

**18th Annual Report  
2010-2011**



**SAMTEX**  
FASHIONS LIMITED

# SAMTEX FASHIONS LIMITED



## **BOARD OF DIRECTORS**

Anil Mittal

Vinay Mittal

A. P. Mathur

Atul Mittal

S. K. Gupta

Raman Ohri

*Chairman & Managing Director*

*Director*

*Director*

*Joint Managing 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

## **REGISTERED OFFICE & WORKS**

Plot No. 134-135

Noida Special Economic Zone,

Phase - II, Noida - 201 305

Distt. Gautam Budh Nagar

Uttar Pradesh

## **CORPORATE OFFICE**

M-71, (Market), 1st Floor,

Greater Kailash - II

New Delhi - 110 048

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## NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of M/s Samtex Fashions Limited will be held on Friday, the 30th September, 2011 at 9.30 A.M. at the Registered Office & Works of the Company at Plot No. 134-135, Noida Special Economic Zone, Phase – II, Noida – 201 305, Distt. Gautam Budha Nagar, (U.P.) to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March' 2011 and the Profit & Loss Account for the financial year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. S.K.Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Atul Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### **SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **ORDINARY RESOLUTION**:

**"RESOLVED THAT** Pursuant to Section 314(1) of the Companies Act, 1956, approval of the members be and is hereby accorded to the appointment of Mr. Rahul Mittal, son of Mr. Sanjeev Mittal –brother of Mr. Anil Mittal, Chairman & Managing Director of the Company for holding an office of profit, as Manager in the Company for a period of 3 years, w.e.f. 1st March, 2011 at a gross remuneration of Rs. 40,000/- p.m.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to Section 269,198,309 & 316 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to the approval of Shareholders in the General Meeting, and as recommended by the Remuneration and selection Committee, approval of members be and is hereby accorded to the appointment of Mr. Atul Mittal as Joint Managing Director of the Company for a period of 3 years w.e.f. 16th February, 2011, on the terms and remuneration set out below :-

1. Basic Salary at the rate of Rs. 70,000 per month in the scale of 70,000- 10,000 - 90,000.
2. Provision of furnished Residential Accommodation at an expenditure not exceeding Rs. 150,000/- pm ,inclusive of all maintenance, water , electricity and other charges with 10% annual increase. In the event the appointee is not provided Residential Accommodation by the Company, he shall be paid HRA equivalent to 60% of the basic Salary.
3. Medical Reimbursement per annum not exceeding one month basic salary.
4. Leave Travel allowance per annum not exceeding one month basic salary.
5. Provident Fund Contribution @ 12% of Basic Salary or at such rates as may be applicable as per law from time to time.
6. Gratuity at the rate of ½ month salary for each completed year of service.

In addition to the above, he shall also be entitled to the Telephone and he shall be provided with a Car with Driver for use of Company's Business. These will not be considered as perquisites.

**RESOLVED FURTHER THAT** the aforesaid appointment is approved with the consent of all the Directors present in the meeting and of which meeting and of the Resolution specific Notice had been given to all the Directors in India.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits the remuneration payable to Mr. Atul Mittal as Joint Managing Director, shall be regulated in accordance with limits prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in supersession of the resolution passed at the 13th Annual General Meeting of the Company held on 28th September, 2006 and in terms of provisions of Section 314(1B) and other applicable provisions, if any of the Companies Act, 1956, and subject to the approval of the Central Government, as applicable, consent of the Company be and is hereby accorded to Mr. Anubhav Mittal, son of Mr. Anil Mittal, Chairman & Managing Director of the Company, to hold an office or place of profits as Vice President , Overseas Marketing, in the Sales and Marketing Division of the Company for a period of 5 years from 01.10.2011 to 30.09.2016 at the salary of Rs. 4,00,000 per month in the grade of Rs. 4,00,000 – 60,000 – 6,40,000 and the situation of his office will remain the same in the said capacity in the United States of America".



8. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** the Authorised Share Capital of the Company be increased from Rs. 10.00 crores divided into 100,00,000 Equity Shares of Rs. 10/- each to Rs. 16.00 crores divided into 1,60,00,000 Equity Shares of Rs. 10/- each by addition thereto of 60,00,000 Equity Shares of Rs. 10.00 each aggregating to Rs. 6.00 crores ranking pari passu with the existing Equity Shares.

**RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association of the Company be substituted as under:

“The authorised Share Capital of the Company is Rs. 16,00,00,000 (Rupees Sixteen Crores) divided into 1,60,00,000 (One crore and sixty lacs) Equity Shares of Rs. 10/- (Rupees Ten) each.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification/s, re-enactment/s thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and subject to the regulations prescribed in this behalf by the Government of India and the Reserve Bank of India and subject to the Guidelines, Regulations and clarifications issued by the Securities and Exchange Board of India (SEBI), for the time being in force, and the Listing Agreement entered into by the Company with the Stock Exchanges, where the shares of the Company are enlisted and subject to such other statutory approvals, consents, permissions and sanctions, consent and approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter called the Board which term shall include, any duly constituted and authorised committee thereof) to create, offer, issue and allot, in one or more tranches, up to 50,00,000 (Fifty Lacs) Equity Shares/ Zero Coupon Warrants convertible into Equity Shares of Rs. 10/- each, at a premium of not less than Rs. 18/- per Equity Share / Warrant to Promoters, person acting in concert with Promoters and others- Non Promoters, named below, whether or not they are existing members of the Company, on Preferential issue basis, on private placement:

S. No.	Name of Proposed Allottee	No. of Shares
<b>A.</b>	<b>Promoters</b>	
	Mr. Anil Mittal	3,00,000
	Mr. Atul Mittal	2,00,000
	Mr. Amit Mittal	3,00,000
	Mrs. Pooja Mittal	2,00,000
	Mrs. Neha Mittal	2,00,000
	Mrs. Rita Mittal	2,00,000
	Mr. Sanjeev Mittal	2,00,000
	Mrs. Sujata Mittal	2,00,000
	Mr. Rahul Mittal	4,00,000
	Mr. Anubhav Mittal	2,00,000
	Ms. Nitika Mittal	2,00,000
	Mr. Naveen Mittal	1,00,000
	Mrs. Rama Mittal	2,00,000
	Mr. Karan Mittal	1,00,000
	<b>Total - A</b>	<b>30,00,000</b>
<b>B.</b>	<b>Others</b>	
	<b>Individual</b>	
1	Mr. Hari Kishan Dass Gupta	50,000
2	Mr. Babu Lal Gupta	50,000
3	Mr. Rajinder Kumar Gupta	50,000
	Mrs. Nidhi Aggarwal	50,000
	Mrs. Jyoti Aggarwal	50,000
	Mr. Krishan Kumar Kapoor	1,50,000
	Mr. Kamal Verma	1,00,000
	Mrs. Seema Goel	1,00,000
	<b>Body Corporate</b>	
	M/s G.P.M. Spinning Mills Pvt. Ltd.	7,00,000
	M/s Kanika Finlease Limited	5,00,000
	M/s Sandeepi Scandata Solutions Pvt. Ltd.	2,00,000
	<b>TOTAL (B)</b>	<b>20,00,000</b>
	<b>GRAND TOTAL (A + B)</b>	<b>50,00,000</b>



“**RESOLVED FURTHER THAT** issue of Equity Shares/Warrants, if any as above, shall be subject to the following terms and conditions:

1. In case of issue of Zero Coupon Warrants optionally convertible into equity shares to persons or body corporate, etc., the warrants holder shall have the option of subscribing for one equity share of Rs. 10/- each per warrant at a price of Rs. 28/- inclusive of premium, in accordance with the SEBI (Disclosure and Investors Protection) Guidelines, 2000 on Preferential Issue or any amendments thereof, at any time within 18 months from the date of allotment of warrants.
2. The warrant holders shall on the date of allotment, pay a minimum amount equivalent to 25% of the total consideration for the warrants.
3. The number of warrants and the price per warrant shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.
4. The warrants issued to Promoters and Others including Body corporate, etc., shall be locked in for a period of three years and one year respectively from the date of allotment, provided that the lock-in on shares acquired by conversion of the warrants shall be reduced to the extent the warrants have already been locked-in.”

“**RESOLVED FURTHER THAT** the “relevant date” in relation to the share / warrants for the purpose would be the 30.08.2011, being the date 30 days prior to the date of passing of this resolution”

“**RESOLVED FURTHER THAT** the new shares, when allotted/converted, shall rank pari -passu in all respect with the existing Equity Shares of the Company.”

“**RESOLVED FURTHER THAT** the Board/Committee be and is hereby authorised to accept the terms, conditions and stipulations as may be made by the regulatory authorities while granting approval to the Company for the issue of securities as aforesaid.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Director (s) or any other officer or officers’ of the Company and to do all such acts, matters things and deeds and to take all such steps and do all such things and give all such directions as the Board may consider necessary, expedient or desirable and also to settle any question or difficulties or doubts that may arise in regard to the offer / issue, allotment / conversion and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as the Board, in its absolute discretion may deem fit and take all such steps which are incidental and ancillary in this regard.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** the consent of the share holders be and it hereby accorded to the Company getting its Equity Shares Listed on National Stock Exchange, Mumbai (NSE).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all steps and to do all actions deeds and things as may be required or expedient to give effect to this resolution.”

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

Sd/-  
**KAMINI GUPTA**  
Company Secretary & GM Finance

Place : New Delhi  
Dated : 30.08.2011

## **REGISTERED OFFICE & WORKS**

Plot No. 134-135, Noida Special Economic Zone,  
Phase - II, Noida - 201 305  
Distt. Gautam Budh Nagar, Uttar Pradesh



## 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 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 ANNEXED TO THE ANNUAL REPORT.**
- b) The Register of Members and the share transfer books of the Company will remain closed from 21.09.2011 to 30.09.2011 (both days inclusive).
- c) Members/Proxies should bring the attendance slip sent herewith duly filled up for attending the meeting.
- d) Members are requested to communicate change of address/ residential status, if any, to the Company, quoting respective folios in case their holdings in physical form, and to their Depository Participant (DPs) in respect of holdings in dematerialized form.
- e) 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.
- f) Members are requested to bring their copy of the Annual Report to the meeting.
- g) In terms of the general approval granted by the Central Government under Section 212(8) of the Companies Act,1956, the annual accounts and other statements of subsidiary companies have not been attached with the annual report of the holding company. These documents are available for inspection for any Shareholder/ member/ investor, during the business hours at the Registered Office of the Company and the same can be accessed from the website of the Company i.e. [www.samtexfashions.com](http://www.samtexfashions.com).

**IN DEFERENCE TO GOVERNMENT POLICY, NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.  
EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

### ITEM NO. 5

Mr. Rahul Mittal is an IT Graduate, belonging to an Industrialist family. His expertise is use full to the company by introducing the modern computer technology and to run the operations with cost effectiveness.

The Board has considered in its Meeting dated 12th February, 2011 the appointment of Mr. Rahul Mittal as Manager in the Company with remuneration as recommended by the Remuneration and Selection Committee. The Remuneration and Selection Committee, in its meeting held on 11th February, 2011 recommended the remuneration payable to Mr. Rahul Mittal as Manager and the Board of Directors in their meeting held on 12.02.2011 approved the remuneration of Mr. Rahul Mittal subject to the approval by the members in the ensuing Annual General Meeting of the Company.

Memorandum of Interest :-

Mr. Atul Mittal, Mr. Vinay Mittal and Mr. Anil Mittal being related to him are interested in the appointment / Resolution.

### ITEM NO. 6

Mr. Atul Mittal was last re - appointed as a Whole Time Director of the Company wef 1st September, 2010 for a period of 3 years, approved by the Annual General Meeting of the Company held on 30th September,2010.

Mr. Atul Mittal is a Commerce Graduate, belonging to an Industrialist family and is having the managerial experience of about 12 years in Samtex Fashions Limited. He has shown the excellent performance by putting his sincere efforts and hard work for the growth and development of the Company.

The Board has considered in its Meeting dated 12th February,2011 the appointment of Mr. Atul Mittal as Joint Managing Director of the Company with increased remuneration as recommended by the Remuneration and Selection Committee. The Remuneration and Selection Committee, in its meeting held on 11th February, 2011 recommended the remuneration payable to Mr. Atul Mittal as Joint Managing Director and the Board of Directors in their meeting held on 12.02.2011 approved the remuneration of Mr. Atul Mittal subject to the approval by the members in the ensuing Annual General Meeting of the Company.

Memorandum of Interest :-

The appointee Mr. Atul Mittal, himself, Mr. Vinay Mittal and Mr. Anil Mittal being related to him are concerned or interested in the appointment / Resolution.



This may also be considered as an abstract of the Terms and Conditions of the appointment of the Joint Managing Director and the Memorandum of interest in pursuance of Section 302 of the Companies Act, 1956.

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

## **ITEM NO. 7**

Mr. Anubhav Mittal was appointed as Vice-President, Overseas Marketing in the Sales and Marketing Division of the Company with an office in New York, USA to develop the growth of exports of the Company in American Markets for a period of 5 years w.e.f. 01.10.96 by the Company and with the approval of the Central Government and last renewal w.e.f 1-10-2006 for a period of 5 years with a starting salary of Rs.3,00,000/- in the scale of Rs.3,00,000-60,000-6,00,000.

Mr. Anubhav Mittal has put in his sincere efforts and has been very well managing the Trading Office of the Company at New York, U.S.A.. He has been very much successful in building a brand and quality acceptance of Company's products in USA.

The said period of 5 years shall expire on 30.09.2011. Considering the good performance of Mr. Anubhav Mittal, it is now proposed to re-appoint him for a further period of 5 years with effect from 01.10.2011 to 30-09-2016 at the pay scale as proposed in the resolution. The renewal of appointment of Mr. Anubhav Mittal was duly considered and recommended by the Remuneration Committee Meeting held on 27th August 2011 with a starting salary of Rs. 4,00,000/- in the scale of Rs. 4,00,000 – 60,000 – 6,40,000.

The Board commends the resolution for your approval.

Mr. Anil Mittal, Chairman & Managing Director, Mr. Vinay Mittal, and Mr. Atul Mittal, Directors of the Company are interested in the resolution being related to Mr. Anubhav Mittal.

## **ITEM NO. 8.**

The present Authorized Share Capital of the Company is Rs. 10.00 Crores. In order to meet requirement of funds for long term working capital margins and for investment in Subsidiary for its funds requirement for expansions and working capital margins, the Authorized Share Capital of the Company is proposed to be increased to Rs. 16.00 crores.

Hence, the Memorandum of Association of the Company needs to be altered suitably to increase the Authorised Share Capital of the Company to Rs. 16.00 crores. According to Section 94 of the Companies Act, 1956, this requires the approval of shareholders.

The Board commends the resolution for your approval.

None of the Directors of the Company is concerned or interested in the said resolution.

## **ITEM NO. 9**

In order to meet requirement of funds for meeting the long term Working Capital margins and to invest in the subsidiary to meet the funds requirements for expansion and working capital margins, it is proposed to issue 50,00,000 Equity Shares / Zero Coupon Warrants convertible into Equity Shares of Rs. 10/- each at a premium of not less than Rs. 18/- Per Equity Share / Warrant to Promoters, their relatives & associates and others whether or not they are existing members of the Company, on preferential basis by private placement as per SEBI (Disclosure and Investors Protection) Guidelines, 2000 on Preferential Issue with all amendments thereof. Accordingly, the consent of the members is being sought pursuant to the provisions of Section 81, 81(1A) and all other applicable provisions of the Companies Act, 1956, and in terms of Listing Agreement with the Stock Exchanges to the proposed issue of Equity Shares/Zero Coupon Warrants convertible into Equity Shares as contained in the "Special Resolution" in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The details of such issue, in accordance with the SEBI Guidelines are as follows:

### **Object of the issue through Preferential Issue**

To meet funds requirement for long term working capital margins and investment in wholly owned subsidiary for its expansion and working capital margins.

### **Intention of Promoters/Directors/Key Management persons to subscribe to the offer**

Mr. Anil Mittal, Mr. Atul Mittal, Mr. Amit Mittal, Mrs. Pooja Mittal, Mrs. Neha Mittal, Mrs. Rita Mittal, Mr. Sanjeev Mittal, Mrs. Sujata Mittal, Mr. Rahul Mittal, Mr. Anubhav Mittal, Mrs. Nitika Mittal, Mr. Naveen Mittal, Mrs. Rama Mittal and Mr. Karan Mittal are the Promoters, would be subscribing to the preferential issue authorised by this resolution.



## Shareholding pattern before and after the offer

Shareholding Pattern before and after the offer would be as under:

S. No.	Category	PRE-ISSUE		POST-ISSUE	
		No. of Equity Shares held	% age of Total Paid up Capital	No. of Equity Shares held	% age of Total Paid up Capital
1	Promoters	4703650	47.512	7703650	51.702
2	Bankers/Financial Institution	—	—	-	-
3	Mutual Funds	10600	0.107	10600	0.071
4	Corporate Bodies	1310393	13.236	2710393	18.191
5	NRI/ OCBs	1070746	10.816	1070746	7.186
6	Public	2683508	27.106	3283508	22.037
7	Others Trust & Clearing Members	121103	1.223	121103	0.813
	<b>TOTAL</b>	<b>99,00,000</b>	<b>100.00</b>	<b>149,00,000</b>	<b>100.00</b>

## Proposed time within which the allotment shall be complete

The Company proposes to complete the allotment within 15 days from the date of approval of the proposal of preferential offer by special resolution of the members of the company at the ensuing Annual General Meeting or within 15 days from the date of receipt of approval from any Regulatory Authority or the Central Government, as the case may be, whichever is later.

## The identity of proposed allottees and the percentage of post-preferential issue of capital that may be held by them.

The identity of the proposed allottees of the preferential shares/warrants is as under:

Sr. No.	Name	Address	% age of Post Preferential Issue of the Capital
1	Mr. Anil Mittal	D-250, Sainik Farms, Anupam Garden, New Delhi - 110 062	4.16
2	Mr. Atul Mittal	-do-	3.49
3	Mr. Amit Mittal	-do-	3.42
4	Mrs. Pooja Mittal	-do-	3.36
5	Mrs. Neha Mittal	-do-	2.79
6	Mrs. Rita Mittal	-do-	1.69
7	Mr. Sanjeev Mittal	D-78, Pushpanjali Enclave, Pitam Pura Delhi -110034	3.36
8	Mrs. Sujata Mittal	-do-	2.42
9	Mr. Rahul Mittal	-do-	2.68
10	Mr. Anubhav Mittal	D-250, Sainik Farms, Anupam Garden, New Delhi - 110 062	4.29
11	Mrs. Nitika Mittal	-do-	3.36
12	Nr. Naveen Mittal	D-78, Pushpanjali Enclave, Pitam Pura Delhi -110034	3.58
13	Mrs. Rama Mittal	-do-	2.07
14	Mr. Karan Mittal	-do-	3.28





	<b>Others – Non Promoters</b>		
	<b>Individuals</b>		
1	Mr. Hari Kishan Dass Gupta	AG -31, Shalimar Bagh, New Delhi - 110088	0.336
2	Mr. Babu Lal Gupta	-do-	0.336
3	Mr. Rajinder Kumar Gupta	-do-	0.336
4	Mrs. Nidhi Aggarwal	GD -7, Pitam Pura, New Delhi -110034	0.336
5	Mrs. Jyoti Aggarwal	A-21, Tulsi Apartments, Sector -14, Rohini , Delhi -110085	0.336
6	Mr. Krishan Kumar Kapoor	3612, Gali Thane wali, Old sabzi Mandi, Delhi -110007	1.007
7	Mr. Kamal Verma	D-3, Kirti Nagar, New Delhi - 110015	0.671
8	Mrs. Seema Goel	7 A, Old Tower Block, Nandnam, Chennai - 600035	1.678
	<b>Body Corporate</b>		
1	M/s G.P.M. Spinning Mills Pvt. Ltd.	38-39 , Deep Complex, Court Road, Amritsar, Punjab-143001	4.70
2	M/s Kanika Finlease Limited	Chaudhry Plaza, Hide market, Amritsar, Punjab-143001	4.36
3	M/s Sandeepi Scandata Solutions Pvt. Ltd.	IInd Floor, Parmesh Corporate Tower, 13, DDA Community Centre, Karkardooma, Delhi -110092	1.34

**Relevant Date**

The relevant date on the basis of which the price of the Equity Shares proposed to be issued as per SEBI Guidelines shall be 30.08.2011 and the relevant week ending is week ending 26.08.2011.

In accordance with the requirements of the Securities and Exchange Board of India (Disclosure and Investors Protection) Guidelines, 2000 with all amendments thereof, a copy of Certificate issued by Statutory Auditors of the Company, certifying that the issue of the Equity Shares / Warrants is in accordance with the requirements of the Securities and Exchange Board of India (Disclosure and Investors Protection) Guidelines, 2000 with all amendments thereof, will be available for your inspection at the meeting.

Mr. Anil Mittal - Chairman & Managing Director, Mr. Vinay Mittal and Mr. Atul Mittal Directors, are concerned or interested in the proposed resolution.

The Board commends the Special Resolution for your approval.

**ITEM NO. 10**

As the members are aware that the Equity Shares of the Co. are listed in, Mumbai, Delhi Calcutta, Madras, Jaipur, Ahmedabad and Ludhiana Stock Exchanges and traded only at Mumbai Stock Exchange. The application for De-listing have already been made to Calcutta, Madras, Jaipur, Ahmedabad and Ludhiana stock exchanges as no significant trading was taking place at these exchanges.

After the proposed preferential allotment, as mentioned in Resolution No. 9 above, the Paid-Up Capital of the company shall increase to Rs. 15 crores, which is eligible limit for listing of shares at National Stock Exchange (NSE). In order to enhance the investor value and to provide greater opportunities and wide scope to them for trading and liquidity, your Directors have proposed to get the company's shares listed on NSE also.

The Board commends the resolution for your approval.

None of the Directors of the Company is concerned or interested in the said resolution.

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

Sd/-  
**KAMINI GUPTA**  
Company Secretary & GM Finance

Place : New Delhi  
Dated : 30.08.2011



Annexure to Notice dated 30.08.2011- Item no. 2, 3 and 6

**Details of Directors seeking appointment / Reappointment at the forthcoming Annual general Meeting (In pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Mr. S.K.Gupta	Mr. Atul Mittal
Date of Birth	24.05.1949	25.04.1977
Date of Appointment	29.07.2002	29.07.2002
Qualification	Graduate	Graduate
Expertise in specific functional areas	Administrative	General Management
List of Directorship held in other Companies as on 31st March, 2011.	1. SSA International Ltd. 2. Shivani Promoters & Builders Pvt. Ltd.	Sam Buildcon Ltd.
Chairman / Member of the Committees of the Board of Public Companies on which he is a Director as on 31st March, 2011	One	None
Shareholding in the Company as on 31st March, 2011 : – Equity Shares in Numbers	Nil	320000
Relationship with other Directors	None	Son of Mr. Anil Mittal



## E-SERVICE OF DOCUMENTS THROUGH EMAIL

Dear Member,

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" (Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011) allowing paperless compliances by companies through electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail address of the shareholders.

The move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribute towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit and thus serve the shareholders better.

Keeping in view the underlying theme and the circular issued by MCA, we propose to send documents like the notice calling the general meeting, audited financial statements, directors report, auditors report etc. henceforth to the shareholders in electronic form.

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. **Members who hold shares in physical form are requested to inform the same to the Company (by filling & sending this prepaid inland letter).**

Please note that you will be entitled to be furnished, free of cost, with a copy of the balance sheet of the company and all other documents required by law to be attached thereto including the profit and loss account and auditors report, upon receipt of a requisition from you, anytime, as a member of the Company.

We hope that as a responsible citizen, you will whole-heartedly support this initiative and will co-operate with the Company in implementing the same.

For **Samtex Fashions Limited**

**Kamini Gupta**  
Company Secretary & GM Finance

Date : .....

To,  
The Company Secretary  
Samtex Fashions Limited  
134-135, NSEZ (Noida Special Economic Zone),  
Phase-II, Gautam Budh Nagar,  
Noida- 201 305

### **Re : E-mail Updation for e-service of documents**

Dear Sir,

I/We do here by wish to receive all future correspondence/documents including Notices of Shareholders' Meeting, Audited Financial Statements, Auditors Report, Directors Report, etc. of the Company at the following e-mail id.

E-mail id : .....

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

Name of First Holder.....s/o, d/o, w/o.....

You are requested to kindly update the same in your records.

Signature of First Holder : .....



## DIRECTORS' REPORT

To,  
The Members,

Your Directors' have pleasure in placing before you the 18th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

<b>FINANCIAL RESULTS</b>	<b>Rs. In Lacs</b>	
<b>PARTICULARS</b>	<b>2010-2011</b>	<b>2009-2010</b>
Sales and other Income	<b>5979.35</b>	5829.91
Profit before tax, interest, depreciation and write offs	<b>609.70</b>	599.14
Interest & Financial Expenses	<b>316.61</b>	299.64
Depreciation	<b>179.50</b>	177.04
Profit Before Tax	<b>113.59</b>	122.46
Provision for Taxation :		
— Current	<b>28.29</b>	24.99
— Deferred	<b>(14.22)</b>	(7.51)
— Earlier year	<b>1.25</b>	(0.01)
Profit after Tax	<b>98.27</b>	104.99
Balance of Profit from Previous Years	<b>2781.07</b>	2676.07
Balance of Profit carried forward	<b>2879.34</b>	2781.07

### **REVIEW OF OPERATIONS & FUTURE PROSPECTS:**

The performance during the year under review is consistent. The Company has registered the Turnover of Rs.59.79 crores which shows a growth of 2.56% over the previous year. The Company earned the Net Profits of Rs. 1.14 crores as compared to Rs. 1.22 crores in the previous year.

The Board of Directors are anticipating that situation will improve in the years to come with the revival of international economic conditions.

Your Company's Wholly Owned Subsidiary namely SSA International Limited has achieved a Turnover of Rs. 683.37 crores with a growth of 27% over the previous year and a Net Profit of Rs. 12.74 crores registering a growth of 32% over the previous year.

The other wholly owned subsidiary namely Sam Buildcon Limited has also started its activities and achieved a turnover of Rs.3.57 crores and Profits Rs. 0.12 crores.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

As required by Clause 49 of the Listing Agreement with Stock Exchanges, a Management discussion & Analysis Report is appended.

### **CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreement with Stock Exchanges, a separate Report on Corporate Governance is appended together with Certificate on Corporate Governance.

### **DEMATERIALIZED 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 INE931D01012. As on date 91.68 % of the Share Capital of the Company, comprising 9076767 Equity shares have been de-materialized.

### **STOCK EXCHANGE LISTING**

The Equity shares of your Company are listed at:

1. The Stock Exchange Mumbai, (BSE), Mumbai.
2. The Delhi Stock Exchange Association Ltd. (DSE), New Delhi.



## 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 2010-2011.

## DIRECTORS

Mr. S.K.Gupta and Mr. Atul Mittal, Directors of the Company retire by rotation at the conclusion of the ensuing Annual General Meeting of the Company, and pursuant to article no. 89 of the Articles of Association of the Company and being eligible, they offer themselves for re-appointment. Mr. Atul Mittal has been appointed as the Joint Managing Director of the Company.

Information pursuant to the Corporate Governance requirement of the Listing Agreement regarding the Directors seeking appointment/ re-appointment in the Annual General Meeting is annexed to the Notice.

## AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956, and as per the requirements of the Listing Agreement with Stock Exchanges your Board of Directors has constituted an Audit Committee.

It comprised of the following Directors:

- (i) Mr. S. K. Gupta as Chairman of the Committee
- (ii) Mr. A. P. Mathur
- (iii) Mr. Raman Ohri

## AUDITORS' REPORT

Auditors' observations contained in their Audit Report read with the Notes on Accounts are self-explanatory and do not call for any further clarifications.

## AUDITORS

The Auditors M/s Aggarwal & Rampal hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. A Certificate from Auditors has been received to the effect that their re-appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956.

## INTERNAL AUDIT

M/s Ashok Aggarwal & Co. a firm of Chartered Accountants are 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.

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

The information relating to conservation of energy, technology absorption and foreign exchange earning and outgo as required under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 is given in the Annexure – A, which forms part of this Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of provisions of section 217 (2AA) of the Companies Act, 1956, the Directors' confirm that:-

1. Applicable accounting standards have been followed in preparing the annual accounts and material departures, if any, have been properly explained.
2. The Directors have selected and applied accounting policies and applied them consistently and have 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 profit or loss of the Company for that period.
3. The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts for the year ended 31.03.2011 on a going Concern basis.

## PERSONNEL

A statement pursuant to section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, as amended is given as Annexure – B, and forms part of this report.



## CREDIT RATING

During the year under review the Company sustained its long term credit rating of "BB" by FITCH. The Company's short term credit is rated as "BB".

## SUBSIDIARIES

In terms of the general approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, the annual accounts and other statements of subsidiary companies have not been attached with the annual report of the holding company. The Company will make available these documents and related detailed information upon request by the Shareholders of the Company.

The annual accounts of the subsidiaries are also available for inspection for any Shareholder/ member/ investor, during the business hours at the Registered Office of the Company and the same can be accessed from the website of the Company i.e. [www.samtexfashions.com](http://www.samtexfashions.com).

The Accounts of the Subsidiary, SSA International Ltd. and Sam Buildcon Ltd. have been included in the consolidated Accounts in accordance with the requirements of Accounting Standards AS-21 prescribed by the Institute of Chartered Accountant of India and forms Part of this Report.

As required by Section 212 of the Companies Act, 1956, a Statement in respect of the subsidiary is annexed and forms an integral part of this report.

## PUBLIC DEPOSIT

The Company has not invited or accepted any deposit from Public during the year under review.

## INDUSTRIAL RELATIONS

The Industrial relations remained cordial during the year under review.

## 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 behalf of the Board of Directors  
For **SAMTEX FASHIONS LIMITED**

Sd/-  
**ANIL MITTAL**  
Chairman & Managing Director

Place : New Delhi  
Dated : 30.08.2011



## ANNEXURE "A"

Information as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March' 2011

### A. CONSERVATION OF ENERGY

- |  |  |
|--|--|
| 1. Energy Conservation measures taken  | Company's operations involve low energy consumption. Energy conservation measures continues to remain thrust area and have already been implemented by:-Use of energy efficient Tube lights. Switching off electrical equipments, when not in use. Regular Preventive Maintenance of Pipe Lines so as to avoid the leakages , replacement of old motors by energy efficient motors, energy efficient usage of Air Compressor & Boilers |
| 2. 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.   |
| 3. Impact of measures at (1) and (2) above for Reduction of energy consumption and consequent Impact on the cost of production of goods      | Created general awareness in the Plant about the need for conservation of energy and resulted in improvement in Productivity and Quality.  |
| Total energy consumption per unit of Production as per Form "A" of the Annexure in respect of industries Specified in the Schedule there to. | As per Form "A"  |

### FORM "A"

Disclosure of particulars with respect to conservation of energy:

	<u>Current Year</u>	<u>Previous Year</u>
<b>1. POWER AND FUEL CONSUMPTION</b>		
a) <i>Purchased</i>		
Unit	<b>831272</b>	817899
Total Amount (Rs. Lacs)	<b>55.76</b>	46.87
Rate/Unit (Rs.)	<b>6.71</b>	5.73
b) <i>Own Generation Through Diesel Generator</i>		
Unit	<b>131298</b>	172220
Total Amount (Rs. Lacs)	<b>8.48</b>	11.60
Cost/Unit (Rs.)	<b>6.46</b>	6.73

### B. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION

#### (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 EARNINGS 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 thru its buyers, in international exhibitions. Company has its own office in New York with arrangement of display of Company's Products.

*Rs. in Lacs*



	<u>Current Year</u>	<u>Previous Year</u>
i. <b>Earnings for the year</b> (FOB value of Exports)	4027.09	3692.26
ii. <b>Outgo for the year:</b> :		
Raw Material	2043.17	2640.46
Capital Goods	20.53	—
Others	2.83	15.43

## ANNEXURE - "B"

### PARTICULARS OF EMPLOYEES

Statement pursuant to Section 217 (2A) of the Companies (Particulars of Employees) Rule 1975, as amended and forming part of the Directors Report for the year ended 31st March' 2011.

<i>NAME</i>	<i>Designation/ Duties</i>	<i>Qualification</i>	<i>Remuneration Rs .</i>	<i>Experience In Years</i>	<i>Date of Commencement of Employment</i>	<i>Age in Years</i>	<i>Last Employment held</i>
Mr. Anubhav Mittal	Vice President Overseas Marketing	Diploma in G.M.T. (F.I.T New York)	3879360	15	01.10.96	36	—

#### Note :

- Nature of employment of Mr. Anubhav Mittal is contractual .
- Nature of Duties of the appointee includes Development & Promotion of Export Marketing of the Company's Products in USA and other Western Countries.
- Mr. Anubhav Mittal is related to Mr. Anil Mittal, Chairman & Managing Director and Mr. Atul Mittal Director of the Company.
- The remuneration specified above includes salary, allowances, bonus and value of perquisites.
- Mr. Anubhav Mittal , the above named employee along with his spouse hold 7.47 % of Equity Shares of the Company, on the date of this report, the information is in terms of clause (a) (iii) of Section 217 (2A) of the Companies Act, 1956.

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

Sd/-  
**ANIL MITTAL**  
Chairman & Managing Director

Place : New Delhi  
Dated : 30.08.2011





## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

### Overview: -

#### Company Background

The Company was incorporated on 26-04-1993. It is a 100% Export Oriented Unit (EOU) and is situated at 134-135, NSEZ, Noida, which is also the Registered Office of the Company. It is engaged in the business of manufacture and sale of ReadyMade Garments.

Its Corporate Office is located at M-71 (Mkt.), Greater Kailash II, New Delhi 110048 and it also has a Trading Office in USA in the city of New York so as 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 comprised of 6 (six) Directors headed by Mr Anil Mittal Chairman and Managing Director of the Company. The Board is a combination of Executive and non-Executive Directors. It has 2 Executive Directors - namely Mr Anil Mittal, Chairman and Managing Director and Mr. Atul Mittal, Whole Time Director and 4 non-Executive Directors out of whom 3 Directors are independent.

The Board of Directors meets regularly at least 4 times in a year. In the year 2010-2011, 8 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 4 Committees namely, (a) Audit Committee (b) Remuneration and Selection Committee (c) Share Transfer and Investor Grievances Committee (d) Project Monitoring Committee to review and control the Company's Expansion cum up gradation Project. 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 manufacture and sales of ReadyMade Garments. The Production is carried in the Company's factory located at 134-135, NSEZ, Noida U.P. Entire production is exported to the overseas markets. The Company has only one segment activity i.e. Readymade Garments. Its geographical distribution is in India and USA.

#### Industry Structure and Development

The Indian Textile Industry especially Garment Sector plays a significant role in Indian Economy. The international trade in clothing and textile is moderate and the industry need diversification and value additions across the value chain, an important sector which requires the much needed attention.

The Indian clothing & textile industry has attracted huge investments to match the international levels of technology, quality and standards. As a result, the capacity has expanded beyond the requirements of current demand. It is tough time for the industry with leading firms reporting financial strains.

Our Plant being situated in Free Trade Zone, Company enjoys the benefit of importing Raw material such as Fabric, Trims etc. in hassle free atmosphere which provides great comfort to our buyers adhering to the schedule of shipment by us in time and also adds to profitability of the Company. This is one of the major factors to develop confidence in Importers of Garments.

Due to the specialized quality of garments being manufactured by our Company the demand for the product is stable. However, price constraint still continuing, which are likely to improve in the near future.

#### Opportunities and Threats.

The Government's TUF scheme introduced in 1999 and extended for remaining part of the 12th five year plan and is going to be closed as on 31st March, 2012. All loans sanctioned till that date will be eligible for the subsidy for the life of the loan. This will encourage the development of textile sector in the country. The modern technology, improvements in infrastructure and regulations, all are playing significant role among the different sectors of the Industry.

Although your Company has taken full advantage of the scheme by launching expansion and modernization of its capacities and implemented the same but due to all other adverse factors not in a position to explore this advantage.

**As with the recovery, the textile and clothing industry is also facing increase in input prices- labour, power & energy and financial cost. The inflationary pressure both with in the country and globally have bearing on the outlook of the textile and clothing industry. The increase and volatility in crude oil prices will also impact the growth trends.**



The Government of India had withdrawn the interest subvention of 2% p.a. in respect of rupee export credit extended to the specified exporters and resulted into a financial constraint on the industry.

Many global textile brands and retailers are looking beyond China for outsourcing and your Company would like to serve various products to provide good service to its customers by supplying products like structured, casual & formal wear garments and also the wrinkle free garments.

The RMG Industry will generate job opportunities in the years to come. Exporters not having economies of scale or presence in high growth or 'niche' categories would become very vulnerable of pricing pressures.

The coming financial year 2011-12 is likely to be a difficult period on account of pressure both on demand and prices as also risk of inventory value losses. **The Management will remain vigilant and deal with the situation with prudence and foresight. The year will be full of challenges and the management will make all efforts to cope up the situation through continuous cost reduction, process improvements and improved customer based to mitigate the challenges. We are having faith for a bright future of RMG Industry in India.**

### **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 behalf of the Board of Directors  
For **SAMTEX FASHIONS LIMITED**

Sd/-

**ANIL MITTAL**

Chairman & Managing Director

Place : New Delhi  
Dated : 30.08.2011



## 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 6 Directors – 2 Executive Directors and 4 Non- Executive Directors of which 3 are Independent Directors.

The composition of board of directors, their category and other directorships as on 31st March, 2011 are 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. Anil Mittal	Chairman & Managing Director	Promoter and Executive	2	2	1
2.	Mr. Vinay Mittal	Director	Non-Executive	4	—	—
3.	Mr. Raman Ohri	Director	Non-Executive (Independent)	1	2	1
4.	Mr. A.P. Mathur	Director	Non-Executive (Independent)	1	2	—
5.	Mr. Atul Mittal	Whole Time Director Jt. Managing Director	Executive	1	2	—
6.	Mr. S.K. Gupta	Director	Non-Executive (Independent)	2	3	2

### Retiring Directors :

Mr. S.K.Gupta and Mr. Atul Mittal – Directors are retiring by rotation in the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment.

Mr. S.K. Gupta is B.Tech (Hons.) and is having a vast experience of more than 30 years in the field of international marketing and trading.

Mr. Atul Mittal is a graduate, belonging to an Industrialist Family and is having good experience of about 12 years and possesses command in his field of operations.

**Meeting and Attendance:** The Company's Corporate Governance Policy requires the Board to meet at least four times in a year. The maximum gap between two board meetings is not more than four month as prescribed under Clause 49 of the Listing Agreement. Meetings are governed by a structured agenda. The Board members, in consultation with the chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable Board to take decision.

Details of Board Meetings during the Financial Year

During the year, Eight Meetings of the Board were held on 14.05.2010, 06.07.2010, 12.08.2010, 28.08.2010, 15.11.2010, 24.12.2010,12.02.2011 and 21.03.2011.

### Attendance at Board Meeting and at Annual General Meeting (AGM) during the Financial Year

The table given below gives the attendance record of all the Directors at the eight Board Meetings held during 2010-11,as well as at the last Annual General Meeting.

S.No	Name of Directors	Attendance Particulars	
		No. of Board Meetings Attended	Attendance at the last AGM held on 30.09.2010
1.	Mr. Anil Mittal	8	Yes
2.	Mr. Vinay Mittal	4	Yes
3.	Mr. A. P. Mathur	8	No
4.	Mr. S.K. Gupta	8	No
5.	Mr. Atul Mittal	8	Yes
6.	Mr. Raman Ohri	4	Yes



## Code of Conduct

The Company has formed a Code of conduct for the members of the Board of Directors and of the senior management. All the members of the Board and senior management have affirmed compliance of Code of conduct for the year under review.

### 3. Audit committee

In the year under reference, the Audit committee comprised of three Directors, all of whom are Non-Executive Independent Directors. All these Directors possessed knowledge of Corporate Finance, Accounts and Company Law.

#### Constitution and Audit Committee Meetings

The constitution of the Audit Committee is as follows:-

1. Mr. S.K.Gupta - Chairman
2. Mr. A.P.Mathur - Member
3. Mr. Raman Ohri - Member

The terms of reference of Audit committee are extensive and include all that is mandated in clause 49 of the Listing agreement and section 292A of the Companies Act,1956.

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.	11.05.2010	3	2
2.	12.08.2010	3	3
3.	25.08.2010	3	3
4.	15.11.2010	3	2
5.	11.02.2011	3	2

#### 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. A.P. Mathur	5	Member
Mr. Raman Ohri	2	Member

Mr. S.K. Gupta Chaired the Meeting of Audit Committee held on 27th August, 2011 for reviewing and approving the Final Accounts for the period ended 31st March, 2011.

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.

#### Internal Auditors:

M/s Ashok Aggarwal & Co., a Firm of Chartered Accountants have been appointed w.e.f. 1st April, 2008 as the new Internal Auditors to review the Internal control system of the company and to give 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 of internal auditors have been well received by the Audit Committee.

### 4. Remuneration & Selection Committee :

The Remuneration & Selection committee comprises of Three Directors, all of whom are Non-Executive Independent Directors.

Executive Independent Directors.

The Constitution of the committee is as follows:

- |                |          |
|----------------|----------|
| Mr. Raman Ohri | Chairman |
| Mr. A.P.Mathur | Member   |
| Mr. S.K. Gupta | Member   |

#### Meetings and Attendance:

During the year under report two meeting of the committee was held as on 25.08.2010 and 11.02.2011 to consider and recommend the appointment and remuneration of executive Director.



## Director's Remuneration

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

The Company pays remuneration to the Managing Director / Executive Directors as recommended by the Remuneration & Selection Committee and the Board of Directors of the Company. It has also approved by the Members of the Company in their General Meeting.

*Details of Remuneration to Directors for the Year 2010 - 2011 :-*

*(In Rs.)*

Name	Designation	Salary	HRA	Perquisite	P.F. Contribution	Comm.	Gross Remuneration
Mr. Anil Mittal	Chairman & Managing Director	900000	-	150000	108000	-	1158000
Mr. Atul Mittal	WholeTime Director	660000	278750	110000	79200	-	1127950

### b) **Non-Executive Directors:**

Non-Executive Directors have not been paid any remuneration except sitting fees for attending the Board and Committee Meetings. They are paid sitting fee @ Rs.2000/- per meeting of the Board and of Audit Committee thereof.

## 5. Shareholders, Share Transfer and Investor Grievance Committee:

Share Transfer and Investor Grievance committee meets regularly and during the year 6 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 Share Transfer and Investors Grievances Committee for their Approval. The Committee comprises of three Directors, of whom two are Executive Directors. The Chairman is a Non-Executive Director.

- There was no share Transfer / Demat cases, or Complaints pending for more than 30 days, as on 31st March,2011.
- Compliance Officer : The Board has designated Ms. Kamini Gupta, Company Secretary and GM Finance as the Compliance officer.

## 6. 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 Clause 49 of the Listing Agreement**

All Directors and Senior Management of the Company have affirmed Compliance with the Samtex Code of Conduct for the financial year ended 31st March, 2011

New Delhi, 30.08.2011

**Anil Mittal**  
Chairman & Managing Director

## 6. 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
15th AGM 2007-2008	Tuesday, 30th September, 2008 at 9.30 AM	Regd Office: Plot No-134- 135 NSEZ, Phase-II, Noida - 201305, U.P
16th AGM 2008-2009	Wednesday, 30th September, 2009 at 9.30 AM	————do————
17th AGM 2009-2010	Thursday, 30th September, 2010 at 9.30 AM	————do————



## 7. Details of Special Resolutions/ Special Business:

- |    |          |   |      |  |
|----|----------|---|------|--|
| 1. | 15th AGM | : | i)   | Re-appointment of Mr. Anil Mittal as Chairman & Managing Director with remuneration for a period of 5 years w.e.f. 26.04.2008.                               |
|    |          | : | ii)  | Re-appointment of Mr. Atul Mittal as Whole Time Director with remuneration for a period of 3 years w.e.f. 01.05.2008.  |
|    |          | : | iii) | Increase in the borrowing powers u/s 293 (1) (d).  |
|    |          | : | iv)  | Authorisation for creation of mortgage upto the increased borrowing limits u/s 293 (1) (a) of the Companies Act,1956.  |
| 2. | 16th AGM | : | i)   | Appointment of new Director appointed as additional Director by the Board Members.   |
|    |          | : | ii)  | Change in Object Clause by inserting a new sub clause.   |
|    |          | : | iii) | To commence the new business activities.   |
| 3. | 17th AGM | : | i)   | Re-appointment of Mr. Atul Mittal as Whole Time Director- designated as Joint Managing Director with remuneration for a period of 3 years w.e.f. 01.09.2010. |

### Postal Ballot

- |   |  |    |
|---|--|----|
| - | Whether Special Resolutions were put through Postal Ballot last Year | No |
| - | Are votes proposed to be conducted through Postal Ballot this Year   | No |

## 9. Disclosures :

### Related Party Transactions as required :

1. 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 at Point No 10 of Part B of Schedule XXII of the Annual Accounts. 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 Account.
2. The Company has complied with the requirements of regulatory authorities on Capital Market and no penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter relating to the capital markets during the last three years.

## 10. Registrars and Share Transfer Agents :

- i) Beetal Financial & Computer Services(P) Ltd  
Registrars and Transfer Agents  
Beetal House, 3rd Floor, 99, Madangir,  
BH- Local Shopping Center, New Delhi-110062  
Ph. : 011-29961281,29961282 Fax : 011-29961284
- ii) **Company's Corporate Office :**  
M-71 (Mkt), 1st Floor, Greater Kailash-II  
New Delhi - 110048.  
Ph. No. 47572222  
Email ID: samtex.compliance@gmail.com

## 11. 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.

## 12. Registered office & Works :

Samtex Fashions Ltd.  
Plot No. 134-135,Noida Special Economic Zone (NSEZ)  
Phase-II, Noida-201305, Distt-Gautam Budha Nagar, Uttar Pradesh.

## 13. 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 Information Filing and Retrieval (EDIFAR) system of SEBI and can be viewed at the company's Website : [www.samtextfashions.com](http://www.samtextfashions.com).

#### 14. General Shareholders Information :

##### i) 18th Annual General Meeting:-

Date	: 30th September, 2011
Time	: 9:30 A.M
Venue	: Plot No-134-135, NSEZ, Phase-II, Noida Gautam Budh Nagar, Uttar Pradesh-201305

##### ii) Book closure Details

: 21st September 2011 to 30th September, 2011

##### iii) Dividend Payment Details

: N.A

##### iv) Financial Calendar (2011-2012-Tentative)

First quarter results	: August, 2011
Second quarter results	: November, 2011
Third quarter results	: February, 2012
Fourth quarter results	: May, 2012
Annual results	: August, 2012
AGM for the year ended 31.03.2012	: September, 2012

##### v) Listing and Stock code

: The company's Equity shares are listed on the following Stock Exchanges:-

- The Stock Exchange, Mumbai, Scrip Code 521206
- The Delhi Stock Exchange Association Ltd.

##### vi) Stock Market Data : (Scrip Code-521206)

Year 2010 – 2011 (Month)	The Stock Exchange, Mumbai		
	Highest	Lowest	Closing
April, 2010	30.80	24.05	24.35
May, 2010	30.85	21.65	25.25
June, 2010	28.00	21.50	24.60
July, 2010	28.00	22.55	25.60
August, 2010	33.85	23.05	25.15
September, 2010	37.00	24.00	32.40
October, 2010	39.90	32.10	35.25
November, 2010	37.50	29.30	30.00
December, 2010	33.80	27.40	32.30
January, 2011	34.00	26.55	28.60
February, 2011	30.40	23.90	26.80
March, 2011	30.35	21.60	27.95

#### 15. Listing Fees :

Paid for the year 2010 - 2011.

#### 16. Shareholding Pattern of the Company as on 31st March, 2011 :

Category of Shareholders	No of Shares	Percentage
Promoter's Holding	4703650	47.51
Mutual Funds/UTI	10600	0.11
Banks/Financial institution (Central/StateGovt inst/Non Govt inst)	—	—
Private Corporate Bodies	1362984	13.77
NRI/OCBs	1068496	10.79
Others (Trust and Clearing Members)	142626	1.44
Indian Public	2611644	26.38
<b>Total</b>	<b>9900000</b>	<b>100</b>



**17. Distribution of Shareholding as at 31st March, 2011 :**

No. of Equity Share Held Shares	Folio Nos	% of Total Folio Nos.	Share Nos.	% of Total
Up to 500	5012	89.42	652715	6.593
501 – 1000	235	4.19	202180	2.042
1001-2000	114	2.03	183284	1.852
2001-3000	64	1.14	164264	1.659
3001-4000	28	0.50	99874	1.009
4001-5000	22	0.39	105260	1.063
5001-10000	39	0.70	293658	2.966
10001 and above	91	1.63	8198765	82.816
<b>TOTAL</b>	<b>5605</b>	<b>100.00</b>	<b>9900000</b>	<b>100.00</b>

**18. 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.

**19. Dematerialization of Shares :**

Trading in Samtex Fashions Ltd. Share is permitted in De-Materialised Form w.e.f October 8,2001 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 INE931D01012.

**Shares Dematerialized Record :**

The following data indicates the extent of dematerialization of company's shares as on 31st March,2011

No. of shares dematerialized	9076767	91.68% of total share capital
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For and behalf of the Board of Directors  
For **SAMTEX FASHIONS LIMITED**

Sd/-

**ANIL MITTAL**

*Chairman & Managing Director*

Place : New Delhi  
Dated : 30.08.2011





## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of SAMTEX FASHIONS LIMITED  
Plot No. 134-135,  
Noida Special Economic Zone,  
Phase-II, Noida- 201 305

We have reviewed the records concerning the company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges in India for the Financial Year ended on March 31, 2011

The Compliance of condition of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

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

For **DEEPAK KUKREJA & ASSOCIATES**  
COMPANY SECRETARIES

Sd/-  
**DEEPAK KUKREJA**  
CP No. 8265

Place : New Delhi  
Date : 30.08.2011



## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,  
The Board of Directors,  
Samtex Fashions Limited.

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

- a) I have reviewed Financial Statements and the Cash Flow statement for the year ended on March 31, 2011 and that to the best of my knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that 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 I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit Committee;
  - i) significant changes in internal control over financial reporting during year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Date : 30.08.2011

Sd/-  
**(ANIL MITTAL)**  
*Chairman & Managing Director and  
CFO & CEO*



## AUDITORS' REPORT

To,  
The Members of  
M/S SAMTEX FASHIONS LIMITED.

We have audited the attached Balance Sheet of M/S SAMTEX FASHIONS LIMITED as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. We have expressed an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India 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 enclose in annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
4. In our opinion, the Profit & Loss Account and Balance Sheet generally comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representation received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
  - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
  - ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
  - iii) In case of the Cash Flow Statement of Cash Flow for the year ended on that date.

For **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Place : New Delhi  
Dated : 30.08.2011

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. No. F 82045



**ANNEXURE REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE OF M/S SAMTEX FASHIONS LIMITED PURSUANT TO THE COMPANIES (AUDITOR'S REPORT) ORDER 2003 AMENDED BY THE COMPANIES (AUDITOR'S REPORT) (AMENDMENT) ORDER, 2004:-**

- i. (a) In our opinion and as per information and explanation provided to us the company has maintained proper records 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 and as per the explanations and information given to us there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As explained to us discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of account.  
(c) During the year, the company has not disposed off any part of the plant and machinery, which will have the effect on the Going concern of the company.
- ii. (a) As explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and according to information and explanations given to us the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) As explained and based on the information given to us, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with in the books of account.
- iii The company has not taken loan from any other companies covered in the register maintained under section 301 of the companies Act, 1956, and the company has not given loan to any other party covered in their register maintained under section 301 of the Companies Act, 1956, and thus provisions of Para 3(b), (c) and; (d) of the order are not applicable to the company.
- iv In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to, purchase of stores and spares, raw materials, fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in such internal controls.
- v. (a) According to the information and explanations provided by the management, we are of the opinion that the company has entered all transactions that need to be entered in the register maintained under section 301.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakhs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant times.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any Deposits as defined with in the meaning of Sections 58A and 58AA of the companies Act, 1956 and the companies (Acceptance of Deposits) Rules 1975 and hence the provisions of clause 4(vi) of the Companies (Auditor's Report) Order,2003 are not applicable to the Company.
- vii. Internal Audit has been conducted by an independent firm of Chartered Accountants during the year and it is commensurate with the size and nature of Business.
- viii. As informed to us maintenance of cost records has not been prescribed by the Central Government under section 209 (1)(d) of the Companies act, 1956.
- ix. (a) The company is generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it and as informed and explained to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding, as at 31.03.2011 for a period of more than six months from the date they became payable.  
(b) According to the records of company, the disputed statutory dues i.e, Income Tax aggregating to Rs. 113.63 lacs that have not been provided for in the books of accounts on account of matters pending before concerned appellate authorities/ Delhi High Court and ITAT Delhi Bench. However a sum of Rs.107.50 lacs is deposited under protest against above demand. As mentioned in point no. B 2. of other notes of Schedule XXII pertaining to "Notes on Account."



- x. The company does not have any accumulated losses. Further it has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. As explained and informed to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, or bank .
- xii. Based on the records we report that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund company or mutual fund / Society, thus the provisions of this para are not applicable.
- xiv. As per records of the company and the information and explanations given to us by the management, The Company is not dealing or trading in shares, securities, and debentures and other investment except those investments, which are held as investment. In our opinion, in respect of those investments held by the Company, proper records have been maintained of the transactions and contracts and timely entries have been made therein and the shares, securities and other investments have been held by the Company, in its own name.
- xv. According to the information and explanations provided to us by the management, the company has guaranteed a sum of Rs. 43,025 Lacs against secured loans taken from financial institutions/Banks by its wholly owned subsidiary Company i.e, SSA International Limited and SAM Buildcon Limited.
- xvi. The term loans obtained by the company have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except core (permanent) working capital.
- xviii. As explained and informed to us by the management and upon our examination of records we report that the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. During the period covered by our audit report, the company has not issued any types of debentures. The question of creation of any security in the respect of debentures does not arise.
- xx. During the financial year the company did not raise any money by public issue.
- xxi. In our opinion and according to information and explanations given to us by the management, there was no fraud on or by the company which has been noticed and reported during the year that causes the financial statements to be materially misstated.

For **AGGARWAL & RAMPAL**  
**CHARTERED ACCOUNTANTS**  
*FIRM REGD. NO. : 003072N*

Place : New Delhi  
Dated : 30.08.2011

Sd/-  
**VINAY AGGARWAL**  
*PARTNER*  
*M. No. F 82045*



## BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS :</b>			
SHARE CAPITAL	I	99,180,000	99,180,000
RESERVES AND SURPLUS	II	312,933,641	303,106,460
<b>LOAN FUNDS :</b>			
SECURED LOANS	III	350,815,848	333,453,670
UNSECURED LOANS	IV	40,630,000	36,730,000
DEFERED TAX LIABILITY		692,823	2,114,979
<b>TOTAL</b>		<b>804,252,312</b>	<b>774,585,109</b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
GROSS BLOCK	V	386,474,982	383,837,638
LESS: DEPRECIATION		165,610,122	148,433,809
NET BLOCK		220,864,860	235,403,829
FLATS (EMPLOYEES HOUSING PROJECT)		12,122,718	12,122,718
INVESTMENTS	VI	226,000,700	186,000,700
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
INVENTORIES	VII	412,514,475	355,379,107
SUNDRY DEBTORS	VIII	46,155,770	77,529,688
CASH AND BANK BALANCES	IX	11,428,412	17,226,462
LOANS AND ADVANCES	X	62,071,855	59,215,461
LESS : CURRENT LIABILITIES AND PROVISIONS	XI	532,170,512	509,350,719
NET CURRENT ASSETS		345,264,035	341,057,861
<b>TOTAL</b>		<b>804,252,312</b>	<b>774,585,109</b>
NOTES FORMING PART OF ACCOUNTS	XXII		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED

Sd/-  
**ANIL MITTAL**  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
**S. K. GUPTA**  
DIRECTOR

FOR AGGARWAL & RAMPAL  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Sd/-  
**KAMINI GUPTA**  
COMPANY SECRETARY  
& GM FINANCE

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 82045

Place : New Delhi  
Dated : 30.08.2011



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

<i>PARTICULARS</i>	<i>SCHEDULE</i>	<i>FOR THE YEAR ENDED 31.03.2011 (Rs.)</i>	<i>FOR THE YEAR ENDED 31.03.2010 (Rs.)</i>
<b>INCOME</b>			
SALES	XII	594,695,439	578,114,729
OTHER INCOME	XIII	3,239,631	4,876,477
INCREASE / (DECREASE) IN STOCKS	XIV	40,456,231	7,783,603
		<u>638,391,301</u>	<u>590,774,809</u>
<b>EXPENDITURE</b>			
MATERIAL COST	XV	411,342,858	388,138,136
MANUFACTURING EXPENSES	XVI	100,298,445	82,924,309
PAYMENT TO AND PROVISIONS FOR EMPLOYEES	XVII	19,870,667	16,094,492
FINANCIAL EXPENSES	XVIII	31,660,688	29,963,969
ADMINISTRATIVE AND OTHER EXPENSES	XIX	25,694,161	26,723,943
SELLING EXPENSES	XX	20,215,166	16,891,526
DEPRECIATION AND MISCELLANEOUS EXPENDITURE WRITTEN OFF	XXI	17,950,081	17,703,694
		<u>627,032,066</u>	<u>578,440,069</u>
NET PROFIT FOR THE YEAR BEFORE TAX		<u>11,359,235</u>	<u>12,334,740</u>
LESS: PRIOR PERIOD EXPENSES		-	88,175
PROFIT BEFORE TAX		<u>11,359,235</u>	<u>12,246,565</u>
<b>TAX EXPENSES</b>			
CURRENT TAX		2,828,610	2,498,905
DEFERRED TAX (ASSETS)/ LIABILITIES		(1,422,156)	(750,476)
FBT/INCOME TAX FOR EARLIER YEARS		125,600	(1,000)
PROFIT AFTER TAX		<u>9,827,181</u>	<u>10,499,136</u>
BALANCE BROUGHT FORWARD		<u>278,106,460</u>	<u>267,607,324</u>
<b>BALANCE CARRIED OVER TO BALANCE SHEET</b>		<u>287,933,641</u>	<u>278,106,460</u>
<b>BASIC EARNING PER SHARE OF FACE VALUE OF RS.10 EACH</b>		0.99	1.06
<b>DILLUATED EARNING PER SHARE OF FACE VALUE OF RS. 10 EACH</b>		0.99	1.06

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED

Sd/-  
**ANIL MITTAL**  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
**S. K. GUPTA**  
DIRECTOR

FOR **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Sd/-  
**KAMINI GUPTA**  
COMPANY SECRETARY  
& GM FINANCE

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 82045

Place : New Delhi  
Dated : 30.08.2011



## SCHEDULES FORMING PART OF THE ACCOUNTS

<b>PARTICULARS</b>	<b>AS AT 31.03.2011 (Rs.)</b>	<b>AS AT 31.03.2010 (Rs.)</b>
<b><u>SCHEDULE - I</u></b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
10000000 EQUITY SHARES OF RS. 10 EACH (PREVIOUS YEAR 10000000 EQUITY SHARES OF RS.10 EACH)	100,000,000	100,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
9900000 EQUITY SHARES OF RS. 10 EACH FULLY PAID UP IN CASH (PREVIOUS YEAR 9900000 EQUITY SHARES OF RS.10 EACH FULLY PAID UP)	99,000,000	99,000,000
<b>FORFEITURE ACCOUNT</b> (100000 Zero Coupon warrant @ Rs. 1.80 Per warrant) (Previous Year 100000 Zero Coupon warrant @ Rs.1.80 Per warrant)	180,000	180,000
<b>TOTAL</b>	<b>99,180,000</b>	<b>99,180,000</b>
<b><u>SCHEDULE - II</u></b>		
<b>RESERVES AND SURPLUS</b>		
<b>RESERVES :</b>		
CAPITAL RESERVE :		
STATE CAPITAL SUBSIDY	1,000,000	1,000,000
<b>(A)</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>SURPLUS :</b>		
SHARE PREMIUM ACCOUNT	24,000,000	24,000,000
PROFIT AND LOSS ACCOUNT	287,933,641	278,106,460
<b>(B)</b>	<b>311,933,641</b>	<b>302,106,460</b>
<b>TOTAL (A+B)</b>	<b>312,933,641</b>	<b>303,106,460</b>
<b><u>SCHEDULE - III</u></b>		
<b>SECURED LOANS :</b>		
<b>(A) TERM LOANS</b>		
FROM FINANCIAL INSTITUTIONS :		
- RUPEE LOANS FROM :		
IDBI BANK LIMITED	100,227,200	122,500,000
<b>(B) WORKING CAPITAL LOANS :</b>		
- STATE BANK OF INDIA	250,588,648	210,953,670
<b>TOTAL</b>	<b>350,815,848</b>	<b>333,453,670</b>

**NOTE :-**

- The term loans from Industrial development bank of India (IDBI) are secured by way of first charge on immovable and movable assets, present and future except book debts, subject to the charge created or to be created in favour of bankers for securing working capital requirement on stocks of raw material, semi- finished goods, finished goods, store & spares, consumables, books debts and other current assets held by the company both present and future in the ordinary course of the business and further guaranteed by Managing Director, Promoter Directors and an independent Director.
- Working capital loan from scheduled banks are secured by way of hypothecation of stock of raw material, semi-finished goods, stores and spares, consumables, book debts and other current assets held by the company both present and



# SAMTEX FASHIONS LIMITED



future in the ordinary course of the business and further guaranteed by Managing Director, Promoter Directors and an Independent Director. This Working capital loan is further secured by second charge on fixed assets of the company by the bank other than those specifically financed.

3 Amount of Term Loan Loan Repayable with in one Year Rs. 2,22,72,800/- (Previous Year Rs. 2,22,72,800/-)

PARTICULARS	AS AT	AS AT
	31.03.2011 (Rs.)	31.03.2010 (Rs.)

## SCHEDULE - IV

### UNSECURED LOANS :

(A) FROM DIRECTORS	23,850,000	23,950,000
(B) FROM OTHERS	16,780,000	12,780,000
<b>TOTAL</b>	<b>40,630,000</b>	<b>36,730,000</b>

## SCHEDULE - V

### FIXED ASSETS :

PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01.04.2010 (Rs.)	Addition during the year (Rs.)	Sales/ adjustment during the year (Rs.)	As at 31.03.2011 (Rs.)	As at 01.04.2010 (Rs.)	For the year ended 31.03.2011 (Rs.)	W. back during the year (Rs.)	As at 31.03.2011 (Rs.)	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
1. BUILDING & SITE DEVELOPMENT	91,805,270	-	-	91,805,270	28,398,205	3,066,296	-	31,464,501	60,340,769	63,407,065
2. PLANT & MACHINERY	238,077,361	2,332,123	-	240,409,484	87,872,687	11,407,494	-	99,280,181	141,129,303	150,204,674
3. FURNITURE & FIXTURES	23,719,038	79,400	-	23,798,438	15,601,689	1,493,756	-	17,095,445	6,702,993	8,117,349
4. ELECTRICAL INSTALLATION	11,522,633	710,000	-	12,232,633	6,071,752	548,341	-	6,620,093	5,612,540	5,450,881
5. OFFICE EQUIPMENT	8,109,664	336,848	-	8,446,512	3,843,558	426,845	-	4,270,403	4,176,109	4,266,106
6. VEHICLES	10,603,672	-	821,027	9,782,645	6,645,918	1,007,349	773,768	6,879,499	2,903,146	3,957,754
<b>TOTAL</b>	<b>383,837,638</b>	<b>3,458,371</b>	<b>821,027</b>	<b>386,474,982</b>	<b>148,433,809</b>	<b>17,950,081</b>	<b>773,768</b>	<b>165,610,122</b>	<b>220,864,860</b>	<b>235,403,829</b>
PREVIOUS YEAR	381,639,859	2,274,271	76,492	383,837,638	130,816,118	17,703,694	86,004	148,433,809	235,403,829	-

## SCHEDULE - VI

### INVESTMENTS

#### LONG TERM INVESTMENT

#### (VALUED AT COST)

#### A) TRADE INVESTMENT - UNQUOTED

IN WHOLLY OWNED SUBSIDIARY COMPANIES:

##### (I) SSA INTERNATIONAL LIMITED

205,00,000 EQUITY SHARES OF RS. 10 EACH.

205,000,000

170,000,000

(PREVIOUS YEAR 170,00,000 EQUITY SHARES OF RS. 10 EACH)

##### (II) SAM BUILDCON LIMITED

1500,070 EQUITY SHARES OF RS. 10 EACH.

15,000,700

500,700

(PREVIOUS YEAR 50,070 EQUITY SHARES OF RS.10 EACH)

SHARE APPLICATION MONEY NIL EQUITY SHARES OF

RS.10 EACH

-

9,500,000

(PREVIOUS YEAR 9,50,000 EQUITY SHARES OF RS. 10 EACH)

#### B) NON TRADE INVESTMENT- UNQUOTED

IN OTHER THAN SUBSIDIARY COMPANIES:

YOGENDRA WORSTED LIMITED

600,000 EQUITY SHARES RS. 10 EACH FULLY PAID UP

(PREVIOUS YEAR 600,000 EQUITY SHARES OF RS. 10 EACH)

6,000,000

6,000,000

#### TOTAL

**226,000,700**

**186,000,700**



## SCHEDULES FORMING PART OF THE ACCOUNTS

<b>PARTICULARS</b>	<b>AS AT 31.03.2011 (Rs.)</b>	<b>AS AT 31.03.2010 (Rs.)</b>
<b><u>SCHEDULE - VII</u></b>		
<b>INVENTORIES</b>		
(AS CERTIFIED, QUANTIFIED AND VALUED BY THE MANAGEMENT ON WHICH AUDITORS HAVE RELIED.)		
RAW MATERIAL	193,347,395	176,720,872
FINISHED GOODS	156,230,665	118,529,503
WORK IN PROCESS	59,566,608	56,505,080
SCRAP MATERIAL	1,891,465	2,197,924
OTHER STORES	1,478,342	1,425,728
<b>TOTAL</b>	<b>412,514,475</b>	<b>355,379,107</b>
<b><u>SCHEDULE - VIII</u></b>		
<b>SUNDRY DEBTORS</b>		
(CONFIRMED, UNSECURED & CONSIDERED GOOD)		
(I) TRADE		
- DEBTS OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTHS	2,884,719	5,709,956
- OTHER DEBTS	38,910,895	67,159,576
(II) OTHERS		
- DEBTS OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTHS	4,360,156	4,660,156
- OTHER DEBTS	-	-
<b>TOTAL</b>	<b>46,155,770</b>	<b>77,529,688</b>
<b><u>SCHEDULE - IX</u></b>		
<b>CASH AND BANK BALANCES :</b>		
CASH IN HAND AND IMPREST	5,783,504	6,856,787
<b>BALANCES WITH SCHEDULED BANKS :</b>		
— IN CURRENT ACCOUNTS	249,250	176,312
— IN MARGIN MONEY ACCOUNTS	5,395,658	10,193,363
<b>TOTAL</b>	<b>11,428,412</b>	<b>17,226,462</b>
<b><u>SCHEDULE - X</u></b>		
<b>LOANS AND ADVANCES</b>		
(UNSECURED, CONFIRMED, CONSIDERED GOODS)		
<b>LOANS :</b>		
<b>SUBSIDIARY COMPANY:</b>		
M/S S S A INTERNATIONAL LTD.	23,032,147	21,632,147
M/S SAM BUILDCON LTD.	3,150,000	7,158,000
<b>(A)</b>	<b>26,182,147</b>	<b>28,790,147</b>
<b>ADVANCES :</b>		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	31,762,285	26,678,862
SECURITY DEPOSITS	4,050,118	3,639,806
TAX DEDUCTED AT SOURCE / ADVANCE TAX	77,306	106,647
<b>(B)</b>	<b>35,889,709</b>	<b>30,425,315</b>
<b>TOTAL (A+B)</b>	<b>62,071,855</b>	<b>59,215,462</b>



## SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>SCHEDULE - XI</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS :-</b>		
<b>(I) TRADE</b>		
Total Outstanding dues to Micro & Small Enterprises *	7,385,402	643,464
Total Outstanding dues of creditors other than Micro & Small Enterprises	105,338,384	136,572,332
<b>(II) OTHERS</b>		
P.F. PAYABLE	29,575	29,575
ESIC PAYABLE	1,024,430	562,083
OTHER LIABILITIES	238,306	238,015
BANK OVERDRAFT (DUE TO RECONCILATION )	8,840,232	8,896,162
	47,591,370	7,338,194
*See note B (8) in other Notes to Accounts		
<b>TOTAL (A)</b>	<b>170,447,699</b>	<b>154,279,825</b>
<b>B. PROVISIONS</b>		
INTEREST ACCURED AND DUE	853,076	846,101
EXPENSES PAYABLE	3,635,313	1,613,766
PROVISION FOR INCOME TAX	1,014,080	2,093,566
GRATUITY PAYABLE	9,046,590	7,602,435
LEAVE ENCASHMENT PAYABLE	1,909,719	1,857,165
<b>TOTAL (B)</b>	<b>16,458,778</b>	<b>14,013,033</b>
<b>(A+B)</b>	<b>186,906,477</b>	<b>168,292,858</b>

PARTICULARS	FOR THE YEAR ENDED 31.03.2011 (Rs.)	FOR THE YEAR ENDED 31.03.2010 (Rs.)
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### SCHEDULE - XII

<b>SALES</b>		
EXPORT SALES	582,940,346	557,102,685
SCRAP SALES	550,037	418,528
DOMESTIC SALE	11,205,056	20,593,517
<b>TOTAL</b>	<b>594,695,439</b>	<b>578,114,729</b>

### SCHEDULE - XIII

<b>OTHER INCOME</b>		
MISCELLANEOUS INCOME	2,399,657	60,445
COMMISSION	119,255	113,144
INTEREST ON FIXED DEPOSITE (TDS DEDUCTED RS. 46,166/- PREVIOUS YEAR RS. 76,227/-)	652,978	673,567
PROFIT ON SALE OF CAR	67,741	-
EXCHANGE FLUCTUATION	-	4,029,321
<b>TOTAL</b>	<b>3,239,631</b>	<b>4,876,477</b>



PARTICULARS	FOR THE YEAR ENDED 31.03.2011 (Rs.)	FOR THE YEAR ENDED 31.03.2010 (Rs.)
<b><u>SCHEDULE - XIV</u></b>		
<b>INCREASE/(DECREASE) IN STOCKS</b>		
<b>(A) OPENING STOCK :</b>		
FINISHED GOODS	90,955,449	90,557,359
FINISHED GOODS IN TRANSIT	-	6,440,673
FINISHED GOODS AT TRADING OFFICE	27,574,054	23,042,902
WORK IN PROCESS	56,505,080	46,941,147
SCRAP MATERIAL	2,197,924	2,466,823
	<u>177,232,507</u>	<u>169,448,904</u>
<b>(B) LESS:CLOSING STOCK :</b>		
FINISHED GOODS	95,966,727	90,955,449
FINISHED GOODS AT TRADING OFFICE	52,626,723	27,574,054
FINISHED GOODS IN TRANSIT	7,637,215	-
WORK IN PROCESS	59,566,608	56,505,080
SCRAP MATERIAL	1,891,465	2,197,924
	<u>217,688,738</u>	<u>177,232,507</u>
<b>INCREASE / (DECREASE)</b>	<u><u>40,456,231</u></u>	<u><u>7,783,603</u></u>

## **SCHEDULE - XV**

<b>RAW MATERIAL CONSUMPTION</b>		
OPENING STOCK	176,720,872	97,661,912
ADD: PURCHASES DURING THE YEAR	427,969,381	467,197,096
	<u>604,690,253</u>	<u>564,859,008</u>
LESS : CLOSING STOCK	193,347,395	176,720,872
RAW MATERIAL CONSUMED	<u><u>411,342,858</u></u>	<u><u>388,138,136</u></u>

## **SCHEDULE - XVI**

<b>MANUFACTURING EXPENSES</b>		
CONSUMABLES	2,711,607	3,855,348
CUSTOM / EXCISE DUTY	604,769	95,911
WAGES AND OTHER BENIFITS	53,071,808	52,885,271
POWER AND FUEL	12,617,835	11,258,308
FREIGHT INWARD AND CARTAGE	3,178,023	4,331,739
IMPORT CLEARING EXPENSES	1,783,755	2,739,984
REPAIR AND MAINTENANCE :		
PLANT AND MACHINERY	2,726,673	2,398,397
ELECTRICALS	399,766	458,109
PROCESS AND FINISHING EXPENSES	23,204,209	4,901,242
<b>TOTAL</b>	<u><u>100,298,445</u></u>	<u><u>82,924,309</u></u>

# SAMTEX FASHIONS LIMITED



<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED 31.03.2011 (Rs.)</b>	<b>FOR THE YEAR ENDED 31.03.2010 (Rs.)</b>
<b><u>SCHEDULE - XVII</u></b>		
<b>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</b>		
SALARIES AND BENEFITS TO DIRECTORS	2,311,069	1,908,020
SALARIES AND OTHER BENEFITS TO STAFF	16,878,830	13,633,002
STAFF WELFARE	680,768	553,470
<b>TOTAL</b>	<b>19,870,667</b>	<b>16,094,492</b>
<b><u>SCHEDULE - XVIII</u></b>		
<b>FINANCIAL EXPENSES</b>		
BANK CHARGES	6,902,208	5,677,811
INTEREST ON TERM LOANS	6,619,836	8,744,957
INTEREST ON WORKING CAPITAL LIMITS	18,138,644	15,491,193
INTEREST ON OTHER LOANS	-	50,007
<b>TOTAL</b>	<b>31,660,688</b>	<b>29,963,969</b>
<b><u>SCHEDULE - XIX</u></b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
TRAVELLING AND CONVEYANCE	4,632,669	5,102,692
POSTAGE, TELEGRAM AND TELEPHONE	3,158,422	2,941,667
LEGAL AND PROFESSIONAL CHARGES	1,524,263	2,568,050
PRINTING AND STATIONERY	856,515	842,255
REPAIRS AND MAINTENANCE :		
VEHICLES	886,443	755,574
OTHERS	465,136	491,008
BUILDING	230,533	182,980
MEMBERSHIP AND SUBSCRIPTION	129,457	73,011
RATES AND TAXES	241,627	773,974
GENERAL EXPENSES	3,551,931	3,418,264
RENT	4,203,440	4,165,363
SECURITY CHARGES	1,302,400	1,230,720
INTERNAL AUDIT FEES	27,575	27,575
COMPLIANCE AUDIT FEES	33,678	303,196
BOOKS PAPERS AND PERIODICALS	35,177	35,665
AUDITOR'S REMUNERATION	100,000	100,000
SALES/ ENTRY TAX ADDITIONAL LIABILITY	98,675	234,679
CHARITY AND DONATION	142,600	105,100
INSURANCE CHARGES	2,650,377	2,496,123
EXCHANGE FLUCTUATION	292,200	-
DIRECTOR SITTING FEES	87,000	72,000
ADVERTISEMENT EXPENSES	411,443	383,588
DIWALI EXPENSES	632,600	356,450
LOSS ON SALE/THEFT OF CAR	-	64,010
<b>TOTAL</b>	<b>25,694,161</b>	<b>26,723,943</b>

# SAMTEX FASHIONS LIMITED



<i>PARTICULARS</i>	<i>FOR THE YEAR ENDED 31.03.2011 (Rs.)</i>	<i>FOR THE YEAR ENDED 31.03.2010 (Rs.)</i>
<b><u>SCHEDULE - XX</u></b>		
<b>SELLING EXPENSES</b>		
FREIGHT OUTWARD	5,629,810	4,231,270
BUSINESS PROMOTION EXPENSES	3,989,575	5,227,721
COMMISSION PAID	3,352,234	240,250
BAD DEBTS WRITTEN OFF	173,403	-
EXPORT CLEARING EXPENSES	1,980,481	741,703
REBATE & DISCOUNT	1,056,856	380,940
SAMPLING & SUPPLIES CHARGES	2,622,789	3,692,931
EXPORT SHIPMENT DAMAGE CHARGES	1,410,018	2,376,711
<b>TOTAL</b>	<b>20,215,166</b>	<b>16,891,526</b>
<b><u>SCHEDULE - XXI</u></b>		
<b>DEPRECIATION AND MISCELLANEOUS EXPENDITURE WRITTEN OFF</b>		
DEPRECIATION	17,950,081	17,703,694
<b>TOTAL</b>	<b>17,950,081</b>	<b>17,703,694</b>



## SCHEDULE - XXII

### NOTES ON ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. 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, 2006, the provisions of the Companies Act, 1956 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 accounting standards on an on going basis.

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

##### 2. 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.

##### 3. 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 XIV to the Companies Act, 1956.
- 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.

##### 4. 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.

##### 5. 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 M/S Samtex Fashions Ltd. (New York) branch is translated and incorporated in the books of Head Office M/S Samtex Fashions Ltd. (India) in accordance to with the AS - 11.

##### 6. 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 realizable 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.

## 7. REVENUE RECOGNITION

### (A) EXPORT SALES

Sales of M/s Samtex Fashions Ltd. (India) is recognized on the basis of Bill Of Lading. Sales of M/S Samtex Fashions Ltd. (New York) is recognized as and when they are executed at New York Office. 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

Domestic Sales is recognized in the books of accounts at the time of dispatch from the custom gate at NSEZ, and sales executed at the Delhi office is Recognised at the date of dispatch from Delhi Office.

## 8. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made on the basis of assessable income under the Income Tax Act, 1961 after adjustment of the MAT credit available with the company of Rs. 20,21,383/- for the previous year.

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. The deferred tax liability as at 31st March 2011 comprise of the following :-

	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
<b>Deferred tax Asset / (liability)</b>		
Deferred Tax Liability		
— Related to Fixed Assets	35,57,524	35,57,524
— Related to Others	NIL	NIL
<b>Less : Deferred Tax Assets</b>		
— Related to Fixed Assets	13,17,176	3,57,504
— Related to others	15,47,524	10,85,041
<b>Deferred Tax Liability</b>	<b>6,92,823</b>	<b>21,14,979</b>

## 9. MISCELLANEOUS EXPENDITURE

Capital issue expenses and preliminary expenses have already being amortized and there is no amount outstanding to be written off on the date of balance sheet date.

## 10. CONTINGENT LIABILITIES & PROVISIONS

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 recognised but appropriate disclosure made as contingent liability unless the possibility of out flow is remote.

## 11. BORROWING COST

Borrowing cost specifically identified to the acquisition or construction of qualifying assets are capitalized as part of such assets. A qualifying assets 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.

## 12. 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).

## B. OTHER NOTES

### 1. Contingent liabilities not provided for in respect of :

- a) Letters of Credit in foreign currency established for purchase of raw materials/ consumables and capital goods amounting to Rs.180,20,122/- (Previous year Rs.380,28,143/-) the liability is converted into Rupees as per the exchange rate prevailing as on 31st March, 2011.
- b) The company has guaranteed a sum of Rs.42450 Lacs (Previous Year Rs. 31090 Lacs) & Rs.575 Lacs against secured Loans taken from financial institutions by SSA International Ltd. & Sam Buildcon Ltd. respectively, a wholly owned subsidiary of the Company.

2. No provision has been made in the books of accounts by the company for a sum of Rs. 5902380/-, Rs.890698/- Rs.489296/- & Rs.4080705/- for which the demand has been raised by the Income Tax Department for the A.Y. 2000-01, A.Y. 2003-04, A.Y.2006-07 & A.Y.2007-08 respectively, against which a sum of Rs 5859356/-, Rs. 8,90,698/- & Rs.40,00,000/- has already been paid for A.Y 2000-01, A.Y.2003-04 & A.Y.2007-08 under protest.All the above liabilities have been disputed by the company before the Appellant Authority/Delhi High Court.

3. Fixed assets installed and put to use have been certified by the management and relied upon the by the auditors, being a technical matter.

### 4. Remuneration paid to managing director and whole time directors is as under : (In Rs.)

	Managing Director		Whole Time Director	
	Current Year	Previous Year	Current Year	Previous Year
Salary	900,000	900,000	660,000	408,000
House Rent Allowance	—	—	278,750	204,000
Provident fund	108,000	108,000	79,200	48,960
L.T.A.	75,000	75,000	55,000	34,000
MEDICAL	75,000	75,000	55,000	34,000
<b>Total</b>	<b>1158,000</b>	<b>1158,000</b>	<b>1127,950</b>	<b>728,960</b>



**5. Remuneration paid to Auditors :**

	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
i) Audit Fee	75,000	75,000
ii) Tax Audit Fees	5,000	5,000
iii) Others (Including out of pocket expenses)	20,000	20,000

6. 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.

7. The personal accounts of the parties are subject to their respective confirmations.

8. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act,2006

	<b>(Amount in Rs.) 2011</b>	<b>(Amount in Rs.) 2010</b>
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	73,85,402/-	6,43,464/
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	NIL	NIL

9. 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.

**10. Related Party Disclosure : -**

i.) List of the Related parties with whom transactions have taken place and the relationships :

<b>S. No.</b>	<b>Name of the Party</b>	<b>Relationship</b>
1.	SSA International Ltd.	Wholly Owned Subsidiary Co.
2.	Sam Buildcon Ltd.	Wholly Owned Subsidiary Co.
3.	Samtex Foundation	Key personnel of the management of the related party



(Rs. In Lacs)

	Wholly Owned Subsidiary Co.				Others	
	SSA International Ltd.		SAM Buildcon Ltd.		Samtex Foundation	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>a) Equity Issued</b>						
Balance as at 1st April, 2010	1700.00	1386.00	5.01	5.01	—	—
Issued During the year	350.00	314.00	145.00	—	—	—
Balance As at 31st March,2011	2050.00	1700.00	150.01	5.01	—	—
<b>b) Share Application Money</b>						
Balance as at 1st April 2010	—	150.00	95.00	—	—	—
Received during the year	350.00	164.00	50.00	95.00	—	—
Equity Issued during the year	350.00	314.00	145.00	—	—	—
Balance As at 31.03.2011	—	—	—	95.00	—	—
<b>c) Loans &amp; Advances</b>						
Balance as at 1st April 2010	216.32	185.32	71.58	2.58	—	0.68
Paid During the year	600.00	520.00	245.24	164.00	—	—
Taken During the year	350.00	325.00	235.32	—	—	—
Transferred to Equity investment	236.00	164.00	50.00	95.00	—	—
Written off during the year	—	—	—	—	—	0.68
Balance as at 31.03.2011	230.32	216.32	31.50	71.58	—	—
<b>d) Job Work Done</b>	—	—	220.03	36.16	—	—
<b>e) Creditors</b>						
Balance as at 01.04.2010	—	—	6.44	—	—	—
Services Recd. During the year	—	—	220.03	36.16	—	—
Paid during the year	—	—	152.62	29.72	—	—
Balance as at 31.03.2011	—	—	73.85	6.44	—	—

## 11 SEGMENT INFORMATION :-

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.

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

### I. PRIMARY SEGMENT INFORMATION :-

(Rs. in Lacs)

PARTICULARS	YEAR TO DATE FIGURES	YEAR TO DATE FIGURES
	FOR THE CURRENT PERIOD ENDED 31.03.2011	FOR THE PREVIOUS YEAR ENDED 31.03.2010
<b>1. TOTAL SALES AT EACH SEGMENT</b>		
U.S.A.	2251.05	2337.29
INDIA	4144.65	3902.39
GROSS SALES	6395.70	6239.68
LESS :INTER SEGMENT REVENUE	448.74	458.53
NET SALES /INCOME FROM OPERATION	5946.95	5781.15
<b>2. SEGMENT RESULTS (PROFIT+/-LOSS – BEFORE TAX AND INTEREST FOR EACH SEGMENT)</b>		
U.S.A.	76.01	28.61
INDIA	285.17	336.71
<b>TOTAL</b>	361.18	365.32
INTEREST	247.58	242.86
<b>TOTAL PROFIT BEFORE TAX</b>	113.60	122.467



- b. As per Accounting Standard on segment reporting As -17, Prescribed by Companies (Accounting Standard) Rules 2006, The Company has reported segment information.

**SECONDARY SEGMENT INFORMATION :**

SEGMENT ASSETS	In USD	In Rupees	
USA	21.82 (16.77)	974.24 (762.15)	Current Year Previous Year
<b>SEGMENT LIABILITIES</b>			
U S A	14.70 (10.89)	656.52 (491.78)	Current Year Previous Year
<b>CAPITAL EMPLOYED</b>			
U S A	7.12 (5.88)	317.72 (270.37)	Current Year Previous Year

12. a) Gross Block under Fixed Assets includes assets worth Rs.633,491/- (Previous year Rs.633,491/-) or equivalent to US\$ 13794 (Previous Year US\$ 13794) Situated at the Trading Office of the Company at New York.  
 b) Security deposit includes Rs.13,80,578/- (Previous Year Rs. 12,74,895/-) equivalent US\$ 30920 (Previous Year US\$ 32017) representing security given by the New York Trading Office of the company.

**13. DEFINED BENEFIT PLANS/LONG TERM COMPENSATED ABSENCES :**

- (a) 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.  
 (b) As per actuarial valuations as on 31st March-2011 and recognized in the financial statement in respect of employee benefit schemes.

(In Rs.)

	Gratuity		Leave encashment	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>(i) Assumptions</b>				
Discount Rate	8.00%	7.50%	8.00%	7.50%
Future Salary Increase	5.50%	5.00%	5.50%	5.00%
<b>(ii) Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	76,02,435	66,08,294	18,57,167	16,95,165
Interest Cost	6,08,195	4,95,622	1,48,573	1,27,137
Past Service Cost	4,25,814	—	—	—
Current Services Cost	7,48,135	6,77,968	2,11,007	1,85,760
Benefit Paid	(6,59,232)	(3,17,849)	(147,766)	(70,985)
Actuarial (gain)/loss on obligation	3,21,243	1,38,400	(159,260)	(79,910)
Liability at the end of the year	90,46,590	76,02,435	19,09,719	18,57,167
<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	90,46,590	76,02,435	19,09,719	18,57,167
Fair value of plan assets at the end of the year	—	—	—	—
Difference	90,46,590	76,02,435	19,09,719	18,57,167
Amount recognized in the Balance sheet	90,46,590	76,02,435	19,09,719	18,57,167



(In Rs.)

	Gratuity		Leave encashment	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>(vi) Expenses recognized in the Income Statement</b>				
Current Service Cost	7,48,135	6,77,968	2,11,007	1,85,760
Past Service Cost	4,25,814	—	—	—
Interest Cost	6,08,195	4,95,622	1,48,573	1,27,137
Expected Return On Plan Assets	—	—	—	—
Net actuarial (gain)/loss to be recognized	3,21,243	1,38,400	(159,260)	(79,910)
Expenses Recognized in Profit & Loss A/c	21,03,387	13,11,990	2,00,320	2,32,987
<b>(vii) Amount Recognized in the Balance Sheet</b>				
Opening net liability	76,02,435	66,08,294	18,57,167	16,95,165
Expense as above	21,03,387	13,11,990	2,00,320	2,32,987
Employers Contribution Paid	(6,59,232)	(3,17,849)	(147,766)	(70,985)
Closing net Liability	90,46,590	76,02,435	19,09,721	18,57,167

14. Sundry creditors (Schedule-X) includes a disputed amount of Rs.9,97,202/- (Previous Year Rs.9,97,202/-) Payable to M/s Ten Cate Permess Inc. The matter with party is pending before court.

## 15. EARNING PER SHARE

	<i>Current Year</i> <i>(Rs.)</i>	<i>Previous Year</i> <i>(Rs.)</i>
Net Profit After Tax As Per Profit and Loss Account (Rs. In Lakhs)	98.27	104.99
Net Profit attributable to Equity Shareholders (Rs. In Lakhs)	98.27	104.99
Net Profit Before Exceptional Item (Rs. In Lakhs)*	98.27	104.99
Number of Equity Shares used for Calculating EPS	99,00,000	99,00,000
Basic Earning Per Share (Rs.)	0.99	1.06
Diluted Earning Per Share (Rs.)	0.99	1.06
Basic & Diluted Earning Per Share Before Exceptional Item	0.99	1.06

16. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of the schedule VI to the Companies Act, 1956 (as certified by the management and relied upon by the Auditors)

### i. Particulars in respect of Capacity and production :-

	<i>Current Year</i> <i>(Qty. in Nos.)</i>	<i>Previous Year</i> <i>(Qty. in Nos.)</i>
a) Licensed Capacity	—	—
b) Installed Capacity (No. of Pcs of Garments)	1600000	1600000
c) Production (Readymade Garments)	1238458	972433

1. The above installed capacity may vary if different types of garments are produced.

2. Licensed and installed capacity being Technical matter are as certified by the management and relied Upon by the Management.



d) Turnover, closing and opening Stocks :-

Class of Products	Turnover		Closing Stock		Opening Stock	
	Qty. (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)
Jacket	6,282 (23,255)	2,391,760 (11,188,198)	6,335 (2,263)	22,10,923 (14,81,402)	3,263 (2,012)	1,481,402 (12,47,666)
Shirts	835,001 (719,699)	131,220,407 (104,194,130)	295,251 (196,374)	39,828,827 (250,24,971)	196,374 (11,951)	25,024,971 (30,46,435)
Others		19,302,726 (23,745,383)	0 (0)	2,976,190 (0)	0 (0)	0 (11,751,817)
<b>TOTAL (A)</b>	<b>841,283</b> (742,954)	<b>152,914,894</b> (139,127,711)	<b>301,586</b> (199,637)	<b>45,015,940</b> (26,506,373)	<b>199,637</b> (13,963)	<b>265,06,373</b> (16,045,918)
Trousers	1,130,218 (917,156)	425,452,101 (411,424,309)	243,883 (184,853)	88,632,453 (72,322,696)	184,853 (193,787)	72,322,696 (80,384,722)
Shorts	41,786 (81,808)	94,17,963 (23,589,839)	71,678 (47,228)	14,417,730 (11,523,632)	47,228 (73,049)	11,523,632 (13,657,276)
Skirts	20256 (10,203)	6360444 (3,554,342)	43,264 (43,288)	81,64,541 (8,176,801)	43,288 (46,987)	8,176,801 (9,953,018)
<b>TOTAL (B)</b>	<b>1,192,260</b> (1,009,167)	<b>441,230,509</b> (438,568,490)	<b>358,825</b> (275,369)	<b>111,214,724</b> (92,023,129)	<b>275,369</b> (313,823)	<b>92,023,129</b> (103,995,016)
Scrap Material (C)		550,037 (418,528)				
<b>TOTAL (A+B+C)</b>	<b>2,033,543</b> (17,52,121)	<b>594,695,439</b> (578,114,729)	<b>660,411</b> (475,006)	<b>156,230,665</b> (118,529,503)	<b>475,006</b> (396,688)	<b>118,529,503</b> (120,040,934)

e) Consumption of Raw Material :

	2010-2011		2009-2010	
	Qty. (Mtrs.)	Amount (Rs.)	Qty. (Mtrs.)	Amount (Rs.)
Fabric	1,563,559	17,62,70,598	1,331,406	178,989,795
Lining	445,894	9,057,285	437,595	8,725,523
Fusing	615,880	17,613,899	539,960	17,057,338
Others /Trims		35,910,524		29,170,476
Consumption at T.O.		172,490,552		154,195,004
<b>Total</b>		<b>411,342,858</b>		<b>388,138,136</b>

III. a). C.I.F Value of Imports

	Current Year (Rs.)	Previous Year (Rs.)
i) Raw Materials	20,43,17,067	26,40,46,346
ii) Capital Goods	20,52,684	NIL

b) Expenditure in Foreign Currency during the Financial Year on account of :

	Current Year (Rs.)	Previous Year (Rs.)
Foreign Travel	116,170	50,025
Repair & Maint. (Plant & Machinery)	166,613	284,880
Professional Fees	NIL	12,08,362



c) Value and percentage of Imported and Indigenous raw materials, stores and spares consumed :-

	RAW MATERIALS		STORES AND SPARES	
	Value (Rs.)	Percentage (%)	Value (Rs.)	Percentage (%)
Imported	189,649,806 (193,024,216)	46 (50)	1,66,613 (2,84,880)	6 (12)
Indigenous	492,02,500 (409,18,916)	12 (11)	25,60,060 (21,13,517)	94 (88)
Consumption at T.O.	172,490,552 (154,195,004)	42 (39)	- -	- -
<b>Total</b>	<b>411,342,858</b> <b>(388,138,136)</b>	<b>100</b> <b>(100)</b>	<b>27,26,673</b> <b>(23,98,397)</b>	<b>100</b> <b>(100)</b>

d). Earnings In Foreign Exchange

	<i>Current Year</i> <u>(Rs.)</u>	<i>Previous Year</i> <u>(Rs.)</u>
F.O.B. value of Exports	<b>40,27,09,507</b>	36,92,26,638
Export FOB has been calculated on the basis of Shipping Bill issued by Customs Department.		

17. Sundry Debtors includes Bills discounted with scheduled Bank of Company against Debtors for Exports.

	<i>As at</i> <u>31st March 2011</u> <u>(Rs.)</u>	<i>As at</i> <u>31st March 2010</u> <u>(Rs.)</u>
(i) FCSB	<b>124,15,121</b>	32,76,122
(ii) Bill of Exchange	<b>50,50,277</b>	85,45,296
	<b><u>1,74,65,398</u></b>	<b><u>1,18,21,418</u></b>

18. The sales made by the company from its Delhi office is of goods are exempt from sales tax, hence no Registration under Sales Tax Act, is obtained.

19. Previous years figures have been regrouped and reclassified wherever necessary to make them comparable to those the current year, and have been rounded of to the nearest rupees.

20. Schedule I to XXII form an integral part of the Balance Sheet as at 31st March, 2011 and have been authenticated as such.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED

Sd/-  
**ANIL MITTAL**  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
**S. K. GUPTA**  
DIRECTOR

FOR **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Sd/-  
**KAMINI GUPTA**  
COMPANY SECRETARY  
& GM FINANCE

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 82045

Place : New Delhi  
Dated : 30.08.2011



## INFORMATION PURSUANT TO PART - IV OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration Details

Registration No.      State Code

Balance Sheet

#### II Capital Raised during the year (amount in Rs. Thousand)

Public Issue      Right Issue

Bonus Issue      Private Placement

#### III Position of Mobilisation and Development of Funds (Amount in Rs. Thousand)

Total Liabilities       Total Assets

##### Sources of funds

Paid up Capital      Reserves & Surplus

Secured Loans       Deferred Tax Liability

##### Application of funds

Net Fixed Assets       Investments

Net Current Assets       Misc. Expenditure

Accumulated Losses

#### IV. Performance of Company (Amount in Rs. Thousand)

Turnover       Total Expenditure

Profit/(Loss) before tax      Profit/(Loss) after tax

Earning per Share in Rs.     Dividend Rate %

#### V. Generic Names of Three Principal Products / Services of Company.

Item Code No. (I.T.C. Code)

Product Description

Item Code No. (I.T.C. Code)

Product Description

Item Code No. (I.T.C. Code)

Product Description

The ITC codes of the products are as per publication "Indian Trade Classification" based on harmonised commodity description and coding system of Ministry of Commerce, Directorate of Commercial Intelligence and Statistics





## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2011

(Amount Rs. 000)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX	11,359	12,247
ADD : LOSS ON SALE OF FIXED ASSETS	(68)	64
ADD : PRIOR PERIOD EXPENSES	-	88
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	<u>11,291</u>	<u>12,399</u>
ADJUSTMENT FOR :		
DEPRECIATION AND WRITTEN OFF	17,950	17,704
INTEREST	<u>24,758</u>	<u>24,286</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>54,000</b>	54,389
ADJUSTMENT FOR :		
TRADE AND OTHER PAYABLES	18,614	33,602
INVENTORIES	(57,135)	(87,369)
TRADE & OTHER RECEIVABLES	<u>25,910</u>	<u>8,029</u>
	<b>(12,612)</b>	<b>(45,738)</b>
CASH GENERATED FROM OPERATIONS	<b>41,388</b>	8,650
ADJUSTMENT FOR :		
DIRECT TAXES	(2,954)	(2,498)
PRIOR PERIOD EXPENSES	-	(88)
	<u>(2,954)</u>	<u>(2,586)</u>
NET CASH FROM OPERATING ACTIVITIES (A)	<b>38,434</b>	6,064
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(3,458)	(2,349)
PURCHASE OF INVESTMENTS	(40,000)	(25,900)
SALE OF FIXED ASSETS	<u>115</u>	-
NET CASH USED IN INVESTING ACTIVITIES (B)	<b>(43,343)</b>	<b>(28,250)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
TERM LOANS (NET OF REPAYMENT)	(22,273)	(9,717)
WORKING CAPITAL LOANS	3,963	3,725
UNSECURED LOANS	3,900	36,730
LOANS & ADVANCES TO SUBSIDIARY COMPANY	2,608	(10,000)
INTEREST PAID	<u>(24,758)</u>	<u>(24,286)</u>
NET CASH RECEIVED FROM FINANCING ACTIVITIES (C)	<b>(888)</b>	29,984
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	<b>+ (5,798)</b>	7,798
CASH AND CASH EQUIVALENT AS AT 01.04.2010	<b>17,226</b>	9,427
CASH AND CASH EQUIVALENT AS AT 31.03.2011	<b>11,428</b>	17,226

NOTE : FIGURES IN BRACKETS REPRESENT OUTFLOWS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

**ANIL MITTAL**

CHAIRMAN & MANAGING  
DIRECTOR

Sd/-

**S.K. GUPTA**

DIRECTOR

Sd/-

**KAMINI GUPTA**

COMPANY SECRETARY  
& GM FINANCE

Place : New Delhi  
Dated : 30.08.2011

### AUDITORS REPORT

We have examined the above Cash Flow Statement of Samtex Fashions Limited derived from the audited financial statements of the company for the year ended 31st March, 2011, and found the same in agreement therewith and in accordance with the requirements of clause 32 of the listing agreement with the Stock Exchanges.

FOR AGGARWAL & RAMPAL  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Sd/-

**VINAY AGGARWAL**

PARTNER, M. No. 82045

Place : New Delhi  
Dated : 30.08.2011



## STATEMENT OF HOLDING COMPANY'S INTEREST IN SUBSIDIARY UNDER SECTION 212.

1. Name of Subsidiary Company Became Subsidiary as on	<b>*SSA International Limited</b> 16.02.2001	<b>**Sam Buildcon Ltd.</b> 05.02.2008
2. Financial year of the Subsidiary Company end on	31st March, 2011	31st March, 2011
3. Holding Company's interest:-		
a) No. of shares held	2,05,00,000 Equity shares of Rs. 10/- each aggregating Rs. 20.50 crore	15,00,070 Equity shares of Rs. 10/- each aggregating Rs. 1.50 crore
b) Percentage of Equity Share Capital held	100%	100%
4. The net aggregate amount of the Subsidiary's Profit/(Loss) so far as it concerns Members of holding Company and is not dealt with in the Holding Company's accounts :		
(i) for the financial year of the Subsidiary	Rs. 1274.64 Lacs	Rs. 11.56 Lacs
(ii) Profit for the previous financial years of Subsidiary, since it became Holding Company's Subsidiary	Rs. 3792.07 Lacs	Rs. 2.98 Lacs
5. The net aggregate amount of the Subsidiary Profits /(Loss) dealt with in the Holding Company's Accounts		
(i) for the financial year of the Subsidiary	Nil	Nil
(ii) for the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary	Nil	Nil

\*Became wholly owned Subsidiary w. e. f. 15.11.2002

\*\*Became wholly owned Subsidiary w. e. f. 20.03.2009

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

Place : New Delhi  
Dated : 30.08.2011

Sd/-  
**ANIL MITTAL**  
Chairman & Managing Director



## AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

TO THE BOARD OF DIRECTORS  
M/S. SAMTEX FASHIONS LIMITED

We have examined the attached Consolidated Balance Sheet of Samtex Fashions Limited ("The Company") and its subsidiaries as at 31st March, 2011 and the Consolidated Profit and Loss Accounts for the year then ended annexed there to and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the Responsibility of the Company's Management. Our responsibility is to express an opinion on these financial based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes, examining on test basis evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the Consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statement, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March 2011.
- b) In the case of Consolidated Profit & Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the for the year then ended and
- c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiaries for the year then ended.

For **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Place : New Delhi  
Dated : 30.08.2011

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. No. F 82045



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
SHARE CAPITAL	I	99,180,000	99,180,000
RESERVES AND SURPLUS	II	838,631,142	696,387,184
<b>LOAN FUNDS :</b>			
SECURED LOANS	III	3,417,973,301	2,266,138,074
UNSECURED LOANS	IV	40,630,000	36,730,000
DEFERRED TAX LIABILITY		56,782,107	39,434,635
<b>TOTAL</b>		<b>4,453,196,550</b>	<b>3,137,869,893</b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
GROSS BLOCK		1,379,134,737	1,124,564,293
LESS: DEPRECIATION		409,367,887	336,887,472
NET BLOCK	V	969,766,850	787,676,821
CAPITAL WORK IN PROGRESS		6,192,526	151,953,770
FLATS (EMPLOYEES HOUSING PROJECT)		12,122,718	12,122,718
INVESTMENTS	VI	988,082,094 6,000,000	951,753,309 11,000,000
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
INVENTORIES	VII	3,077,565,128	1,960,226,358
SUNDRY DEBTORS	VIII	567,053,597	525,767,981
CASH AND BANK BALANCES	IX	55,197,984	54,663,176
LOANS AND ADVANCES	X	179,114,818	147,409,131
		3,878,931,527	2,688,066,646
LESS : CURRENT LIABILITIES AND PROVISIONS	XI	419,817,069	512,950,063
NET CURRENT ASSETS		3,459,114,458	2,175,116,583
<b>TOTAL</b>		<b>4,453,196,550</b>	<b>3,137,869,893</b>
NOTES FORMING PART OF ACCOUNTS	XXII		

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED

Sd/-  
**ANIL MITTAL**  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
**S. K. GUPTA**  
DIRECTOR

FOR **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Sd/-  
**KAMINI GUPTA**  
COMPANY SECRETARY  
& GM FINANCE

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 82045

Place : New Delhi  
Dated : 30.08.2011

# SAMTEX FASHIONS LIMITED



## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2011 (Rs.)	FOR THE YEAR ENDED 31.03.2010 (Rs.)
<b>INCOME</b>			
SALES	XII	7,464,134,897	5,965,999,758
OTHER INCOME	XIII	53,128,727	63,159,859
INCREASE / (DECREASE) IN STOCKS	XIV	247,627,090	148,744,789
		<u>7,764,890,714</u>	<u>6,177,904,406</u>
<b>EXPENDITURE</b>			
MATERIAL COST	XV	6,295,882,100	5,041,781,723
MANUFACTURING EXPENSES	XVI	291,101,087	215,709,564
PAYMENT TO AND PROVISIONS FOR EMPLOYEES	XVII	76,391,444	51,376,435
FINANCIAL EXPENSES	XVIII	237,065,314	184,223,203
ADMINISTRATIVE AND OTHER EXPENSES	XIX	60,281,637	53,588,399
SELLING EXPENSES	XX	493,096,936	376,475,189
DEPRECIATION AND MISCELLANEOUS EXPENDITURE WRITTEN OFF	XXI	73,829,119	57,193,035
		<u>7,527,647,637</u>	<u>5,980,347,548</u>
NET PROFIT FOR THE YEAT BEFORE TAX		<u>237,243,077</u>	<u>197,556,858</u>
ADD : PURCHASE TAX REFUND FOR EARLIER YEARS		-	-
LESS : PRIOR PERIOD EXPENSES		137,715	357,063
<b>PROFIT BEFORE TAX</b>		<u>237,105,362</u>	<u>197,199,795</u>
<b>TAX EXPENSES</b>			
- CURRENT TAX		48,250,608	61,627,299
- DEFERED TAX(ASSETS)/LIABILITY		17,347,472	15,687,941
- FBT/INCOME TAX ADJUSTED FOR EARLIER YEAR		33,059,551	12,536,792
- FBT EXCESS PROVISION WRITTEN BACK FOR EARLIER YEARS		-	(1,000)
<b>PROFIT AFTER TAX</b>		<u>138,447,731</u>	<u>107,348,763</u>
- BALANCE BROUGHT FORWARD		671,387,184	564,038,423
- BALANCE CARRIED OVER TO THE BALANCE SHEET		<u>809,834,915</u>	<u>671,387,186</u>
- BASIC EARNING PER SHARE		13.98	10.84
- DILLUATED EARNING PER SHARE		13.98	10.84
- BASIC & DILUATED EARNING PER SHARE OF FACE VALUE OF RS. 10 EACH (BEFORE EXCEPTIONAL ITEMS)		13.98	10.84

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED

Sd/-  
**ANIL MITTAL**  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
**S. K. GUPTA**  
DIRECTOR

FOR AGGARWAL & RAMPAL  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Sd/-  
**KAMINI GUPTA**  
COMPANY SECRETARY  
& GM FINANCE

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 82045

Place : New Delhi  
Dated : 30.08.2011



## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

<b>PARTICULARS</b>	<b>AS AT 31.03.2011 (Rs.)</b>	<b>AS AT 31.03.2010 (Rs.)</b>
<b><u>SCHEDULE - I</u></b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
10000000 EQUITY SHARES OF RS. 10 EACH FULLY PAID UP	100,000,000	100,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
9900000 EQUITY SHARES OF RS. 10 EACH FULLY PAID UP IN CASH (PREVIOUS YEAR 9900000 EQUITY SHARES OF RS. 10 EACH)	99,000,000	99,000,000
<b>FORFEITURE ACCOUNT</b> (100000 ZERO COUPON WARRANT @ RS. 1.80 PER WARRANT) (PREVIOUS YEAR 100000 ZERO COUPON WARRANT @ RS.1.80 PER WARRANT)	180,000	180,000
<b>TOTAL</b>	<b>99,180,000</b>	<b>99,180,000</b>
<b><u>SCHEDULE - II</u></b>		
<b>RESERVES AND SURPLUS</b>		
<b>RESERVES :</b>		
<b>CAPITAL RESERVE :</b>		
STATE CAPITAL SUBSIDY	1,000,000	1,000,000
<b>SURPLUS :</b>		
SHARE PREMIUM ACCOUNT	24,000,000	24,000,000
PROFIT AND LOSS ACCOUNT	809,834,915	671,387,184
CAPITAL INVESTMENT SUBSIDY	3,796,227	-
<b>TOTAL</b>	<b>838,631,142</b>	<b>696,387,184</b>
<b><u>SCHEDULE - III</u></b>		
<b>SECURED LOANS :</b>		
<b>(A) TERM LOANS</b>		
IDBI BANK LIMITED	204,727,200	348,097,000
STATE BANK OF INDIA	186,244,532	193,606,567
CORPORATE LOAN FROM IDBI BANK LIMITED	224,793,151	52,500,000
<b>(B) WORKING CAPITAL LOANS :</b>	<b>2,799,182,396</b>	<b>1,664,958,694</b>
<b>(C) VEHICLE LOANS</b>		
FROM BANKS	1,175,876	3,524,536
FROM OTHERS	1,850,146	3,451,277
<b>TOTAL</b>	<b>3,417,973,301</b>	<b>2,266,138,074</b>

**NOTE : -**

- The term loans / Corporate loans from IDBI Bank Limited are secured by way of first charge on immovable and movable assets, present and future except book debts, subject to the charge created or to be created in favour of bankers for securing working capital requirement on stocks of raw 'material, semi-finished goods, finished goods, store & spares, consumables, book debts and others current assets held by the company both present and future in the ordinary course of the business and further guaranteed by Managing Director, Promoter Directors, and an independent Director.
- Working capital loan from scheduled banks are secured under consortium with State Bank of India as the lead bank and from Canara Bank, State Bank of Travancore and IDBI Bank Ltd. as member bank are secured by way of hypothecation

# SAMTEX FASHIONS LIMITED



of stock raw material semi finished goods, stores and spares, consumables, book debts and other current assets held by the company, both present and future in the ordinary course of the business and further guaranteed by Managing Director, promoter Directors and an independent Director, secured by second charge on fixed assets of the company by the bank other than those specifically financed.

- 3 Vehicle Loans are secured against specific vehicles financed.  
4 Term loan repayable with in one year Rs. 1290.73 Lakhs (Previous Year Rs.1974.73 Lakhs)

<b>PARTICULARS</b>	<b>AS AT 31.03.2011 (Rs.)</b>	<b>AS AT 31.03.2010 (Rs.)</b>
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## SCHEDULE - IV

### UNSECURED LOANS :

(A) From Directors	<b>23,850,000</b>	23950000
(B) From Others	<b>16,780,000</b>	12780000
<b>TOTAL</b>	<b>40,630,000</b>	<b>36,730,000</b>

## SCHEDULE - V

### FIXED ASSETS :

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010 (Rs.)	Addition during the year (Rs.)	Sales/ adjustment during the year (Rs.)	As at 31.03.2011 (Rs.)	As at 01.04.2010 (Rs.)	For the year ended 31.03.2011 (Rs.)	W. back during the year (Rs.)	As at 31.03.2011 (Rs.)	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
(A) TANGIBLE ASSETS										
1 LAND (Freehold)	25,772,595	-	-	25,772,595	-	-	-	-	25,772,595	25,772,595
2 LAND (Leasehold)	34,522,221	-	-	34,522,221	1,228,757	1,155,657	-	2,384,414	32,137,807	33,293,464
3 BUILDING & SITE DEVELOPMENT	262,303,794	39,051,345	-	301,355,139	54,962,301	8,814,127	-	63,776,428	237,578,711	207,341,493
4 PLANT & MACHINERY	695,840,329	206,804,265	2,108,876	900,535,718	230,031,864	55,436,644	574,936	284,893,572	615,642,146	465,808,465
5 FURNITURE & FIXTURES	27,119,430	719,922	-	27,839,352	16,889,467	1,731,827	-	18,621,294	9,218,058	10,229,963
6 ELECTRICAL INSTALLATION	15,352,267	4,464,664	-	19,816,931	6,094,490	784,132	-	6,878,622	12,938,309	9,257,777
7 OFFICE EQUIPMENT	17,055,712	1,202,114	-	18,257,826	8,836,094	1,541,404	-	10,377,498	7,880,328	8,219,618
8 VEHICLES	46,170,233	5,258,038	821,027	50,607,244	18,693,199	4,258,400	773,768	22,177,831	28,429,413	27,477,034
(B) INTANGIBLE ASSETS										
1 PATENT & TRADEMARKS	427,711	-	-	427,711	151,300	106,928	-	258,228	169,483	276,411
<b>TOTAL</b>	<b>1,124,564,293</b>	<b>257,500,348</b>	<b>2,929,903</b>	<b>1,379,134,737</b>	<b>336,887,473</b>	<b>73,829,119</b>	<b>1,348,704</b>	<b>409,367,887</b>	<b>969,766,850</b>	<b>787,676,819</b>
PREVIOUS YEAR	994,048,790	132,910,454	2,394,952	1,124,564,293	281,414,522	56,900,878	1,427,928	336,887,472	787,676,821	-

## SCHEDULE - VI

### INVESTMENTS

(i) LONG TERM INVESTMENT (VALUED AT COST)		
(A) TRADE INVESTMENT UNQUOTED IN OTHER THAN SUBSIDIARY		
(i) IN J.R.AGROTECH PVT. LTD. NIL EQUITY SHARES OF RS.10/- EACH FULLY PAID UP (PREVIOUS YEAR 500000 EQUITY SHARES OF RS. 10 EACH)	-	5,000,000
(B) NON TRADE INVESTMENT UNQUOTED IN OTHER THAN SUBSIDIARY		
(i) YOGENDRA WORSTED LIMITED 600,000 EQUITY SHARES RS. 10 EACH FULLY PAID UP (PREVIOUS YEAR 600,000 EQUITY SHARES OF RS. 10 EACH)	<b>6,000,000</b>	6,000,000
<b>TOTAL</b>	<b>6,000,000</b>	<b>11,000,000</b>

# SAMTEX FASHIONS LIMITED



<b>PARTICULARS</b>	<b>AS AT 31.03.2011 (Rs.)</b>	<b>AS AT 31.03.2010 (Rs.)</b>
<b><u>SCHEDULE - VII</u></b>		
<b>INVENTORIES</b>		
(AS CERTIFIED, QUANTIFIED AND VALUED BY THE MANAGEMENT ON WHICH AUDITORS HAVE RELIED.)		
RAW MATERIAL	1,912,027,836	1,091,261,253
RAW MATERIAL IN TRANSIT	2,656,608	-
FINISHED GOODS	988,231,452	759,630,352
FINISHED GOODS (JOB WORK)	912,915	-
WORK IN PROCESS	74,973,364	56,553,830
SCRAP MATERIAL	1,891,465	2,197,924
OTHER STORES	96,871,488	50,582,999
<b>TOTAL</b>	<b><u>3,077,565,128</u></b>	<b><u>1,960,226,358</u></b>
<b><u>SCHEDULE - VIII</u></b>		
<b>SUNDRY DEBTORS</b>		
(CONFIRMED, UNSECURED, CONSIDERED GOOD)		
(I) TRADE		
- DEBTS OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTH	3,274,719	6,099,956
- OTHER DEBTS	559,418,722	515,007,869
(II) HOUSING PROJECT		
- DEBTS OUTSTANDING FOR A PERIOD OF MORE THAN SIX MONTH	4,360,156	4,660,156
- OTHER DEBTS	-	-
<b>TOTAL</b>	<b><u>567,053,597</u></b>	<b><u>525,767,981</u></b>
<b><u>SCHEDULE - IX</u></b>		
<b>CASH AND BANK BALANCES :</b>		
CASH IN HAND AND IMPREST	9,018,563	10,361,911
<b>BALANCES WITH BANKS :</b>		
— IN CURRENT ACCOUNTS WITH SCHEDULED BANKS	34,577,322	16,385,318
— IN MARGIN MONEY ACCOUNTS	11,602,099	27,915,947
<b>TOTAL</b>	<b><u>55,197,984</u></b>	<b><u>54,663,176</u></b>
<b><u>SCHEDULE - X</u></b>		
<b>LOANS AND ADVANCES</b>		
(UNSECURED, UNCONFIRMED, CONSIDERED GOOD)		
LOANS :	—	—
(A)	—	—
ADVANCES :		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	126,693,194	83,224,148
ADVANCES FOR CAPITAL GOODS	300,000	1,071,779
SECURITY DEPOSITS	15,665,377	14,988,730
TAX DEDUCTED AT SOURCE /ADVANCE TAX PAID	36,456,247	48,124,474
(B)	<b><u>179,114,818</u></b>	<b><u>147,409,131</u></b>
<b>TOTAL (A+B)</b>	<b><u>179,114,818</u></b>	<b><u>147,409,131</u></b>



# SAMTEX FASHIONS LIMITED



PARTICULARS	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>SCHEDULE - XI</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
<b>SUNDRY CREDITORS :-</b>		
I) TRADE		
i) Total outstanding dues to Micro & Small Enterprises	7,385,402	643,464
ii) Total outstanding dues of creditors other than Micro & Small Enterprises	205,636,268	315,018,861
II) OTHERS	35,218,476	49,924,292.00
ADVANCES FROM CUSTOMERS	19,215,264	27,898,919
P.F. PAYABLE	1,260,678	803,458
ESI C PAYABLE	248,598	241,127
OTHER LIABILITIES	26,215,472	24,322,010
BANK OVERDRAFT (DUE TO RECONCILIATION)	47,591,370	7,338,194
<b>TOTAL (A)</b>	<b>342,771,528</b>	<b>426,190,325</b>
<b>B. PROVISIONS</b>		
EXPENSES PAYABLE	14,667,664	13,435,598
INTEREST ACCRUED AND DUE	853,076	846,101
PROVISION FOR INCOME TAX	46,436,078	61,221,960
PROVISION FOR WEALTH TAX	107,259	-
PROVISION FOR GRATUITY	11,524,905	8,790,001
PROVISION FOR LEAVE ENCASHMENT	3,456,559	2,466,080
<b>TOTAL (B)</b>	<b>77,045,541</b>	<b>86,759,738</b>
<b>TOTAL (A)+(B)</b>	<b>419,817,069</b>	<b>512,950,063</b>

PARTICULARS	FOR THE YEAR ENDED 31.03.2011 (Rs.)	FOR THE YEAR ENDED 31.03.2010 (Rs.)
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## **SCHEDULE - XII**

<b>SALES</b>		
EXPORT SALES	4,623,124,733	4,090,031,201
DOMESTIC SALES	12,007,103	20,593,517
OTHER SALES	2,803,694,399	1,847,271,941
SCRAP SALES	633,451	418,528
JOBWORK CHARGES	24,675,211	7,684,571
<b>TOTAL</b>	<b>7,464,134,897</b>	<b>5,965,999,758</b>

## **SCHEDULE - XIII**

<b>OTHER INCOME</b>		
MISCELLANEOUS INCOME	2,399,657	60,445
COMMISSION INCOME	119,255	113,144
INTEREST INCOME (TDS DEDEDCTED RS. 425107/- PEREVIOUS YEAR RS.385722/-)	5,332,052	3,431,097
OTER INCOME	7,604,348	81,283
EXCHANGE FLUCTUATION	35,736,777	59,365,175
DUTY DRAWBACK RECEIVED	732,865	108,715
CAPITAL INVESTMENT SUBSIDY WRITTEN BACK	1,203,773	-
<b>TOTAL</b>	<b>53,128,727</b>	<b>63,159,859</b>



PARTICULARS	FOR THE YEAR ENDED 31.03.2011 (Rs.)	FOR THE YEAR ENDED 31.03.2010 (Rs.)
<b><u>SCHEDULE - XIV</u></b>		
<b>INCREASE/(DECREASE) IN STOCKS</b>		
<b>(A) OPENING STOCK :</b>		
FINISHED GOODS	732,056,298	590,699,084
STOCK IN TRANSIT	—	6,440,673
FINISHED GOODS AT TRADING OFFICE	27,574,054	23,042,902
WORK IN PROCESS	56,553,830	46,987,835
SCRAP MATERIAL	2,197,924	2,466,823
	<u>818,382,106</u>	<u>669,637,317</u>
<b>(B) LESS:CLOSING STOCK :</b>		
FINISHED GOODS	927,967,514	732,056,298
FINISHED GOODS AT TRADING OFFICE	52,626,723	27,574,054
FINISHED GOODS IN TRANSIT	7,637,215	—
FINISHED GOODS (JOB WORK)	912,915	—
WORK IN PROCESS	74,973,364	56,553,830
SCRAP MATERIAL	1,891,465	2,197,924
<b>TOTAL</b>	<u>1,066,009,196</u>	<u>818,382,106</u>
<b>INCREASE/(DECREASE)</b>	<u>247,627,090</u>	<u>148,744,789</u>
<b><u>SCHEDULE - XV</u></b>		
<b>RAW MATERIAL CONSUMPTION</b>		
OPENING STOCK	1,091,261,253	1,097,976,785
ADD: PURCHASES DURING THE YEAR	7,116,648,683	5,035,066,191
	<u>8,207,909,936</u>	<u>6,133,042,976</u>
LESS : CLOSING STOCK	1,912,027,836	1,091,261,253
<b>RAW MATERIAL CONSUMED</b>	<u>6,295,882,100</u>	<u>5,041,781,723</u>
<b><u>SCHEDULE - XVI</u></b>		
<b>MANUFACTURING EXPENSES</b>		
CONSUMABLES	27,389,878	12,221,949
CUSTOM / EXCISE DUTY	604,769	95,911
WAGES AND OTHER BENIFITS	64,371,927	54,077,718
POWER AND FUEL	79,890,104	59,225,338
FREIGHT INWARD AND CARTAGE	4,238,267	4,566,532
IMPORT CLEARING EXPENSES	1,800,555	2,739,984
SWEEPING & CLEANING EXPS.	166,586	—
REPAIR AND MAINTENANCE :		
PLANT AND MACHINERY	18,313,949	18,853,942
ELECTRICALS	399,766	458,109
BUILDING	705,274	327,304
PROCESS AND FINISHING EXPENSES	23,450,931	4,901,242
MATERIAL HANDLING CHARGES	27,496,238	27,569,040
D.G.SET RUNNING EXP.	28,867,894	16,432,817
TRACTORS/ TRUCK EXP.	7,235,792	9,049,697
LABORATORY EXP.	75,695	65,161
FUMIGATION CHARGES	1,719,925	616,777
HEXANE CONSUMED	1,994,820	2,320,142
BARDANA REPAIR CHARGES	2,378,717	2,187,901
<b>TOTAL</b>	<u>291,101,087</u>	<u>215,709,564</u>

# SAMTEX FASHIONS LIMITED



<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED 31.03.2011 (Rs.)</b>	<b>FOR THE YEAR ENDED 31.03.2010 (Rs.)</b>
<b><u>SCHEDULE - XVII</u></b>		
<b>PAYMENT TO AND PROVISIONS FOR EMPLOYEES</b>		
SALARIES AND BENEFITS TO DIRECTORS	7,219,594	3,275,552
SALARIES AND OTHER BENEFITS TO STAFF	63,936,433	44,237,973
STAFF WELFARE	5,235,417	3,862,910
<b>TOTAL</b>	<b>76,391,444</b>	<b>51,376,435</b>
<b><u>SCHEDULE - XVIII</u></b>		
<b>FINANCIAL EXPENSES</b>		
BANK CHARGES	24,444,742	19,346,750
INTEREST ON TERM LOANS	41,327,671	31,035,910
INTEREST ON WORKING CAPITAL LIMITS	159,657,104	127,794,768
INTEREST ON CORPORATE LOAN	11,195,685	3,763,622
INTEREST ON VEHICLE LOAN	437,220	784,469
INTEREST ON OTHER LOANS	2,892	411,516
ECCG PREMIUM	-	1,086,168
<b>TOTAL</b>	<b>237,065,314</b>	<b>184,223,203</b>
<b><u>SCHEDULE - XIX</u></b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
TRAVELLING AND CONVEYANCE	5,889,309	6,158,982
POSTAGE, TELEGRAM AND TELEPHONE	5,571,636	5,185,784
LEGAL AND PROFESSIONAL CHARGES	3,977,768	4,140,595
PRINTING AND STATIONERY	2,118,995	1,808,104
REPAIRS AND MAINTENANCE :		
VEHICLE	2,994,079	2,324,722
OTHERS	1,191,756	1,010,825
BUILDING	230,533	182,980
MEMBERSHIP AND SUBSCRIPTION	421,168	213,501
RATES AND TAXES	1,601,745	1,539,877
GENERAL EXPENSES	5,752,728	4,481,582
RENT	16,810,886	14,245,137
SECURITY CHARGES	1,742,774	1,333,974
INTERNAL AUDIT FEES	27,575	27,575
COMPLIANCE AUDIT FEES	33,678	303,196
BOOKS PAPERS AND PERIODICALS	71,718	67,125
AUDITOR'S REMUNERATION	403,325	215,815
SALES TAX/ ENTRY TAX ADDITIONAL LIABILITY	98,675	234,679
CHARITY AND DONATION	497,600	873,300
INSURANCE CHARGES	6,278,531	6,064,207
DIRECTORS SITTING FEE	87,000	72,000
LOSS ON THEFT OF CAR	-	64,010
LOSS ON SALE OF FIXED ASSETS/ INVESTMENT	1,466,199	339,035
LOSS ON SALE OF SPECULATIVE ACTIVITY (COMMODITY)	-	539,611
LOSS ON SALE OF DEBP	323,598	-
EXCHANGE FLUCTUATION	-	6,828
ADVERTISEMENT EXPENSES	411,443	383,588
ELECTRICITY CHARGES	335,501	394,745
ANNUAL MAINTENANCE EXPENSES	792,544	476,665
SERVICE TAX	288,920	543,507
WEALTH TAX	107,259	-
DIWALI EXPENSES	754,694	356,450
<b>TOTAL</b>	<b>60,281,637</b>	<b>53,588,399</b>



<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED 31.03.2011 (Rs.)</b>	<b>FOR THE YEAR ENDED 31.03.2010 (Rs.)</b>
<b><u>SCHEDULE - XX</u></b>		
<b>SELLING EXPENSES</b>		
FREIGHT OUTWARD	17,595,758	5,236,016
BUSINESS PROMOTION EXPENSES	5,908,275	6,863,320
COMMISSION PAID	3,352,234	240,250
BAD DEBTS WRITTEN OFF	173,403	-
EXPORT EXPENSES	158,317,150	116,223,133
OCEAN FREIGHT	82,485,489	53,636,617
REBATE AND DISCOUNT	7,128,361	10,639,619
SAMPLING & SUPPLIES CHARGES	2,622,789	3,692,931
TRAVELLING EXPENSE	2,020,329	2,298,342
BROKRAGE & COMMISSION	5,580,016	6,149,749
INSURANCE CHARGES (TRANSIT)	264,662	-
ADVERTISEMENT EXPENSES	139,035	138,729
APEDA BASMATI DEVELOPMENT FUND	1,950,000	1,796,573
PACKING MATERIAL CONSUMED	204,149,417	167,183,199
EXPORT SHIPMENT DAMAGE CHARGES	1,410,018	2,376,711
<b>TOTAL</b>	<b>493,096,936</b>	<b>376,475,189</b>

## **SCHEDULE - XXI**

<b>DEPRECIATION AND MISCELLANEOUS EXPENDITURE WRITTEN OFF</b>		
DEPRECIATION	73,829,119	56,900,878
MISCELLANEOUS EXPENDITURE WRITTEN OFF	-	292,157
<b>TOTAL</b>	<b>73,829,119</b>	<b>57,193,035</b>



## **SCHEDULE - XXII**

### **NOTES ON ACCOUNTS**

#### **A. SIGNIFICANT ACCOUNTING POLICIES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

##### **1. 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, 2006, the provisions of the Companies Act, 1956 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 on going concern basis.

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

##### **2. 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.

##### **3. 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 XIV to the Companies Act, 1956.
- 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.

##### **4. 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.

##### **5. 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 M/S Samtex Fashions Ltd. (New York) branch is translated and incorporated in the books of Head Office M/S Samtex Fashions Ltd. (India) in accordance to with the AS - 11.

##### **6. 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 realizable 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.

## 7. SALES

### (A) EXPORT

Sales of M/s Samtex Fashions Ltd. (India) is recognized on the basis of Bill Of Lading. Sales of M/S Samtex Fashions Ltd. (New York) is recognized as and when they are executed at New York Office. 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

Domestic Sales is recognized in the books of accounts at the time of dispatch from the custom gate at NSEZ, and sales executed at the Delhi office is Recognised at the date of dispatch from Delhi Office.

## 8. CONTINGENT LIABILITIES & PROVISIONS

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.

## 9. BORROWING COST

Borrowing cost specifically identified to the acquisition or construction of qualifying assets are capitalized as part of such assets. A qualifying assets 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.

## 10. IMPAIRMENT OF ASSETS

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.

## 11. 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).

## B. OTHER NOTES

- i) The subsidiary companies considered in the consolidated financial statements are:-

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest.
SSA International Limited	India	100%
Sam Buildcon Limited	India	100%



ii) **Deferred Tax Liability Comprise of following as on 31/03/2011.**

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	6,20,34,863	4,10,89,155
Related To Others	—	—
Less : Deferred Tax Assets		
Related to Fixed Assets	13,17,176	3,57,504
Related To Others	39,35,579	12,97,016
<b>Deferred Tax Liability</b>	<b>5,67,82,107</b>	<b>3,94,34,635</b>

iii) **Related Party Disclosures:-**

(i) List of the Related Parties with whom transactions have taken place and the relationships :

S. No.	Name of the Party	Relationship
1.	Samtex Foundation	Associated Concern
2.	Santosh Overseas Ltd.	Key personnel is related to the management of the related party

(ii) Transaction during the year with the related parties:

	Rs. in Lacs			
	Samtex Foundation		Santosh Overseas Ltd.	
	2010-11	2009-10	2010-11	2009-10
<b>(A) Creditors</b>				
Balance as on 01.04.2010	—	—	—	—
Purchases During The Year	—	—	193.35	146.35
Payment made during the year	—	—	181.94	146.35
Balance as on 31.03.2011	—	—	11.41	—
<b>(B) Debtors</b>				
Balance as on 01.04.2010	—	—	—	—
Sale During The year	—	—	—	139.73
Received During the year	—	—	—	139.73
Balance as on 31.03.2011	—	—	—	—
<b>(C) Balance as on 01.04.2010</b>	—	0.68	—	—
Paid/Taken During the year	—	—	—	—
Written off during the year	—	0.68	—	—
Balance as on 31.03.2011	—	—	—	—

iv) **SEGMENT INFORMATION :-**

The company has identified a geographical reportable segment viz M/S Samtex Fashions Ltd. New York and 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, except the Accounting period which is for the New York Segment is calendar year.

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

**GEOGRAPHICAL SEGMENT :-**

**I. PRIMARY SEGMENT INFORMATION :-**

(Rs. in Lacs)

PARTICULARS	YEAR TO DATE FIGURES	
	FOR THE CURRENT PERIOD ENDED 31.03.2011	FOR THE PREVIOUS YEAR ENDED 31.03.2010
<b>1. TOTAL SALES AT EACH SEGMENT</b>		
U.S.A.	2251.05	2337.29
INDIA	4501.94	3950.90
<b>GROSS SALES</b>	<b>6752.99</b>	<b>6288.19</b>



PARTICULARS	YEAR TO DATE FIGURES FOR THE CURRENT PERIOD ENDED 31.03.2011	YEAR TO DATE FIGURES FOR THE PREVIOUS YEAR ENDED 31.03.2010
LESS :INTER SEGMENT REVENUE	448.74	458.53
NET SALES /INCOME FROM OPERATION	<u>6304.25</u>	<u>5829.66</u>
<b>2 SEGMENT RESULTS ( PROFIT+/LOSS – BEFORE TAX AND INTEREST FOR EACH SEGMENT)</b>		
U.S.A.	76.01	28.61
INDIA	329.43	345.02
<b>TOTAL</b>	<u>405.44</u>	<u>373.63</u>
INTEREST	269.09	242.86
<b>TOTAL PROFIT BEFORE TAX</b>	<u>136.35</u>	<u>130.77</u>
<b>3. As per Accounting Standard on segment reporting AS -17, prescribed by the Companies (Accounting Standards) Rules 2006, The Company has reported segment information.</b>		
<b>SECONDARY SEGMENT INFORMAITON :-</b>		
<b>SEGMENT ASSETS</b>		
U S A	974.24	762.15
<b>SEGMENT LIABILITIES</b>		
U S A	656.52	491.78
<b>CAPITAL EMPLOYED</b>		
U S A	317.72	270.37

## BUSINESS SEGMENT

### I. PRIMARY SEGMENT INFORMATION

PARTICULARS	YEAR TO DATE FIGURES FOR THE CURRENT PERIOD ENDED 31.03.2011	YEAR TO DATE FIGURES FOR THE PREVIOUS YEAR ENDED 31.03.2010
<b>1. TOTAL SALES AT EACH SEGMENT</b>		
RICE	60207.15	49334.45
OIL	9152.92	5388.49
<b>GROSS SALES</b>	<u>69360.07</u>	<u>54722.94</u>
LESS : INTER SEGMENT REVENUE	1022.97	892.61
NET SALES / INCOME FROM OPERATION	<u>68337.10</u>	<u>53830.33</u>
<b>2. SEGMENT RESULTS ( PROFIT+/LOSS – BEFORE TAX, INTEREST AND EXCHANGE FLUCTUATION FOR EACH SEGMENT)</b>		
RICE	3585.44	2615.68
OIL	146.39	69.91
<b>TOTAL</b>	<u>3731.83</u>	<u>2685.59</u>
INTEREST	1857.11	1395.04
EXCHANGE (GAINS)/LOSS	(359.97)	(553.36)
<b>TOTAL</b>	<u>1497.14</u>	<u>841.68</u>
<b>TOTAL PROFIT BEFORE TAX</b>	<u>2234.69</u>	<u>1843.91</u>





PARTICULARS	YEAR TO DATE FIGURES FOR THE CURRENT PERIOD ENDED 31.03.2011		YEAR TO DATE FIGURES FOR THE PREVIOUS YEAR ENDED 31.03.2010	
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3. As per Accounting Standard on segment reporting As -17, prescribed by the Companies (Accounting Standards) Rules 2006, The Company has reported Segment information.

**SECONDARY SEGMENT INFORMATION :-**

**SEGMENT ASSETS**

OIL	3,800.83	2,230.58
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**SEGMENT LIABILITIES**

OIL	1,193.78	1,726.63
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**CAPITAL EMPLOYED**

OIL	2,607.05	503.95
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**DEFINED BENEFIT PLANS/LONG TERM COMPENSATED ABSENCES :**

(A) 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.

(B) As per actuarial valuations as on 31st March-2011 and recognized in the financial statement in respect of employee benefit schemes.

(In Rs.)

	Gratuity		Leave encashment	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>(i) Assumptions</b>				
Discount Rate	8.00%	7.50%	8.00%	7.50%
Future Salary Increase	5.50%	5.00%	5.50%	5.00%
<b>(ii) Table showing change in Benefit Obligation</b>				
Liability at the beginning of the year	87,90,001	77,19,267	24,66,080	21,45,929
Interest Cost	7,03,201	5,78,945	1,97,286	5,78,945
Past Service Cost	7,29,845	—	—	—
Current Services Cost	14,21,591	9,58,175	7,21,059	9,58,175
Benefit Paid	(7,80,270)	(6,48,359)	(2,36,528)	(1,31,771)
Actuarial (gain)/loss on obligation	6,60,537	1,81,973	3,08,664	(67,607)
Liability at the end of the year	115,24,905	87,90,001	34,56,559	24,66,080
<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	115,24,905	87,90,001	34,56,559	24,66,080
Fair value of plan assets at the end of the year	—	—	—	—
Difference	115,24,905	87,90,001	34,56,559	24,66,080
Amount recognized in the Balance sheet	115,24,905	87,90,001	34,56,559	24,66,080



	Gratuity		Leave encashment	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>(vi) Expenses recognized in the Income Statement</b>				
Current Service Cost	14,21,591	9,58,175	7,21,059	3,58,585
Past Service Cost	7,29,845	—	—	—
Interest Cost	7,03,201	5,78,945	1,97,286	1,60,944
Expected Return On Plan Assets	—	—	—	—
Net actuarial (gain)/loss to be recognized	6,60,537	1,81,973	3,08,664	(67,607)
Expenses Recognized in Profit & Loss A/c	35,15,174	17,19,093	12,27,009	4,51,922
<b>(vii) Amount Recognized in the Balance Sheet</b>				
Opening net liability	87,90,001	77,19,267	24,66,080	21,45,929
Expense as above	35,15,174	17,19,093	12,27,009	4,51,922
Employers Contribution Paid	(7,80,270)	(6,48,359)	(2,36,528)	(1,31,771)
Closing net Liability	115,24,905	87,90,001	34,56,559	24,66,080

**Contingent liabilities not provided for in respect of :**

- Letters of credit established for purpose of raw materials/consumables and capital goods amounting to Rs.2,03,13,949/- (previous year Rs.8,61,21,912/-) as per the exchange rate prevailing as on 31st March, 2011.
- Bank Guarantees issued and outstanding as on 31st March, 2011 amounting to Rs. 56,84,500/- (previous year Rs.57,40,000/-).
- No provision has been made in the books of accounts by the company for a sum of Rs. 5902380/-, Rs.890698/-, Rs.489296/- and Rs.4080705/- for which the demand has been raised by the Income Tax Department for the A.Y. 2000-01, A.Y. 2003-04, A.Y.2006-07 and A.Y.2007-08 respectively, against which a sum of Rs 5859356/- and Rs. 8,90,698/- and Rs.40,00,000/- has already been paid for A.Y 2000-01, A.Y. 2003-04 and A.Y. 2007-08 under protest. All the above liabilities have been disputed by the company before the Appellant Authority / Delhi High Court.

**Remuneration paid to Auditors :**

	<u>Current Year</u> (Rs.)	<u>Previous Year</u> (Rs.)
i) Audit Fee	323,175	190,815
ii) Certification Charges	55,150	—
iii) Tax Audit Fees	5,000	5,000
iv) Others (Including out of pocket expenses)	20,000	20,000

**Remuneration paid to managing director and whole time directors are as under :**

	Managing Director		Whole Time Directors	
	Current Year	Previous Year	Current Year	Previous Year
Salary & Allowances	23,00,000	900,000	40,10,750	18,78,000
Provident Fund	108,000	106,800	375,360	1,17,720
LTA	75,000	75,000	119,000	34,000
Medical	75,000	75,000	119,000	34,000

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

AS PER OUR REPORT OF EVEN DATE ATTACHED

Sd/-  
**ANIL MITTAL**  
CHAIRMAN & MANAGING DIRECTOR

Sd/-  
**S. K. GUPTA**  
DIRECTOR

FOR **AGGARWAL & RAMPAL**  
CHARTERED ACCOUNTANTS  
FIRM REGD. NO. : 003072N

Sd/-  
**KAMINI GUPTA**  
COMPANY SECRETARY  
& GM FINANCE

Sd/-  
**VINAY AGGARWAL**  
PARTNER  
M. NO. 82045

Place : New Delhi  
Dated : 30.08.2011

# SAMTEX FASHIONS LIMITED



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2011

(Amount Rs. 000)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX	237,105	197,469
ADD : LOSS/(PROFIT) ON SALE OF FIXED ASSETS/INVESTMENT	(3,034)	403
ADD : PRIOR PERIOD EXPENSES	138	88
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	<u>234,209</u>	197,960
<b>ADJUSTMENT FOR :</b>		
DEPRECIATION AND WRITTEN OFF	73,829	57,193
INTEREST	<u>212,621</u>	<u>163,790</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>520,659</b>	418,943
<b>ADJUSTMENT FOR :</b>		
TRADE AND OTHER PAYABLES	(93,133)	8,868
INVENTORIES	(1,117,339)	(147,073)
TRADE & OTHER RECEIVABLES	<u>(69,288)</u>	<u>(134,687)</u>
	<b>(1,279,760)</b>	(272,892)
CASH GENERATED FROM OPERATIONS	<b>(759,101)</b>	146,052
ADJUSTMENT FOR :		
DIRECT TAXES	(81,310)	(74,163)
PRIOR PERIOD EXPENSES	<u>(138)</u>	<u>(357)</u>
	<b>(81,448)</b>	(74,520)
NET CASH FROM OPERATING ACTIVITIES (A)	<b>(840,549)</b>	71,533
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(111,739)	(279,359)
SALE OF FIXED ASSETS	115	637
SALE OF INVESTMENTS	9,500	-
ADVANCES TO SUPPLIER OF FIXED ASSETS	772	(1,072)
SECURITY DEPOSIT	<u>(677)</u>	<u>(1,572)</u>
NET CASH USED IN INVESTING ACTIVITIES (B)	<b>(102,029)</b>	(281,365)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
TERM LOANS (NET OF REPAYMENT)	(154,682)	85,339
CORPORATE LOAN	172,293	-
WORKING CAPITAL LOANS	113,422	263,259
UNSECURED LOANS	3,900	36,730
INTEREST PAID	<u>(212,621)</u>	<u>(1,63,790)</u>
NET CASH RECEIVED FROM FINANCING ACTIVITIES (C)	<b>94,315</b>	221,538
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	<b>535</b>	11,704
CASH AND CASH EQUIVALENT AS AT 01.04.2010	<b>54,663</b>	42,959
CASH AND CASH EQUIVALENT AS AT 31.03.2011	<b>55,198</b>	54,663

NOTE : FIGURES IN BRACKETS REPRESENT OUTFLOWS

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/- <b>ANIL MITTAL</b> CHAIRMAN & MANAGING DIRECTOR	Sd/- <b>S. K. GUPTA</b> DIRECTOR	Sd/- <b>KAMINI GUPTA</b> COMPANY SECRETARY & GM FINANCE
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### AUDITORS REPORT

We have examined the above Cash Flow Statement of Samtex Fashions Limited derived from the audited financial statements of the company for the years ended 31st March' 2011. and found the same in agreement therewith and in accordance with the requirements of clause 32 of the listing agreement with the Stock Exchanges.

FOR AGGARWAL & RAMPAL  
 CHARTERED ACCOUNTANTS  
 FIRM REGD. NO. : 003072N

Place : New Delhi  
 Dated : 30.08.2011

Sd/-  
**VINAY AGGARWAL**  
 PARTNER  
 M. No. 82045



## PERFORMANCE OF THE SUBSIDIARY – SSA INTERNATIONAL LIMITED

### FINANCIAL RESULTS

The Financial Results of the Company as disclosed in the accounts are summarized below:-

PARTICULARS	Rs. In Lac	
	2010-2011	2009-2010
Sales and other Income	68831.62	54412.08
Profit before tax, interest, depreciation and write offs	4811.35	3777.60
Interest & Financial Expenses	2028.71	1542.50
Depreciation & Misc. Expenditure written-off	547.94	393.89
Profit Before Tax	2234.70	1841.22
Provision for Taxation :		
— Current	450.00	590.00
— Deferred	180.78	162.97
— Earlier Years	329.27	125.37
Profit after Tax	1274.64	962.88
Balance of Profit from Previous Years	3929.83	2966.94
Balance of Profit carried forward	5204.47	3929.83

### OPERATIONS, FUTURE PROSPECTS AND KEY HIGHLIGHTS

Maintaining consistent growth in the top line as well as bottom line during the year under review. The turnover and other income of the Company for the accounting year have increased to Rs. 688.32 Crores as against Rs. 544.12 Crores in the previous year which shows a growth of 26% and net profits after taxes increased to Rs. 12.75 crores which shows a growth of 32% over the previous year.

- **Added Rice Bran Oil Refinery being the forward integration of its existing Solvent Extraction Plant. The Capacity of the refinery plant is 22500 MT p.a. for refining of raw rice bran oil.** The project was set up with the financial assistance of Rs. 11.00 crores by way of Term Loan provided by the IDBI Bank Ltd. and Internal accruals of the Company. The new unit started commercial operations during the year under report. The results of which have started pouring in the production and sales and are assessable from the Company's growth figures.
- The Company's strategy of moving into branded and higher value added products resulted into significant improvement in its turnover. The International Market in Dubai for export of its Products is growing. In these Markets the Company is selling the Products in its own Brands namely- "272", "SSA" and "Delight".
- Adding to the capacity of Solvent Extraction Plant to make it to 400 MT per day to support the Rice Bran Oil Refinery.
- Enjoying the status of government recognized Trading House for its export performance.

### MISSION

To reach out across the world to Global Customers offering a portfolio of Quality Food Products with most stringent standards of quality and hygiene and to implement effective Brand promotion strategies.

# **SAM BUILDCON LIMITED**

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## **PERFORMANCE OF THE SUBSIDIARY – SAM BUILDCON LIMITED**

### **FINANCIAL RESULTS**

The Financial Results of the Company as disclosed in the accounts are summarized below:-

<b>FINANCIAL RESULTS</b>	<b>Rs. In Lacs</b>	
<b>PARTICULARS</b>	<b>2010-2011</b>	<b>2009-2010</b>
Sales and other Income	<b>365.26</b>	49.60
Profit before tax, interest, depreciation and write offs	<b>58.95</b>	9.31
Interest & Financial Expenses	<b>25.34</b>	—
Depreciation & Misc. Expenditure written-off	<b>10.85</b>	1.00
Profit Before Tax	<b>22.76</b>	8.31
Provision for Taxation :		
— Current	<b>4.22</b>	1.29
— Deferred	<b>6.91</b>	1.41
— Fringe Benefits/Earlier Years	<b>0.07</b>	—
Profit after Tax	<b>11.56</b>	5.61
Balance of Profit from Previous Years	<b>2.98</b>	(2.63)
Balance of Profit carried forward	<b>14.54</b>	2.98

### **OPERATIONS, FUTURE PROSPECTS AND KEY HIGHLIGHTS**

The Company has started operations during the year under review. Company achieved a turnover of Rs. 365.26 lacs and Net Profits Rs. 11.56 lacs.

- Doing Garmenting for Samtex as well as some other brands.
- Planning to set up and marketing in its own brands under the umbrella of Samtex Fashions Ltd., the parent Holding Company.





# SAMTEX FASHIONS LIMITED

**Regd. Office :** Plot No. 134-135, Noida Special Economic Zone  
Phase - II, Distt. Gautam Budha Nagar, Noida - 201 305 (U.P.)

## PROXY FORM

Folio No. / DP ID No ..... No. of equity shares held.....

I/We.....of.....in the district of.....being a Member/Members of the above Company hereby appoint Sh./Smt.....of..... in the district of..... or failing him/her..... of.....in the district of.....as my/our proxy to vote for me/us on my/our behalf at the **18th Annual General Meeting** of the Company to be held on Friday, **30th September, 2011** at 9:30 A.M. at the Registered Office of the Company i.e. Plot No. 134-135, Noida Special Economic Zone, Phase - II, Gautam Budh Nagar, Noida - 201305 (U.P.) and any adjournment thereof.

Signed this.....day of.....2011.

Signature.....



**Note :** The Form should be signed across the stamp as per specimen signature registered with the Company. The proxy form must reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.



TEAR HERE



# SAMTEX FASHIONS LIMITED

**Regd. Office :** Plot No. 134-135, Noida Special Economic Zone  
Phase - II, Distt. Gautam Budha Nagar, Noida - 201 305 (U.P.)

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Folio No./DP ID No..... No. of equity shares held.....

Name of the Member.....  
(in block letters)

Name of the Proxy.....  
(if any)

I hereby record my presence at the **18th Annual General Meeting** of the Company held on **30th day of Sept., 2011**.

.....  
Signature of the Member/Proxy

Admission slips without this information will not be accepted.

**No Gift/Gifts coupons will be provided to the members.**



# BOOK POST

*If undelivered, please return to :*



**SAMTEX FASHIONS LIMITED**

*Corporate Office* : M-71, (Market), 1st Floor,  
Greater Kailash - II, New Delhi - 110 048

FIRST IMPRESSION 9811224048, 9899578245