

19th Annual Report 2011-2012



SAMTEX
FASHIONS LIMITED

SAMTEX FASHIONS LIMITED



BOARD OF DIRECTORS

Anil Mittal

Chairman & Managing Director

Vinay Mittal

Director

A. P. Mathur

Director

Atul Mittal

Joint Managing Director

S. K. Gupta

Director

Raman Ohri

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 Nineteenth Annual General Meeting of M/s Samtex Fashions Limited will be held on Friday, the 28th September, 2012 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' 2012 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. A.P. Mathur, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Raman Ohri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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

Sd/-
KAMINI GUPTA
Company Secretary & GM Finance

Place : New Delhi
Dated : 14.08.2012

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 19.09.2012 to 28.09.2012 (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.

IN DEFERENCE TO GOVERNMENT POLICY, NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

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

Sd/-
KAMINI GUPTA
Company Secretary & GM Finance

Place : New Delhi
Dated : 14.08.2012



Annexure to Notice dated 14.08.2012- Item no. 2 and 3

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. Raman Ohri	Mr. A.P.Mathur
Date of Birth	07.07.1954	29.01.1940
Date of Appointment	27.01.2009	24.03.1998
Qualification	Graduate	BSc. Engineering, FIE
Expertise in specific functional areas	Administrative	Technical and General Management
List of Directorship held in other Companies as on 31 st March,2012.	Sam Buildcon Limited	BCC Fuba India Ltd.
Chairman / Member of the Committees of the Board of Public Companies on which he is a Director as on 31 st March, 2012	Member - Two Chairman - One	Member - Two
Shareholding in the Company as on 31 st March,2012 :- Equity Shares in Numbers	Nil	Nil
Relationship with other Directors	None	None



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**
Sd/-
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 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March'2012.

FINANCIAL RESULTS		Rs. In Lacs
PARTICULARS	2011-2012	2010-2011
Sales and other Income	5342.24	5978.67
Profit before tax, interest, depreciation and write offs	811.08	612.62
Interest & Financial Expenses	622.90	319.53
Depreciation	179.15	179.50
Profit Before Tax	9.03	113.59
Provision for Taxation :		
Current	5.19	28.29
Deferred	(18.55)	(14.22)
Earlier year	1.12	1.25
Profit after Tax	21.27	98.27
Balance of Profit from Previous Years	2879.34	2781.07
Balance of Profit carried forward	2900.61	2879.34

REVIEW OF OPERATIONS & FUTURE PROSPECTS:

The performance during the year under review was towards declining side due to recessionary international economic conditions. So far as Profits are concerned bottom line also declined due to increase in cost of raw material, Labour coupled with tough competition, energy cost and Low Margins. These factors adversely affected the profitability of the Company for the year under report.

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. 779.97 crores with a growth of 14% over the previous year and a Net Profit of Rs. 12.19 crores.

The other Wholly Owned Subsidiary namely Sam Buildcon Limited achieved a turnover of Rs.6.42 cr. and Profits Rs. 0.13 cr.

A brief note on the performance of the subsidiaries is attached as Annexure to this Annual Report.

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.

DEMATERIALIZATION OF SHARES

Your Company's shares are participating both with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN number of the Company is **INE931D01012**. As on date **92.13** % of the Share Capital of the Company, comprising **9121567** 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 2011-2012.

DIRECTORS

Mr. A. P. Mathur and Mr. Raman Ohri, 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.

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 292 A 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.

COMPLIANCE CERTIFICATE FROM COST AUDITOR

Pursuant to section 233B of the Companies Act, 1956 read with Cost Audit Rules 2011, the Company will comply and will receive the 'Cost Audit Compliance Report for the financial Year 2011-12 from the Practicing Cost Accountant.

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 31.03.2012 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.

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 : 14.08.2012



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' 2012

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>
1. POWER AND FUEL CONSUMPTION		
a) Purchased		
Unit	603120	831272
Total Amount (Rs. Lacs)	41.78	55.76
Rate/Unit (Rs.)	6.92	6.71
b) Own Generation Through Diesel Generator		
Unit	32548	131298
Total Amount (Rs. Lacs)	2.50	8.48
Cost/Unit (Rs.)	7.68	6.46

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.



	<u>Current Year</u>	<u>Rs. in Lacs Previous Year</u>
i. Earnings for the year (FOB value of Exports)	2257.41	4027.09
ii. Outgo for the year:		
Raw Material	2257.30	2043.17
Capital Goods	Nil	20.53
Others	1.48	2.83

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' 2012.

<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)	3883680	16	01.10.96	37	—

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 : 14.08.2012



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 Ready Made 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 2011-2012, 7 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 Ready Made 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 and is undergoing growth. Restructuring to match the international levels of technology, quality and standards. As a result, the capacity has expanded to meet the future requirements as the demands are encouraging. Although it is tough time for the industry with leading firms reporting financial strains still growth prospects are better for developing countries to recover from the economic recession.

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 Ministry of Textiles has recommended continuation of the scheme. All loans sanctioned during the continuation of the scheme are eligible for the subsidy for the life of the loan. 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 - energy, labour 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 Government of India is providing the interest subvention of 2% p.a for the Financial Year 2012-13, in respect of rupee export credit extended to the specified exporters and resulted into a financial comfort to 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 and 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 2012 -13 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**

Place : New Delhi
Dated : 14.08.2012

Sd/-
ANIL MITTAL
Chairman & Managing Director



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,2012 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	2	—	—
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	Executive	1	2	—
6.	Mr. S.K. Gupta	Director	Non-Executive (Independent)	2	3	2

Retiring Directors :

Mr. A.P. Mathur and Mr. Raman Ohri – Directors are retiring by rotation in the ensuing Annual General Meeting and, being eligible, they offer themselves for re-appointment.

Mr. A. P. Mathur retired as General Manager, Central Ware Housing Corporation, a Public Sector Undertaking of Govt. of India and is presently working as an United Nations International Consultant with food and Agricultural Organisation.

Mr. Raman Ohri is a Graduate from Punjab University and is having the managerial experience of about 17 years.

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, Seven Meetings of the Board were held on 12.05.2011, 12.08.2011, 30.08.2011, 15.11.2011, 26.11.2011, 21.01.2012 and 14.02.2012.

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 seven Board Meetings held during 2011-12, as well as at the last Annual General Meeting.

Sl. No.	Name of Directors	No. of Board Meetings Attended	Attendance at the last AGM held on 30.09.2011
1.	Mr. Anil Mittal	7	Yes
2.	Mr. Vinay Mittal	6	Yes
3.	Mr. A. P. Mathur	7	No
4.	Mr. S.K. Gupta	7	Yes
5.	Mr. Atul Mittal	7	Yes
6.	Mr. Raman Ohri	7	No



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 Meeting.

Audit Committee Meetings

Sl. No.	Date of Meeting	Strength	No of Member Present
1.	11.05.2011	3	3
2.	11.08.2011	3	3
3.	27.08.2011	3	3
4.	12.11.2011	3	2
5.	13.02.2012	3	3

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

Members	No. of Meetings Attended	Category
Mr. S.K. Gupta	5	Member & Chairman
Mr. A. P. Mathur	5	Member
Mr.Raman Ohri	4	Member

Mr. S.K. Gupta Chaired the Meeting of Audit Committee held on 13th August, 2012 for reviewing and approving the Final Accounts for the period ended 31st March, 2012.

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 committee comprises of Three Directors, all of whom are Non- 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 no meeting of the committee was held as there was no business to fix or revise the remuneration of any 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 been approved by the Members of the Company in their General Meeting.



Details of Remuneration to Directors for the Year 2011 - 2012 :-

(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	840000	352800	140000	100800	-	1433600

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 / De mat cases, or Complaints pending for more than 30 days, as on 31st March, 2012.
- 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, 2012

New Delhi, 14th August, 2012

Anil Mittal
Chairman & Managing Director

7. 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
16th AGM 2008-2009	Wednesday, 30th September, 2009 at 9.30 AM	Regd Office: Plot No-134- 135 NSEZ, Phase-II, Noida - 201305, U.P
17th AGM 2009-2010	Thursday, 30th September, 2010 at 9.30 AM	————do————
18th AGM 2010-2011	Friday, 30th September, 2011 at 9.30 AM	————do————



8. Details of Special Resolutions/ Special Business:

- | | | | | |
|----|----------------------|---|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | 16 th 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. |
| 2. | 17 th 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. |
| 3. | 18 th AGM | : | i) | Appointment of Relative, Mr. Rahul Mittal, son of Mr. Sanjeev Mittal, brother of Mr. Anil Mittal , Chairman & Managing Director |
| | | | ii) | Re-appointment of Mr. Atul Mittal as Whole Time Director- designated as Joint Managing Director with increased remuneration for a period of 3 years w.e.f. 16.02.2011 |
| | | | iii) | Re-appointment of relative Mr. Anubhav Mittal son of Mr. Anil Mittal, Chairman & Managing Director of the Company for holding place of profit. |
| | | | iv) | Increase in the Authorised Capital of Company from existing Rs. 10.00 crores to Rs. 16.00 crores . |
| | | | v) | Offer, Issue and allotment of 50,00,000 no. of Equity Shares/ Zero Coupon Warrants convertible into Equity Share of Rs. 10/- each at a premium of Rs. 18/- per equity share on Preferential issue basis on private placement. |
| | | | vi) | Listing of Company's Equity Shares at National Stock Exchange, Mumbai. |

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 G of Part B of Note 32- Other Notes 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.
3. During the current year Company have come up with a Preferential Allotment of 50,00,000 (Fifty lacs) Equity Shares/ Zero Coupon Warrants(ZCW) 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 issue basis, on private placement.

All the 50,00,000 No. of ZCW were allotted with 25% paid –up value towards equity and premium and the second trench of 25% paid –up value towards equity and premium have already been called. An amount of Rs. 6.33 crores have been collected The allotment of Equity Shares will be completed by 31st March, 2013.

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 with Mumbai Stock Exchange and can be viewed at the company's Website : www.samtexfashions.com.

14. General Shareholders Information :

i) 19th Annual General Meeting:-

Date : 28th September, 2012
Time : 9:30 A.M
Venue : Plot No-134-135, NSEZ, Phase-II, Noida
Gautam Budh Nagar, Uttar Pradesh-201305

ii) **Book closure Details** : 19th September 2012 to 28th September, 2012

iii) **Dividend Payment Details** : N.A

iv) Financial Calendar (2012-2013-Tentative)

First quarter results : August, 2012
Second quarter results : November, 2012
Third quarter results : February, 2013
Fourth quarter results : May, 2013
Annual results : August, 2013
AGM for the year ended 31.03.2013 : September, 2013

v) **Listing and Stock code** : The company's Equity shares are listed on the following Stock Exchanges:-

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

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

Year 2011 – 2012 (Month)	The Stock Exchange, Mumbai		
	Highest	Lowest	Closing
April, 2011	29.55	25.15	25.60
May, 2011	30.65	22.10	28.10
June, 2011	30.90	24.45	26.45
July, 2011	29.75	23.75	26.05
August, 2011	28.70	21.35	24.50
September, 2011	26.00	22.60	23.55
October, 2011	25.90	23.40	23.40
November, 2011	25.00	20.40	20.40
December, 2011	21.40	16.60	18.00
January, 2012	22.60	15.65	21.35
February, 2012	21.00	16.30	17.25
March, 2012	19.50	15.35	17.90

15. Listing Fees :

Paid for the year 2011 - 2012.



16. Shareholding Pattern of the Company as on 31st March, 2012 :

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	1117544	11.29
NRI/OCBs	1071046	10.82
Others (Trust and Clearing Members)	97666	0.99
Indian Public	2899494	29.28
Total	9900000	100

17. Distribution of Shareholding as at 31st March, 2012 :

No. of Equity Share Held Shares	Folio Nos	% of Total Folio Nos.	Share Nos.	% of Total
Up to 500	4897	89.45	628936	6.35
501 – 1000	244	4.46	210614	2.13
1001-2000	105	1.92	165396	1.67
2001-3000	62	1.13	157400	1.59
3001-4000	23	0.42	81044	0.82
4001-5000	19	0.35	91508	0.92
5001-10000	35	0.64	262448	2.65
10001 and above	89	1.63	8302654	83.87
TOTAL	5474	100.00	9900000	100.00

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,2012

No. of shares dematerialized	9121567	92.13% of total share capital
------------------------------	---------	-------------------------------

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

Sd/-

ANIL MITTAL

Chairman & Managing Director

Place : New Delhi
Dated : 14.08.2012



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, 2012

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
COMPANY SECRETARY
CP No. 8265

Place : New Delhi
Date : 14th August, 2012



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, 2012 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 : August 14, 2012

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, 2012, 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012 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 : August 14, 2012

Sd/-
VINAY AGGARWAL
PARTNER
M.No. 082045



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 (a) The company has granted loan to parties covered in the register maintained under section 301 of the companies Act, 1956. (Refer Note No. 32 (G)).
- (b) The above loans and advances are in the nature of interest free loan and in our opinion the terms and conditions are not, prima facie prejudicial to the interest of the company.
- (c) As explained to us, there is no stipulated time frame for the repayment of the above loans and advances and hence we are unable to comment on the regularity of the repayment of the Principal and Interest on the above loan taken or granted to the parties covered under section 301 of the Companies Act , 1956.
- (d) In view of the above we are unable to comment whether there is any Overdue amounts of loans taken from or granted to the Companies, Firms or Other Parties listed in the register maintained u/s 301 of the Companies Act , 1956.
- (e) No Loans advances is reported to be overdue.
- (f) The company has not taken any loans and advances , secured or unsecured from Companies , Firms or Other Parties covered in the register maintained under section 301 of the companies Act,1956. Hence part (e) , (f) & (h) of Clause 4(iii) are not applicable.
- 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. It is being further strengthened.
- viii. As informed to us, the maintenance of cost records as prescribed by the Central Government under section 209 (1)(d) of the Companies act,1956 is in process and management ensures that the compliance report will be submitted within the time period stipulated in the relevant statute.



- 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 31.03.2012 for a period of more than six months from the date they became payable except a sum of Rs. 185,391 is payable for Tax Deducted at Source.
- (b) According to the records of the company, the disputed statutory dues i.e, Income Tax aggregating to Rs. 116.78 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.110.65 lacs is deposited under protest against above demand. As mentioned in point no. A of Note No. 32 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. 47615 Lacs & Rs.575 Lacs against secured Loans taken from financial institutions by SSA International Ltd. & Sam Buildcon Ltd. Respectively; wholly owned subsidiaries of the Company.
- 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

Sd/-
VINAY AGGARWAL
PARTNER
M.No. 082045

Place : New Delhi
Dated : August 14, 2012



BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS		NOTE	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
I	EQUITY AND LIABILITIES			
	1 SHAREHOLDERS FUNDS			
	(a) SHARE CAPITAL	3	99,180,000	99,180,000
	(b) RESERVES AND SURPLUS	4	315,060,329	312,933,642
			414,240,329	412,113,642
	2 SHARE APPLICATION MONEY PENDING ALLOTMENT	5	63,301,941	-
	3 NON-CURRENT LIABILITIES			
	(a) LONG TERM BORROWINGS	6	96,311,600	118,584,400
	(b) DEFERRED TAX LIABILITIES (NET)	7	-	692,823
	(c) LONG-TERM PROVISIONS	8	8,273,214	9,487,499
			104,584,814	128,764,722
	4 CURRENT LIABILITIES			
	(a) SHORT TERM BORROWINGS	9	303,489,818	298,180,018
	(b) TRADE PAYABLES	10	137,824,864	112,723,786
	(c) OTHER CURRENT LIABILITIES	11	35,958,136	34,171,061
	(d) SHORT TERM PROVISIONS	12	5,169,019	5,205,561
			482,441,837	450,280,426
	TOTAL		1,064,568,921	991,158,790
II	ASSETS			
	1 NON-CURRENT ASSETS			
	(a) FIXED ASSETS			
	(i) TANGIBLE ASSETS	13	207,596,499	232,987,577
	(b) NON-CURRENT INVESTMENTS	14	226,000,700	226,000,700
	(c) DEFERRED TAX ASSETS (NET)	15	1,162,629	-
	(d) LONG-TERM LOANS AND ADVANCES	16	23,717,940	30,232,265
			458,477,768	489,220,542
	2 CURRENT ASSETS			
	(a) INVENTORIES	17	520,399,090	412,514,475
	(b) TRADE RECEIVABLES	18	39,918,506	41,795,614
	(c) CASH AND BANK BALANCES	19	10,798,502	11,428,412
	(d) SHORT-TERM LOANS AND ADVANCES	20	30,463,501	31,839,591
	(e) OTHER CURRENT ASSETS	21	4,511,553	4,360,156
			606,091,153	501,938,248
	TOTAL		1,064,568,921	991,158,790
	NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 - 32		

IN TERMS OF OUR REPORT ATTACHED

FOR **AGGARWAL & RAMPAL**
CHARTERED ACCOUNTANTS
F.R. NO. : 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VINAY AGGARWAL
PARTNER
M. NO. 82045

Sd/-
ANIL MITTAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S. K. GUPTA
DIRECTOR

Place : New Delhi
Dated : August 14, 2012

Sd/-
KAMINI GUPTA
COMPANY SECRETARY & GM FINANCE



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	PARTICULARS	Note	(Amount ₹) 31.03.2012	(Amount ₹) 31.03.2011
I	REVENUE FROM OPERATIONS			
	(1) REVENUE FROM OPERATIONS	22	530,734,402	594,695,440
	(2) OTHER INCOME	23	3,489,581	3,171,890
	TOTAL REVENUE		534,223,983	597,867,330
II	EXPENSES:			
	(1) COST OF MATERIAL CONSUMED	24	361,479,088	411,342,858
	(2) PURCHASE OF STOCK-IN-TRADE		17,498,403	
	(3) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK -IN-TRADE	25	(67,501,259)	(40,456,231)
	(3) EMPLOYEE BENEFITS EXPENSES	26	69,292,035	74,877,475
	(4) FINANCE COSTS	27	62,289,660	31,952,888
	(5) DEPRECIATION AND AMORTIZATION EXPENSE	28	17,915,007	17,950,081
	(6) OTHER EXPENSES	29	68,739,594	90,908,764
	TOTAL EXPENSES		529,712,528	586,575,835
III	PROFIT BEFORE PRIOR PERIOD ITEMS (I-II)		4,511,455	11,291,495
IV	PRIOR PERIOD (INCOME)/EXPENSE	30	26,681	-
V	PROFIT BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX (III-IV)		4,484,774	11,291,495
VI	EXCEPTIONAL ITEMS	31	(3,582,108)	67,741
VII	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		902,666	11,359,236
VIII	EXTRAORDINARY ITEMS		-	-
IX	PROFIT BEFORE TAX (VII-VIII)		902,666	11,359,236
X	TAX EXPENSE			
	CURRENT TAX		519,173	2,828,610
	EARLIAR YEAR'S TAX		112,261	125,600
	DEFERRED TAX (ASSETS) /LIABILITY		(1,855,453)	(1,422,156)
XI	PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)		2,126,686	9,827,181
XII	EARNING PER SHARE (FACE VALUE Rs.10 EACH)			
	BASIC		0.21	0.99
	DILUTED		0.20	0.94
	NUMBER OF EQUITY SHARES :			
	BASIC		9,900,000	9,900,000
	DILUTED		10,400,000	10,400,000
	NOTES FORMING PART OF THE FINANCIAL STATEMENTS		1-32	

IN TERMS OF OUR REPORT ATTACHED

FOR **AGGARWAL & RAMPAL**
CHARTERED ACCOUNTANTS
F.R. NO. : 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VINAY AGGARWAL
PARTNER
M. NO. 82045

Sd/-
ANIL MITTAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S. K. GUPTA
DIRECTOR

Place : New Delhi
Dated : August 14, 2012

Sd/-
KAMINI GUPTA
COMPANY SECRETARY & GM FINANCE



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2012

PARTICULARS	(Amount ₹) 31.03.2012	(Amount ₹) 31.03.2011
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before extraordinary items and tax	902,666	11,359,236
<i>Adjustments for:</i>		
Depreciation and amortisation	17,915,007	17,950,081
(Profit) / loss on sale / write off of assets	3,582,108	(67,741)
Finance costs	62,289,660	31,660,688
Interest income	(251,817)	(652,978)
	<u>-</u>	<u>-</u>
Operating profit / (loss) before working capital changes	84,437,623	60,249,286
<i>Changes in working capital:</i>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(107,884,615)	(57,135,368)
Trade receivables	1,877,108	31,373,918
Short-term loans and advances	11,376,090	(5,054,082)
Long-term loans and advances	(3,485,675)	2,197,688
Other current assets	(151,397)	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	25,101,078	(24,492,010)
Other current liabilities	1,787,075	8,608,721
Short-term provisions	(36,542)	(5,784,167)
Long-term provisions	(1,214,285)	27,899
	<u>(72,631,163)</u>	<u>27,899</u>
Cash generated from operations	11,806,460	9,991,885
Net income tax (paid) / refunds	631,433	2,954,210
Net cash flow from / (used in) operating activities (A)	<u>11,175,027</u>	<u>7,037,675</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(672,646)	(3,458,371)
Proceeds from sale of fixed assets	4,566,610	115,000
Bank balances not considered as Cash and cash equivalents		
Interest received		
- Others	251,817	652,978
Purchase of investments		(40,000,000)
	<u>4,145,781</u>	<u>(42,690,393)</u>
Net cash flow from / (used in) investing activities (B)	<u>4,145,781</u>	<u>(42,690,393)</u>

SAMTEX FASHIONS LIMITED



PARTICULARS	(Amount ₹)	
	31.03.2012	31.03.2011
C. Cash flow from financing activities		
Proceeds from issue of equity shares		-
Share application money received	63,301,941	-
Repayment of long-term borrowings	(22,272,800)	(18,372,800)
Net increase / (decrease) in working capital borrowings	5,309,800	79,888,154
Finance cost	(62,289,660)	(31,660,688)
	(15,950,719)	29,854,666
Net cash flow from / (used in) financing activities (C)	(15,950,719)	29,854,666
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(629,912)	(5,798,052)
Cash and cash equivalents at the beginning of the year	11,428,412	17,226,462
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the end of the year	10,798,502	11,428,412
* Comprises:		
(a) Cash on hand	5,698,688	5,783,504
(b) Cheques, drafts on hand		
(c) Balances with banks:		
(i) In current accounts	5,099,814	-
(d) Current investments considered as part of Cash and cash equivalents	-	-
Total	10,798,502	-

Notes:

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

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR **AGGARWAL & RAMPAL**
CHARTERED ACCOUNTANTS
F.R. NO. : 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VINAY AGGARWAL
PARTNER
M. NO. 82045

Sd/-
ANIL MITTAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S. K. GUPTA
DIRECTOR

Place : New Delhi
Dated : August 14, 2012

Sd/-
KAMINI GUPTA
COMPANY SECRETARY & GM FINANCE



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principals (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 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 ongoing concern basis.

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

B. USE OF ESTIMATES

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

C. FIXED ASSETS AND DEPRECIATION

- a) Expenditure of capital nature are capitalized at cost comprising of purchase price (net of rebates and discounts) and any other cost which is directly attributable to bringing the asset to its working condition for the intended use.
- b) Depreciation on fixed assets is provided on Straight-line method at the rates and in the manner prescribed in schedule 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.

D. INVESTMENTS

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

E. FOREIGN EXCHANGE TRANSACTIONS

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

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

F. INVENTORY VALUATION

- a) Stock of Raw Materials are valued according to FIFO method as prescribed for the valuation of Inventory, at purchase cost or net realisable value whichever is low. The quantity and valuation of stocks of Raw Material is taken as physically verified, valued and certified by the Management at the end of the year. The inventory of Raw Material includes raw material supplied by foreign parties for the execution of their export orders by the company and the same is valued at the end of the year.



- b) Finished goods are valued at lower of cost or net 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.

G. 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 recognized at the date of dispatch from Delhi Office.

H. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made on the basis of assessable income under the Income Tax Act, 1961.

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

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

I. PROVISIONS & CONTINGENT LIABILITIES

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

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

J. BORROWING COST

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

K. IMPAIRMENT OF ASSETS

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

L. EMPLOYEE BENEFITS

a) PROVIDENT FUND

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



b) GRATUITY

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non - funded, defined benefit retirement plan (the gratuity plan) covering all employees. The plan, subject to the provisions of the Act, provides a lump sum payment to vested employees at retirement or termination of employment with the company. The Company estimates its liability on adhoc basis in the interim financial reports and on an actuarial valuation basis as of year end balance sheet date carried out by an independent actuary, and is charged to Profit & Loss Account in accordance with AS-15 (revised).

c) LEAVE ENCASHMENT

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

NOTE 2: CASH FLOW STATEMENT

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

CASH AND CASH EQUIVALENTS

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



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
3	<u>SHARE CAPITAL:</u>		
	(1) <u>AUTHORISED:</u>		
	1,60,00,000 EQUITY SHARES OF RS. 10 EACH (PREVIOUS YEAR 1,00,00,000 EQUITY SHARES OF RS.10 EACH)	160,000,000	100,000,000
	(2) <u>ISSUED, SUBSCRIBED & FULLY PAID-UP</u>		
	99,00,000 EQUITY SHARES OF RS. 10 EACH (PREVIOUS YEAR 99,00,000 EQUITY SHARES OF RS.10 EACH)	99,000,000	99,000,000
	(3) <u>Forfeited shares</u>		
	AMOUNT ORIGINALLY PAID-UP ON 1,00,000 ZERO COUPON WARRANT @Rs.1.80 PER WARRANT (PREVIOUS YEAR 1,00,000 ZERO COUPN WARRANT @Rs.1.80 PER WARRANT)	180,000	180,000
		99,180,000	99,180,000

(a) RECONCILIATION OF THE NUMBER OF SHARES AND AMOUNT OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD:

PARTICULARS	AS AT 31 MARCH, 2012		AS AT 31 MARCH, 2011	
	NO. OF SHARES	AMOUNT (₹)	NO. OF SHARES	AMOUNT (₹)
AT THE BEGINNING OF THE YEAR	9,900,000	99,000,000	9,900,000	99,000,000
ISSUED DURING THE YEAR	-	-	-	-
OUTSTANDING AT THE END OF THE YEAR	9,900,000	99,000,000	9,900,000	99,000,000

(b) RIGHTS,PREFERENCES & RESTRICTIONS ATTACHED TO SHARES:

The equity shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The equity shares are also subject to restriction as prescribed under the Companies Act, 1956.

4 RESERVE & SURPLUS:

SURPLUS

AT THE BEGINNING OF THE ACCOUNTING PERIOD	287,933,643	278,106,464
ADDITIONS DURING THE YEAR (BALANCE IN STATEMENT OF PROFIT & LOSS A/C)	2,126,686	9,827,181
AT THE END OF THE ACCOUNTING PERIOD	290,060,329	287,933,642

CAPITAL RESERVE :

STATE CAPITAL SUBSIDY		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	1,000,000	1,000,000
ADDITIONS DURING THE YEAR/DEDUCTION DURING THE YEAR	-	-
AT THE END OF THE ACCOUNTING PERIOD	1,000,000	1,000,000

SECURITIES PERMIUM ACCOUNT

AT THE BEGINNING OF THE ACCOUNTING PERIOD	24,000,000	24,000,000
ADDITIONS DURING THE YEAR	-	-
AT THE END OF THE ACCOUNTING PERIOD	24,000,000	24,000,000
TOTAL	315,060,329	312,933,642



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT	AS AT
		31.03.2012 (Amount ₹)	31.03.2011 (Amount ₹)
5	SHARE APPLICATION MONEY PENDING ALLOTMENT (REFER NOTE 32.D)	63,301,941	-
		63,301,941	-
6	LONG TERM BORROWINGS		
(a)	TERM LOAN (SECURED) FROM IDBI BANK LTD.	55,681,600	77,954,400
(b)	LOANS AND ADVANCES FROM RELATED PARTIES	40,630,000	40,630,000
	TOTAL	96,311,600	118,584,400

(a) NATURE OF SECURITY IN TERMS OF REPAYMENT OF BORROWINGS

NATURE OF SECURITY	TERMS OF REPAYMENT
Term loan Loan from IDBI is secured by first charge on immovable movable assets, present and future except book debts, subject to the charge created or to be created in favor of bankers for securing working capital requirement on stocks of raw material, semi finished goods, 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 the Managing Director, Promoter Directors and an independent Director	Repayable in equated Quarterly installments of Rs 55,68,000 each from the date of loan. Interest will be payable 10% above base rate at Monthly rests.

7 **DEFERRED TAX LIABILITIES (NET)**

DEFERRED TAX LIABILITIES	-	692,823
	-	692,823
	-	692,823
ITEM WISE DETAIL OF THE DEFERRED TAX LIABILITY		
RELATED TO FIXED ASSETS	DTL	(2,240,348)
RELATED TO OTHERS	DTA	15,47,524
NET DEFERRED TAX LIABILITY	-	692,823
	-	692,823

8 **LONG-TERM PROVISIONS:**

PROVISION FOR GRATUITY	7,146,360	7,977,314
PROVISION FOR LEAVE ENCASHMENT	1,126,854	1,510,185
TOTAL	8,273,214	9,487,499

SAMTEX FASHIONS LIMITED



NOTE 13 : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2011 (Rs.)	Addition during the year (Rs.)	Sales/ adjustment during the year (Rs.)	As at 31.03.2012 (Rs.)	As at 01.04.2011 (Rs.)	For the year ended 31.03.2012 (Rs.)	W. back during the year (Rs.)	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)	
1 BUILDING & SITE DEVELOPMENT	91,805,270	-	-	91,805,270	31,464,501	3,066,296	-	34,530,797	57,274,473	60,340,769
2 PLANT & MACHINERY	240,409,484	283,000	10,435,791	230,256,693	99,280,181	11,427,444	2,287,073	108,420,552	121,836,141	141,129,303
3 FURNITURE & FIXTURES	23,798,438	-	-	23,798,438	17,095,445	1,506,441	-	18,601,886	5,196,552	6,702,993
4 ELECTRICAL INSTALLATION	12,232,633	-	-	12,232,633	6,620,093	581,050	-	7,201,144	5,031,489	5,612,540
5 OFFICE EQUIPMENT	8,446,512	389,646	-	8,836,158	4,270,403	404,424	-	4,674,827	4,161,331	4,176,109
6 VEHICLES	9,782,645	-	-	9,782,645	6,879,499	929,351	-	7,808,850	1,973,795	2,903,145
TOTAL	386,474,982	672,646	10,435,791	376,711,837	165,610,122	17,915,007	2,287,073	181,238,056	195,473,782	220,864,859
Previous Year	383,837,638	3,458,371	821,027	386,474,982	148,433,809	17,950,081	773,768	165,610,122	220,864,859	-

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
14	<u>NON CURRENT INVESTMENT:</u>		
	INVESTMENT (AT COST):		
	(A) TRADE INVESTMENT IN EQUITY INSTRUMENTS (UNQUOTED) IN WHOLLY OWNED SUBSIDIARY COMPANIES:		
	(I) SSA INTERNATIONAL LIMITED 20,500,000 EQUITY SHARES OF RS. 10 EACH (PREVIOUS YEAR 20,500,000 EQUITY SHARES OF RS. 10 EACH)	205,000,000	205,000,000
	(II) SAM BUILDCON LIMITED 1,500,070 EQUITY SHARES OF RS.10 EACH (PREVIOUS YEAR 1,500,700 EQUITY SHARES OF RS. 10 EACH)	15,000,700	15,000,700
	(B) OTHERS INVESTMENTS (UNQUOTED) INVESTMENT IN EQUITY INSTRUMENTS		
	YOGENDRA WORSTED LIMITED 600,000 EQUITY SHARES RS. 10 EACH FULLY PAID UP (PREVIOUS YEAR 600,000 EQUITY SHARES OF RS. 10	6,000,000	6,000,000
	TOTAL	226,000,700	226,000,700
	AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	226,000,700	226,000,700
15	<u>DEFERRED TAX ASSETS (NET):</u>		
	DEFERRED TAX ASSETS	1,162,629	-
	TOTAL	1,162,629	-
	ITEM WISE DETAIL OF THE DEFERRED TAX ASSETS		
	RELATED TO FIXED ASSETS DTL	(407,380)	-
	RELATED TO GRATUITY/LEAVE ENCASHMENT DTA	1,570,009	-
	NET DEFERRED TAX ASSET	1,162,629	-
16	<u>LONG TERM LOANS AND ADVANCES:</u>		
	UNSECURED, CONSIDERED GOOD:		
	SECURITY DEPOSITS	6,135,793	4,050,118
	LOANS AND ADVANCES TO RELATED PARTIES	17,582,147	26,182,147
	TOTAL	23,717,940	30,232,265



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
17	<u>INVENTORIES:</u>		
	RAW MATERIAL	234,008,581	193,347,395
	FINISHED GOODS	214,649,531	156,230,665
	WORK IN PROCESS	68,671,892	59,566,608
	SCRAP MATERIAL	1,868,574	1,891,465
	OTHER STORES	1,200,512	1,478,342
	TOTAL	520,399,090	412,514,475
18	<u>TRADE RECEIVABLES:</u>		
	UNSECURED, CONSIDERED GOOD:		
	(1) TRADE RECEIVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY WERE DUE FOR PAYMENT	-	-
	(2) OTHER TRADE RECEIVABLES UNSECURED, CONSIDERED GOOD	39,918,506	41,795,614
	TOTAL	39,918,506	41,795,614
NOTE:	The date of invoice is treated as due date of repayment of trade receivables. However, in case of Export Sale, trade receivable becomes due on credit terms of 90 to 120 Days.		
19	<u>CASH & BANK BALANCES</u>		
	CASH ON HAND	5,698,688	5,783,504
	CURRENT ACCOUNTS WITH BANKS	508,814	249,250
	DEMAND DEPOSITS	4,591,000	5,395,658
	TOTAL	10,798,501	11,428,412
20	<u>SHORT TERM LOANS & ADVANCES:</u>		
	UNSECURED, CONSIDERED GOOD:		
	LOANS AND ADVANCES TO EMPLOYEES	180,520	-
	PREPAID EXPENSES	1,900,763	920,838
	ADVANCE FOR FIXED ASSETS	140,000	
	ADVANCES TO SUPPLIERS	4,390,726	1,768,697
	LOANS AND ADVANCES TO RELATED PARTIES	56,000	5,000
	OTHER RECEIVABLES	1,150,123	16,733,181
	SHARE APPLICATION MONEY	10,000,000	-
	DEPOSITS AGAINST DISPUTE WITH GOVT AUTHORITIES	11,064,581	11,064,581
	BALANCES WITH GOVT AUTHORITIES:		
	VAT CREDIT RECEIVABLE	1,526,401	1,244,948
	TDS RECEIVABLE	29,347	77,306
	INCOME TAX REFUND	25,040	25,040
	TOTAL	30,463,501	31,839,591
21	<u>OTHER CURRENT ASSETS:</u>		
	INTEREST ACCRUED ON FD	151,397	-
	OTHER RECEIVABLES	4,360,156	4,360,156
	TOTAL	4,511,553	4,360,156



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
22	<u>REVENUE FROM OPERATIONS</u>		
	(A) EXPORT SALE OF MANUFACTURED GOODS		
	TROUSER	271,866,685	433,549,773
	JACKETS	20,018,286	2,391,760
	SHIRTS	183,907,300	131,220,407
	SHORT	21,263,185	9,417,963
	SKIRTS	4,244,273	6,360,444
		<u>501,299,729</u>	<u>582,940,347</u>
	(B) DOMESTIC SALE OF TRADED GOODS	29,101,548	11,205,056
	(C) SCRAP SALE	333,125	550,037
	NET REVENUE FROM OPERATIONS	<u>530,734,402</u>	<u>594,695,440</u>
23	<u>OTHER INCOME:</u>		
	MISCELLANEOUS INCOME	1,214,199	2,399,657
	COMMISSION	23,474	119,255
	INTEREST (Refer Note (i) below)	251,817	652,978
	EXCHANGE FLUCTUATION	2,000,091	-
	TOTAL	<u>3,489,581</u>	<u>3,171,890</u>
	Note (i)		
	INTEREST ON BANK DEPOSITS	251,817	652,978
	TOTAL	<u>251,817</u>	<u>652,978</u>
24	<u>COST OF MATERIALS CONSUMED:</u>		
	<u>RAW MATERIAL</u>		
	OPENING STOCK	193,347,395	176,720,872
	ADD:RAW MATERIAL PURCHASED	402,140,274	427,969,381
	LESS: CLOSING STOCK	234,008,581	193,347,395
	CONSUMPTION OF RAW MATERIAL	<u>361,479,088</u>	<u>411,342,858</u>
	COST OF MATERIALS CONSUMED	<u>361,479,088</u>	<u>411,342,858</u>
	<u>MATERIAL CONSUMED COMPRISES</u>		
	FABRIC	328,170,452	348,761,150
	LINING	6,603,466	9,057,285
	OTHER	26,705,170	53,524,423
	TOTAL	<u>361,479,088</u>	<u>411,342,858</u>



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
25	<u>CHANGES IN INVENTORIES</u>		
	<u>FINISHED GOODS</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	148,593,450	118,529,503
	AT THE END OF THE ACCOUNTING PERIOD	207,906,146	148,593,450
		<u>(59,312,697)</u>	<u>(30,063,947)</u>
	<u>FINISHED GOODS- IN TRANSIT(TO)</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	7,637,215	-
	AT THE END OF THE ACCOUNTING PERIOD	6,743,385	7,637,215
		<u>893,830</u>	<u>(7,637,215)</u>
	<u>WORK-IN-PROGRESS</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	59,566,608	56,505,080
	AT THE END OF THE ACCOUNTING PERIOD	68,671,892	59,566,608
		<u>(9,105,284)</u>	<u>(3,061,528)</u>
	<u>SCRAP MATERIAL</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	1,891,465	2,197,924
	AT THE END OF THE ACCOUNTING PERIOD	1,868,574	1,891,465
		<u>22,891</u>	<u>306,459</u>
	TOTAL	<u><u>(67,501,259)</u></u>	<u><u>(40,456,231)</u></u>
26	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	SALARY AND WAGES:		
	WAGES AND OTHER BENEFITS	36,122,273	44,225,562
	OFFICE STAFF SALARY	20,624,817	16,215,445
	SECURITY CHARGES	1,491,802	1,302,400
	BONUS	2,724,881	2,780,548
	DIRECTOR'S REMUNERATION	2,333,869	2,123,869
	GRATUITY EXPENSE	658,444	2,103,387
	CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	-	
	CONTRIBUTION TO PROVIDENT FUND	3,046,845	2,955,453
	CONTRIBUTION TO EMPLOYEES STATE INS.FUND	1,519,080	1,857,443
	STAFF WELFARE EXPENSES	-	
	WORKERS AND STAFF WELFARE EXPENDITURE	770,024	1,313,368
	TOTAL	<u><u>69,292,035</u></u>	<u><u>74,877,475</u></u>
27	<u>FINANCIAL COSTS:</u>		
	1. INTEREST EXPENSES		
	(a) TERM LOANS	6,694,541	6,619,836
	(b) WORKING CAPITAL LIMITS	31,396,485	18,138,644
	(c) OTHERS	36,673	-
	2. FORWARD CONTRACT CHARGES	7,270,411	-
	3. BANK CHARGES	8,526,453	6,902,208
	4. EXCHANGE FLUCTUATION	8,365,097	292,200
	TOTAL	<u><u>62,289,660</u></u>	<u><u>31,952,888</u></u>



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
28	DEPRECIATION AND AMORTIZATION EXPNSE:		
	DEPRECIATION ON TANGIBLE ASSETS	17,915,007	17,950,081
	TOTAL	17,915,007	17,950,081
29	OTHER EXPENSES:		
	MANUFACTURING EXPENSES		
	CONSUMPTION OF STORES AND SPARE PARTS		
	OPENING BALANCE OF STOCK	1,478,342	-
	ADD: STORE & CONSUMABLE PURCHASED	1,909,603	4,189,949
	LESS: CLOSING STOCK	1,200,512	1,478,342
	STORE & CONSUMABLE CONSUMED	2,187,433	2,711,607
	POWER & FUEL	9,575,021	12,617,835
	CUSTOM / EXCISE DUTY	50,620	604,769
	FREIGHT INWARD AND CARTAGE	1,260,007	3,178,023
	IMPORT CLEARING EXPENSES	1,401,921	1,783,755
	REPAIR AND MAINTENANCE :	-	-
	PLANT AND MACHINERY	2,102,044	2,726,673
	ELECTRICALS	206,863	399,766
	PROCESS AND FINISHING EXPENSES	8,427,495	23,204,209
	TOTAL (A)	25,211,404	47,226,637
	GENERAL & ADMINISTRATIVE EXPENSES		
	TRAVELLING AND CONVEYANCE	5,099,893	4,632,669
	POSTAGE, TELEGRAM AND TELEPHONE	3,238,971	3,158,422
	LEGAL AND PROFESSIONAL CHARGES	1,485,749	1,524,263
	PRINTING AND STATIONERY	660,880	856,515
	REPAIRS AND MAINTENANCE :	-	-
	VEHICLES	790,239	886,443
	OTHERS	857,495	465,136
	BUILDING	172,999	230,533
	MEMBERSHIP AND SUBSCRIPTION	90,305	129,457
	RATES AND TAXES	723,430	241,627
	GENERAL EXPENSES	3,572,151	3,551,931
	RENT	7,043,534	4,203,440
	INTERNAL AUDIT FEES	-	27,575
	CREDIT RATING FEES	100,000	-
	COMPLIANCE AUDIT FEES	95,299	33,678
	BOOKS PAPERS AND PERIODICALS	11,890	35,177
	AUDITOR'S REMUNERATION	100,000	100,000
	SALES/ENTREY TAX ADDITIONAL LIABILITY	22,937	98,675
	CHARITY AND DONATION	253,555	142,600
	INSURANCE CHARGES	3,656,909	2,650,377
	DIRECTOR SITTING FEES	89,000	87,000
	ADVERTISEMENT EXPENSES	389,119	411,443
	MAINTAINANCE CHARGES GUEST HOUSE	240,240	-
	TOTAL (B)	28,694,594	23,466,961



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT	AS AT
		31.03.2012 (Amount ₹)	31.03.2011 (Amount ₹)
	SELLING EXPENSES		
	FREIGHT OUTWARD	2,522,024	5,629,810
	BUSINESS PROMOTION EXPENSES	4,893,263	3,989,575
	COMPENSATION PAID	935,619	3,352,234
	HANDLING CHARGES	152,532	173,403
	EXPORT CLEARING EXPS.	1,540,940	1,980,481
	REBATE & DISCOUNT	1,261,374	1,056,856
	SAMPLING & SUPPLIES CHARGES	3,235,043	2,622,789
	EXPORT SHIPMENT DAMAGE CHARGES	292,802	1,410,018
	TOTAL (C)	14,833,597	20,215,166
	TOTAL (A+B+C)	68,739,594	90,908,764
	NOTES :		
	(i) PAYMENT TOT THE AUDITORS COMPRISES :		
	AS AUDITORS-STATUTORY AUDIT	75,000	75,000
	FOR OTHER SERVICES	5,000	5,000
	REIMBURSEMENT OF TRAVELLING AND OUT OF POCKET EXPENSES	20,000	20,000
	TOTAL	100,000	100,000
30	PRIOR PERIOD ITEMS		
	LEGAL AND PROFESSIONAL CHARGES	3,000	
	TELEPHONE EXPENSES	13,041	
	FREIGHT OUTWARD	10,640	
	TOTAL	26,681	-
31	EXCEPTIONAL ITEMS		
	LOSS/(GAIN) ON SALE OF FIXED ASSETS	3,582,108	(67,741)
	TOTAL	3,582,108	(67,741)



NOTE 32 : OTHER NOTES

A. Contingent liabilities

a) No provision has been made in the books of accounts by the company for a sum of Rs.5902380/- Rs.1205225/- 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.1205225/- & 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.

b) Guarantees

The company has guaranteed a sum of Rs. 47615 Lacs (Previous Year Rs. 42450 Lacs) & Rs.575 Lacs (Previous Year Rs. 575 Lacs) against secured Loans taken from financial institutions by SSA International Ltd. & Sam Buildcon Ltd. Respectively; wholly owned subsidiaries of the Company.

c) Other money for which the Company is contingently liable

Letters of Credit in foreign currency established for purchase of raw materials/ consumables and capital goods amounting to Rs.2,13,49,517 (Previous year Rs.180,20,122). The liability is converted into Rupees as per the exchange rate prevailing as on 31st March, 2012.

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

C. Remuneration paid to Directors is as under :

S.No.	PARTICULARS	Current year	Previous year
1	Salary	1,740,000	1,560,000
2	House Rent Allowance	352,800	278,750
3	Provident fund	208,800	187,200
4	L.T.A.	145,000	130,000
5	Mediclaime	145,000	130,000
	Total	2,591,600	2,285,950

D. Share Application Money Pending Allotment

As at 31 March 2012, the Company has received an amount of Rs.6,33,01,941 towards share application money towards equity shares of the Company at a premium of Rs. 18 per share. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, the Company is required to complete the allotment formalities by 31 March 2013. The Company has sufficient authorized capital to cover the allotment of these shares.

E. 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.

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

G. Related Party Disclosure :

List of the Related parties with whom transactions have taken placed and the relationships :

S. No.	Name of the Party	Relationship
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.			
	SSA International Ltd.		SAM Buildcon Ltd.	
	Current Year	Previous Year	Current Year	Previous Year
a) Equity Issued				
Balance as at 1 st April, 2011	2050.00	1700.00	150.01	5.01
Issued During the year	—	350.00	—	145.00
Balance As at 31 st March,2012	2050.00	2050.00	150.01	150.01
b) Share Application Money				
Balance as at 1 st April 2011	—	—	—	95.00
Paid during the year	100	350.00	—	50.00
Equity Issued during the year	—	350.00	—	145.00
Balance As at 31.03.2012	100	—	—	—
c) Loans & Advances				
Balance as at 1 st April 2011	230.32	216.32	31.50	71.58
Paid During the year	740.00	600.00	183.50	245.24
Taken During the year	726.00	350.00	183.50	235.32
Transferred to Equity investment	100.00	236.00	—	50.00
Written off during the year	—	—	—	—
Balance as at 31.03.2012	144.32	230.32	31.50	31.50
d) Job Work Done	—	—	100.97	220.3
e) Creditors				
Balance as at 01.04.2011	—	—	73.85	6.44
Services Recd. During the year	—	—	100.97	220.03
Paid during the year	—	—	51.64	152.62
Balance as at 31.03.2012	—	—	123.18	73.85

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	2011-12	2010-11
1. TOTAL SALES AT EACH SEGMENT		
U.S.A.	2472.03	2251.05
INDIA	4036.07	4144.65
GROSS SALES	6508.10	6395.70
LESS :INTER SEGMENT REVENUE	1280.48	448.74
NET SALES /INCOME FROM OPERATION	5227.61	5946.95
2. SEGMENT RESULTS (PROFIT+/ LOSS – BEFORE TAX AND INTEREST FOR EACH SEGMENT)		
U.S.A.	101.00	76.01
INDIA	310.75	285.17
TOTAL	411.75	361.18
INTEREST	402.72	247.58
TOTAL PROFIT BEFORE TAX	9.03	113.60



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 :

(FIGURES IN LAKHS)

SEGMENT ASSETS	In USD	In Rupees	
U S A	27.13 (21.82)	1378.60 (974.24)	Current Year Previous Year
SEGMENT LIABILITIES			
U S A	19.21 (14.70)	986.89 (656.52)	Current Year Previous Year
CAPITAL EMPLOYED			
U S A	7.92 (7.12)	391.71 (317.72)	Current Year Previous Year

- I. a) Gross Block under Fixed Assets includes assets worth Rs.875049/- (Previous year Rs.633,491/-) or equivalent to US\$ 18536 (Previous Year US\$ 13794) Situated at the Trading Office of the Company at New York.
 b) Security deposit includes Rs.15,75,064/- (Previous Year Rs. 13,80,578/-) equivalent US\$ 30920 (Previous Year US\$ 30920) representing security given by the New York Trading Office of the company.

J. 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 2012 and recognized in the financial statement in respect of employee benefit schemes.

(In Rs.)

	Gratuity		Leave encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
(i) Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Future Salary Increase	5.50%	5.50%	5.50%	5.50%
(ii) Table showing change in Benefit Obligation				
Liability at the beginning of the year	90,46,590	76,02,435	19,09,721	18,57,169
Interest Cost	7,23,727	6,08,195	1,52,778	1,48,573
Past Service Cost	—	4,25,814	—	—
Current Services Cost	6,37,734	7,48,135	1,44,796	2,11,007
Benefit Paid	(6,38,213)	(6,59,232)	(177,919)	(147,766)
Actuarial (gain)/loss on obligation	(7,03,017)	3,21,243	(3,19,203)	(159,260)
Liability at the end of the year	90,66,821	90,46,590	17,10,173	19,09,719
(iii) Tables of Fair value of Plan Assets				
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	—	—	—	—
(iv) Actual Return on Plan Assets				
Expected Return on Plan Assets	—	—	—	—
Actuarial (gain)/loss on Plan Assets	—	—	—	—
Actuarial Return on Plan Assets	—	—	—	—



(In Rs.)

	Gratuity		Leave encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
(v) Amount recognized in the Balance Sheet				
Liability at the end of the year	90,66,821	90,46,590	17,10,173	19,09,719
Fair value of plan assets at the end of the year	—	—	—	—
Difference	90,66,821	90,46,590	17,10,173	19,09,719
Amount recognized in the Balance sheet	90,66,821	90,46,590	17,10,173	19,09,719
(vi) Expenses recognized in the Income Statement				
Current Service Cost	6,37,734	7,48,135	2,11,007	2,11,007
Past Service Cost	—	4,25,814	—	—
Interest Cost	7,23,727	6,08,195	1,52,778	1,48,573
Expected Return On Plan Assets				
Net actuarial (gain)/loss to be recognized	(7,03,017)	3,21,243	(3,19,203)	(159,260)
Expenses Recognized in Profit & Loss A/c	6,58,444	21,03,387	(21,626)	2,00,320
(vii) Amount Recognized in the Balance Sheet				
Opening net liability	90,46,590	76,02,435	19,09,721	18,57,167
Expense as above	6,58,444	21,03,387	(21,629)	2,00,320
Employers Contribution Paid	(6,38,213)	(6,59,232)	(1,77,919)	(147,766)
Closing net Liability	90,66,821	90,46,590	17,10,173	19,09,721

K. 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 :-

	<u>Current Year</u> <u>(Qty. in Nos.)</u>	<u>Previous Year</u> <u>(Qty. in Nos.)</u>
a) Licensed Capacity	N.A.	N.A.
b) Installed Capacity (No. of Pcs of Garments)	1600000	1600000
c) Production (Readymade Garments)	1447585	1238458

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	29,539 (6,282)	2,00,18,286 (23,91,760)	5,052 (6,335)	2,452,356 (22,10,923)	6,335 (3,263)	22,10,923 (1,481,402)
Shirts	786119 (835,001)	18,39,07,300 (13,12,20,407)	48,882 (295,251)	8,216,526 (39,828,827)	2,95,251 (196,374)	3,98,28,827 (25,024,971)
Others		21,461,760 (19,302,726)		126,266,003 (2,976,190)		29,76,190 (0)
TOTAL (A)	8,15,658 (8,41,283)	225,387,346 (152,914,894)	53,934 (301,586)	136,934,886 (45,015,940)	3,01,586 (199,637)	4,50,15,940 (265,06,373)
Trousers	5,76,498 (1,130,218)	27,95,06,472 (425,452,101)	196,707 (243,883)	70,231,340 (88,632,453)	2,43,883 (184,853)	8,86,32,453 (72,322,696)
Shorts	45,580 (41,786)	2,12,63,185 (94,17,963)	9740 (71,678)	3,253,355 (14,417,730)	71,678 (47,228)	1,44,17,730 (11,523,632)
Skirts	9,849 (20,256)	42,44,273 (6360444)	13,645 (43,264)	4,229,950 (81,64,541)	43,264 (43,288)	81,64,541 (8,176,801)
TOTAL (B)	6,31,927 (1,1,92,260)	305,013,930 (441,230,509)	220,092 (358,825)	77,714,645 (111,214,724)	3,58,825 (275,369)	11,12,14,724 (92,023,129)
Scrap Material (C)		333,125 (550,037)				
TOTAL (A+B+C)	14,47,585 (2,033,543)	530,734,401 (594,695,440)	274,026 (660,411)	21,46,49,531 (156,230,665)	6,60,411 (475,006)	15,62,30,665 (118,529,503)

e) Consumption of Raw Material :

	2011-2012		2010-2011	
	Qty. (Mtrs.)	Amount (Rs.)	Qty. (Mtrs.)	Amount (Rs.)
Fabric	4,91,841	6,40,69,268	1,563,559	17,62,70,598
Lining	2,57,550	66,03,466	445,894	9,057,285
Fusing	4,21,055	1,13,21,969	615,880	17,613,899
Others /Trims		1,53,83,201		35,910,524
Consumption at T.O.		26,41,01,185		172,490,552
		361,479,088		411,342,858

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

	Current Year (Rs.)	Previous Year (Rs.)
i) Raw Materials	22,57,30,880	20,43,17,067
ii) Capital Goods	NIL	20,52,684

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

	Current Year (Rs.)	Previous Year (Rs.)
Foreign Travel	147,732	116,170
Repair & Maint. (Plant & Machinery)	—	166,613
Professional Fees	NIL	NIL



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	6,28,53,416 (189,649,806)	18 (46)	NIL (1,66,613)	- (6)
- Indigenous	34,424,487 (492,02,500)	(9) (12)	NIL (25,60,060)	- (94)
- Consumption at T.O.	26,41,01,185 (172,490,552)	(73) (42)	- -	- -
Total	361,479,088 (411,342,858)	100 (100)	NIL (27,26,673)	100 (100)

d). Earnings In Foreign Exchange

	Current Year (Rs.)	Previous Year (Rs.)
F.O.B. value of Exports	22,57,40,941	40,27,09,507

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

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

	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
(i) FCSB	425,11,251	124,15,121
(ii) Bill of Exchange	63,49,257	50,50,277
	48,860,508	1,74,65,398

M. Micro, Small and Medium Enterprises

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

N. 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.

O. Notes 1 to 32 form an integral part of the Financial Statements as at 31st March, 2012 and have been authenticated as such.

FOR **AGGARWAL & RAMPAL**
CHARTERED ACCOUNTANTS
F.R. NO. : 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VINAY AGGARWAL
PARTNER
M. NO. 82045

Sd/-
ANIL MITTAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S. K. GUPTA
DIRECTOR

Place : New Delhi
Dated : August 14, 2012

Sd/-
KAMINI GUPTA
COMPANY SECRETARY & GM FINANCE



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

1. Name of Subsidiary Company Became Subsidiary as on	*SSA International Limited 16.02.2001	**Sam Buildcon Ltd. 05.02.2008
2. Financial year of the Subsidiary Company end on	31st March, 2012	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. 1218.69 Lacs	Rs. 13.15 Lacs
(ii) Profit for the previous financial years of Subsidiary, since it became Holding Company's Subsidiary	Rs. 5066.71 Lacs	Rs. 14.54 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 : 14.08.2012

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, 2012 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 2012.
- b) In the case of Consolidated Profit & Loss Account, of the consolidated results of operations of the Company and its subsidiaries 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 : August 14, 2012

Sd/-
VINAY AGGARWAL
PARTNER
M. No. F 082045



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	PARTICULARS	NOTE	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
	EQUITY AND LIABILITIES			
1	SHAREHOLDERS FUNDS			
	(a) SHARE CAPITAL	3	99,180,000	99,180,000
	(b) RESERVES AND SURPLUS	4	963,775,340	838,631,144
	TOTAL(1)		1,062,955,340	937,811,144
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	5	63,301,941	-
3	NON-CURRENT LIABILITIES			
	(a) LONG TERM BORROWINGS	6	477,908,401	523,399,934
	(b) DEFERRED TAX LIABILITIES (NET)	7	67,488,988	56,782,107
	(c) LONG-TERM PROVISIONS	8	13,452,552	13,209,842
	TOTAL(3)		558,849,941	593,391,883
4	CURRENT LIABILITIES			
	(a) SHORT TERM BORROWINGS	9	3,205,100,391	2,846,773,766
	(b) TRADE PAYABLES	10	338,951,334	239,715,656
	(c) OTHER CURRENT LIABILITIES	11	200,301,434	182,292,024
	(d) SHORT TERM PROVISIONS	12	29,864,813	17,813,885
	TOTAL(4)		3,774,217,972	3,286,595,331
	TOTAL(1+2+3+4)		5,459,325,194	4,817,798,358
	ASSETS			
1	NON-CURRENT ASSETS			
	(a) FIXED ASSETS	13		
	(i) TANGIBLE ASSTS		1,040,308,817	981,720,084
	(ii) INTANGIBLE ASSETS		296,252	169,483
	(iii) CAPITAL WORK-IN-PROGRESS		35,849,476	6,192,526
	(b) NON-CURRENT INVESTMENTS	14	6,000,000	6,000,000
	(c) LONG-TERM LOANS AND ADVANCES	15	19,567,464	15,665,377
	TOTAL(1)		1,102,022,009	1,009,747,470
2	CURRENT ASSETS			
	(a) INVENTORIES	16	3,518,204,612	3,077,565,128
	(b) TRADE RECEIVABLES	17	636,192,892	543,478,177
	(c) CASH AND BANK BALANCES	18	47,839,152	55,197,984
	(d) SHORT-TERM LOANS AND ADVANCES	19	148,117,580	125,929,016
	(e) OTHER CURRENT ASSETS	20	6,948,948	5,880,581
	TOTAL(2)		4,357,303,184	3,808,050,886
	TOTAL(1+2)		5,459,325,194	4,817,798,358
	NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-32		

IN TERMS OF OUR REPORT ATTACHED

FOR **AGGARWAL & RAMPAL**
CHARTERED ACCOUNTANTS
F.R. NO. : 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VINAY AGGARWAL
PARTNER
M. NO. 82045

Sd/-
ANIL MITTAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S. K. GUPTA
DIRECTOR

Place : New Delhi
Dated : August 14, 2012

Sd/-
KAMINI GUPTA
COMPANY SECRETARY & GM FINANCE

SAMTEX FASHIONS LIMITED



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	PARTICULARS	Note	(Amount ₹) 31.03.2012	(Amount ₹) 31.03.2011
I	REVENUE FROM OPERATIONS			
	(1) REVENUE FROM OPERATIONS(GROSS)	21	8,400,648,798	7,464,134,898
	LESS: EXCISE DUTY		6,002,459	-
	REVENUE FROM OPERATIONS(NET)		8,394,646,339	7,464,134,898
	(2) OTHER INCOME	22	9,118,130	53,420,927
	TOTAL REVENUE		8,403,764,469	7,517,555,825
II	EXPENSES:			
	(1) COST OF MATERIAL CONSUMED	23	7,504,577,631	6,201,484,281
	(2) PURCHASES OF STOCK IN TRADE	24	249,569,953	298,547,236
	(3) CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK -IN-TRADE	25	(804,209,773)	(247,627,090)
	(4) EMPLOYEE BENEFITS EXPENSES	26	144,697,634	143,260,839
	(5) FINANCE COSTS	27	472,411,088	237,357,514
	(6) DEPRECIATION AND AMORTIZATION EXPENSE	28	83,735,274	73,829,120
	(7) OTHER EXPENSES	29	562,172,820	572,390,297
	TOTAL EXPENSES		8,212,954,627	7,279,242,197
III	PROFIT BEFORE PRIOR PERIOD ITEMS (I-II)		190,809,842	238,313,628
IV	PROFIT BEFORE PRIOR PERIOD (INCOME)/EXPENSE	30	85,131	137,715
V	PROFIT BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX (III-IV)		190,724,711	238,175,913
VI	EXCEPTIONAL ITEMS	31	4,645,670	1,466,199
VII	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		186,079,041	236,709,714
VIII	EXTRAORDINARY ITEMS		-	-
IX	PROFIT BEFORE TAX (VII-VIII)		186,079,041	236,709,714
X	TAX EXPENSE			
	CURRENT TAX		37,772,716	48,250,598
	EARLIER YEARS TAX		12,288,249	33,059,551
	DEFERRED TAX (Assets) /LIABILITY		10,706,879	17,347,472
XI	PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)		125,311,197	138,052,093
XII	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII	TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
XIV	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)		-	-
XV	PROFIT (LOSS) FOR THE PERIOD (XI+XIV)		125,311,197	138,052,093
XVI	EARNING PER EQUITY SHARE			
	BASIC		12.66	13.94
	DILUTED		12.05	13.27
	NUMBER OF EQUITY SHARES			
	BASIC		9900000	9900000
	DILUTED		10400000	10400000

IN TERMS OF OUR REPORT ATTACHED

FOR **AGGARWAL & RAMPAL**
CHARTERED ACCOUNTANTS
F.R. NO. : 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VINAY AGGARWAL
PARTNER
M. NO. 82045

Sd/-
ANIL MITTAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S. K. GUPTA
DIRECTOR

Place : New Delhi
Dated : August 14, 2012

Sd/-
KAMINI GUPTA
COMPANY SECRETARY & GM FINANCE



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2012

PARTICULARS	(Amount ₹) 31.03.2012	(Amount ₹) 31.03.2011
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	186,079,040	237,105,362
<i>Adjustments for:</i>		
Depreciation and amortisation	83,735,274	73,829,120
(Profit) / loss on sale / write off of assets	4,645,670	1,466,199
Finance costs	472,411,088	234,531,392
Interest income	(4,195,485)	(5,298,761)
Net (gain) / loss on sale of investments	(80,597)	(4,500,000)
Capital investment subsidy	(167,000)	(1,203,773)
	556,348,950	298,824,177
Operating profit/(loss) before working capital changes	742,427,990	535,929,539
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(440,639,484)	(1,117,338,770)
Trade receivables	(105,054,711)	(22,070,352)
Short-term loans and advances	(22,188,564)	(41,008,615)
Long-term loans and advances	(5,302,087)	1,931,353
Other current assets	(1,068,367)	(1,520,425)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	111,575,674	(125,841,386)
Other current liabilities	18,009,410	(4,384,492)
Short-term provisions	20,219,383	8,804,757
Long-term provisions	242,710	1,953,763
	(424,206,036)	(1,299,474,167)
Cash flow from extraordinary items	-	-
Cash generated from operations	318,221,954	(763,544,628)
Net income tax (paid) / refunds	58,229,419	95,310,159
Net cash flow from/(used in) operating activities(A)	259,992,535	(858,854,787)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(182,127,003)	(111,739,104)
Proceeds from sale of fixed assets	5,373,609	-
Bank balances not considered as Cash and cash equivalents:		
- Placed	(17,090,000)	-
- Matured	-	11,631,143
Current investments not considered as Cash and cash equivalents:		
- Purchased	(80,000,000)	-
- Proceeds from sale	80,080,597	-
Interest received		
- Others	4,195,485	5,298,761
Purchase of investments	-	(40,000,000)
Sale of long-term investments	-	9,500,000
Capital investment subsidy received	-	5,000,000
Rental income from operating leases	(189,567,312)	(120,309,200)
Net cash flow from / (used in) investing activities (B)	(189,567,312)	(120,309,200)

SAMTEX FASHIONS LIMITED



PARTICULARS	(Amount ₹) 31.03.2012	(Amount ₹) 31.03.2011
C. Cash flow from financing activities		
Proceeds from issue of equity shares		40,000,000
Share application money received	73,301,941	
Repayment of long-term borrowings	(54,091,533)	(18,372,800)
Net increase/(decrease) in working capital borrowings	358,326,625	1,174,476,878
Net proceed from long-term borrowing	-	29,642,250
Finance cost	(472,411,088)	(234,531,392)
Net cash flow from / (used in) financing activities (C)	(94,874,055)	991,214,936
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(24,448,832)	12,050,949
Cash and cash equivalents at the beginning of the year	48,991,541	36,940,592
Cash and cash equivalents at the end of the year	24,542,709	48,991,541
* Comprises:		
(a) Cash on hand	11,249,114	9,018,563
(b) Cheques, drafts on hand		
(c) Balances with banks:		
(i) In current accounts	- 13,293,597	- 39,972,980
(d) Current investments considered as part of Cash and cash equivalents	-	-
Total	- 24,542,709	- 48,991,541

Notes:

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

FOR **AGGARWAL & RAMPAL**
CHARTERED ACCOUNTANTS
F.R. NO. : 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VINAY AGGARWAL
PARTNER
M. NO. 82045

Sd/-
ANIL MITTAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S. K. GUPTA
DIRECTOR

Place : New Delhi
Dated : August 14, 2012

Sd/-
KAMINI GUPTA
COMPANY SECRETARY & GM FINANCE



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principals (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 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.

B. USE OF ESTIMATES

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

C. FIXED ASSETS AND DEPRECIATION

- a) Expenditure of capital nature are capitalized at cost comprising of purchase price (net of rebates and discounts) and any other cost which is directly attributable to bringing the asset to its working condition for the intended use.
- b) Depreciation on fixed assets is provided on Straight-line method at the rates and in the manner prescribed in schedule 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.

D. INVESTMENTS

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

E. FOREIGN EXCHANGE TRANSACTIONS

In view of the Accounting Standard 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 with the AS - 11.

F. INVENTORY VALUATION

- a) Stock of Raw Materials are valued according to FIFO method as prescribed for the valuation of Inventory, at purchase cost or net realisable value whichever is low. The quantity and valuation of stocks of Raw Material is taken as physically verified, valued and certified by the Management at the end of the year. The inventory of Raw Material includes raw material supplied by foreign parties for the execution of their export orders by the company and the same is valued at the end of the year.



- b) Finished goods are valued at lower of cost or net 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.

G. REVENUE RECOGNITION

(I) 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.

(II) 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 recognized at the date of dispatch from Delhi Office.

H. SEGMENT REPORTING

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

I. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made on the basis of assessable income under the Income Tax Act, 1961.

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

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

H. 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 past event possible obligation that may, but probably will not require an outflow of resources no provision is recognized but appropriate disclosure is made as contingent liability unless the possibility of out flow is remote.



I. BORROWING COST

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

J. 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 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.

K. EMPLOYEE BENEFITS

(a) PROVIDENT FUND

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

(b) GRATUITY

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-funded, defined benefit retirement plan (the gratuity plan) covering all employees. The plan, subject to the provisions of the Act, provides a lump sum payment to vested employees at retirement or termination of employment with the Company. The Company estimates its liability on adhoc basis in the interim financial reports and on an actuarial valuation basis as of year end balance sheet date carried out by an independent actuary, and is charged to Profit & Loss Account in accordance with AS-15 (revised).

(c) LEAVE ENCASHMENT

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

NOTE 2: CASH FLOW STATEMENT

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

CASH AND CASH EQUIVALENTS

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
3	<u>SHARE CAPITAL:</u>		
	(1) <u>AUTHORISED:</u>		
	1,60,00,000 EQUITY SHARES OF Rs. 10/- EACH (PREVIOUS YEAR 1,00,00,000 EQUITY SHARES OF RS. 10/- EACH)	<u>160,000,000</u>	<u>100,000,000</u>
	(2) <u>ISSUED, SUBSCRIBED & FULLY PAID UP</u>		
	99,00,000 EQUITY SHARES OF RS.10/- EACH FULLY PAID IN CASH (PREVIOUS YEAR 99,00,000 EQUITY SHARES OF RS.10 EACH FULLY PAID IN CASH)	<u>99,000,000</u>	<u>99,000,000</u>
	(3) <u>FORFEITED SHARES</u>		
	AMOUNT ORIGINALLY PAID UP ON 1,00,000 ZERO COUPON WARRANT @ RS. 1.80 PER WARRANT (PREVIOUS YEAR 2,05,00,000 EQUITY SHARES OF RS.10 EACH FULLY PAID IN CASH)	<u>180,000</u>	<u>180,000</u>
	TOTAL (2)	<u><u>99,180,000</u></u>	<u><u>99,180,000</u></u>

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

PARTICULARS	AS AT 31 MARCH, 2012		AS AT 31 MARCH, 2011	
	NO. OF SHARES	AMOUNT (₹)	NO. OF SHARES	AMOUNT (₹)
At the beginning of the year	9,900,000	99,000,000	9,900,000	99,000,000
Add: Shares issued	-	-	-	-
At the closing of the year	<u>9,900,000</u>	<u>99,000,000</u>	<u>9,900,000</u>	<u>99,000,000</u>

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

The equity shares of the Company have voting rights and are subject to the preferential rights as prescribed under law or those of the preference shareholders, if any. The equity shares are also subject to restriction as prescribed under the Companies Act, 1956.

4 RESERVE & SURPLUS:

(1) <u>SURPLUS</u>		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	<u>809,834,916</u>	671,387,184
ADDITIONS DURING THE YEAR (BALANCE IN STATEMENT OF PROFIT & LOSS A/C) AT THE END OF THE ACCOUNTING PERIOD	<u>125,311,197</u>	<u>138,447,733</u>
	<u><u>935,146,113</u></u>	<u><u>809,834,917</u></u>
(2) <u>CAPITAL INVESTMENT SUBSIDY</u>		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	<u>4,796,227</u>	6,000,000
ADDITIONS/(DEDUCTION) DURING THE YEAR	<u>167,000</u>	<u>1,203,773</u>
AT THE END OF THE ACCOUNTING PERIOD	<u><u>4,629,227</u></u>	<u><u>4,796,227</u></u>
(3) <u>SECURITIES PREMIUM ACCOUNT</u>		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	<u>24,000,000</u>	24,000,000
ADDITIONS/(DEDUCTION) DURING THE YEAR	<u>24,000,000</u>	<u>24,000,000</u>
AT THE END OF THE ACCOUNTING PERIOD	<u><u>24,000,000</u></u>	<u><u>24,000,000</u></u>
TOTAL (1+2+3)	<u><u>963,775,340</u></u>	<u><u>838,631,144</u></u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
5	SHARE APPLICATION MONEY PENDING ALLOTMENT	63,301,941	-
		<u>63,301,941</u>	<u>-</u>
6	LONG TERM BORROWINGS		
	TERM LOANS FROM BANKS (SECURED) :		
	IDBI BANK LTD.	186,181,600	160,454,400
	STATE BANK OF INDIA	105,150,000	144,000,000
	VEHICLE LOANS	12,768,615	279,462
	CORPORATE LOANS FROM BANKS (SECURED) :		
	IDBI BANK LTD.	133,100,000	177,700,000
	TERM LOANS FROM FINANCIAL INSTITUTIONS (SECURED):		
	TATA CAPITAL LIMITED	78,186	221,304
	KOTAK MAHINDRA PRIME LTD.	-	114,768
	LOANS AND ADVANCES FROM RELATED PARTES (UNSECURED)	40,630,000	40,630,000
	TOTAL	<u>477,908,401</u>	<u>523,399,934</u>

(A) Nature of Security and terms of repayment of Borrowings

Nature of Security	Terms of repayment
<p>Term Loan from IDBI Bank Ltd. Is secured by first charge on Immovable and Movable assets, present and future except book debts, subject to the charge created or to be created in favor of bankers for securing working capital requirement on stock of raw material, semi finished goods, finished goods, store 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 the Managing Director, Promoter Directors and an independent Director.</p> <p>Term loan of Rs.1100 Lacs (year end balance Rs. 605 lacs) from IDBI Bank Ltd. is secured by first charge on fixed assets (refinery unit) of the company at Samalkha and it is secured by personal guarantee of Anil Mittal (CMD) and Naveen Mittal (WTD) & corporate guarantee of Samtex fashions Ltd.</p> <p>Term loan of Rs.700 Lacs (year end balance Rs. 700 lacs) from IDBI Bank Ltd. Is secured by first charge on the fixed assets (solvent plant) of the company at Samalkha Unit and further guaranteed by irrevocable and unconditional personal guarantee of Anil Mittal (CMD) and Naveen Mittal (WTD) & corporate guarantee of Samtex Fashions Ltd.</p> <p>Term loan of Rs.750 Lacs (year end balance Rs. 51.50 lacs) from State Bank of India is secured by exclusive charge over assets created for the Co-generation Power Plant at Samalkha and second charge over current assets both present & future of the company. extension of second charge over fixed assets of the company (excluding fixed assets at mandideep industrial area, MP & assets created for co-generation power Plant at samalkha). Further guaranteed by personal guarantee of Anil Mittal (CMD) and Naveen Mittal (WTD) and corporate guarantee of Samtex Fashions Ltd., Empire Finvest Pvt. Ltd., Gartex Overseas Pvt. Ltd. and SSR Apparel Pvt. Ltd.</p>	<p>Repayable in equated quarterly installments of Rs. 5,568,000 each from the date of loan. The interest will be payable 10% above base rate at Monthly rests.</p> <p>The principle amount is repayable in 20 equal quarterly instalments of Rs.55 Lacs each upto 01.10.2015. Interest will be payable at BPLR -50 BPS monthly</p> <p>The principle amount is repayable in 20 equal quarterly instalments of Rs.35 Lacs from 01.04.2013 to 01.01.2018. Interest will be payable at BBR plus 350 BPS monthly</p> <p>The principle amount is repayable in 23 equal quarterly instalments of Rs.31 Lacs and last quarterly instalment of Rs.37 Lacs from 01.04.2013 to 31.03.2019. Interest will be payable 4.00% above base rate at Monthly rests.</p>



Nature of Security	Terms of repayment
<p>Term loan of Rs.2100 Lacs (year end balance is Rs. 920 lacs) from State Bank of India is secured by exclusive charge over entire fixed assets of the company at Mandideep including E.M. of factory land and building and collateral security is same as in case of above mentioned term loan of Rs. 750 lacs from SBI. Further guaranteed by personal guarantee of Anil Mittal (CMD) and Naveen Mittal(WTD) and corporate guarantee of Samtex Fashions Ltd.,Empire Finvest Pvt. Ltd.,Gartex Overseas Pvt. Ltd. and SSR Apparel Pvt. Ltd.</p>	<p>Four instalments of Rs.90 Lacs, four instalments of Rs.100 Lacs, four instalments of Rs.125 Lacs and three instalments of Rs.140 Lacs from 01.10.2009 to 01.10.2014. Interest will be payable 4.00% above base rate at Monthly rests.</p>
<p>Corporate loan of Rs.2000 Lacs(year end balance Rs. 1331 lacs) from IDBI Bank Ltd. Is secured primarily by first charge on all the movable and immovable assets of the company other than specifically financed and collateral by promoters to pledge five lacs shares of Samtex Fashions Ltd.</p>	<p>The principle amount is repayable in 17 equal quarterly instalments of Rs.111.50 Lacs and last quarterly instalment of Rs.104.50 Lacs from 01.10.2011 to 01.01.2017. Interest will be payable at BBR plus 400 BPS monthly.</p>
<p>HDFC Bank Ltd. Truck loan of Rs.9,70,000 (year end balance Rs. 4,51,640/-)is secured by hypothecation of Eicher Canter and personal guarantee of directors</p>	<p>Repayable in 35 equated monthly instalments of Rs. 32,495/-including interest (@ 11.62% p.a.) from the date of loan(17/08/2011).</p>
<p>HDFC Bank Ltd. Car loan of Rs.4,00,000/-(year end balance Rs. 2,26,362/-)is secured by hypothecation of Indica Car and personal guarantee of directors</p>	<p>Repayable in 35 equated monthly instalments of Rs. 13,140/-including interest (@ 11.92% p.a.) from the date of loan(11/12/2011)</p>
<p>HDFC Bank Ltd. Car loan of Rs.3,00,000/-(year end balance Rs. 56,564/-)is secured by hypothecation of Maruti A-Star Car and personal guarantee of directors</p>	<p>Repayable in 36 equated monthly instalments of Rs. 9,732/-including interest (@ 11.00% p.a.) from the date of loan(05/11/2010)</p>
<p>HDFC Bank Ltd. Truck loan of Rs.77,80,000/-(year end balance Rs. 40,54,804/-)is secured by hypothecation of four nos. TATA trucks and personal guarantee of directors</p>	<p>Repayable in 35 equated monthly instalments of Rs. 64,725/-each including interest (@ 11.12% p.a.) from the date of loan(15/11/2011)</p>
<p>HDFC Bank Ltd. vehicle loan of Rs.2,50,000/-(year end balance Rs. 25,468/-)is secured by hypothecation of TATA Magic and personal guarantee of directors.</p>	<p>Repayable in 35 equated monthly instalments of Rs. 8,695/-including interest (@ 14.48% p.a.) from the date of loan(12/08/2011)</p>
<p>HDFC Bank Ltd. Car loan of Rs.5,00,000/-(year end balance Rs. 3,53,599/-)is secured by hypothecation of TATA Indigo Car and personal guarantee of directors</p>	<p>Repayable in 36 equated monthly instalments of Rs. 16,730/-including interest (@ 12.51% p.a.) from the date of loan(12/03/2012)</p>
<p>HDFC Bank Ltd. Truck loan of Rs.66,39,000/-(year end balance Rs.42,12,996/-)is secured by hypothecation of four nos. TATA trucks and personal guarantee of directors</p>	<p>Repayable in 35 equated monthly instalments of Rs. 55,437/ for each truck including interest (@ 10.73% p.a.) from the date of loan(12/01/2012)</p>
<p>Kotak Mahindra Bank Ltd. Truck loan of Rs. 61,12,000 (year end balance Rs. 33,87,184/-)is secured by hypothecation of four trucks and personal guarantee of directors</p>	<p>Repayable in 35 equated monthly instalments of Rs. 51,594/ including interest (@ 11.50% p.a.) for each truck from the date of loan(22/10/2011)</p>
<p>TATA Capital Ltd. Car loan of Rs.4,13,000/- (year end balance Rs. 78,185/-)is secured by hypothecation of Maruti Swift Car and personal guarantee of directors</p>	<p>Repayable in 35 equated monthly instalments of Rs. 13,492/-including interest (@ 9.16% p.a.) from the date of loan(28/10/2010)</p>
<p>Term loan from SBI Primary: First charge over entire Fixed assets of the company. Collateral: (i) Extension of charge over entire current assets of the company including all Raw Material, Semi finished and Finished Goods, Stores & Spares and Book Debts. (ii) Pledge of 4,50,000 shares of M/s Samtex Fashions Ltd. held by promoters and their family members. Personal Guarantee of Directors: (i) Anil Mittal (ii) Atul Mittal and (iii) Mr. Naveen Mittal Corporate Guarantee of M/s Samtex Fashions Limited (Holding company)</p>	<p>Repayment of principle amount will be made in equal installments of Rs.10,00,000 each payable on quarterly basis. Interest rate is 2% above SBAR. Repayment of principle amount will be made in equal installments of Rs.10,00,000 each payable on quarterly basis. Interest rate is 2% above SBAR.</p>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
7	DEFERRED TAX LIABILITIES (NET)		
	DEFERRED TAX LIABILITIES	67,488,988	56,782,107
		67,488,988	56,782,107
	Item wise detail of the Deferred Tax Liability		
	Related to Fixed Assets	DTL (71,217,947)	(62,034,593)
	Provision for Gratuity	DTA 1,439,311	2,362,454
	Provision for Leave encashment	DTA 717,415	2,042,682
	Other	DTA 1,572,233	847,350
	NET DEFERRED TAX LIABILITY	(67,488,988)	(56,782,107)
8	LONG-TERM PROVISIONS:		
	PROVISION FOR GRATUITY	10,548,527	10,288,693
	PROVISION FOR LEAVE ENCASHMENT	2,904,025	2,921,149
	TOTAL	13,452,552	13,209,842
9	SHORT-TERM BORROWINGS:		
	FROM BANKS(SECURED):		
	LOANS REPAYABLE ON DEMAND :		
	WAREHOUSED FINANCE	280,000,000	-
	BUYER CREDIT LOAN	395,651,968	-
	WORKING CAPITAL FINANCE:		
	EPC ACCOUNT	917,512,471	1,820,010,480
	OCC ACCOUNT	1,276,788,360	793,284,177
	PCFC ACCOUNT	219,364,919	168,422,341
	FBP ACCOUNT	60,277,968	17,465,398
	FROM BANKS (UNSECURED):		
	BANK OVERDRAFT WITH SBI	55,504,705	47,591,370
	TOTAL	3,205,100,391	2,846,773,766

(A) Warehouse finance from IDBI of Rs. 3000.00 lacs (year end balance 2800.00 lacs) is secured by pledge of stock of Paddy with 15% margin at any of the unit of the company. Interest shall be payable at BBR plus 25 BPS p.a payable monthly

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

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

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

Working capital loan from SBI :

Primary: First charge over entire Fixed assets of the Company

Collateral: (i) Extension of charge over entire current assets of the company including all Raw Material, Semi finished and Finished Goods, Stores and Spares, Book Debts.

(ii) Pledge of 4,50,000 shares of M/s Samtex Fashions Ltd. Held by promoters and their family members.

Personal Guarantee of directors: (i) Anil Mittal, (ii) Atul Mittal and (iii) Naveen Mittal

Corporate Guarantee of M/s Samtex Fashions Limited (Holding Company)

This loan is secured by 1st exclusive hypothetication charge on all existing and future current assets, second hypothetication charge on all moveable fixed assets (other than specially charged with other lenders) and personal guarantee of directors -Anil Mittal, Vinay Mittal and Atul Mittal.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
10	TRADE PAYABLES		
	(A) TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	-	7,385,402
	(B) TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	<u>338,951,334</u>	<u>232,330,254</u>
	TOTAL	<u>338,951,334</u>	<u>239,715,656</u>
	Trade payables includes amount payable to related parties	<u>8,527,599</u>	<u>1,140,738</u>
11	OTHER CURRENT LIABILITIES		
	CURRENT MATURITIES OF LONG TERM DEBTS (SECURED):		
	TERM LOAN FROM BANKS :		
	IDBI BANLK LTD.	44,272,800	66,772,800
	STATE BANK OF INDIA	44,000,000	40,000,000
	VEHICLE LOANS	5,350,740	896,414
	CORPORATE LOANS FROM BANKS :		
	IDBI BANK LTD.	44,600,000	22,300,000
	TERM LOANS FROM FINANCIAL INSTITUTIONS:		
	TATA CAPITAL LIMITED	2,089,519	285,755
	KOTAK MAHINDRA PRIME LTD.	114,768	1,228,319
	SUB-TOTAL	<u>140,427,827</u>	<u>131,483,288</u>
	INTEREST ACCRUED BUT NOT DUE ON BORROWINGS	710,018	853,076
	INTEREST ACCRUED AND DUE ON BORROWINGS	5,853,015	5,735,451
	ADVANCES FROM CUSTOMERS	829,574	829,574
	OTHERS PAYABLE	15,953,605	14,320,836
	SECURITY RECEIVED	311,050	25,000
	EXPENSES PAYABLE	24,828,876	17,532,299
	STATUTORY REMITTANCES :		
	SERVICE TAX PAYABLE	8,419	14,761
	TDS PAYABLE	5,638,480	5,343,455
	TCS PAYABLE	3,331	-
	ESI PAYABLE	326,849	353,482
	PROVIDENT FUND PAYABLE	807,935	1,279,344
	PROFESSIONAL TAX PAYABLE	4,214	-
	SALES TAX PAYABLE	4,591,386	4,521,458
	GOVT. WELFARE . PAYABLE	6,855	-
	TOTAL	<u>200,301,434</u>	<u>182,292,024</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
12	SHORT-TERM PROVISIONS:		
	PROVISION FOR INCOME TAX	11,753,543	10,436,078
	PROVISION FOR WEALTH TAX	106,111	107,259
	PROVISION FOR EMPLOYEE BENEFITS:		
	PROVISION FOR BONUS	4,332,274	4,094,526
	PROVISION FOR GRATUITY	2,093,642	1,236,212
	PROVISION FOR LEAVE ENCASHMENT	1,145,220	535,410
	PROVISION FOR EXCISE DUTY	8,922,941	-
	PROVISION FOR EXPENSES PAYABLE	1,511,082	1,404,400
	TOTAL	29,864,813	17,813,885

NOTE 13 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011 (Rs.)	Addition during the year (Rs.)	Sales/ adjustment during the year (Rs.)	As at 31.03.2012 (Rs.)	As at 01.04.2011 (Rs.)	For the year ended 31.03.2012 (Rs.)	W. back during the year (Rs.)	As at 31.03.2012 (Rs.)	As at 31.03.2012 (Rs.)	As at 31.03.2011 (Rs.)
TANGIBLE ASSETS										
1 Land(Freehold)	25,772,595	-	-	25,772,595	-	-	-	-	25,772,595	25,772,595
2 Land (leasehold)	34,522,221	200,914	-	34,723,135	2,384,414	1,157,331	-	3,541,745	31,181,390	32,137,807
3 Site Development	301,355,139	22,539,904	-	323,895,043	63,776,428	9,438,665	-	73,215,093	250,679,950	237,578,711
5 Plant & Machinery	900,535,718	96,188,932	10,437,790	986,286,860	284,893,572	63,819,394	2,287,073	346,425,893	639,860,967	615,642,146
6 Furniture & Fixtures	27,839,352	208,833	-	28,048,185	18,621,294	1,770,266	-	20,391,560	7,656,625	9,218,058
7 Electrical installation	19,816,931	370,974	-	20,187,905	6,878,622	953,338	-	7,831,961	12,355,944	12,938,309
7 Office Equipment	18,257,826	2,532,981	-	20,790,807	10,377,498	1,712,679	-	12,090,177	8,700,632	7,880,328
8 Vehicles	50,607,244	30,238,191	2,691,910	78,153,525	22,177,832	4,821,044	823,348	26,175,528	51,977,997	28,429,412
Intangible Assets										
Patents & Trademarks	427,711	189,326	-	617,037	258,228	62,557	-	320,785	296,252	169,483
TOTAL	1,379,134,737	152,470,055	13,129,700	1,518,475,092	409,367,888	83,735,274	3,110,421	489,992,742	1,028,482,352	969,766,850
Previous Year	1,124,564,293	257,500,348	2,929,903	1,379,134,737	336,887,473	73,829,119	1,348,704	409,367,887	969,766,850	-

14 NON-CURRENT INVESTMENT

INVESTMENT IN EQUITY INSTRUMENTS

YOGENDRA WORSTED LIMITED	6,000,000	6,000,000
6,00,000 EQUITY SHARES RS. 10 EACH FULLY PAID UP (PREVIOUS YEAR 6,00,000 EQUITY SHARES RS. 10 EACH)		
TOTAL	6,000,000	6,000,000



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
15	<u>LONG TERM LOANS AND ADVANCES:</u>		
	UNSECURED, CONSIDERED GOOD:		
	SECURITY DEPOSITS	19,567,464	15,665,377
	TOTAL	19,567,464	15,665,377
16	<u>INVENTORIES:</u>		
	RAW MAETRIAL	1,512,621,153	1,914,684,444
	FINISHED GOODS	1,653,434,363	921,961,157
	TRADED GOODS	9,177,198	67,183,210
	WORK IN PROGRESS	205,738,834	74,973,364
	SCRAP MATERIAL	1,868,574	1,891,465
	STORES, SPARES & PACKING MATERIAL	-	-
	STORES & SPARES	5,901,426	5,328,076
	PACKING MATERIAL	124,982,263	87,551,485
	DIESEL	818,441	809,165
	HEXANE	2,461,848	3,182,762
	OTHER STORES	1,200,512	-
	TOTAL	3,518,204,612	3,077,565,128
17	<u>TRADE RECEIVABLES:</u>		
	UNSECURED, CONSIDERED GOOD:		
	(1) REC. OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY WERE DUE	4,017,426	390,000
	(2) OTHER TRADE RECEIVABLES	632,175,466	543,088,177
	TOTAL	636,192,892	543,478,177
NOTE:	The date of invoice is treated as due date of repayment of trade receivables. However in case of Export Sale, trade receivable becomes due on credit terms of 90 to 120 Days.		
18	<u>CASH & BANK BALANCES :</u>		
	CASH & CASH EQUIVALENTS (AS PER AS-3)		
	CASH IN HAND	11,249,114	9,018,563
	CURRENT ACCOUNTS WITH BANKS	8,702,597	34,577,322
	OTHER BANK BALANCES		
	DEMAND DEPOSITS	27,887,441	11,602,099
	TOTAL	47,839,152	55,197,984



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT	AS AT
		31.03.2012 (Amount ₹)	31.03.2011 (Amount ₹)
19	<u>SHORT TERM LOANS & ADVANCES:</u>		
	UNSECURED, CONSIDERED GOOD:		
	LOANS AND ADVANCES TO EMPLOYEES	939,425	1,269,601
	PREPAID EXPENSES	13,467,781	7,392,341
	ADVANCE FOR FIXED ASSETS	13,363,942	3,612,889
	LOANS AND ADVANCES TO RELATED PARTIES	56,000	5,000
	SHARES APPLICATION MONEY	9,842,500	-
	BALANCES WITH GOVT AUTHORITIES:		
	SERVICE TAX RECEIVABLE	11,903,171	9,583,201
	GOVT. GRANT	2,500,000	5,000,000
	VAT CREDIT RECEIVABLE	28,095,561	32,038,202
	TDS RECEIVABLE	1,138,994	956,485
	INCOME TAX REFUND	25,040	25,040
	DEPOSITS AGAINST DISPUTE WITH GOVT AUTHORITIES	11,265,318	11,257,191
	TRADE ADVANCE TO SUPPLIERS	54,342,416	38,022,865
	<u>TRADE ADVANCE TO OTHERS</u>	<u>1,177,432</u>	<u>16,766,201</u>
	TOTAL	<u>148,117,580</u>	<u>125,929,016</u>
20	<u>OTHER CURRENT ASSETS:</u>		
	ACCRUALS:		
	INTEREST ACCRUED ON FD	2,588,792	1,520,425
	OTHER RECEIVABLES	4,360,156	4,360,156
	TOTAL	<u>6,948,948</u>	<u>5,880,581</u>
21	<u>REVENUE FROM OPERATIONS</u>		
	<u>SALE OF MANUFACTURED GOODS</u>		
	EXPORT SALE	3,449,400,793	4,619,648,404
	DOMESTIC SALES	4,138,509,190	2,242,818,200
	<u>SALE OF TRADED GOODS</u>		
	EXPORT SALE	34,788,824	3,476,330
	DOMESTIC SALES	750,470,709	572,883,302
	SALE OF SERVICES	27,031,944	24,675,211
	OTHERS SALE	447,338	633,451
		<u>8,400,648,798</u>	<u>7,464,134,898</u>
	LESS: EXCISE DUTY	6,002,459	-
	NET REVENUE FROM OPERATIONS	<u>8,394,646,339</u>	<u>7,464,134,898</u>



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
22	<u>OTHER INCOME:</u>		
	EXCHANGE FLUCTUATION	-	35,997,323
	CAPITAL INVESTMENT SUBSIDY WRITTEN BACK	167,000	1,203,773
	PROFIT ON CURRENT INVESTMENT	80,597	-
	PROFIT ON LONG TERM INVESTMENT	-	4,500,000
	COMMISSION INCOME	23,474	119,255
	DUTY DRAWBACK RECEIVED	491,415	732,865
	EXCHANGE FLUCTUATION	2,692,278	31,654
	FREIGHT OUTWARD	9,296	-
	INSURANCE RECEIVED	-	825,123
	INCOME ON SALE OF SPECIAL IMPORT LICENSE	-	2,232,211
	MISC INCOME	1,458,585	2,446,671
	INTEREST INCOME	4,195,485	5,332,052
	TOTAL	9,118,130	53,420,927
	INTEREST INCOME COMPRISES:		
	INTEREST FROM BANKS ON DEPOSITS	2,357,571	2,922,806
	INTEREST ON LOAN & ADVANCES	1,837,914	2,409,246
	Total	4,195,485	5,332,052
23	<u>COST OF MATERIALS CONSUMED:</u>		
	RAW MATERIALS		
	OPENING BALANCE OF STOCK	1,912,027,836	1,091,261,253
	ADD: RAW MATERIAL PURCHASED	6,954,671,354	6,818,101,447
	LESS: CLOSING STOCK	1,512,621,153	1,912,027,836
	CONSUMPTION OF RAW MATERIAL	7,354,078,037	5,997,334,864
	PACKING MATERIAL		
	OPENING STOCK	87,551,485	45,123,260
	ADD: PACKING MATERIAL PURCHASED	187,930,372	246,577,642
	LESS: CLOSING STOCK	124,982,263	87,551,485
	Add:- Excise Duty Paid On Captive Consumption	-	-
	PACKING MATERIAL CONSUMED	150,499,594	204,149,417
	COST OF MATERIALS CONSUMED	7,504,577,631	6,201,484,281
	<u>MATERIAL CONSUMED COMPRISES</u>		
	PADDY & RICE	5,793,177,234	4,861,714,941
	RICE BRAN	392,430,953	189,924,614
	HUSK	22,825,911	25,157,135
	OILS (RB OIL, CPO, RBD, SOYA)	748,507,599	501,263,255
	PACKING MATERIAL	150,499,594	204,149,417
	FABRIC	350,965,588	353,953,762
	LINING	6,603,466	9,057,285
	OTHER	39,567,286	56,263,872
	TOTAL	7,504,577,631	6,201,484,281



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT	AS AT
		31.03.2012 (Amount ₹)	31.03.2011 (Amount ₹)
24	<u>PURCHASE OF TRADED GOODS</u>		
	MUSTARD	21,964,775	-
	COMMIN SEED	-	3,555,500
	SOYABEAN	-	64,821,487
	CHICK PEAS	50,396,987	45,589,385
	WHEAT	4,854,024	26,873,627
	ALOMONDS	63,296,794	-
	CPO	76,598,542	129,588,801
	STEEL	14,960,428	28,118,436
	OTHERS	17,498,403	
	TOTAL	249,569,953	298,547,236
25	<u>CHANGES IN INVENTORIES</u>		
	<u>FINISHED GOODS</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	914,323,942	752,265,127
	AT THE END OF THE ACCOUNTING PERIOD	1,646,690,978	914,323,942
		(732,367,036)	(162,058,815)
	<u>WORK-IN-PROGRESS</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	74,973,364	56,553,830
	AT THE END OF THE ACCOUNTING PERIOD	205,738,834	74,973,364
		(130,765,470)	(18,419,534)
	<u>STOCK-IN-TRADE</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	67,183,210	7,365,225
	AT THE END OF THE ACCOUNTING PERIOD	9,177,198	67,183,210
		58,006,012	(59,817,985)
	<u>FINISHED GOODS-IN TRANSIT(TO)</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	7,637,215	-
	AT THE END OF THE ACCOUNTING PERIOD	6,743,385	7,637,215
		893,830	(7,637,215)
	<u>SCRAP MATERIAL</u>		
	AT THE BEGINNING OF THE ACCOUNTING PERIOD	1,891,465	2,197,924
	AT THE END OF THE ACCOUNTING PERIOD	1,868,574	1,891,465
		22,891	306,459
	TOTAL	(804,209,773)	(247,627,090)



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT 31.03.2012 (Amount ₹)	AS AT 31.03.2011 (Amount ₹)
26	<u>EMPLOYEE BENEFITS EXPENSE</u>		
	SALARY AND WAGES:		
	WAGES & OTHER BENEFITS	43,997,805	55,525,681
	OFFICE STAFF SALARY	63,558,169	51,540,961
	SECURITY CHARGES	7,946,107	7,229,708
	BONUS	4,480,012	4,529,218
	DIRECTOR'S REMUNERATIONS	9,821,681	7,032,394
	LEAVE ENCASHMENT	878,556	1,030,982
	RECRUITMENT EXPNESES	23,645	10,658
	GRATUITY EXPENSES	1,817,611	3,516,971
	CONTRIBUTION TO PROVIDENT AND OTHER FUNDS		
	CONTRIBUTION TO PROVIDENT FUND	4,418,521	4,114,634
	CONTRIBUTION TO EMPLOEES STATE INS.FUND	2,483,270	2,739,521
	STAFF WELFARE EXPENSES		
	WORKERS AND STAFF WELFARE	5,272,257	5,990,111
	TOTAL	144,697,634	143,260,839
27	<u>FINANCIAL COSTS:</u>		
	INTEREST ON WORKING CAPITAL LIMITS	329,098,418	159,657,104
	INTEREST ON TERM LOANS	48,076,999	41,327,671
	INTEREST ON CORPORATE LOAN	29,282,208	11,195,685
	INTEREST ON VEHICLE LOAN	992,905	437,220
	INTEREST (OTHERS)	131,124	2,892
	BANK CHARGES	35,064,789	24,444,742
	FORWARD CONTRACT CHARGES	7,270,411	-
	EXCHANGE FLUCTUATIONS	22,494,234	292,200
	TOTAL	472,411,088	237,357,514
28	<u>DEPRECIATION AND AMORTZATION EXPNSE:</u>		
	DEPRECIATION ON TANGIBLE ASSETS	83,735,274	73,829,120
	TOTAL	83,735,274	73,829,120
29	<u>OTHER EXPENSES:</u>		
	MANUFACTURING EXPENSES		
	CONSUMPTION OF STORES AND SPARE PARTS :		
	OPENING BALANCE OF STOCK	8,510,838	3,528,593
	ADD: STORE & CONSUMABLE PURCHASED	31,936,669	34,037,547
	LESS: CLOSING STOCK	9,563,786	8,181,442
	STORE & CONSUMABLE CONSUMED	30,883,721	29,384,698
	POWER & FUEL :		
	D.G.SET RUNNING EXPENSES	25,456,430	47,507,340
	ELECTRICITY CHARGES	66,886,185	61,250,658
	MATERIAL HANDLING CHARGES	32,836,047	27,496,238
	FREIGHT & CARTAGE	2,258,515	4,238,267
	FUMIGATION CHARGES	1,747,773	1,719,925



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT	AS AT
		31.03.2012 (Amount ₹)	31.03.2011 (Amount ₹)
	BARDANA REPAIR CHARGES	2,712,167	2,378,717
	REPAIR & MAINTENANCE(BUILDING)	1,468,408	935,807
	REPAIR & MAINTENANCE(P&M)	17,889,548	18,313,949
	REPAIR & MAINTENANCE(ELECTRICALS)	206,863	399,766
	TRACTOR/TRUCK RUNNING EXPENSES	10,470,988	7,235,792
	LABORATORY EXPENSES	101,919	75,695
	JOB WORK EXPENSES	225,404	246,722
	PROCESS AAND FINISHING EXPENSES	8,427,495	23,204,209
	IMPORT CLEARING EXPENSES	1,726,882	1,800,555
	MACHINERY HIRING CHARGES	66,600	-
	CUSTOM/EXCISE DUTY	50,620	604,769
	GENERAL & ADMINISTRATIVE EXPENSES		
	TRAVELLING AND CONVEYANCE	5,099,890	4,632,669
	INSURANCE EXPENSES	8,296,191	6,278,531
	ANNUAL MAINTENANCE EXPENSES	524,925	792,544
	BOOKS & PERIODICALS	36,471	71,718
	TELEPHONE, FAX & COMMUNICATION EXPENSES	2,065,951	2,047,174
	DONATION & CHARITY	405,555	497,600
	FEES, RATES & TAXES	1,768,128	1,601,745
	RENT/LEASE RENT	24,042,856	16,810,886
	GENERAL EXPENSES	6,913,555	5,919,324
	POSTAGE & COURIER CHARGES	3,879,862	3,524,462
	PRINTING & STATIONERY	1,921,195	2,118,995
	VEHICLE MAINTENANCE	3,041,423	2,994,079
	PAYMENT TO AUDITORS	563,787	403,377
	LEGAL & PROFESSIONAL CHARGES	3,669,720	4,400,929
	MEMBERSHIP & SUBSCRIPTION EXPENSES	322,043	421,168
	REPAIR & MAINTENANCE(GENERAL)	1,832,977	1,191,756
	CREDIT RATING CHARGES	100,000	-
	COMPLIANCE AUDIT FEES	95,299	33,678
	SALES/ENTRY TAX ADDITIONAL LIABILITY	22,937	98,675
	DIRECTOR SITTING FEES	89,000	87,000
	MAINTENANCE CHARGES GUEST HOUSE	240,240	-
	ELECTRICITY EXPENSES	411,903	335,501
	CONVEYANCE EXPENSES	1,442,697	1,128,262
	LOSS ON SALE OF DEBP	-	323,598
	EXCISE DUTY	9,140,433	-
	SERVICE TAX	1,156,943	288,920
	WEALTH TAX	106,111	107,259
	SELLING & DISTRIBUTION EXPENSES		
	REBATE & DISCOUNT	13,311,845	7,128,361
	TRAVELLING EXPENSES	2,660,740	2,148,707
	BROKERAGE & COMMISSION	7,010,875	5,580,016
	FREIGHT OUTWARD	12,941,735	17,595,758
	HANDLING CHARGES	152,532	173,403
	EXPORT CLEARING EXPENSES	1,540,940	1,980,481
	SAMPLING AND SUPPLIES CHARGES	3,235,043	2,622,789
	EXPORT SHIPMENT DAMAGE CHARGES	292,802	1,410,018
	EXPORT EXPENSES	133,078,956	156,336,669
	OCEAN FREIGHT	95,717,079	82,485,489



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE	PARTICULARS	AS AT	AS AT
		31.03.2012 (Amount ₹)	31.03.2011 (Amount ₹)
	INSURANCE CHARGES(TRANSIT)	1,961,116	264,662
	ADVERTISEMENT EXPENSES	578,123	550,478
	SALES/BUSINESS PROMOTION EXPENSES	6,649,758	5,908,275
	APEDA BASMATI DEVELOPMENT FUND	1,500,000	1,950,000
	COMPENSATION PAID	935,619	3,352,234
	TOTAL	562,172,820	572,390,297
	# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.		
	NOTES		
	(i) PAYMENTS TO THE AUDITORS COMPRISES (NET OF SERVICE TAX INPUT CREDIT,WHERE APPLICABLE):		
	AS AUDITORS-STATUTORY AUDIT	354,308	348,175
	FOR TAXATION MATTERS	142,197	-
	FOR OTHER SERVICES	67,282	55,150
	TOTAL	563,787	403,325
30	<u>PRIOR PERIOD ITEMS</u>		
	SOFTWARE EXPENSES	6,250	-
	GENERAL EXPENSES	-	28,619
	BROKERAGE & COMMISSION	-	38,308
	BUSINESS PROMOTION EXPENSES	-	40,306
	ADVERTISEMENT EXPENSES	-	14,000
	REPAIR & MAINTENANCE	3,000	16,482
	LEGAL AND PROFESSIONAL CHARGES	13,041	-
	TELEPHONE EXPENSES	19,075	-
	CONVEYANCE EXPENSES	9,859	-
	ELECTRICITY CHARGES	33,906	-
	FREIGHT OUTWARD	-	-
	TOTAL	85,131	137,715
31	<u>EXCEPTIONAL ITEMS</u>		
	LOSS/(GAIN) ON SALE OF FIXED ASSETS	4,645,670	1,466,199
	TOTAL	4,645,670	1,466,199



NOTE 32: OTHER NOTES

A. 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%

B. 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:

Nature of Transaction	Rs. in Lacs	
	Santosh Overseas Ltd. 2011-12	2010-11
(A) Creditors		
Balance as at 1st April, 2011	11.41	—
Purchase during the year	481.52	193.35
Payment made during the year	396.25	181.94
Balance As on 31st March, 2012	85.27	11.41
B) Debtors		
Balance as on 1st April 2011	—	—
Sales during the year	190.75	—
Received during the year	166.40	—
Balance as on 31st March, 2012	24.35	—

C. 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 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	2011-12	2010-11
1. TOTAL SALES AT EACH SEGMENT		
U.S.A.	2472.03	2251.05
INDIA	4036.07	4144.65
GROSS SALES	6508.10	6395.70
LESS :INTER SEGMENT REVENUE	1280.48	448.74
NET SALES /INCOME FROM OPERATION	5227.61	5946.95
2. SEGMENT RESULTS (PROFIT+/ LOSS – BEFORE TAX AND INTEREST FOR EACH SEGMENT)		
U.S.A.	101.00	76.01
INDIA	310.75	285.17
TOTAL	411.75	361.18
INTEREST	402.72	247.58
TOTAL PROFIT BEFORE TAX	9.03	113.60



PARTICULARS	2011-12	2010-11
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		
U S A	1378.60	974.24
SEGMENT LIABILITIES		
U S A	986.89	656.52
CAPITAL EMPLOYED		
U S A	391.71	317.72

BUSINESS SEGMENT

I. PRIMARY SEGMENT INFORMATION

PARTICULARS	2011-12	2010-11
1. TOTAL SALES AT EACH SEGMENT		
RICE	65932.08	60207.15
OIL	12823.12	9152.92
GROSS SALES	78755.20	69360.07
LESS :INTER SEGMENT REVENUE	758.37	1022.97
NET SALES /INCOME FROM OPERATION	77996.83	68337.10
SEGMENT RESULTS (PROFIT+/ LOSS – BEFORE TAX AND INTEREST FOR EACH SEGMENT)		
RICE	5632.97	3585.44
OIL	234.34	146.39
TOTAL	5867.06	3731.83
INTEREST	3899.85	1857.11
EXCHANGE (GAIN)/LOSS	141.29	(359.97)
TOTAL	4041.14	1497.14
TOTAL PROFIT BEFORE TAX	1825.92	2234.69

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

SECONDARY SEGMENT INFORMATION :-

SEGMENT ASSETS		
OIL	6050.19	3800.83
SEGMENT LIABILITIES		
OIL	2076.13	1193.78
CAPITAL EMPLOYED		
OIL	3974.06	2607.05



D. DEFINED BENEFIT PLANS/LONG TERM COMPENSATED ABSENCES :

- (a) The employees 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, 2012 and recognized in the financial statement in respect of employee benefit schemes:

(In Rs.)

	Gratuity		Leave encashment	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
(i) Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Future Salary Increase	5.50%	5.50%	5.50%	5.50%
(ii) Table showing change in Benefit Obligation				
Liability at the beginning of the year	1,15,24,905	87,90,001	34,56,561	24,66,080
Interest Cost	9,34,384	7,03,201	2,84,260	1,97,286
Past Service Cost	—	7,29,845	—	—
Current Services Cost	1,513,476	14,21,591	8,27,257	7,21,059
Benefit Paid	(7,00,347)	(7,80,270)	(2,64,245)	(2,36,528)
Actuarial (gain)/loss on obligation	(630,249)	6,60,573	(2,54,589)	3,08,664
Liability at the end of the year	12,642,169	1,15,24,905	40,49,244	34,56,559
(iii) Tables of Fair value of Plan Assets				
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	—	—	—	—
(iv) Actual Return on Plan Assets				
Expected Return on Plan Assets	—	—	—	—
Actuarial (gain)/loss on Plan Assets	—	—	—	—
Actuarial Return on Plan Assets	—	—	—	—
(v) Amount recognized in the Balance Sheet				
Liability at the end of the year	12,642,169	115,24,905	40,49,244	34,56,559
Fair value of plan assets at the end of the year	—	—	—	—
Difference	12,642,169	115,24,905	40,49,244	34,56,559
Amount recognized in the Balance sheet	12,642,169	115,24,905	40,49,244	34,56,559
(vi) Expenses recognized in the Income Statement				
Current Service Cost	15,13,476	14,21,591	8,93,468	7,21,059
Past Service Cost	—	7,29,845	—	—
Interest Cost	9,34,384	7,03,201	2,84,260	1,97,286
Expected Return On Plan Assets	—	—	—	—
Net actuarial (gain)/loss to be recognized	(6,30,249)	6,60,537	(2,79,183)	3,08,664
Expenses Recognized in Profit & Loss A/c	18,17,611	35,15,174	8,56,931	12,27,009
(vii) Amount Recognized in Balance Sheet				
Opening net liability	115,24,905	87,90,001	34,56,561	24,66,080
Expense as above	18,17,611	35,15,174	8,56,928	12,27,009
Employers Contribution Paid	(7,00,347)	(7,80,270)	(2,64,245)	(2,36,528)
Closing net Liability	12,642,169	115,24,905	40,49,244	34,56,559



E. Contingent liabilities not provided for in respect of :

a) No provision has been made in the books of accounts by the Company for a sum of Rs. 59,02,380/-, Rs.12,05,225/- Rs.4,89,296/- & Rs.40,80,705/- 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 58,59,356/-, Rs.12,05,225/- & 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.

b) Guarantees

The company has guaranteed a sum of Rs. 47615 Lacs (Previous Year Rs. 42450 Lacs) & Rs.575 Lacs (Previous Year Rs. 575 Lacs) against secured Loans taken from financial institutions by SSA International Ltd. & Sam Buildcon Ltd. Respectively; wholly owned subsidiaries of the Company.

c) Other money for which the Company is contingently liable

Letters of Credit in foreign currency established for purchase of raw materials/ consumables and capital goods amounting to Rs.2,13,49,517 (Previous year Rs. 2,03,13,949). The liability is converted into Rupees as per the exchange rate prevailing as on 31st March, 2012.

F. Remuneration paid to Directors :

	Current Year 2011-12	Previous Year 2010-11
Salary	86,00,300	63,10,750
Provident fund	5,80,320	4,83,360
L.T.A.	4,20,750	1,94,000
Medical	4,78,042	1,94,000
Total	96,01,370	71,82,110

IN TERMS OF OUR REPORT ATTACHED

FOR **AGGARWAL & RAMPAL**
CHARTERED ACCOUNTANTS
F.R. NO. : 003072N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
VINAY AGGARWAL
PARTNER
M. NO. 82045

Sd/-
ANIL MITTAL
CHAIRMAN & MANAGING DIRECTOR

Sd/-
S. K. GUPTA
DIRECTOR

Place : New Delhi
Dated : August 14, 2012

Sd/-
KAMINI GUPTA
COMPANY SECRETARY & GM FINANCE



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	
	2011-2012	2010-2011
Sales and other Income	78038.07	68831.62
Profit before tax, interest, depreciation and write offs	6510.68	4811.35
Interest & Financial Expenses	4041.61	2028.71
Depreciation & Misc. Expenditure written-off	643.15	547.94
Profit Before Tax	1825.92	2234.70
Provision for Taxation :		
— Current	367.32	450.00
— Deferred	118.14	180.78
— Earlier Years	121.76	329.27
Profit after Tax	1218.69	1274.64
Balance of Profit from Previous Years	5204.47	3929.83
Balance of Profit carried forward	6423.16	5204.47

OPERATIONS, FUTURE PROSPECTS AND KEY HIGHLIGHTS

Maintaining consistent growth in overall operations during the year under review. **The turnover and other income of the Company for the accounting year have increased to Rs. 780.38 Crores as against Rs. 688.31 crores in the previous year which shows a growth of 14% with profits after taxes Rs. 12.19 crores.**

- Expanded the capacity of the Solvent Extraction Plant from existing 100 MTPD to 400 MTPD to cater the Rice Bran Oil Refinery a result of forward integration of Solvent Extraction Plant. The Capacity of the refinery plant is increased to 36000 MT p.a. for refining of raw rice bran oil by installing Balancing Equipments.
- The Power Co Generation Plant at Samalkha Location is under implementation stage and on being operational will be a Energy Cost Saver system for the Company
- 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 a new Solvent Extraction Plant with the capacity of 100 MT per day at Mandideep Location
- Expanding the Rice Mill Capacity by installing the new Rice Mill Plant of 42000 MT Capacity at Mandideep Location
- This expansion is by Minimum Cost and with the object to utilize maximum of the available infrastructure. The results of the same will be reflected in the next Financial Report of the Company.
- 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

PERFORMANCE OF THE SUBSIDIARY – SAM BUILDCON LIMITED

FINANCIAL RESULTS

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

FINANCIAL RESULTS	Rs. In Lacs	
PARTICULARS	2011-2012	2010-2011
Sales and other Income	657.33	365.26
Profit before tax, interest, depreciation and write offs	100.49	58.95
Interest & Financial Expenses	59.60	25.34
Depreciation & Misc. Expenditure written-off	15.05	10.85
Profit Before Tax	25.84	22.76
Provision for Taxation :		
— Current	5.21	4.22
— Deferred	7.48	6.91
— Fringe Benefits/Earlier Years	0	0.07
Profit after Tax	13.15	11.56
Balance of Profit from Previous Years	14.54	2.98
Balance of Profit carried forward	27.69	14.54

OPERATIONS, FUTURE PROSPECTS AND KEY HIGHLIGHTS

The Company's operations during the year under review are satisfactory and achieved a turnover of Rs. 657.33 lacs and Net Profits Rs. 13.15 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 **19th Annual General Meeting** of the Company to be held on Friday, **28th September, 2012** 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.....2012.

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 **19th Annual General Meeting** of the Company held on **28th day of Sept., 2012**.

.....
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 9811224048,120-4271770