

# **ASHNOOR TEXTILE MILLS LIMITED**

## **CORPORATE GOVERNANCE REPORT**

### **1. Company's Philosophy on Corporate Governance**

The policies, practices and philosophy adopted by the Company are in line with the Corporate Governance and is aimed at assisting the management of the Company in taking of prudent business decision in the best interest of the Company, stakeholders, environment and the Company. Your Company continues to adhere procedures and practices in conformity with Clause 49 of the Listing Agreement and also committed to efficient conduct of its business and strong emphasis on transparency, accountability and integrity.

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

#### **(a) Composition of the Board**

The composition of the Board of Directors is as follows:

The Company has six Directors, out of these three (3) Directors are Promoter Directors and remaining three (3) are Independent Directors. Out of three (3) Promoter Directors two (2) are executive Directors (one Managing Director, other is Whole time Director) while third is non executive Director. The detailed composition of the Board including other required information is given in the table below:

Name of Directors	Position	Attendance			Other Directorships		
		No. of Board Meeting held during the year	No. of Board Meeting attended	Last AGM attended (Yes/No)	Directorships in other public limited companies	Committee membership	Committees' Chairman
Mr. Suneel Gupta	Managing Director and Chairman	8	8	Yes	--	--	--
Mrs. Sangeeta Gupta	Whole-Time Director	8	7	Yes	--	--	--
Mr. Abhinav Gupta	Non Executive Director	8	0	No	--	--	--
Mrs. Pallavi Aggarwal	Non Executive Independent Director	8	5	No	--	--	--
Mr. Piyush Gupta	Non Executive Independent Director	8	7	Yes	--	--	--
Mr. Inder Mohan Aggarwala	Non Executive Independent Director	8	7	No	--	--	--

None of the Directors is Director in more than fifteen (15) public companies or member of board committees in excess of ten (10) or Chairman in excess of five (5) board committees, as required under clause 49 of the listing agreement and the Companies Act, 1956.

#### **(b) Number of Board Meetings**

During the year, 8 (eight) meetings of the Board of Directors were held. These were held on May 15, 2013; May 24, 2013; August 12, 2013; September 13, 2013; November 13, 2013; January 10, 2014; February 14, 2014, and March 3, 2014.

The gap between two Board Meetings did not exceed four months. During the year, all the relevant information as required to be placed before the Board as per Clause 49 of the Listing Agreement were placed before the Board and discussed/approved by it.

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### **(c) Code of Conduct for Directors and Senior Management Personnel**

The Company has instituted a Code of Conduct for members of the Board and senior Management Personnel of the Company. The Board members and senior management personnel of the Company have affirmed compliance with the code of conduct and Managing Directors has given a declaration affirming compliance of code by them.

### **3. Audit Committee**

#### **(a) Composition, name of members and Chairman**

The Audit Committee constituted as per provisions of Clause 49 of the Listing Agreements with the Stock Exchanges and Section 177 of the Companies Act, 2013, is consists of following Directors:

<b>Name of Members</b>	<b>Status</b>	<b>Member</b>
Mr. Piyush Gupta	Chairman	Non Executive Director-Independent
Ms. Pallavi Aggarwal	Member	Non Executive Director-Independent
Dr. (Mrs.) Sangeeta Gupta	Member	Executive Director-Promoter

All the three Directors are financially literate and Mr. Piyush Gupta and Ms. Pallavi Agarwal are having financial management expertise also. The minutes of Audit Committee Meeting were placed before the Board and discussed in the meetings of the Board of Directors.

#### **(b) Brief description of terms of reference**

The Audit Committee performs the functions as enumerated in Clause 49(II)(D) and Section 177 of the Companies Act, 2013 and have powers as listed in Clause 49(II)(C) of the Listing Agreement and the Companies Act, 2013.

#### **(c) Meetings and Attendance during the year**

During the financial year 2013-2014, 04 (four) meetings of the Audit Committee were held on May 24, 2013, August 12, 2013; November 13, 2013; February 14, 2014. All the three members attended these meetings.

### **4. Remuneration Committee**

#### **(a) Composition, name of members and Chairman**

The Remuneration Committee of the Board of Directors of the Company is consists of following Directors:

<b>Name of Members</b>	<b>Status</b>	<b>Member</b>
Mr. Piyush Gupta	Chairman	Non Executive Director-Independent
Mr. Inder Mohan Aggarwala	Member	Non Executive Director-Independent
Ms. Pallavi Agarwal	Member	Non Executive Director-Independent

#### **(b) Brief description of terms of reference**

The constitution of Remuneration Committee is to recommend/review the remuneration package of the Managing/Whole Time Directors and to formulate a broad policy framework for managerial remuneration. After closure of financial year, name of the Committee was changed to Nomination and Remuneration Committee.

#### **(c) Meetings and Attendance during the year**

During the financial year 2013-2014, 01 (one) meeting of the Remuneration Committee were held on January 07, 2014. All the three members attended this meeting.

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**(d) Detail of Remuneration to all the Directors for the Financial Year 2013-2014**

The detail of remuneration paid to the Managing Director and Whole Time Directors during the year 2013-2014 is given below:

Name	Designation	Salary and monetary value of perquisites
Mr. Suneel Gupta	Chairman and Managing Director	Rs.30,00,000/-
Dr. (Mrs.) Sangeeta Gupta	Whole Time Director	Rs.30,00,000/-

At present, the Non-Executive Directors do not draw any remuneration from the Company. The Company also does not pay any sitting fee for the Board/ Committee meetings attended by them. The name of the Remuneration Committee has changed to Nomination and Remuneration Committee as per provisions of Section 178 of the Companies Act, 2013.

### **5. Shareholder/Investor's Grievance Committee**

**(a) Composition, name of members and Chairman**

At present the Shareholders / Investors Grievance Committee comprises of

Name of Members	Status	Member
Mr. Piyush Gupta	Chairman	Non Executive Director-Independent
Mr. Suneel Gupta	Member	Executive Director-Promoter
Dr. (Mrs.) Sangeeta Gupta	Member	Executive Director-Promoter

Mr. Suneel Gupta, Managing Director, is also Compliance Officer.

**(b) Brief description of terms of reference**

The Committee has power to review all matters connected with transfer/transmission/issue of duplicate shares, monitor redressal of investors' complaints/grievances, oversee the performance of the RTA, formulate policies for redressal of shareholders/investors grievances etc.

**(c) Meetings and Attendance during the year**

During the financial year 2013-2014, sixteen (4) meetings of the Shareholders /Investors Grievance Committee were held. These meetings were held on May 24, 2013, August 12, 2013; November 13, 2013; February 14, 2014. All the members attended these meetings.

During the financial year 2013-2014, 4 (Four) complaints were received by the Company, which were replied/resolved to the satisfaction of investors. There was no complaint was pending on March 31, 2014. The name of the Shareholder / Investor's Grievance Committee has changed to Stakeholders Relationship Committee as per provisions of Section 178 of the Companies Act, 2013.

### **6. General Body Meetings**

Location and time for the last three Annual General Meetings

Year	Date	Venue	Time
2010-2011	September 30, 2011	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 A. M.
2011-2012	September 29, 2012	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 A. M.
2012-2013	September 30, 2013	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 A. M.

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Two special resolutions relating to re-appointment of Managing Director and Whole Time Director were passed in the financial year 2010-2011. During the financial year 2011-2012 and 2012-2013 there were no proposal to pass any special resolution in the Annual General Meeting. During the year under review, no resolution was passed through postal ballot as required by the Companies (Passing of the resolution by postal ballot) Rules, 2011 and clause 49 of the Listing Agreement.

### **7. Disclosures**

#### **(a) Disclosures on materially significant related party transactions, pecuniary or business relationship with the Company**

The Board has received disclosures from Key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. However, a detail disclosure on related party transaction has been made at **Serial number 22.1** in Notes to Financial Statement.

#### **(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Market, during the last three years**

The Company has been regular in complying with the various rules and regulations prescribed by stock exchange (s), Securities & Exchange Board of India or any other Statutory Authorities relating to the capital markets during the last three years. They have imposed no penalties or strictures on the Company.

#### **(c) Disclosures regarding appointment or re-appointment of Directors**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Abhinav Gupta will retire by rotation at the ensuing Annual General Meeting and being eligible both offers for re-appointment.

Mr. Suneel Gupta, aged 53 years, Managing Director of the Company, is a MBA and has associated with the Company since its inception and holds 29.83% of paid-up equity share capital. He was re-appointed as Managing Director by the Board of Directors effective January 10, 2014 subject to shareholders approval.

Dr. (Mrs.) Sangeeta Gupta, aged 53 years, Whole Time Director, is a MBBS Doctor and has been associated with the Company since 1994. She was re-appointed as a Whole-time Director of the Company by the Board of Directors effective from May 1, 2014 subject to shareholders approval. She holds 24.07% of paid-up equity share capital.

Both do not hold directorship in any other public Company and membership of any Committee of any other public Company.

Mr. Abhinav Gupta, aged 23 years, is doing his under graduation (2<sup>nd</sup> year) from Boston University, USA. He does not hold directorship in any other public Company and membership of any Committee of public Company.

Mr. Inder Mohan Aggarwala (aged 67 years) is a B. Sc (Textile) and has more than 44 years of experience in spinning, weaving and textile units. He is an expert in the procurement and marketing of raw materials. He does not hold directorship in any other public Company and membership of any Committee of any other public Company.

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Mr. Piyush Gupta (aged 48 years) is a Practicing Chartered Accountant and has more than 25 years experience in accounting, project financing, company law, auditing, taxation and related fields. Prior to start practice, he worked in different corporate houses at senior level. He does not hold directorship in any other public Company and membership of any Committee of any other public Company.

Ms. Pallavi Agarwal (aged 35 years) is a MBA from London and having experience of management accounting. She does not hold directorships in or membership in any committee of any other public company.

### **8. Means of Communication**

<b>Half-yearly report sent to each shareholders</b>	No
<b>Quarterly Results</b>	Quarterly Results are announced within forty five days from the end of respective quarter, which are normally published in The Pioneer (English) and Veer Arjun (Hindi).
<b>Any Website</b>	No
<b>Whether Management Discussion and Analysis is a part of Annual Report</b>	Yes

### **9. General Shareholders Information**

#### **(a) Date, Time & Venue of Annual General Meeting**

The Company will hold its 31<sup>st</sup> Annual General Meeting on September 30, 2014 at 9:30 a. m. Beharampur Road, Village Khandsa, District Gurgaon, Haryana.

#### **(b) Financial Calendar (tentative and subject to change)**

The Company expects to announce the un-audited quarterly results for the year 2013-2014, as per the following schedule:

First Quarter	:	On or before August 14, 2014
Second Quarter	:	On or before November 15, 2014
Third Quarter	:	On or before February 15, 2015
Fourth Quarter	:	On or before May 15, 2015

The Audited Results of the Company for the year 2014-2015 will expect to be announced with the time specified in Listing Agreement.

#### **(c) Date of Book Closure**

The Company's Register of Members and Share Transfer Book will remain closed from Monday, September 22, 2014 to Tuesday, September 30, 2014 (Both days inclusive).

#### **(d) Dividend Payment Date**

The Board of Directors has not recommended any dividend for the financial year 2013-2014.

#### **(e) Listing on Stock Exchanges**

The Company's equity shares are listed in the following stock exchanges:

The Bombay Stock Exchange, Mumbai

The Company has paid the Annual listing fees for the financial year 2014-2015.

#### **(f) Stock Code**

The Stock Exchange, Mumbai : 507872

#### **(g) Market Information and Performance of Company's stock price in comparison broad based index to BSE Sensex**

## ASHNOOR TEXTILE MILLS LIMITED

Month	High (In Rs. )	Low (in Rs.)	Monthly Closing Price (in Rs.)
April 2013	4.41	4.00	4.10
May 2013	4.20	4.00	4.00
June 2013	4.27	3.70	4.27
July 2013	4.48	4.26	4.26
August 2013			
September 2013	4.09	3.57	3.58
October 2013	3.58	2.67	2.67
November 2013	3.32	2.50	3.32
December 2013	3.48	2.95	2.95
January 2014	3.00	2.60	3.00
February 2014	3.17	2.60	3.05
March 2014	3.30	2.90	3.30

Source: bseindia.com

### (h) Registrar and Share Transfer Agents

Messrs Link Intime India Private Limited is Registrar and Share Transfer Agent. Its address is as follows:

44, Community Centre, Phase-I, Near PVR,  
Naraina Ind. Area, New Delhi-110028  
Phone: +91 11 4141 0592  
Fax: +91 11 4141 0591

### (i) Share Transfer System

Transfer of shares held in Demat and Physical forms are handled by the Company' Registrar Messrs Link Intime India Private Limited. Shares received for Transfer in physical forms are processed and share certificates duly endorsed are returned within stipulated period subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's shares to the Registrar and Share Transfer Agent (RTA). A summary of transfer/transmission of shares so approved by RTA is placed at every Shareholder/Investor Grievance Committee. Physical shares received for dematerialization are processed and completed within a period of 21 from the date of receipt. Bad deliveries are promptly returned to depository Participants under the advice of shareholders.

### (j) Distribution and Pattern of Share holding

(i) Distribution of Shareholding of the Company as on March 31, 2014

Range of Equity Shares	Shareholders		Shares			Share Capital Amount	
	Number	%	Physical	NSDL Demat	CDSL Demat	Rupees	%
001 - 500	17,647	95.436	2,258,974	174,176	86,877	2,520,027	23.451
501 - 1,000	604	3.267	349,310	46,390	21,491	4,17,191	3.883
1,001 - 2,000	170	0.919	157,528	41,205	25,002	2,23,735	2.082
2,001 - 3,000	24	0.130	35,723	10,249	12,081	58,053	0.540
3,001 - 4,000	22	0.119	60,959	6,867	7,084	74,910	0.697
4,001 - 5,000	6	0.032	13,020	8,791	4,500	26,311	0.245
5,001 - 10,000	4	0.021	22,505	7,070	--	29,575	0.275
10,001 and Above	14	0.076	1,078,980	6,278,657	38,410	7,396,047	68.827
Total	18,491	100.00	39,76,999	6,573,405	195,445	10,745,849	100.000

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(ii) Shareholding Pattern of the Company as on March 31, 2014

Category of Shareholders	Number of Shares held	Percentage of holding
Promoters	6,791,290	63.20
Financial Institutions, Mutual Funds and Banks	4,585	00.04
NRIs/OCBs (Repatriation basis)	14,252	00.13
NRIs/OCBs (Non-repatriation basis)	112	0.00
Individual holding (nominal share capital upto 1 lakh)	3,295,822	30.67
Private Corporate Bodies	79,956	00.75
Individual holding (nominal share capital upto 1 lakh)	557,416	5.19
Clearing Members	1,296	0.01
Trust	1,120	0.01
<b>Total</b>	<b>10,745,849</b>	<b>100.00</b>

**(k) Outstanding GDRs/ADRs/Warrants or any Convertible Instrument**

The Company has not issued any GDRs/ADRs /Warrants or any other convertible instruments which likely to have impact on Equity share capital of the Company.

- (l) The ISIN No. of the Company is INE372101018. 62.99% of the paid-up share capital had been dematerialized as at March 31, 2014 with the two depositories.

**Reconciliation of Share Capital:**

As stipulated by the SEBI reconciliation of the total admitted capital with both depositories and the total issued/paid-up capital and reconciliation of shares dematerialized in both the depositories and physical form with the total issued/paid-up capital of the Company for every quarter is placed before the board of Directors and also submitted to BSE and two depositories.

**(m) Plant Location**

Behrampur Road, Village Khandsa  
District Gurgaon, Haryana-122 001

**(n) Address for Correspondence**

Ashnoor Textile Mills Limited  
Behrampur Road, Village Khandsa  
District Gurgaon, Haryana-122 001  
Phone: 0124 – 4940550, Fax: 0124 – 4940555  
E-mail: atml\_delhi@yahoo.com

By the order of the Board  
Sd/-  
**Suneel Gupta**  
Managing Director  
DIN-00052084

Place: Gurgaon  
Date: May 12, 2014

**DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR THEM**

It is hereby declared that as provided under Clause 49 (I)(D)(i) of the listing agreement with the Bombay Stock Exchange Limited, Mumbai, the Company has adopted a Code of Conduct for the Board Members and Senior Management Personnel.

Further, as provided under Clause 49(I)(D)(i) of the said agreement, it is confirmed that all the Board Members and Senior Management Personnel of the Company have affirmed compliance for the year ended March 31, 2014 with the respective Code of Conduct, as applicable to them.

Place: Gurgaon  
Date: May 12, 2014

Sd/-  
**Suneel Gupta**  
Managing Director  
DIN-00052084



# **ASHNOOR TEXTILE MILLS LIMITED**

## **AUDITORS' CERTIFICATE**

### **ANNEXURE TO THE REPORT OF THE DIRECTORS**

#### **CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Ashnoor Textile Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ashnoor Textile Mills Limited for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange in India.

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

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievance received during the year ended March 31, 2014, no investor grievance are pending against the Company for the period exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investor Grievance Committee.

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

**For KSA & Co.  
Chartered Accountants**

**Sd/-  
KAMAL PIYUSH  
Partner  
Membership Number: 83399  
Place: New Delhi  
Date: May 12, 2014**