



## 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

**24. Distribution of Shareholding as at 31<sup>st</sup> March, 2017 :**

Share Holding of Nominal value of Rs. 2 each	Folio Nos.	% of Total Folio Nos.	Shares in Nos.	% of Total
Up to 5000	5532	89.33	3287328	4.4125
5001 – 10000	279	4.51	1126591	1.5122
10001 – 20000	155	2.50	1163976	1.5624
20001 – 30000	79	1.28	993191	1.3331
30001 - 40000	26	0.42	464620	0.6237
40001 - 50000	16	0.25	368047	0.4940
50001 - 100000	30	0.48	1073095	1.4404
100001 and above	76	1.23	66023152	88.6217
<b>Total</b>	<b>6193</b>	<b>100.00</b>	<b>74500000</b>	<b>100.00</b>

The company has not issued any GDRS/ADRS/ Share Warrants or any convertible instruments during the year.

**25. Plant Location**

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

**26. Share Transfer System :**

Share Transfers in physical form are registered and share certificates are returned to the respective transferees within a period ranging from fifteen days to one month, Provided the documents lodged with the Registrar/Company are clear and complete in all respects.

**27. Dematerialization of Shares :**

Trading in Samtex Fashions Ltd. Share is permitted in De-Materialised Form w.e.f 8<sup>th</sup> October,2001 as per notifications issued by the SEBI. The company has entered in to Agreement with Depositories NSDL and CDSL, where the investors have the options to De-Materialize/Re-Materialize their shares with either of the Depositories.

**The Company's ISIN number is INE931D01020.**

**Shares Dematerialized Record :**

The following data indicates the extent of dematerialization of company's shares as on 31<sup>st</sup> March,2017.

**No. of shares dematerialized**                      **708,37,450**                      **95.08% of total share capital**

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

**Place : New Delhi  
Dated : 28.08.2017**

**Sd/-  
Atul Mittal  
Managing Director  
DIN 00223366**