



**FASHIONS LIMITED**  
A Govt. Recognised Export House

*Men's fashion technology*

Date: 29.05.2023

To,  
The Manager  
Department of Corporate Relations,  
The Stock Exchange Mumbai  
Phiroze Jeejeebhoy Tower,  
Dalal Street  
Mumbai-400001

Scrip Code: 521206

**SUBJECT: Audited Financial Results (Standalone & Consolidated) for the 4<sup>th</sup> quarter and year ended 31<sup>st</sup> March, 2023 pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir,

Pursuant to provisions of Regulation 30 and 33 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, We would like to inform you that in the Meeting held today, Monday, 29<sup>th</sup> May 2023 have inter-alia considered, approved and taken on record the following:

- i. The Standalone Audited Financial Results of Samtex Fashions Limited for the 4<sup>th</sup> quarter and financial year ended 31<sup>st</sup> March, 2023 duly reviewed and recommended by the Audit Committee along with Auditor's Report.
- ii. The Consolidated Audited Financial Results of Samtex Fashions Limited for the 4<sup>th</sup> quarter and financial year ended 31<sup>st</sup> March, 2023 duly reviewed and recommended by the Audit Committee along with Auditor's Report.  
Further, Pursuant to the provisions of Regulation 33(3)(d) of SEBI Listing Regulations, copy of Standalone & Consolidated Audited Financial Results of the Company along with the Audit Report and Statement on impact of Audit Qualification are enclosed herewith;

The Standalone and Consolidated Unaudited Financial Results are being uploaded on the Company's website [www.samtexfashions.com](http://www.samtexfashions.com) and the said results are also being published in the newspaper as required under the SEBI Listing regulations.

Kindly mark the same on your records.

Thank You,

For **SAMTEX FASHIONS LIMITED**

Atul Mittal  
Chairman & Managing Director  
(DIN-00223366)

Encl: as above

Regd. Office & Works: Khasra No 62, D 1/3 Industrial Area, Rajarampur, Sikandrabad, Bulandshahr UP 203205 IN  
Delhi Office: Unit No. 137, DLF Prime Tower, F Block, Okhla Phase-1, New Delhi- 110020, Telephone No. 011-49025972  
CIN : L17112UP1993PLC022479, E-mail id : [samtex.compliance@gmail.com](mailto:samtex.compliance@gmail.com), Website- [www.samtexfashions.com](http://www.samtexfashions.com)





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CIN: L17112UP1993PLC022479 Email: samtex.compliance@gmail.com, Website: samtexfashions.com					
STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023					
(Rs. In Lakhs, except per share data)					
PART-I	Particulars	Standalone			
		Three Months Ended		Year Ended	
		Audited 31.03.2023	Unaudited 31.12.2022	Audited 31.03.2022	Audited 31.03.2023
	Income				
I	Revenue From Operations	0	0	0	0
II	Other income	0.58	0	0.47	0.66
III	Total Income (I+II)	0.58	0	0.47	0.66
IV	Expenses				
	(a) Cost of materials consumed	0	0	0	0
	(b) Purchase of Stock-in-trade	0	0	0	0
	(c) Changes in Inventories of finished goods, work in progress and stock in trade	0	0	0	0
	(d) Employee benefits expense	2.1	2.05	2.05	8.25
	(e) Finance Cost	0	0	0.21	0.04
	(f) Depreciation and amortisation Expenses	(35.52)	13.04	12.22	3.61
	(g) Other Expenses	3.7	4.98	4.48	17.76
	Total Expenses	(29.72)	20.07	18.96	29.66
V	Profit/(Loss) before exceptional item and tax (III-IV)	30.30	(20.07)	(18.49)	(29.00)
VI	Exceptional items	0	0	0	0
VII	Profit/(Loss) before tax (V-VI)	30.30	(20.07)	(18.49)	(29.00)
	Tax Expenses				
	Current Tax	0	0	0	0
	Deferred Tax	0	0	(0.42)	0
VIII	Total Tax Expenses	0	0	(0.42)	0
IX	Profit/(Loss) for the Period (VII-VIII)	30.3	(20.07)	(18.07)	(29.00)
	Other Comprehensive income, net of income tax				
	(i) (a) Items that will not be re-classified to the profit or loss	0	0	0.05	0.20
	(b) Income Tax relating to items that will not be re-classified to profit or loss	0	0	0	0
	(ii) (a) Items that will be re-classified to the profit or loss	0	0	0	0
	(b) Income tax relating to items that will be re-classified to the profit or loss	0	0	0	0
X	Total Other comprehensive income, net of income tax	0	0	0.05	0.20
XI	Total Comprehensive income for the period (IX+X)	30.30	(20.07)	(18.02)	(28.80)
XII	Paid-up equity share capital	1490.00	1490.00	1490.00	1490.00
XIII	Face value per Equity Share	2.00	2.00	2.00	2.00
XIV	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(1,429.40)
XV	Earning per share				
	(a) Basic	0.04	(0.03)	(0.02)	(0.04)
	(b) Diluted	0.04	(0.03)	(0.02)	(0.04)

**Notes:**

- The aforesaid results have been duly reviewed by Audit Committee and thereafter approved and taken on record in the meeting of the Board Of Directors of the Company held on 29.05.2023.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- The figures of the last quarter are balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
- During the Year, the Company has been charging depreciation on estimation basis upto nine months ending 31 December, 2022 for unaudited financial results, thereafter for audited financial results depreciation has been calculated as per methods prescribed by Schedule 2 of the Companies Act, 2013 considering salvage value of assets and variation if any, has been accounted for audited financial results for quarter ending March, 2023.
- The figures of the last periods have been regrouped, wherever necessary, to confirm to the current quarter's.
- The Results can also be viewed at our website www.samtexfashions.com and on the website of BSE where the Company's shares are listed at www.bseindia.com.

Place: New Delhi  
Date: 29.05.2023

Atul Mittal  
Chairman & Managing Director  
DIN: 00223366

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Samtex Fashions Limited		CIN- LI7112UP1993PLCO22479	
Cash flow statement for the year ended 31st March 2023			
(In Lacs)			
Particulars	Year ended	Year ended	
	March 31, 2023	March 31, 2022	
<b>A. Cash flow from operating activities</b>			
Profit for the year	(28.99)	(75.67)	
Adjustments for:			
Income tax expense			
Amounts Charged directly to Other Comprehensive Income	0.2	0.09	
Depreciation and amortisation	3.61	52.16	
Loss/(Gain) on disposal of property, plant and equipment	0	0	
Interest income recognised in profit or loss	(0.66)	(0.61)	
Finance cost recognised in profit or loss	0.04	0.36	
<b>Movements in working capital:</b>			
(Increase) /decrease in trade and other receivables	32.04	25.1	
(Increase) /decrease in other financial assets	(0.34)	(0.42)	
(Increase) /decrease in other current assets	(2.90)	(1.65)	
(Increase) /decrease in other non-current assets	0	0	
(Increase) /decrease in inventories	0	0	
Increase/ (decrease) in trade payables	(2.93)	(2.20)	
Increase/ (decrease) in provisions	0	0	
Increase/ (decrease) in other current liabilities	(0.05)	(0.34)	
<b>Cash generated from operations</b>	<b>0.02</b>	<b>(3.18)</b>	
Income taxes paid (net of refund, if any)	0.07	0.06	
<b>Net cash generated from operations</b>	<b>(0.05)</b>	<b>(3.24)</b>	
<b>B. Cash flow from investing activities</b>			
Proceeds from disposal of property, plant and equipment	0	0	
Interest received	0.66	0.61	
(Increase) /decrease in other bank balances	(0.25)	(0.13)	
<b>Net cash generated from / (used in) investing activities</b>	<b>0.41</b>	<b>0.48</b>	
<b>C. Cash flow from financing activities</b>			
Net Increase /(Decrease) in long term borrowing	0	2.96	
Net Increase /(Decrease) in short term borrowing	0	0	
Interest Paid	(0.04)	(0.36)	
<b>Net cash used in financing activities</b>	<b>(0.04)</b>	<b>2.60</b>	
<b>Net change in cash and cash equivalents</b>	<b>0.32</b>	<b>(0.16)</b>	
Cash and cash equivalents as at the beginning of the Year	1.54	1.70	
Cash and cash equivalents as at the end of the Year	1.86	1.54	
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
Cash and cash equivalents [Refer Note 10]	1.86	1.54	



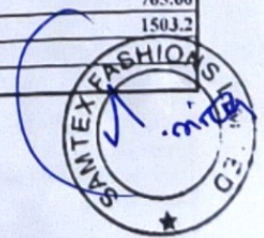
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STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 31ST MARCH, 2023			
Sr.	PARTICULARS	Standalone	
		31.03.2023	31.03.2022
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
	(1) Non Current Assets		
	a) Property Plant & Equipments	270.16	273.77
	b) Capital Works in Progress	0	0
	c) Intangible Assets	0	0
	d) Financial Assets		
	i) Investments	150.01	150.01
	ii) Trade Receivables	639.04	671.08
	iii) Others	7.42	7.42
	e) Non Current Tax Assets	132.28	132.27
	f) Other Non Current Assets	118.68	118.68
	<b>Total- Non-Current Assets</b>	<b>1317.59</b>	<b>1353.23</b>
	(2) Current Assets		
	a) Inventories	25.32	25.32
	b) Financial Assets		
	i) Trade Receivables	0	0
	ii) Cash and Cash Equivalents	1.86	1.54
	iii) Other Bank Balances	10.46	10.21
	iv) Other Financial Assets	1.37	1.04
	c) Current Tax Assets (Net)	26.56	26.49
	d) Other Current Assets	88.26	85.37
	<b>Total-Current Assets</b>	<b>153.83</b>	<b>149.97</b>
	<b>TOTAL ASSETS</b>	<b>1471.42</b>	<b>1503.2</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	a) Equity Share Capital	1491.80	1491.80
	b) Other Equity	(1,429.40)	(1,400.60)
	<b>TOTAL EQUITY</b>	<b>62.40</b>	<b>91.20</b>
	Liabilities		
	Non Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	630.56	630.56
	b) Deferred Tax Liabilities (Net)	0	0
	c) Other Non Current Liabilities	0	0
	d) Provisions	15.84	15.84
	<b>Total- Non-Current Liabilities</b>	<b>646.4</b>	<b>646.40</b>
	Current Liabilities		
	a) Financial Liabilities		
	i) Trade Payables	761.63	764.56
	ii) Other Financial Liabilities	0	0
	iii) Other Financial Liabilities	0.99	1.04
	b) Other Current Liabilities	0	0
	c) Provisions		
	Current Tax Liability		
	<b>Total Current Liabilities</b>	<b>762.62</b>	<b>765.60</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1471.42</b>	<b>1503.2</b>



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## INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors of  
Samtex Fashions Limited.

Report on the Audit of the Standalone Financial Results  
Qualified Opinion

We have audited the accompanying statement of Standalone financial results of Samtex Fashions Ltd ("the Company"), for the quarter and year ended March 31, 2023, attached herewith, being submitted by the Company pursuant to the Requirement of Regulations 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the 'Basis of Qualified Opinion' and 'Emphasis of Matter' section of our report, the aforesaid statements:

- I. are presented in accordance with the requirements of the Listing Regulations in this Regard, and
- II. give a true and fair view in conformity Indian Accounting Standard and other accounting principles generally accepted in India, of the loss, the total comprehensive income, and other financial information of the Company for the quarter and year ended March 31, 2023.

### Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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- i. Originally the plant of the company was setup at NSEZ, Noida which was later on shifted outside NSEZ during the FY 2017-18 and in march 2019 the company further changed its business premises (rented) to Plot no 163, Udyog Vihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. However, we have not been provided with the copy of rent agreement to verify the term & conditions mentioned there in. As per the information furnished to us the company has further entered into a rent agreement in the month of January 2021 to shift its business premises to D1/3, Industrial Area, Vill-Rajarampur, Sikandrabad, Bulandshahar UP-203205 however till date the company is unable to shift its assets and business operations to new premises. We have not been provided with the copy of rent agreement to verify the term & conditions mentioned there in. The Company is required to determine impairment in respect of fixed assets, However the Company has not done impairment testing. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the financial statements is not ascertainable. The depreciation has been recognized based on useful life and residual value estimated by the management, however in absence of necessary evidence of same we are unable to comment on the possible impact arising out of the said matter.
- ii. Balance of debtors are outstanding from long period and are subject to confirmation and consequential effect if any on the financial statements remains uncertain. The trade receivables of the company could not be verified as the confirmation of balances have not been provided and made available to us. Trade receivables amounting to Rs 639.04 lacs which are long overdue and not provided for. Allowance for expected credit loss have not been recognized on these financial assets. The company has neither carried out impairment exercises of Trade Receivables nor provided for the same and recognized the same as non-current assets since long outstanding. In the absence of recovery and confirmation from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.
- iii. The company has not followed the treatment for recognition and re measurement of employee benefit costs as detailed in the Ind As 19.

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**Material Uncertainty Related to Going Concern**

The company has accumulated losses and net worth of the company is continuously eroding. The company has incurred a net loss during the current and previous year(s) and the current liabilities exceeds its current assets. Moreover, no business activity has been undertaken throughout the year and earlier years. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. As a result of ongoing matters, we are unable to determine as to whether any adjustment that would have been necessary and required to be made in respect of trade receivable, trade payables, borrowings, current liabilities, loans and advances and contingent liabilities as at 31st March, 2023 and in respect of the corresponding possible impact of such items and associated elements on the statement for the year ended on that date, should the group be unable to continue as a going concern. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements. However, the financial statements of the group have been prepared on a going concern basis.

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### Emphasis of Matter

- i. The company had already given a corporate guarantee for an amount of Rs 807.46 crores against secured loans taken by its wholly owned subsidiary, namely M/s SSA International Limited, which has been classified as nonperforming assets by the banks. The company has also received the notice u/s 13(2) of the SARFAESI Act 2002 from consortium of banks for revocation of its corporate guarantee. The consortium bankers have filed a petition against the holding company and its subsidiary M/s SSA International Limited regarding recovery of the outstanding dues, before the Debt Restructuring Tribunal-II, Delhi, and the company has received an intimation vide O.A 530/18 dated 24/05/2018. Further, IDBI Bank has declared the main borrower (M/s SSA International Ltd), its directors and Guarantors (including M/s Samtex Fashions Ltd) as willful defaulters in terms with RBI Guidelines. The updated details of proceedings against the company and its subsidiary M/s SSA International Ltd has not been made available, in absence of such details we are unable to comment on the possible impact, it any, arising out of the said matters.
- ii. We have not been provided with sufficient, appropriate audit evidence relating to physical verification/ availability of fixed assets and inventory. Pending completion of such verification, we are unable to comment on the possible impact, it any, arising out of the said matters.
- iii. The company had given loans and advances as on 31.03.2023 which are outstanding from long time. In the absence of recovery and confirmation from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable. Moreover, we have not been provided with justification giving said advance and sufficient, appropriate audit evidence relating to verification of the same. Pending completion of such verification/ reconciliation, we are unable to comment on the possible impact, it any, arising out of the said matters.
- iv. As of 31<sup>st</sup> March 2023, inventories amounting to Rs 25.31 lacs and as no business activity has been taken out during the year and earlier years, the inventories have not been used for a long period of time, the company has not provided for if any inventory item is damaged or has become obsolete or if the selling price has declined.

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- v. During the year, the company has been calculating depreciation on estimation basis for unaudited financial results upto December 2022 and for audit financial results for year ended March 2023, the depreciation has been calculated as per method prescribed under Schedule 2 of the Companies Act considering salvage value of assets and variation if any, has been accounted for in the results for quarter ended March 2023.
- vi. The Company continued to recognize deferred tax assets during the year, in absence of probable certainty and convincing evidence for taxable income in future, we are unable to ascertain the extent to which these deferred tax assets can be utilized.
- vii. The company is not regular in payments of undisputed statutory dues towards PF, TDS during the year. Balances of input tax credit under goods and service tax are not in confirmation with balances as appearing in the online portal.
- viii. No internal audit report is available.
- ix. We have not been provided with sufficient, appropriate audit evidence relating to classification of trade payable dues to MSME and trade payable dues other than MSME. Pending completion of such verification/ reconciliation, we are unable to comment on the possible impact, if any, arising out of the said matters.
- x. Balance of trade payables are outstanding from long period and are subject to confirmation and consequential effect if any on the financial statements remains uncertain. The trade payables of the company could not be verified as the confirmation of balances have not been provided and made available to us.
- xi. Confirmation of balances of, security deposits, balances with government authorities, bank balances, Bank FDRs have not been provided to us, we are unable to comment on the possible impact, if any, arising out of the said matters.
- xii. As informed to us the bank accounts of the company were put on debit freeze by EPF department during last year and we have not been provided with detailed explanation regarding the litigation with the EPF department. Moreover, several litigations are ongoing with the Income Tax Department against which the company has also deposited Rs 118.68 lacs for different financial years under protest, however we have not been provided with details and current status of the said litigations. We are unable to comment on possible impact, if any arising out of the said matter.

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Our report is not modified in respect of the above matter stated.

### **Management's Responsibility for the Financial Results**

The Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for preparation and presentation of the statement that give a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with applicable accounting standard prescribed under section 133 of the Act read with relevant rule there under and other accounting principles generally accepted in India in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from

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fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of Board of Director use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matter

1. The accompanying statement includes the result for the quarter ended March 31, 2023 being the balance figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures to the third quarter of the current financial year, which were subject to a limited review by us, as required under the Listing Regulation.

FOR KAPIL KUMAR & CO  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO: 006241N

  
MOHIT KAKKOR  
(PARTNER)

MEMBERSHIP NUMBER: 538844  
UDIN: 23538844BGVQUT9790  
NEW DELHI

Date : 29 May, 2023

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**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-  
with Annual Audited Financial Results - (STANDALONE)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023</b> [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	<b>1</b>	Turnover / Total income	<b>0.66</b>	Not ascertainable
	<b>2</b>	Total Expenditure	<b>29.66</b>	
	<b>3</b>	Net Profit/(Loss)	<b>(28.80)</b>	
	<b>4</b>	Earnings Per Share	<b>(0.04)</b>	
	<b>5</b>	Total Assets	<b>1471.42</b>	
	<b>6</b>	Total Liabilities	<b>1409.02</b>	
	<b>7</b>	Net Worth	<b>50.6</b>	
	<b>8</b>	Any other financial item(s) (as felt appropriate by the management)	<b>-</b>	
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a.</b>	Details of Audit Qualification: <b>As per Annexure 1</b>		
	<b>b.</b>	Type of Audit Qualification : Qualified Opinion		
	<b>c.</b>	Frequency of qualification: Repetitive		
	<b>d.</b>	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <b>As per Annexure 1</b>		
	<b>e.</b>	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification: <b>As per Annexure 1</b>		
		(ii) If management is unable to estimate the impact, reasons for the same: <b>As per Annexure 1</b>		
		(iii) Auditors' Comments on (i) or (ii) above:		



III.	<p><b>Signatories:</b></p> <ul style="list-style-type: none"><li>• CEO/Managing Director <i>(Signature)</i></li><li>• CFO <i>(Signature)</i></li><li>• Audit Committee Chairman</li><li>• Statutory Auditor <i>(Signature)</i></li></ul> <p>Place: <i>New Delhi</i> Date: <i>29.05.2023.</i></p> <p><i>S.K. J.</i></p> <p><i>(Signature)</i></p> 
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## Annexure 1

### 1. Impact is not quantified by Auditor

#### i) Audit Qualification

Balance of debtors are outstanding from long period and are subject to confirmation and consequential effect if any on the financial statements remains uncertain. The trade receivables of the company could not be verified as the confirmation of balances have not been provided and made available to us. Trade receivables amounting to Rs 639.04 lacs which are long overdue and not provided for. Allowance for expected credit loss have not been recognized on these financial assets. The company has neither carried out impairment exercises of Trade Receivables nor provided for the same and recognized the same as non-current assets since long outstanding. In the absence of recovery and confirmation from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.

#### Management View

The Management is trying to recover the debts hence no provision is required to be made.

#### Auditors Comment

Quantification is not possible at present based on the information and explanation provided by the management.

#### ii) Audit Qualification

Originally the plant of the company was setup at NSEZ, Noida which was later on shifted outside NSEZ during the FY 2017-18 and in march 2019 the company further changed its business premises (rented) to Plot no 163, Udyog Vihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. However, we have not been provided with the copy of rent agreement to verify the term & conditions mentioned there in. As per the information furnished to us the company has further entered into a rent agreement in the month of January 2021 to shift its business premises to D1/3, Industrial Area, Vill-Rajarampur, Sikandrabad, Bulandshahar UP-203205 however till date the company is unable to shift its assets and business operations to new premises. We have not been provided with the copy of rent agreement to verify the term & conditions mentioned there in. The Company is required to determine impairment in respect of fixed assets, However the Company has not done impairment testing. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the financial statements is not ascertainable. The depreciation has been recognized based on of useful life and residual value estimated by the management, however in absence of necessary evidence of same we are unable to comment on the possible impact arising out of the said matter.

#### Management View

As per management opinion the impairment testing of PPE requires hiring of independent professional firm to ascertain the condition of PPE, however due to delayed availability of information and financial resources the impairment testing process could not be undertaken.

#### Auditors Comment

Quantification is not possible at present based on the information and explanation provided by the management.

#### iii) Audit Qualification

The company has not followed the treatment for recognition and remeasurement of employee benefit costs as detailed in the Ind As 19.

#### Management View

The company has not undertaken any business activity during the year and moreover majority of the employees of the company left the company and their dues are settled full and final over the period of time. Considering this fact,





the company has not followed the treatment for recognition and remeasurement of employee benefit costs as detailed in the Ind AS 19.

**Auditors Comment**

Quantification is not possible at present based on the information and explanation provided by the management







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Regd. Office & Works: Khasra No 62, D 1/3 Industrial Area, Rajarampur, Sikandrabad, Bulandshahr UP 203205 IN						
CIN: L17112UP1993PLC022479 Email: <a href="mailto:santex.compliance@gmail.com">santex.compliance@gmail.com</a> , Website: <a href="http://santexfashions.com">santexfashions.com</a>						
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023						
(Rs. In Lakhs, except per share data)						
PART-I	Particulars	Consolidated				
		Three Months Ended		Year Ended		
		Audited 31.03.2023	Unaudited 31.12.2022	Audited 31.03.2022	Audited 31.03.2023	Audited 31.03.2022
	Income	0	0	0	0	0
I	Revenue From Operations					
		1.53	0.66	1.12	2.63	9.59
II	Other income					
		1.53	0.66	1.12	2.63	9.59
III	Total Income (I+II)					
IV	Expenses	0	0	0	0	0
	(a) Cost of materials consumed	0	0	0	0	0
	(b) Purchase of Stock-in-trade	0	0	0	0	0
	(c) Changes in Inventories of finished goods, work in progress and stock in trade	0	0	0	0	0
	(d) Employee benefits expense	3.1	3.05	4.04	12.28	19.41
	(e) Finance Cost	0.03	0	0.10	0.08	0.46
	(f) Depreciation and amortisation Expenses	36.21	162.49	133.04	523.69	649.97
	(g) Other Expenses	5.48	6.69	8.14	24.51	25.08
	Total Expenses	44.82	172.23	145.32	560.56	694.92
V	Profit/(Loss) before exceptional item and tax (III-IV)	(43.29)	(171.57)	(144.20)	(557.93)	(685.33)
VI	Exceptional items	0	0	0	0	0
VII	Profit/(Loss) before tax (V-VI)	(43.29)	(171.57)	(144.20)	(557.93)	(685.33)
	Tax Expenses	0	0	0	0	0
	Current Tax	0	0	(0.42)	0	(0.42)
	Deferred Tax	0	0	(0.42)	0	(0.42)
VIII	Total Tax Expenses	0	0	(0.42)	0	(0.42)
IX	Profit/(Loss) for the Period (VII-VIII)	(43.29)	(171.57)	(143.78)	(557.93)	(684.91)
	Other Comprehensive income, net of income tax					
	(i) (a) Items that will not be re-classified to the profit or loss	(4.78)	6.02	8.6	28.86	8.66
	(b) Income Tax relating to items that will not be re-classified to profit or loss	0	0	0	0	0
	(ii) (a) Items that will be re-classified to the profit or loss	0	0	0	0	0
	(b) Income tax relating to items that will be re-classified to the profit or loss	0	0	0	0	0
	Total Other comprehensive income, net of income tax	(4.78)	6.02	8.60	28.86	8.66
X	Total Comprehensive income for the period (IX+X)	(48.07)	(177.59)	(135.18)	(529.07)	(676.25)
XI	Paid-up equity share capital	1490.00	1490.00	1490.00	1490.00	1490.00
XII	Face value per Equity Share	2.00	2.00	2.00	2.00	2.00
XIII	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(24,958.84)	(24,429.77)
XIV	Earning per share					
	(a) Basic	(0.06)	(0.24)	(0.18)	(0.71)	(0.91)
	(b) Diluted	(0.06)	(0.24)	(0.18)	(0.71)	(0.91)

Notes:

- The aforesaid consolidated results have been duly reviewed by Audit Committee and thereafter approved and taken on record in the meeting of the Board of Directors of the Company held on 29.05.2023.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- The figures of the last quarter are balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
- During the Year, the Holding Company has been charging depreciation on estimation basis upto nine months ending 31 December, 2022 for unaudited financial results, thereafter for audited financial results depreciation has been calculated as per methods prescribed by Schedule 2 of the Companies Act, 2013 considering salvage value of assets and variation if any, has been accounted for audited financial results for quarter ending March, 2023.
- The figures of the last periods have been regrouped, wherever necessary, to confirm to the current quarter's.
- The Results can also be viewed at our website [www.santexfashions.com](http://www.santexfashions.com) and on the website of BSE where the Company's shares are listed at [www.bseindia.com](http://www.bseindia.com).

Place: New Delhi  
Date: 29.05.2023

Atul Mittal  
Chairman & Managing Director  
DIN: 00223366

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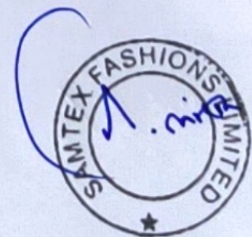
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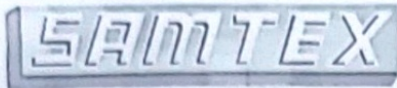
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Samtex Fashions Limited		CIN No. - L17112UP1993PLCO22479	
Consolidated Cash flow statement for the year ended 31st March 2023			
Particulars	(In Lacs)		
	Year ended March, 31 2023	Year ended March, 31 2022	
<b>A. Cash flow from operating activities</b>			
Profit for the year	(557.93)	(685.33)	
Adjustments for:			
Income tax expense			
Amounts Charged directly to Other Comprehensive Income	28.86	8.66	
Depreciation and amortisation	523.69	649.97	
Loss/(Gain) on disposal of property, plant and equipment	0	0	
Interest income recognised in profit or loss	(2.63)	(2.55)	
Finance cost recognised in profit or loss	0.08	0.46	
Capital Investment Subsidy	0	(0.15)	
Net unrealised exchange (Gain)/Loss	0	0	
Net (gain)/Loss recognised for derivatives	0	0	
<b>Movements in working capital:</b>			
(Increase) /decrease in trade and other receivables	2.94	22.9	
(Increase) /decrease in other financial assets	(0.72)	1.25	
(Increase) /decrease in other current assets	(2.95)	(2.41)	
(Increase) /decrease in other non-current assets	0	0	
(Increase) /decrease in inventories	0	0	
Increase/ (decrease) in trade payables	(2.25)	(2.73)	
Increase/ (decrease) in current tax asset/Liabilities	0	0	
Increase/ (decrease) in provisions	0	0	
Increase/ (decrease) in other current liabilities	0.24	(0.54)	
Increase/ (decrease) in other financial liabilities	0	0	
<b>Cash generated from operations</b>	<b>(10.67)</b>	<b>(10.47)</b>	
Income taxes paid (net of refund, if any)	0.24	0.20	
<b>Net cash generated from operations</b>	<b>(10.91)</b>	<b>(10.67)</b>	
<b>B. Cash flow from investing activities</b>			
Payment for property, plant and equipment	0	0	
Proceeds from disposal of property, plant and equipment	0	0	
Interest received	2.63	2.55	
(Increase) /decrease in other bank balances	(0.25)	(2.24)	
<b>Net cash generated from /used in investing activities</b>	<b>2.38</b>	<b>0.31</b>	
<b>C. Cash flow from financing activities</b>			
Net Increase /(Decrease) in long term borrowing	11	2.96	
Net Increase /(Decrease) in short term borrowing	(1.37)	(1.28)	
Interest Paid	(0.08)	(0.46)	
<b>Net cash used in financing activities</b>	<b>9.55</b>	<b>1.22</b>	
<b>Net change in cash and cash equivalents</b>	<b>1.02</b>	<b>(9.14)</b>	
<b>Cash and cash equivalents as at the beginning of the Year</b>	<b>57.76</b>	<b>66.9</b>	
<b>Cash and cash equivalents as at the end of the Year</b>	<b>58.78</b>	<b>57.76</b>	
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
Cash and cash equivalents [Refer Note 10]	58.78	57.76	



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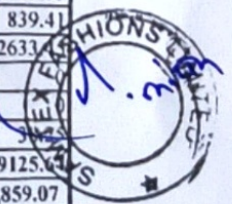
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<b>SAMTEX FASHIONS LIMITED</b>			
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<b>AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 31ST MARCH, 2023</b>			
<b>Rs. In Lakhs</b>			
Sr.	PARTICULARS	Consolidated	
		31.03.2023	31.03.2022
		Audited	Audited
<b>A</b>	<b>ASSETS</b>		
	(1) Non Current Assets		
	a) Property Plant & Equipments	6518.4	7042.09
	b) Capital Works in Progress	170.34	170.34
	c) Intangible Assets	0.59	0.59
	d) Financial Assets	0	0
	i) Investments	0	0
	ii) Trade Receivables	28502.89	28505.83
	iii) Others	366.42	366.42
	e) Non Current Tax Assets	92.53	92.53
	f) Other Non Current Assets	216.85	216.85
	<b>Total- Non-Current Assets</b>	<b>35868.02</b>	<b>36394.65</b>
	(2) Current Assets		
	a) Inventories	25.32	25.32
	b) Financial Assets		
	i) Trade Receivables	0	0
	ii) Cash and Cash Equivalents	58.79	57.76
	iii) Other Bank Balances	38.56	38.31
	iv) Other Financial Assets	4.37	3.65
	c) Current Tax Assets (Net)	59.73	59.49
	d) Other Current Assets	282.84	279.89
	<b>Total-Current Assets</b>	<b>469.61</b>	<b>464.42</b>
	<b>TOTAL ASSETS</b>	<b>36337.63</b>	<b>36859.07</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	a) Equity Share Capital	1491.8	1491.8
	b) Other Equity	-24958.84	(24,429.77)
	<b>TOTAL EQUITY</b>	<b>(23,467.04)</b>	<b>(22,937.97)</b>
	<b>Liabilities</b>		
	<b>Non Current Liabilities</b>		
	a) Financial Liabilities		
	i) Borrowings	666.56	655.56
	b) Deferred Tax Liabilities (Net)	0	0
	c) Other Non Current Liabilities	0	0
	d) Provisions	15.84	15.84
	<b>Total- Non-Current Liabilities</b>	<b>682.4</b>	<b>671.4</b>
	<b>Current Liabilities</b>		
	a) Financial Liabilities		
	i) Borrowings	55613.17	56614.33
	ii) Trade Payables	837.16	839.41
	iii) Other Financial Liabilities	2633.45	2633.45
	b) Provisions	0	0
	c) Current Tax Liability (Net)	0	0
	d) Other Current Liabilities	38.49	38.49
	<b>Total Current Liabilities</b>	<b>59122.27</b>	<b>59125.74</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>36,337.63</b>	<b>36,859.07</b>



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INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors of  
Samtex Fashions Limited.

Report on the Audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of M/s Samtex Fashions Ltd ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates and joint ventures for the year ended 31/03/2023 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the 'Basis of Qualified Opinion' and 'Emphasis of Matter' section of our report, the aforesaid statements:

- I. Includes the results of the following entities:
  - i. M/s SSA International Ltd (along with its wholly owned subsidiary M/s Lina Global INC).
  - ii. M/s Arlin Foods Ltd
- II. are presented in accordance with the requirements of the Listing Regulations in this Regard, and
- III. give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34") and other accounting principles generally accepted in India, of the loss, the total comprehensive income, and other financial information of the group for the quarter and year ended March 31, 2023.

**Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards

are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are Independent of the group in accordance with the Code of Ethics Issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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- i. The wholly owned subsidiary M/s SSA International Ltd has defaulted in repayment obligations towards banking institutions.. As per the explanation and information furnished to us, the management was not in position to estimate or calculate the interest payable on debts due to bankers as since past many years they have not received any account statement or other relevant documentation from the bankers. Moreover the company is of the opinion as per the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, The policy of income recognition has to be objective and based on the record of recovery. Internationally income from non-performing assets (NPA) is not recognized on accrual basis but is booked as income only when it is actually received. Therefore, the banks should not charge and take to income account interest on any NPA. On an account turning NPA, banks should reverse the interest already charged and not collected by debiting Profit and Loss account, and stop further application of interest. Correspondingly the company has not recognized the interest expenses. However the non-recognition of interest expenses is not in accordance with Ind AS on borrowing costs requirement. In absence of information we are not able to comment upon impact, if any. However, following the RBI Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, the company has not made provision for interest on debts due to bankers after adjudication by DRT.
- ii. The wholly owned subsidiary M/s SSA international Ltd had received notice of sale of assets situated at Samalkha, District, Panipat Haryana from IDBI Bank and further the company has informed that it has come to their knowledge through newspaper advertisement that the consortium member banks have executed auction of its assets at Samalkha plant. However, in absence of any information regarding the sale of assets i.e. detail of assets sold by bank, value at which the said sale transaction has been undertaken, bank wise utilization of amount received against said sale, the company has not taken into consideration the said transaction while preparing its financial statements as on 31.03.2023 and had the company recorded the said transaction the value of property plant and equipment along with depreciation charged would reduce and the amount owed to the financial institutes would also reduced with the amount received on account of said auction sale. Further there would arise profit or loss on sale of assets and taxation implication on said transaction which will ultimately results in increase or decrease in current year profit/ loss as well as accumulated losses. Further it has come to our knowledge that similarly the consortium bankers have executed sale of assets of directors/ guarantors mortgaged with them during the year as well as earlier years and adjusted the amount received on said auction sale with amount owed by the company to the financial institutions, however the company has not recorded the effect of such transaction in its financial statements. We the Auditor , in our Independent capacity tried to communicate with bankers to provide the detail of assets in possession and the

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transactions done by bankers with respect to these assets, however no response has been received .Therefore, we are unable to comment on the consequential impact of adjustment arising there from in the results, if any, is not ascertainable.

- iii. Originally the plant of the holding company was setup at NSEZ, Noida which was later on shifted outside NSEZ during the FY 2017-18 and in march 2019 the company further changed its business premises to Plot no 163, Udyog Vihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. As per the information furnished to us the company has further entered into a rent agreement in the month of January 2021 to shift its business premises to D1/3, Industrial Area, Vill-Rajarampur, Sikandrabad, Bulandshahar UP-203205 however till date the company is unable to shift its assets and business operations to new premises. We have not been provided with the copy of rent agreement to verify the term & conditions mentioned there in the group is required to determine impairment in respect of fixed assets, However the group has not done impairment testing. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the financial statements is not ascertainable. The wholly owned subsidiary M/s Arlin Foods Ltd has not charged any depreciation on its property, plant and equipment. The depreciation has been recognized based on of useful life and residual value estimated by the management, the estimates have been relied upon by us.
- iv. Balance of debtors are outstanding from long period and are subject to confirmation and consequential effect if any on the financial statements remains uncertain. The trade receivables of the company could not be verified as the confirmation of balances have not been provided and made available to us. Trade receivables amounting to Rs 28,502.89 lacs which are long overdue and not provided for. Allowance for expected credit loss have not been recognized on these financial assets. The company has neither carried out impairment exercises of Trade Receivables nor provided for the same and recognized the same as non-current assets since long outstanding. In the absence of recovery and confirmation from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.
- v. The group has not followed the treatment for recognition and remeasurement of employee benefit costs as detailed in the Ind As 19.

**Material Uncertainty Related to Going Concern**

The Group has made losses during the current year and the preceding year. As a result of the losses,

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the liquidity position of the group has been substantially affected, the net worth of group has fully eroded and group's current liabilities exceeded its current assets as at the balance sheet date, adversely affecting the operations of the group. Moreover, no business activity has been undertaken throughout the year, indicating the existence of uncertainty about the ability of the group to continue as a going concern.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the group's ability to continue as going concern and therefore the group may be unable to realize its assets and discharge its liabilities in the normal course of business. As a result of ongoing matters, we are unable to determine as to whether any adjustment that would have been necessary and required to be made in respect of trade receivable, trade payables, borrowings, current liabilities, loans and advances and contingent liabilities as at 31st March, 2023 and in respect of the corresponding possible impact of such items and associated elements on the statement for the year ended on that date, should the group be unable to continue as a going concern. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying consolidated financial statements. However, the financial statements of the group have been prepared on a going concern basis.

#### **Emphasis of Matter**

- i. The group has not under taken any business activity during the year.
- ii. The holding company had already given a corporate guarantee for an amount of Rs 807.46 crores against secured loans taken by its wholly owned subsidiary, namely M/s SSA International Limited, which has been classified as nonperforming assets by the banks. The company has also received the notice u/s 13(2) of the SARFAESI Act 2002 from consortium of banks for revocation of its corporate guarantee. The consortium bankers have filed a petition against the holding company and its subsidiary M/s SSA International Limited regarding recovery of the outstanding dues, before the Debt Restructuring Tribunal-II, Delhi, and the company has received an intimation vide O.A 530/18 dated 24/05/2018. Further, IDBI Bank has declared the main borrower (M/s SSA International Ltd), its directors and Guarantors (including M/s Samtex Fashlons Ltd) as willful defaulters in terms with RBI Guidelines and further the IDBI Bank pursuant to provisions of SARFAESI Act 2002 has taken over the possession of premises of M/s SSA International Ltd at Village Patti Kalyan Tehsil Samalkha District Panipat, Haryana. The updated details of proceedings against the company and its subsidiary M/s SSA International Ltd has not been made available, in absence of such details we are unable to comment on the possible impact, if any, arising out of the said matters.
- iii. During the year, the holding company has calculated depreciation on estimation basis for unaudited financial results upto December 2022 and for audit financial results for year ended March 2023 the depreciation has been calculated as per method prescribed under Schedule 2 of Companies Act considering salvage value of assets and variation if any, has

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been accounted for in the results for quarter ended March 2023.

- iv. Confirmation of balances are not available for loans, trade payables, security deposits, balances with government authorities, bank balances, FDR's along with interest thereon and bank loans as at March 31, 2023. That is why the transactions (if any) made by the banks in the accounts of the company could not be reconciled in the absence of information bank account statements of these accounts. Further, the amount of interest accrued on deposits with bank as per the Form 26 As has been adjusted with the amount owed to the banking institutions. Moreover, there are several bank current accounts having balances amounting to Rs 52.36 lacs as on 31.03.2023 as per books of accounts of the subsidiary company M/s SSA International Ltd, no transactions have been made in these accounts during the year and we have not been provided with the bank account statements of these accounts to confirm the balances. In absence of such details we are unable to comment on the possible impact, if any, arising out of the said matters.
- v. The group had given loans and advances as on 31.03.2023, majority of which are outstanding from long time. In the absence of recovery and confirmation from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable. Moreover, we have not been provided with justification giving said advance and sufficient, appropriate audit evidence relating to verification of the same. Pending completion of such verification/ reconciliation, we are unable to comment on the possible impact, if any, arising out of the said matters.
- vi. We have not been provided with sufficient, appropriate audit evidence relating to physical verification/ availability of fixed assets and inventory. Pending completion of such verification we are unable to comment on the possible impact, if any, arising out of the said matters.
- vii. As of 31<sup>st</sup> March 2023, the holding company's inventory amounting to Rs 25.32 lacs and as no business activity has been taken out during the year, the inventories have not been used for a long period of time, the company has not provided for if any inventory item is damaged or has become obsolete or if the selling price has declined.
- viii. The group is not regular in payments of undisputed statutory dues towards PF, VAT, TDS during the year. Balances of input tax credit under goods and service tax are not in confirmation with balances as appearing in the online portal.
- ix. No internal audit report has been made available.
- x. We have not been provided with sufficient, appropriate audit evidence relating to classification of trade payable dues to MSME and trade payable dues other than MSME. Pending completion of such verification/ reconciliation, we are unable to comment on the possible impact, if any, arising out of the said matters.
- xi. The holding company continued to recognize deferred tax assets up to March 31, 2023, in absence of probable certainty and convincing evidence for taxable income in future, we are unable to ascertain the extent to which these deferred tax assets can be utilized.

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- xii. As informed to us the bank accounts of the holding company were put on debit freeze by EPF department last year and we have not been provided with detailed explanation regarding the litigation with the EPF department. Moreover, several litigations are ongoing with the Income Tax Department against which the holding company has also deposited Rs 118.67 lacs for different financial years under protest, however we have not been provided with details and current status of the said litigations. We are unable to comment on possible impact, if any arising out of the said matter.

Our report is not modified in respect of the above matter stated.

#### **Management's Responsibility for the Financial Results**

The Statement has been prepared on the basis of the annual financial statements. The holding Company's Board of Directors are responsible for preparation and presentation of the statement that give a true and fair view of the net loss and other comprehensive income of the group and other financial information in accordance with applicable accounting standard prescribed under section 133 of the Act read with relevant rule there under and other accounting principles generally accepted in India in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statements, the respective Board of Directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The Respective Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

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aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of Respective Board of Director use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the group to express an opinion on the Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

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relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

1. The consolidated financial results include the unaudited financial statements/ financial information of M/s Lina Global Inc (wholly owned subsidiary of M/s SSA International Ltd) whose Ind AS Financial Statements reflect total assets of Rs.408.99 lacs as at 31st March, 2023, total revenue of Rs. Nil for the year ended on that date. This financial statements/ financial information is unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on such unaudited financial statements/financial information. We are not in a position to comment on the consequential impact, if any, arising out of subsequent audit of these entities, on the consolidated Ind AS financial statements.
2. The accompanying statement includes the result for the quarter ended March 31, 2023 being the balance figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures to the third quarter of the current financial year, which were subject to a limited review by us, as required under the Listing Regulation.

**FOR KAPIL KUMAR & CO  
CHARTERED ACCOUNTANTS**

**FIRM REGISTRATION NO: 006241N**

**MOHIT KAKKAR  
(PARTNER) ACCOUNTANT**

**MEMBERSHIP NUMBER: 538844**

**UDIN: 23538844BGVQUS1139**

**NEW DELHI**

**Date: 29 May, 2023**

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**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (CONSOLIDATED)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023</b> [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	<b>1</b>	Turnover / Total income	<b>2.63</b>	<b>Not ascertainable</b>
	<b>2</b>	Total Expenditure	<b>560.56</b>	
	<b>3</b>	Net Profit/(Loss)	<b>(529.07)</b>	
	<b>4</b>	Earnings Per Share	<b>(0.71)</b>	
	<b>5</b>	Total Assets	<b>36337.63</b>	
	<b>6</b>	Total Liabilities	<b>59804.67</b>	
	<b>7</b>	Net Worth	<b>(23465.24)</b>	
	<b>8</b>	Any other financial item(s) (as felt appropriate by the management)	<b>-</b>	
<b>II.</b>	<p><b>Audit Qualification (each audit qualification separately):</b></p> <p>a. Details of Audit Qualification: <b>As per Annexure 2</b></p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification: repetitive</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: <b>As per Annexure 2</b></p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>a. (i) Management's estimation on the impact of audit qualification: <b>As per Annexure 2</b></p> <p>b. (ii) If management is unable to estimate the impact, reasons for the same: <b>As per Annexure 2</b></p> <p>c. (iii) Auditors' Comments on (i) or (ii) above: <b>As per Annexure 2</b></p>			



III.	<p>Signatories:</p> <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Audit Committee Chairman</li><li>• Statutory Auditor</li></ul> <p>Place: <u>New Delhi</u> Date: <u>29.05.2023.</u></p> <p><i>S.K. J.</i></p> <p><i>Kapil Kumar &amp; Co.</i></p> 
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## Annexure 2

### 1. Impact is not quantified by Auditor

#### i) **Audit Qualification**

Balance of debtors are outstanding from long period and are subject to confirmation and consequential effect if any on the financial statements remains uncertain. The trade receivables of the company could not be verified as the confirmation of balances have not been provided and made available to us. Trade receivables amounting to Rs 28,502.89 lacs which are long overdue and not provided for. Allowance for expected credit loss have not been recognized on these financial assets. The company has neither carried out impairment exercises of Trade Receivables nor provided for the same and recognized the same as non-current assets since long outstanding. In the absence of recovery and confirmation from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.

#### **Management View**

The Management is trying to recover the debts hence no provision is required to be made.

#### **Auditors Comment**

Quantification is not possible at present based on the information and explanation provided by the management.

#### ii) **Audit Qualification**

The wholly owned subsidiary M/s SSA International Ltd has defaulted in repayment obligations towards banking institutions. As per the explanation and information furnished to us, the management was not in position to estimate or calculate the interest payable on debts due to bankers as since past many years they have not received any account statement or other relevant documentation from the bankers. Moreover the company is of the opinion as per the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, The policy of income recognition has to be objective and based on the record of recovery. Internationally income from non-performing assets (NPA) is not recognized on accrual basis but is booked as income only when it is actually received. Therefore, the banks should not charge and take to income account interest on any NPA. On an account turning NPA, banks should reverse the interest already charged and not collected by debiting Profit and Loss account, and stop further application of interest. Correspondingly the company has not recognized the interest expenses. However the non-recognition of interest expenses is not in accordance with Ind AS on borrowing costs requirement. In absence of information we are not able to comment upon impact, if any. However, following the RBI Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, the company has not made provision for interest on debts due to bankers after adjudication by DRT.

#### **Management View**

The Accounts of the company were classified as NPA during FY 16-17 and since than we were not able to obtain our bank loan account statements from various consortium member banks and as result of which we were not able to estimate the amount exactly owed by us to bank and interest charged by banks on the said borrowings and amount collected by bank by executing auction sale of assets of the company or its promoter/guarantor



### **Auditor Comment:**

Quantification is not possible at present based on the information and explanation provided by the management.

#### **iii) Audit Qualification**

The wholly owned subsidiary M/s SSA international Ltd had received notice of sale of assets situated at Samalkha, District, Panipat Haryana from IDBI Bank and further the company has informed that it has come to their knowledge through newspaper advertisement that the consortium member banks have executed auction of its assets at Samalkha plant. However, in absence of any information regarding the sale of assets i.e. detail of assets sold by bank, value at which the said sale transaction has been undertaken, bank wise utilization of amount received against said sale, the company has not taken into consideration the said transaction while preparing its financial statements as on 31.03.2023 and had the company recorded the said transaction the value of property plant and equipment along with depreciation charged would reduce and the amount owed to the financial institutes would also reduced with the amount received on account of said auction sale. Further there would arise profit or loss on sale of assets and taxation implication on said transaction which will ultimately results in increase or decrease in current year profit/loss as well as accumulated losses. Further it has come to our knowledge that similarly the consortium bankers has executed sale of assets of directors/ guarantors mortgaged with them during the year as well as earlier years and adjusted the amount received on said auction sale with amount owed by the company to the financial institutions, however the company has not recorded the effect of such transaction in its financial statements. we are unable to comment on the consequential impact of adjustment arising there from in the results, if any, is not ascertainable.

#### **Management View**

The management of company has taken an opinion from independent legal counsel and has filed counter claims against the banks under the provisions of Recovery of Debt and Bankruptcy act 1993 and the Board of Director of the company are in process to appoint independent professionals to review the aforesaid matter in order to assess the impact of aforesaid matter if any on the financial statements

#### **Auditor Comment**

Since the matter is under litigation and in absence of detailed information provided by the management we are unable to determine whether any adjustment is required along with the consequential impact. If any, on the accompanying Standalone Financial Results of the Company.

#### **iv) Audit Qualification**

Originally the plant of the holding company was setup at NSEZ, Noida which was later on shifted outside NSEZ during the FY 2017-18 and in march 2019 the company further changed its business premises to Plot no 163, Udyog Vihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. As per the information furnished to us the company has further entered into a rent agreement in the month of January 2021 to shift its business premises to D1/3, Industrial Area, Vill-Rajarampur, Sikandrabad, Bulandshahar UP-203205 however till date the company is unable to shift its assets and business operations to new premises. We have not been provided with the copy of rent agreement to verify the term & conditions mentioned there in. The group is required to determine impairment in respect of fixed

assets, However the group has not done impairment testing. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the financial statements is not ascertainable. The wholly owned subsidiary M/s Arlin Foods Ltd has not charged any depreciation on its property, plant and equipment. The depreciation has been recognized based on of useful life and residual value estimated by the management, the estimates have been relied upon by us.

#### **Management View**

As per management opinion the impairment testing of PPE requires hiring of independent professional firm to ascertain the condition of PPE, however due to delayed availability of information and financial resources the impairment testing process could not be undertaken.

#### **Auditors Comment**

Quantification is not possible at present based on the information and explanation provided by the management.

#### **v) Audit Qualification**

The group has not followed the treatment for recognition and remeasurement of employee benefit costs as detailed in the Ind As 19

#### **Management View**

The company has not undertaken any business activity during the year and moreover majority of the employees of the company left the company and their dues are settled full and final over the period of time. Considering this fact, the company has not followed the treatment for recognition and remeasurement of employee benefit costs as detailed in the Ind AS 19.

#### **Auditors Comment**

Quantification is not possible at present based on the information and explanation provided by the management