss Account on straight line basis over the lease term.

## **XV EARNING PER SAHRE**

Basic earnings per share are computed by dividing the net profit or loss for the year available to equity shareholders by the weighted average number of equity share outstanding during the year. There are no outstanding Preference shares, warrants of options attached to the equity share of the company.

## **NOTE 2: CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.





## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>3</b>	<b>SHARE CAPITAL:</b>		
	<b>1) AUTHORIZED SHARES</b>		
	EQUITY SHARES OF ₹ 2/- EACH (PREVIOUS YEAR Rs. 10/- EACH)	<u>16,000,000</u>	<u>160,000,000</u>
	<b>2) ISSUED, SUBSCRIBED AND PAID UP SHARES</b>		
	EQUITY SHARES OF ₹ 2/- EACH FULLY PAID UP (PREVIOUS YEAR Rs. 10/- EACH)	149,000,000	149,000,000
	<b>3) FORFEITED SHARES</b>		
	AMOUNT ORIGINALLY PAID -UP ON 1,00,000 ZERO COUPON WARRANT @ ₹ 1.80 PER WARRANT.	180,000	180,000
	<b>TOTAL</b>	<u>149,180,000</u>	<u>149,180,000</u>

(a) The reconciliation of number of shares outstanding is as follows:

PARTICULARS	AS AT 31 MARCH 2017		AS AT 31 MARCH 2016	
	NO OF SHARES	AMOUNT (₹)	NO OF SHARES	AMOUNT (₹)
At the beginning of the year	74,500,000	149,000,000	14,900,000	149,000,000
Add: Shares issued	-	-	-	-
At the closing of the year	<b>74,500,000</b>	<b>149,000,000</b>	74,500,000	149,000,000

(b) **Rights, Preferences & restrictions attached to Shares :**

"The Company has only one class of equity shares having a par value of ₹ 2/- per share. The equity shareholders of the Company have voting rights and are subject to the preferential rights as prescribed under law , if any. The equity shares are also subject to restriction as prescribed under the Companies Act, 2013. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31st March 2017, no dividend is declared by Board of Directors. (Previous year - Nil)

(c) **Shares held by Holding / Ultimate holding company and/or their subsidiaries/associates: Nil (Previous year -Nil)**

**4. RESERVE & SURPLUS:**

(1) **SURPLUS**

AT THE BEGINNING OF THE ACCOUNTING PERIOD	1,709,157,946	1,641,215,409
ADDITIONS DURING THE YEAR	(3,681,663,354)	82,440,580
(BALANCE IN STATEMENT OF PROFIT & LOSS A/C)		
LESS: ADJUST. EXCHANGE FLUCT. NY	-	14,498,044
ADD : DIMINUTION IN VALUE OF INVESTMENT IN SSA INTERNATIONAL LTD	372,000,000	-
AT THE END OF THE ACCOUNTING PERIOD	<u>(1,600,505,408)</u>	<u>1,709,157,946</u>

(2) **CAPITAL INVESTMENT SUBSIDY**

AT THE BEGINNING OF THE ACCOUNTING PERIOD	2,459,750	2,748,750
ADDITIONS/(DEDUCTION) DURING THE YEAR	289,000	289,000
AT THE END OF THE ACCOUNTING PERIOD	<u>2,170,750</u>	<u>2,459,750</u>

(3) **SECURITIES PREMIUM ACCOUNT**

AT THE BEGINNING OF THE ACCOUNTING PERIOD	114,000,000	114,000,000
ADDITIONS/(DEDUCTION) DURING THE YEAR	-	-
AT THE END OF THE ACCOUNTING PERIOD	114,000,000	114,000,000
<b>TOTAL (1+2+3)</b>	<u>(1,484,334,658)</u>	<u>1,825,617,696</u>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
5	<b>LONG TERM BORROWINGS</b>		
	<b>TERM LOANS FROM BANKS (SECURED) :</b>		
	IDBI BANK LTD.	98,355,424	152,540,000
	STATE BANK OF INDIA	7,701,545	40,890,862
	STATE BANK OF TRAVANCORE	7,646,100	15,591,489
	VEHICLE LOANS	2,646,479	4,706,794
	<b>TERM LOANS FROM FIANANCIAL INSTITUTIONS (SECURED) :</b>		
	LOANS AND ADVANCES FROM RELATED PARTES (UNSECURED)	67,530,000	66,030,000
	<b>TOTAL</b>	<b>183,879,548</b>	<b>279,759,145</b>

### (A) NATURE OF SECURITY AND TERMS OF REPAYMENT OF BORROWINGS

Nature of Security	Terms of repayment
Term loan of Rs.700 Lacs (year end balance Rs. 188.37 lacs) from IDBI Bank Ltd. is secured by first charge on the fixed assets (solvent plant) of the company at Samalkha Unit and further guaranteed by irrevocable and unconditional personal guarantee of Rita Mittal and Naveen Mittal (CMD) & corporate guarantee of Samtex fashions Ltd.	The principle amount is repayable in 20 equal quarterly instalments of Rs.35 Lacs from 01.04.2013 to 01.01.2018. Interest will be payable at BBR plus 350 BPS monthly
Term loan of Rs.750 Lacs ( year end balance Rs. 164.02 lacs ) from State Bank of India is secured by exclusive charge over assets created for the Co-generation Power Plant at Samalkha and second charge over current assets, both present & future, of the company. Extension of second charge over fixed assets of the company (excluding fixed assets at mandideep industrial area, M.P & assets created for co-generation power Plant at samalkha). Further guaranteed by personal guarantee of Rita Mittal and Naveen Mittal (CMD) and corporate guarantee of Samtex Fashions Limited, Empire Finvest Limited, Gartex Overseas Private Limited and SSR Apparel Private Limited.	The principle amount is repayable in 23 equal quarterly instalments of Rs.31 Lacs and last quarterly instalment of Rs.37 Lacs from 01.04.2013 to 31.03.2019. Interest will be payable 4.00% above base rate at Monthly rests.
Term loan of Rs.780 Lacs(year end balance Rs.350.02 lacs) from State Bank of India is secured by exclusive charge over entire fixed assets created at Rice Mill-2 at Mandideep Plant. Further guaranteed by personal guarantee of Rita Mittal, Vinay Mittal and Naveen Mittal(CMD) and corporate guarantee by Samtex Fashions Ltd.,Empire Finvest Pvt. Ltd.,Gartex Overseas Pvt. Ltd. and SSR Apparel Pvt. Ltd.	The principle amount is repayable in 20 equal quarterly instalments of Rs.39 lacs each beginning from 31.12.2013 to 30.09.2018
Term loan of Rs.480 Lacs(year end balance Rs.210.86 lacs) from State Bank of Travancore is secured by exclusive charge on fixed assets of the proposed solvent extraction plant at Mandideep(excluding land). Further guaranteed by personal guarantee of Rita Mittal and Naveen Mittal (CMD) and corporate gurantee by Samtex Fashions Ltd.	The principle amount is repayable in 25 equal quarterly instalments of Rs.19.20 lacs each beginning from 01.04.2013 to 30.06.2019
Term loan of Rs.2375 Lacs(year end balance Rs. 1663.44 lacs) from IDBI Bank Ltd. is secured by exclusive charge on fixed assets of the proposed Soya Extraction Plant at Mandideep(excluding land). Further guaranteed by personal guarantee of Rita Mittal and Naveen Mittal(CMD) and corporate gurantee by Samtex Fashions Ltd.	The principle amount is repayable in 24 equal quarterly instalments of Rs.98.96 lacs each beginning from 01.10.2014 to 01.07.2020



HDFC Bank Ltd. Car Loan of Rs.3,30,000 (year end balance is Rs. 2.18 lac) is secured by hypothecation of Maruti Celerio Car and personal guarantee of directors.	Repayable in 36 equated monthly instalments of Rs.10,602 including interest(@ 9.70 % p.a)from the date of loan (30/10/2015)
HDFC Bank Ltd. Car Loan of Rs.3,70,000 (year end balance is Rs.1.95 lac) is secured by hypothecation of Maruti Celerio Car and personal guarantee of directors.	Repayable in 36 equated monthly instalments of Rs.11,887 including interest(@ 9.70 % p.a)from the date of loan (30/10/2015)
Kotak Mahindra Prime Ltd. Audi Car Loan of Rs.40,80,000 (year end balance is Rs. 32.03 lac) is secured by hypothecation of Audi Car and personal guarantee of directors.	Repayable in 60 equated monthly instalments of Rs.84,008 including interest(@ 8.90 % p.a)from the date of loan (26/12/2015)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT	AS AT
		31.03.2017 (Amount INR)	31.03.2016 (Amount INR)
<b>6</b>	<b>LONG-TERM PROVISIONS:</b>		
	PROVISION FOR GRATUITY	4,240,197	18,000,409
	PROVISION FOR LEAVE ENCASHMENT	2,491,114	6,050,411
		<u>6,731,311</u>	<u>24,050,820</u>
<b>7</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>FROM BANKS (SECURED):</b>		
	LOANS REPAYABLE ON DEMAND :		
	WAREHOUSED FINANCE	-	-
	BUYER CREDIT LOAN	-	279,648,403
	WORKING CAPITAL FINANCE:		
	EPC ACCOUNT	9,962,617	1,911,567,304
	OCC ACCOUNT	5,596,771,280	4,193,312,144
	PCFC ACCOUNT	-	-
	FBP ACCOUNT	-	14,482,248
	<b>FROM BANKS (UNSECURED):</b>		
	BANK OVERDRAFT WITH SBI	-	-
	<b>TOTAL</b>	<u>5,606,733,897</u>	<u>6,399,010,099</u>

Details of security and Guarantee for working capital finance:-

The working capital facilities are secured by 1st charge on current assests (both present and future ) of the company to be shared on pari-passu basis with other banks in the consortium.

Second pari-passu charge over fixed assests of the company. E.M. of residential property bearing No. D-78 Pushpanjali, pitampura measuring 212.75 sq mtr in the name of Anil Mittal (CMD) and Naveen Mittal (WTD). E.M property consisting of freehold land 7018 Sq Yd, Khasra No 615/10 Samalkha belonging to Gartex Overseas (P) Ltd. E.M. property consisting of free hold land, 165/1 and 165/2/1 at samalkha belonging to SSR apparlers (P) Ltd. Negative lien on property at 12th floor, Big Jo's Estate, Plot A/08 NSP Pitampura in the name of Empire finvest (P) Ltd.

Further guaranteed by personal guarantee of Rita Mittal, Naveen Mittal (CMD) and Vinay Mittal (Promoter) and corporate guarantee of Samtex Fashions Limited, Empire Finvest Private Limited, Gartex Overseas Pvt. Ltd. and SSR Apparel Pvt. Ltd.

The Working Capital Loan taken from State Bank of India is secured by first exclusive hypothecation charge on all existing and future current assets, second hypothecation charge on all movable fixed assets (other than specially charged with other lenders) and personal guarantee of directors -Mr. Rita Mittal, Mr. Vinay Mittal and Mr. Atul Mittal.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
8	<b>TRADE PAYABLES</b>		
		<u>367,183,376</u>	<u>864,598,806</u>
	<b>TOTAL</b>	<u>367,183,376</u>	<u>864,598,806</u>
9	<b>OTHER CURRENT LIABILITIES</b>		
	<b>CURRENT MATURITIES OF LONG TERM DEBTS (SECURED):</b>		
	<b>TERM LOAN FROM BANKS :</b>		
	IDBI BANLK LTD.	86,826,264	53,584,000
	STATE BANK OF INDIA	43,702,645	28,000,000
	STATE BANK OF TRAVANCORE	13,440,000	7,680,000
	VEHICLE LOANS	971,074	5,679,337
	<b>CORPORATE LOANS FROM BANKS :</b>		
	IDBI BANK LTD.	-	-
	<b>TERM LOANS FROM FINANCIAL INSTITUTIONS:</b>		
	DAIMLER FINANCIAL SERVICES INDIA PVT. LTD.	-	-
	<b>SUB-TOTAL</b>	<u>144,939,983</u>	<u>94,943,337</u>
	INTEREST ACCRUED BUT NOT DUE ON BORROWINGS	-	-
	INTEREST ACCRUED AND DUE ON BORROWINGS	-	-
	ADVANCES FROM CUSTOMERS	1,532,200	1,382,200
	OTHERS PAYABLE	12,114,208	10,780,285
	SECURITY RECEIVED	-	-
	EXPENSES PAYABLE	15,620,747	30,872,786
	INTEREST PAYABLE BANKS	6,728,102	-
	<b>STATUATORY REMITTANCES :</b>		
	SERVICE TAX PAYABLE	74,875	68,054
	TDS PAYABLE	3,933,945	6,261,188
	ESI PAYABLE	1,161,396	108,644
	PROVIDENT FUND PAYABLE	1,852,324	2,296,364
	PROFESSIONAL TAX PAYABLE	10,247	11,632
	ENTRY TAX PAYABLE	-	78,656
	SALES TAX PAYABLE	201,546	201,546
	GOVT. WELFARE . PAYABLE	5,020	-
	<b>TOTAL</b>	<u>188,174,594</u>	<u>147,004,692</u>
10	<b>SHORT TERM PROVISIONS</b>		
	PROVISION FOR INCOME TAX	-	16,880,035
	PROVISION FOR WEALTH TAX	-	-
	<b>PROVISION FOR EMPLOYEE BENEFITS:</b>		
	PROVISION FOR BAD & DOUBTFUL DEBTS		390,000
	PROVISION FOR BONUS	534,220	5,909,907
	PROVISION FOR GRATUITY	429,367	1,041,465
	PROVISION FOR LEAVE ENCASHMENT	95,720	532,345
	PROVISION FOR EXPENSES PAYABLE	4,325,891	2,260,379
	<b>TOTAL</b>	<u>5,385,198</u>	<u>27,014,131</u>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 11 : FIXED ASSETS

SR NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET CARRYING VALUE	
		AS AT 01.04.2016 (Rs.)	ADDITION DURING THE YEAR (Rs.)	SALES/ ADJUST- MENT DURING THE YEAR (Rs.)	AS AT 31.03.2017 (Rs.)	AS AT 01.04.2016 (Rs.)	FOR THE YEAR (Rs.)	DEDUCTION/ ADJUST- MENT (Rs.)	AS AT 31.03.2017 (Rs.)	AS AT 31.03.2017 (Rs.)	AS AT 31.03.2016 (Rs.)
	<b>Tangible Assets</b>										
1	Land(Freehold)	9,877,795	-	-	9,877,795	-	-	-	-	9,877,795	9,877,795
2	Land (leasehold)	34,723,135	-	-	34,723,135	8,119,842	109,1166	0	9,211,008	25,512,127	26,603,293
3	Site Development	50,932,106	-	-	50,932,106	10,526,598	4,915,453	-	15,442,051	35,490,055	40,405,508
4	Roads & Building	455,372,088	-	91,805,270.00	363,566,818	126,362,791	14,659,197	50,778,854.00	90,243,134	273,323,684	329,009,297
5	Plant & Machinery	1,535,827,488	48,850	3,010,000.00	1,532,866,338	706,595,003	83,102,460	1,375,758.00	788,321,705	744,544,633	829,232,485
6	Furniture & Fixtures	31,615,645	85,500	-	31,701,145	26,195,474	585,777	-	26,781,251	4,919,894	5,420,171
7	Electrical Installations	20,230,480	-	-	20,230,480	11,616,921	780,468	-	12,397,389	7,833,091	8,613,559
8	Office Equipment	26,107,398	332,595	-	26,439,993	23,369,390	439,446	-	23,808,836	2,631,157	2,738,008
9	Vehicles	106,441,880	-	33,552,133	72,889,747	47,848,204	10,372,771	19,211,495	39,009,480	33,880,267	58,593,676
	Housing Project	12,122,718	-	-	12,122,718	-	-	-	-	12,122,718	12,122,718
	<b>Intangible Assets</b>										
	Patents & Trade-marks	1,179,234	-	-	1,179,234	801,835	110,795	-	912,630	266,604	377,399
	<b>TOTAL</b>	<b>2,284,429,967</b>	<b>466,945</b>	<b>128,367,403</b>	<b>2,156,529,509</b>	<b>961,436,058</b>	<b>116,057,533</b>	<b>71,366,107</b>	<b>1,006,127,484</b>	<b>1,150,402,027</b>	<b>1,322,993,912</b>
	<b>Previous Year</b>	<b>2,278,140,264</b>	<b>15,878,360</b>	<b>9,588,657</b>	<b>2,284,429,967</b>	<b>850,551,242</b>	<b>118,554,175</b>	<b>7,669,361</b>	<b>961,436,057</b>	<b>1,322,993,912</b>	<b>-</b>

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>12.</b>	<b>NON CURRENT INVESTMENTS</b>		
	<b>INVESTMENT IN EQUITY INSTRUMENTS</b>		
	YOGENDRA WORSTED LIMITED	6,000,000	6,000,000
	6,00,000 EQUITY SHARES RS. 10 EACH FULLY PAID UP (PREVIOUS YEAR 6,00,000 EQUITY SHARES RS. 10 EACH)		
	EXPRESS WAREHOUSING LTD.	30,000,000	30,000,000
	30,00,000 EQUITY SHARES RS. 10 EACH FULLY PAID UP (PREVIOUS YEAR NIL)		
	37200000 EQUITY SHARES RS. 10 EACH FULLY PAID UP (PREVIOUS YEAR 372,00,000 EQUITY SHARES RS. 10 EACH)	372,000,000	
	LESS PROVISION FOR DIMNUTION IN VALUE OF INVESTMENT		
	I) SSA INTERNATIONAL LTD.	(372,000,000)	
	II) YOGENDRA WORSTED LIMITED	(6,000,000)	
	<b>TOTAL</b>	<b>30,000,000</b>	<b>36,000,000</b>
<b>13.</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	DEFERRED TAX LIABILITIES/(ASSETS)	(6,806,424)	110,209,718
		(6,806,424)	110,209,718
	ITEM WISE DETAIL OF THE DEFERRED TAX (ASSETS)/LIABILITY RELATED TO FIXED ASSETS	(1,926,258)	116,877,444
	PROVISION FOR GRATUITY & LEAVE ENCASHMENT	(4,880,165)	(4,909,475)
	NET DEFERRED TAX LIABILITY	<b>(6,806,424)</b>	<b>111,967,969</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>14.</b>	<b><u>LONG TERM LOANS AND ADVANCES</u></b>		
	<b>UNSECURED, CONSIDER GOOD</b>		
	SECURITY DEPOSITS	54,923,789	60,986,967
	<b>TOTAL</b>	<b>54,923,789</b>	<b>60,986,967</b>
<b>15.</b>	<b><u>INVENTORIES</u></b>		
	RAW MAETRIAL	41,697,699	1,785,965,267
	FINISHED GOODS	644,965,910	5,330,116,149
	TRADED GOODS	-	-
	WORK IN PROGRESS	-	37,235,890
	SCRAP MATERIAL	-	365,780
	<b>STORES, SPARES &amp; PACKING MATERIAL</b>		
	STORES & SPARES	5,208,053	7,710,510
	PACKING MATERIAL	32,951,269	223,677,090
	DIESEL	441,242	718,681
	HEXANE	2,939,623	7,492,857
	OTHER STORES	-	2,057,630
	<b>TOTAL</b>	<b>728,203,796</b>	<b>7,395,339,854</b>
<b>16.</b>	<b><u>TRADE RECEIVABLES</u></b>		
	<b>UNSECURED, CONSIDER GOOD:-</b>		
	(1) REC. OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY WERE DUE	190,583,371	94,285,849
	(2) OTHER TRADE RECEIVABLES	2,150,233,122	569,864,798
	LESS: PROVISION FOR BAD & DOUBTFUL DEBTS	30,093,709	-
	<b>TOTAL</b>	<b>2,310,722,784</b>	<b>664,150,646</b>
<b>17.</b>	<b><u>CASH &amp; BANK BALANCES</u></b>		
	<b>CASH &amp; CASH EQUIVALENTS (AS PER AS-3)</b>		
	CASH IN HAND	437,723	12,502,320
	CURRENT ACCOUNTS WITH BANKS	386,807,596	10,127,686
	DEMAND DEPOSIT MATURED LESS THAN 3 MONTH	851,742	2,732,390
	<b>OTHER BANK BALANCES</b>		
	DEMAND DEPOSITS	75,521,030	158,573,817
	<b>TOTAL</b>	<b>463,618,091</b>	<b>183,936,213</b>
<b>18.</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
	<b>UNSECURED, CONSIDERED GOOD:</b>		
	LOANS AND ADVANCES TO EMPLOYEES	1,341	449,930
	PREPAID EXPENSES	3,344,894	9,521,821
	ADVANCE FOR FIXED ASSESTS	8,572,598	7,469,034
	<b>BALANCES WITH GOVT AUTHORITIES:</b>		
	SERVICE TAX RECEIVABLE	3,063,992	5,899,959
	VAT CREDIT RECEIVABLE	11,872,848	21,315,148



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
	INSURANCE CLAIM RECEIVABLE	118,453,071	
	CUSTOM DUTY RECEIVABLE	-	4,365,397
	TDS RECEIVABLE	2,810,901	584,271
	DEPOSITS AGAINST DISPUTE WITH GOVT AUTHORITIES	42,800,847	36,444,772
	TRADE ADVANCE TO SUPPLIERS	22,877,261	22,777,259
	TRADE ADVANCE TO OTHERS	44,188,209	43,453,738
	<b>TOTAL</b>	<b>257,985,962</b>	<b>152,281,329</b>
<b>19.</b>	<b>OTHER CURRENT ASSETS</b>		
	<u>ACCRUALS:</u>		
	INTEREST ACCRUED ON FD	994,924	1,116,664
	OTHER RECEIVABLES	2,241,355	2,489,244
	<b>TOTAL</b>	<b>3,236,279</b>	<b>3,605,908</b>
<b>20.</b>	<b>REVENUE FROM OPERATIONS</b>		
	<u>SALE OF MANUFACTURED GOODS</u>		
	EXPORT SALE	3,071,707,493	5,883,967,108
	DOMESTIC SALES	9,126,112,757	10,113,117,622
	<u>SALE OF TRADED GOODS</u>		
	EXPORT SALE	-	100,148,426
	DOMESTIC SALES	579,606,616	1,120,593,925
	OTHERS SALE	46,151,603	12,838,832
		<b>12,823,578,469</b>	<b>17,230,665,913</b>
	LESS: EXCISE DUTY	-	-
	<b>NET REVENUE FROM OPERATIONS</b>	<b>12,823,578,469</b>	<b>17,230,665,913</b>
<b>21.</b>	<b>OTHER INCOME</b>		
	CAPITAL INVESTMENT SUBSIDY WRITTEN BACK	289,000	289,000
	PROFIT ON SALE OF LAND	-	1,193,810
	INCOME ON DUTY DRAWBACK	1,081,500	-
	JOB WORK INCOME	24,839,275	
	EXCHANGE FLUCTUATION	3,213,610	2,477,098
	MISC INCOME	4,987,370	5,006,583
	INTEREST INCOME	8,597,663	9,725,846
	<b>TOTAL</b>	<b>43,008,418</b>	<b>18,692,337</b>
	<b>INTEREST INCOME COMPRISES:</b>		
	INTEREST FROM BANKS ON DEPOSITS	4,125,901	5,254,084
	INETREST ON LOAN & ADVANCES	4,471,762	4,471,762
	<b>TOTAL</b>	<b>8,597,663</b>	<b>9,725,846</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>22.</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	<b>RAW MATERIALS</b>		
	OPENING BALANCE OF STOCK	1,785,965,267	2,974,021,964
	ADD: RAW MATERIAL PURCHASED	7,424,727,601	13,692,427,730
	LESS: CLOSING STOCK	41,697,699	1,785,965,267
	CONSUMPTION OF RAW MATERIAL	<u>9,168,995,169</u>	<u>14,880,484,427</u>
	<b>PACKING MATERIAL</b>		
	OPENING STOCK	223,677,090	198,401,090
	ADD: PACKING MATERIAL PURCHASED	152,709,798	291,152,228
	LESS: CLOSING STOCK	32,951,269	223,677,090
	PACKING MATERIAL CONSUMED	<u>343,435,619</u>	<u>265,876,228</u>
	<b>COST OF MATERIALS CONSUMED</b>	<u>9,512,430,788</u>	<u>15,146,360,655</u>
	<b>MATERIAL CONSUMED COMPRISES</b>		
	PADDY & RICE	11,373,118,765	11,373,118,765
	RICE BRAN	1,524,019,123	1,524,019,123
	HUSK	25,179,489	25,179,489
	OILS (RB OIL, CPO, RBD, SOYA )	1,815,146,624	1,815,146,624
	PACKING MATERIAL	265,876,228	265,876,228
	FABRIC	-	115,978,159
	LINING	-	12,436,449
	OTHER	-	14,605,817
	<b>TOTAL</b>	<u>15,003,340,229</u>	<u>15,146,360,654</u>
<b>23.</b>	<b><u>PURCHASE OF TRADED GOODS</u></b>		
	CHICK PEAS	-	110,439,586
	ALOMONDS	-	79,883,312
	CPO	353,390,455	732,452,307
	GRAMS	-	83,224,800
	OTHERS	193,462,627	423,198,086
	<b>TOTAL</b>	<u>546,853,082</u>	<u>1,429,198,091</u>
<b>24.</b>	<b><u>CHANGES IN INVENTORIES</u></b>		
	<b>FINISHED GOODS</b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	5,324,619,907	3,612,911,883
	AT THE END OF THE ACCOUNTING PERIOD	644,965,910	5,324,619,907
		<u>4,679,653,997</u>	<u>(1,711,708,024)</u>
	<b>WORK-IN-PROGRESS</b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	37,235,890	145,427,208
	AT THE END OF THE ACCOUNTING PERIOD	-	37,235,890
		<u>37,235,890</u>	<u>108,191,318</u>
	<b>STOCK-IN-TRADE</b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	-	9,016,090
	AT THE END OF THE ACCOUNTING PERIOD	-	-
		<u>-</u>	<u>9,016,090</u>





## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
	<b>FINISHED GOODS-IN TRANSIT(TO)</b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	5,496,242	20,400,000
	AT THE END OF THE ACCOUNTING PERIOD	-	5,496,242
		<u>5,496,242</u>	<u>14,903,758</u>
	<b>SCRAP MATERIAL</b>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	365,780	1,887,574
	AT THE END OF THE ACCOUNTING PERIOD	-	365,780
		<u>365,780</u>	<u>1,521,794</u>
	<b>TOTAL</b>	<u><u>4,722,751,909</u></u>	<u><u>(1,578,075,064)</u></u>
<b>25.</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	<b>SALARY AND WAGES:</b>		
	WAGES & OTHER BENEFITS	27,482,139	65,533,230
	OFFICE STAFF SALARY	94,671,292	101,684,209
	SECURITY CHARGES	7,897,147	8,805,304
	BONUS	1,290,828	5,948,587
	DIRECTOR'S REMUNERATIONS	11,015,200	21,812,484
	LTA REIMBURSEMENT	38,000	
	LEAVE ENCASHMENT	313,473	2,088,068
	RECUITMENT EXPNESES	-	178,987
	GRATUITY EXPENSES	4,340,130	4,744,147
	WORKERS AND STAFF WELFARE	3,313,008	4,803,963
	<b>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</b>		
	CONTRIBUTION TO PROVIDENT FUND	4,711,630	7,551,899
	CONTRIBUTION TO EMPLOEES STATE INS.FUND	1,512,794	2,877,418
	<b>STAFF WELFARE EXPENSES :-</b>		
	STAFF WELFARE EXPENSES	18,388	-
	<b>TOTAL</b>	<u><u>156,604,029</u></u>	<u><u>226,028,296</u></u>
<b>26.</b>	<b>FINANCE COSTS</b>		
	INTEREST ON WORKING CAPITAL LIMITS	489,606,897	653,934,229
	INTEREST ON TERM LOANS	27,259,871	44,388,563
	INTEREST ON CORPORATE LOAN	-	2,312,547
	INTEREST ON VEHICLE LOAN	572,594	1,361,158
	INTEREST (OTHERS)	4,796,700	8,422,913
	BANK CHARGES	18,221,354	34,136,959
	EXCHANGE FLUCTUATIONS	(8,157,004)	(12,943,592)
	<b>TOTAL</b>	<u><u>532,300,412</u></u>	<u><u>731,612,777</u></u>
<b>27.</b>	<b>DEPRECIATION AND AMORTZATION EXPNSE:</b>		
	DEPRECIATION ON TANGIBLE ASSETS	116,057,532	118,554,175
	<b>TOTAL</b>	<u><u>116,057,532</u></u>	<u><u>118,554,175</u></u>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
<b>28.</b>	<b>OTHER EXPENSES</b>		
	<b>MANUFACTURING EXPENSES</b>		
	<b>CONSUMPTION OF STORES AND SPARE PARTS :</b>		
	OPENING BALANCE OF STOCK	17,260,997	22,329,783
	ADD: STORE & CONSUMABLE PURCHASED	46,085,842	56,639,198
	LESS: CLOSING STOCK	8,147,676	17,260,997
	STORE & CONSUMABLE CONSUMED	55,199,163	61,707,984
	POWER & FUEL :	1,957,013	
	D.G.SET RUNNING EXPENSES	2,726,083	8,899,765
	ELECTRICITY CHARGES	91,060,012	125,436,711
	MATERIAL HANDLING CHARGES	58,274,236	76,376,991
	FREIGHT & CARTAGE	618,172	1,733,281
	FUMIGATION CHARGES	3,077,086	4,273,958
	BARDNA REPAIR CHARGES	2,582,555	5,735,872
	REPAIR & MAINTENANCE(BUILDING)	2,302,394	3,863,349
	REPAIR & MAINTENANCE(P&M)	14,877,097	25,726,326
	REPAIR & MAINTENANCE(ELECTRICALS)	-	176,884
	TRACTOR/TRUCK RUNNING EXPENSES	5,789,231	11,956,439
	LABORATORY EXPENSES	197,769	299,811
	PROCESS AAND FINISHING EXPENSES	373,878	1,639,198
	IMPORT CLEARING EXPENSES	-	634,298
	CUSTOM/EXCISE DUTY	-	47,582
	GENERAL & ADMINISTRATIVE EXPENSES		
	AUDITOR'S REMUNERATION	161,210	2,972,276
	TRAVELLING AND CONVEYANCE	929,094	
	INSURANCE EXPENSES	15,085,919	20,378,664
	ANNUAL MAINTENANCE EXPENSES	1,490,233	1,431,681
	BOOKS & PERIODICALS	28,367	46,412
	TELEPHONE, FAX & COMMUNICATION EXPENSES	1,847,358	2,231,785
	DONATION & CHARITY	523,200	616,987
	CSR EXPENSES	869,414	1,740,460
	FEES, RATES & TAXES	2,567,113	7,934,185
	RENT/LEASE RENT	75,121,183	95,508,025
	GENERAL EXPENSES	24,115,343	20,732,373
	POSTAGE & COURIER CHARGES	3,200,368	4,574,736
	PRINTING & STATIONERY	1,105,118	2,247,033
	INTEREST ON TDS	49,718	
	VEHICLE MAINTENANCE	4,204,442	4,432,299
	PAYMENT TO AUDITORS	230,000	397,700
	LEGAL & PROFESSIONAL CHARGES	10,245,107	9,200,741
	MEMBERSHIP & SUBSCRIPTION EXPENSES	319,583	326,009
	REPAIR & MAINTENANCE(GENERAL)	2,103,807	1,500,472
	EXCHANGE FLUCTUATION	3,405,064	
	DUTY DRAWBACK PAID	500,160	
	LOSS ON SALES OF FIXED ASSETS	72,091	



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2017 (Amount INR)	AS AT 31.03.2016 (Amount INR)
	COMPLIANCE AUDIT FEES	-	60,000
	DIRECTOR SITTING FEES	-	75,500
	MAINTENANCE CHARGES GUEST HOUSE	-	104,548
	ELECTRICITY EXPENSES	757,363	785,804
	CONVEYANCE EXPENSES	1,689,263	2,145,267
	BAD DEBTS	29,703,709	
	ITC DISALLOWED(SALES TAX)	4,624,696	18,738,058
	SELLING & DISTRIBUTION EXPENSES		
	REBATE & DISCOUNT	31,037,606	18,109,749
	TRAVELLING EXPENSES	3,372,163	3,375,075
	BROKERAGE & COMMISSION	14,619,110	15,054,638
	FREIGHT OUTWARD	61,275,509	52,194,534
	EXPORT CLEARING EXPENSES	2,409,378	944,336
	SAMPLING AND SUPPLIES CHARGES	3,460,151	3,717,970
	EXPORT SHIPMENT DAMAGE CHARGES	-	24,009
	EXPORT EXPENSES	148,424,059	250,270,039
	OCEAN FREIGHT	46,106,936	106,043,567
	INSURANCE CHARGES(TRANSIT)	1,597,289	2,813,823
	ADVERTISEMENT EXPENSES	225,823	502,036
	SALES/BUSINESS PROMOTION EXPENSES	6,682,422	11,397,955
	ECGC PREMIUM	3,795,083	18,052,550
	APEDA BASMATI DEVELOPMENT FUND	1,758,681	2,940,714
	<b>TOTAL</b>	<b>748,747,821</b>	<b>1,012,130,457</b>
29.	<b>PRIOR PERIOD ITEMS</b>		
	PRIOR PERIOD EXPENSES	844,093	22,441
	<b>TOTAL</b>	<b>844,093</b>	<b>22,441</b>
30.	<b>EXCEPTIONAL ITEMS</b>		
	PROVISION FOR DIMINUTION OF INVESTMENT	378,000,000	-
	NOTICE PAY TO STAFF	24,867,321	-
	LOSS/(GAIN) ON SALE OF FIXED ASSETS	(144,850,928)	701,280
	<b>TOTAL</b>	<b>258,016,393</b>	<b>701,280</b>
31.	<b>EXTRAORDINARY ITEMS</b>		
	LOSS DUE TO FLOOD	43,505,509	-
	<b>TOTAL</b>	<b>43,505,509</b>	<b>-</b>

### NOTE 32 : OTHER NOTES

#### I. CONTINGENT LIABILITIES AND COMMITMENTS

No provision has been made in the books of accounts by the company for a sum of Rs.5902380/-Rs.1205225/- Rs.4080705/- & Rs. 1353174/- for which the demand has been raised by the Income Tax Department for the A.Y.2000-01, A.Y.2003-04, A.Y.2007-08, A.Y. 2012-13 respectively, against which a sum of Rs 5859356/- Rs.1205225/- & Rs.40,00,000/- has already been paid for A.Y 2000-01, A.Y.2003-04 & A.Y.2007-08 under protest. Appeal before the high court for the A.Y 2000-01 & 2001-02 have been dismissed, hence company is in the process of filing special leave petition (SLP) before supreme court. The liability for A.Y. 2007-08 stands before the Appellate Authority. Appeal for A.Y. 2012-13 has been decided in the favour of the company, but, the company is yet to receive the refund from the department.



The company has guaranteed a sum of Rs. 80,746 Lacs (Previous Year Rs. 80,746 Lacs) against secured Loans taken by SSA International Ltd from financial institutions, these are wholly owned subsidiaries of the Company.

- II. As per Accounting standard 15, 'Employee Benefits', the disclosures of Employee benefits as defined in the Accounting standard are as given below:

### **Gratuity**

<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
<b>ASSUMPTION</b>		
Discount rate	7.37%	8.00%
Future Salary Increase	5.00%	5.00%
<b>TABLE SHOWING CHANGE IN BENEFIT OBLIGATION</b>		
Present value of obligation as at the beginning of the period	19,041,874	17,740,882
Interest cost	1,523,350	1,419,270
Past service cost	-	-
Current service cost	521,876	2,281,478
Benefits paid	(18,761,152)	(3,443,155)
Actuarial (gain)/loss on obligation	2,294,903	1,043,399
Present value of obligation as at the end of period	4,620,851	19,041,874
<b>TABLE OF FAIR VALUE OF PLAN ASSETS</b>		
Fair value of plan assets at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at the end of the period	-	-
Total actuarial gain/ (loss) to be recognized	-	-
<b>RETURN ON PLAN ACTUAL ASSET</b>		
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss on Plan Assets	-	-
Actuarial Return on Plan Assets	-	-
<b>AMOUNT RECOGNIZED IN THE BALANCE SHEET</b>		
Liability at the end of the year	4,620,851	19,041,874
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	4,620,851	19,041,874
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in balance sheet	4,620,851	19,041,874
<b>EXPENSES RECOGNIZED IN THE INCOME STATEMENT</b>		
Current service cost	521,876	2,281,478
Interest cost	1,523,350	1,419,270
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the period	2,294,903	1,043,399
Expenses recognized in the statement of profit & losses	4,340,129	4,744,147
<b>MOVEMENT IN THE LIABILITY</b>		
Recognized in the Balance sheet		



Opening net liability	19,041,874	17,740,882
Expenses as above	4,340,129	4,744,147
Benefits paid	(18,761,152)	(3,443,155)
Closing net Liability	4,620,851	19,041,874

## Leave Encashment

Particulars	Current year	Previous year
<b>DISCOUNT RATE</b>	7.37%	8.00%
Future Salary Increase	5.50%	5.00%
<b>TABLE SHOWING CHANGE IN BENEFIT OBLIGATION</b>		
Present value of obligation as at the beginning of the period	6,582,756	5,302,152
Interest cost	526,620	424,172
Past service cost		
Current service cost	287,396	1,212,383
Benefits paid	(4,309,395)	(807,464)
Actuarial (gain)/loss on obligation	(500,543)	451,513
Present value of obligation as at the end of period	2,586,834	6,582,756
<b>TABLE OF FAIR VALUE OF PLAN ASSETS</b>		
Fair value of plan assets at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at the end of the period	-	-
Total actuarial gain/ (loss) to be recognized	-	-
<b>RETURN ON PLAN ACTUAL ASSET</b>		
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss on Plan Assets	-	-
Actuarial Return on Plan Assets	-	-
<b>AMOUNT RECOGNIZED IN THE BALANCE SHEET</b>		
Liability at the end of the year	2,586,834	6,582,756
Fair value of plan assets as at the end of the period	-	-
Funded status / Difference	2,586,834	6,582,756
Excess of actual over estimated	-	-
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in balance sheet	2,586,834	6,582,756
<b>EXPENSES RECOGNIZED IN THE INCOME STATEMENT</b>		
Current service cost	287,396	1,212,383
Interest cost	526,620	424,172
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the period	(500,543)	451,513
Expenses recognized in the statement of profit & losses	313,473	2,088,068
<b>MOVEMENT IN THE LIABILITY</b>		
Recognized in the Balance sheet		
Opening net liability	6,582,756	5,302,152
Expenses as above	313,473	2,088,068
Benefits paid	(4,309,395)	(807,464)
Closing net Liability	2,586,834	6,582,756



### III RELATED PARTY DISCLOSURE

#### List of related parties and the relationship

S. No.	Name of Party	Relationship
1	Gartax Overseas Pvt Ltd.	Key Personnel are related to the Management of the related party
2	S.S.R Apparels Private Limited	Key Personnel are related to the Management of the related party
3	Express Warehousing Limited	Key Personnel are related to the Management of the related party

#### Transactions/ balances outstanding with related parties.

S.No.	Nature of Transaction	Current year	Previous year
<b>1</b>	<b>Transaction with Gartex Overseas Pvt. Ltd.</b>		
	<b><u>Lease Rent</u></b>		
	Balance as at 1st April,2016	75,000	60,000
	Paid during the year	90,000	-
	Payable for the year	15,000	15,000
	Balance as at 31st March,2017	-	75,000
<b>2</b>	<b>Transaction with SSR Apparels Pvt. Ltd.</b>		
	<b><u>Lease Rent</u></b>		
	Balance as at 1st April,2016	15,000	15,000
	Paid during the year	15,000	15,000
	Payable for the year	15,000	15,000
	Balance as at 31st March,2017	15,000	15,000
<b>3</b>	<b>Transaction Express Warehousing Ltd.</b>		
	<b><u>Rent Expenses</u></b>		
	Balance as at 1st April,2016	6,880,252	486,194
	Paid during the year	81,698,112	64,579,993
	Receipt during the year	15,000,000	-
	Payable for the year	54,132,098	70,974,051
	Balance as at 31st March,2017	-5,685,762	6,880,252
	<b><u>Security Deposit</u></b>		
	Balance as at 1st April,2016	32,500,000	32,500,000
	Net security Paid during the year	-	-
	Balance as at 31st March,2017	32,500,000	32,500,000
	<b><u>Share Application Money</u></b>		
	Balance as at 1st April, 2016	-	-
	Share Application Money	-	30,000,000
	Payment Received during the year	-	-
	Equity allotted During the Year	-	30,000,000
	Balance as at 31st March, 2017	-	-
	<b><u>Investment</u></b>		
	Balance as at 1st April, 2016	30,000,000	-
	Investment made during the year	-	30,000,000
	Balance as at 31st March, 2017	30,000,000	30,000,000



## IV DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the company had specified bank Notes (SBNs) or other Denomination notes as defined in the MCA notification ,G.S.R. 308 (E),dated March 31, 2017. The detail of SBNs and other denomination notes held and transacted during the period from November 8, 2016 to December 30, 2016 as per notification are as follows dated March 31, 2017. The detail of SBNs and other denomination notes held and transacted during the period from 8, 2016 to December 30, 2016.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8,2016	1,477,000	2,047,506	3,524,506
Add: permitted receipts	-	4,299,476	4,299,476
Less: permitted Payment	-258,000	-5,381,447	-5,639,447
Less: Amount deposited in Banks	-1,219,000	-257	-1,219,257
Closing cash in hand as on December 30,2016	-	965,278	965,278

For the purpose of this clause, the term specified Bank Notes 'shall have the same meaning provided in the notification of the Government of India , in the ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

## V SEGMENT INFORMATION

The company has identified a geographical reportable segment viz M/S Samtex Fashions Ltd. & business segment for rice & oil. Segments have been identified and reported taking into account the Differing risk and returns and the Financial business reporting systems. The accounting Policies adopted for segment reporting are in line with the Accounting Policy of the Company.

"Segment Assets and Segment Liabilities represent Assets and Liabilities in Respective Segments"

### GEOGRAPHICAL SEGMENT:

#### 1. PRIMARY SEGMENT INFORMATION (RS. IN LACS)

PARTICULARS	2016-17	2015-16
<b>1. TOTAL SALES AST EACH SEGMENT</b>		
USA	2,397.01	5,759.75
INDIA	127,599.05	167,805.13
<b>GROSS SALES</b>	<b>129,996.06</b>	<b>173,564.88</b>
LESS: INTERSEGMENT REVENUE	1,488.32	4,140.46
<b>NET SALES/INCOME FROM OPERATION</b>	<b>128,507.74</b>	<b>169,424.42</b>
<b>2. SEGMENT RESULTS (PROFIT+/LOSS – BEFORE TAX</b>		
<b>INTEREST AND EXCHANGE FLUCTUATION FOR EACH SEGMENT)</b>		
USA	(468.27)	62.75
INDIA	(32,065.40)	8,475.73
<b>TOTAL</b>	<b>(32,533.67)</b>	<b>8,538.48</b>
INTEREST	5,088.67	6,912.34
<b>TOTAL PROFIT BEFORE TAX</b>	<b>(37,622.34)</b>	<b>1,626.14</b>

As per Accounting Standard on segment reporting AS – 17, issued by the Institute of Chartered Accountants of India, the Company has reported segment information.

#### 2. SECONDARY SEGMENT INFORMATION (IN LACS)

PARTICULARS	IN USD	IN INR	PERIOD
<b>SECONDARY SEGMENT INFORMATION:-</b>			
<b>SEGMENT ASSETS</b>			
USA	12.84	800.34	Current Year
	15.13	1,001.52	Previous
<b>SEGMENT LIABILITIES</b>			
USA	6.32	394.70	Current Year
	5.25	313.35	Previous
<b>CAPITAL EMPLOYED</b>			
	6.52	405.64	Current Year
USA	9.88	688.17	Previous



## BUSINESS SEGMENT

### 1. PRIMARY SEGMENT INFORMATION

(RS. IN LACS)

PARTICULARS	2016-17	2015-16
<b>1. TOTAL SALES AST EACH SEGMENT</b>		
Rice	97,749.88	118,131.36
Oil	27,569.47	46,948.79
<b>GROSS SALES</b>	<b>125,319.35</b>	<b>165,080.15</b>
LESS: INTERSEGMENT REVENUE	1,383.72	2,044.53
<b>NET SALES/INCOME FROM OPERATION</b>	<b>123,935.63</b>	<b>163,035.62</b>
<b>2. SEGMENT RESULTS (PROFIT+/-LOSS – BEFORE TAX INTEREST AND EXCHANGE FLUCTUATION FOR EACH SEGMENT)</b>		
Rice	(28,121.68)	7,203.42
Oil	(28.09)	1,020.77
<b>TOTAL</b>	<b>(28,149.77)</b>	<b>8,224.19</b>
Interest	5,060.69	6,815.10
Exchange (Gain/Loss)	(88.44)	(108.66)
TOTAL	4,972.25	6,706.44
<b>TOTAL PROFIT BEFORE TAX</b>	<b>(33,122.02)</b>	<b>1,517.75</b>

As per Accounting Standard on segment reporting AS – 17, issued by the Institute of Chartered Accountants of India, the Company has reported segment information.

### SECONDARY SEGMENT INFORMATION

RS. IN LAC

PARTICULARS	2016-17	2015-16
<b>SECONDARY SEGMENT INFORMATION:-</b>		
<b>SEGMENT ASSETS</b>		
Oil	8,280.38	10,963.42
<b>SEGMENT LIABILITIES</b>		
Oil	95.37	5,591.59
<b>CAPITAL EMPLOYED</b>		
Oil	8,185.01	5,371.83

### VI EARNINGS PER SHARE

Basic earning per share is computed by dividing the net profit or loss for the year available to equity shareholders by the weighted average number of equity share outstanding during the year. There are no outstanding Preference shares, warrants or options attached to the equity Share of the Company. The basic and diluted Earning per Share is as under:

Particulars	Current Year	Previous Year
Net profit attributable to Equity Shareholders	-3,681,663,353	82,440,580
Equity shares at the beginning of the year	14900000	14900000
Equity Shares issued during the year	-	-
Equity shares at the end of year	74500000	14900000
Equity shares pending for allotment	-	-
Nominal value of equity share	2	2
Weighted Average Number of shares for Basic EPS	74500000	74500000
Weighted Average Number of shares for Diluted EPS	74500000	74500000
Basic EPS	(49.42)	1.11
Diluted EPS	(49.42)	1.11





## VII PAYMENT TO AUDITOR

Particulars	2016-17 amount	2015-16 amount
(a) statutory Audit fees	360000	359000
(b) Other Services		
(i) for certification	43014	33897
(ii) for income tax	614300	176352
<b>Total</b>	<b>1017314.00</b>	<b>569249.00</b>

**VIII** The Assets of the Company have not been impaired during the year as certified by the management of the Company. The management has conducted the test of Impairment of Assets using the Value-in-use method in accordance with the Mandatory Accounting Standard – 28(AS 28) on Impairment of Assets issued by the Institute of Chartered Accountants of India. For calculation of Value-in-use, discount rate of 8% per annum is used being the average market rate of interest in the opinion of the Management.

**IX** Accountants of India. For calculation of Value-in-use, discount rate of 8% per annum is used being the average market rate of interest in the opinion of the Management.

**X** Previous year figures have been re-grouped and reclassified wherever necessary to make them comparable to those of the current year and have been rounded off to the nearest rupees.

Note 1 to 32 from an integral part of the Balance Sheet as at 31st March, 2017 and have been authenticated as such.

IN TERMS OF OUR REPORT ATTACHED

For **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM'S REGN NO. 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 082045

Sd/-  
**ATUL MITTAL**  
(MANAGING DIRECTOR & CFO)  
DIN NO. 00223366

Sd/-  
**SURENDRA KUMAR GUPTA**  
(DIRECTOR)  
DIN NO. 00223035

Place : New Delhi  
Date : 27<sup>th</sup> July, 2017

Sd/-  
**KAMINI GUPTA**  
(COMPANY SECRETARY & GM FINANCE)  
M. No. FCS 5882



# SAMTEX FASHIONS LIMITED

**Regd. Office:** Property No. D-100, Phase II, Hosiery Complex,  
Gautam Buddha Nagar, Noida - 201305 (U.P.) Tel: 0120- 4209800, 4209900  
Website: www.samtextfashions.com; Email : samtex.compliance@gmail.com

**CIN: L17112UP1993PLC022479**

## PROXY FORM

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

### FORM NO. MGT-11

#### 24<sup>th</sup> ANNUAL GENERAL MEETING-SEPTEMBER 29TH, 2017

Name of the member(s):	
Registered address	
E-mail Id	
Folio no/ DPID- Client Id	

I/We, being the member(s) of.....Shares of the above named company, hereby appoint:

- Name: .....Address: .....  
Email Id: .....Signature: .....or falling him/her
- Name: .....Address: .....  
Email Id: .....Signature: .....or falling him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> ANNUAL GENERAL MEETING of the company to be held at registered office at Property No. D-100, Phase II, Hosiery Complex, Noida, Gautam Buddha Nagar, U.P.-201305 on Friday, the 29<sup>th</sup> day of September, 2017, at 09.30 A.M. or at any adjournment thereof in respect of such resolution as are indicated below:

Item No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial period ended on 31 <sup>st</sup> March, 2017.		
2.	Appoint a director in place of Mr. Atul Mittal (DIN: 00223366), who retires by rotation and being eligible offers himself for re-appointment		
3.	Appointment of M/s.Kapil Kumar & Co., Chartered Accountants as Statutory Auditors of the Company and fixation of Remuneration.		
<b>Special Business</b>			
4.	Appointment of Ms. Shubhra Bhambri as an Independent Director		

Signed this.....day of.....2017.

Signature of Shareholder..... Signature of Proxy Holder(s).....

**AFFIX  
RE. 1/-  
REVENUE  
STAMP**

#### Note:

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the notice of the 24th Annual General Meeting.
- It is optional to put an 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she think appropriate.
- Please complete all details including detail of member(s) in above box before submission.



# SAMTEX FASHIONS LIMITED

**Regd. Office:** Property No. D-100, Phase II, Hosiery Complex,  
Gautam Buddha Nagar, Noida - 201305 (U.P.) Tel: 0120- 4209800, 4209900  
Website: www.samtexfashions.com; Email : samtex.compliance@gmail.com

**CIN: L17112UP1993PLC022479**

## ATTENDANCE SLIP

Folio No. /DP ID/Client ID : .....

Name & Address : .....

.....

Name(s) of joint holder(s),if any : .....

No. of shares held:.....

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record my/our presence at the Twenty Fourth Annual General Meeting of the Company on Friday, the 29<sup>th</sup> day of September, 2017, at Property No. D-100, Phase II, Hosiery Complex, Noida, Gautam Buddha Nagar-201305 (U.P.)

.....

Full name of proxy (in case of proxy)

.....

Signature of first holder/proxy

.....

Signature of joint holder(s)

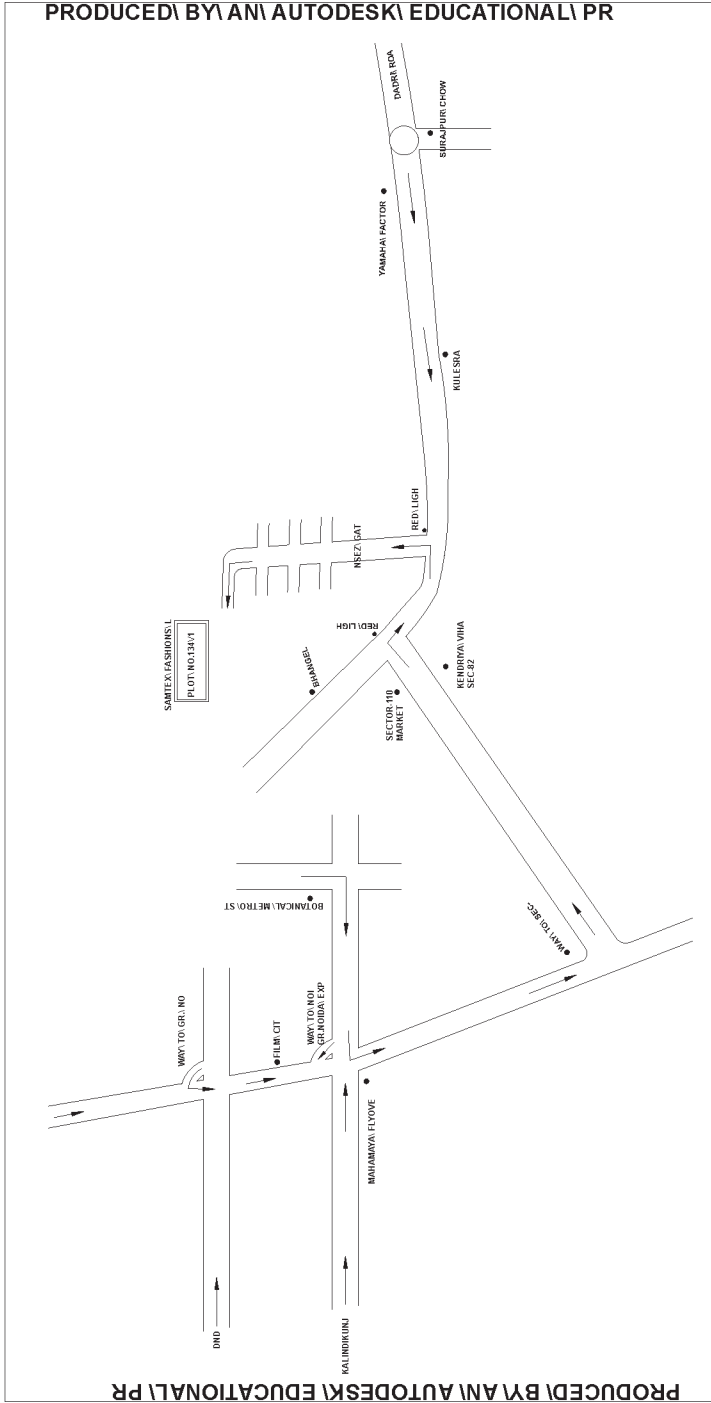
### Notes:

1. Please fill and sign this attendance slip and hand it over at the venue of the meeting.
2. Only members of the Company and/or their proxy will be allowed to attend the meeting.





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*If undelivered, please return to :*



**SAMTEX FASHIONS LIMITED**

**Corporate Office:** 21, Arcon Plaza, Local shopping  
Centre, Madangir, New Delhi - 110062

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