



FASHIONS LIMITED

A Govt. Recognised Export House

Men's fashion technology

Date- 07-09-2022

To,
The Department of Corporate Relations,
BSE Ltd.
Phiroze Jeejeebhoy Tower,
Dalal Street
Mumbai-400001
Dear Sir/ Madam,

Scrip Code- 521206

**Sub: Annual Report under Regulation 34(1) of the Securities and Exchange Board of India
(Listing Obligations and Disclosures Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, please find enclosed the Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2021-22. The same is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participants/Registrar and Transfer agent.

The same is also available on the website of the Company at www.samtexfashions.com

Kindly take the above information on record.

Thanking You,

Yours faithfully,

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, Website- www.samtexfashions.com



SAMTEX
FASHIONS LIMITED

29th

ANNUAL REPORT
2021-2022



BOARD OF DIRECTORS

Atul Mittal	<i>Chairman and Managing Director</i>
S. K. Gupta	<i>Director</i>
Raman Ohri	<i>Director</i>
Arti Srivastava	<i>Director</i>

COMPANY SECRETARY

Anushika Mishra

AUDITORS

M/s Kapil Kumar & Co.

Chartered Accountants
Amritsar

INTERNAL AUDITOR

Debananda Nayak
Company Secretaries in Practice

BANKERS

STATE BANK OF INDIA

Overseas Branch,
9th Floor, Jawahar Vayapar Bhawan,
Tolstoy Marg, New Delhi - 110 001

CORPORATE IDENTIFICATION NUMBER

L17112UP1993PLC022479

REGISTERED OFFICE & WORKS

Khasra No 62, D 1/3 Industrial Area,
Rajarampur, Sikandrabad,
Bulandshahr UP 203205

CORPORATE OFFICE

Unit No. 137, DLF Prime Tower,
F-Block, Okhla, Phase-I,
New Delhi -110020

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NOTICE

Notice is hereby given that the **29th Annual General Meeting (“AGM”)** of the Members of **SAMTEX FASHIONS LIMITED** will be held on **Friday, 30th September, 2022 at 01:00 P.M.** Indian Standard Time (IST) through Video Conferencing or Other Audio Visual Means (VC/OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended 31st March 2022, together with the Reports of the Board of Directors and Auditor’s thereon.
2. To appoint a Director in place of Mr. Atul Mittal (DIN 00223366), who retires by rotation and being eligible, offers himself for re-appointment.
3. To approve the re-appointment of M/s Kapil Kumar & Co. Chartered Accountants (Registration No.006241N) as the Statutory Auditors for a second term of Five consecutive Years:

To consider and, if think fit, to pass the following resolutions as an Ordinary Resolutions.

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modifications or amendment thereto or re-enactments thereof for the time being in force) the consent of members be and is hereby accorded for re-appointment of M/s Kapil Kumar & Co. Chartered Accountants (Registration No.006241N), as Statutory Auditors of the Company to hold office for the term of 5 years from the conclusion of this AGM, till the conclusion of AGM of the Company to be held in the financial year ending 2027 at the remuneration to be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. Regularization of Mrs. Preeti Saxena as an Independent Director (Non- Executive) of the Company, for term of 5 years

To consider and if thought fit, to pass with or without modifications, the following Resolution as an **Special Resolution**

RESOLVED that Mrs. Preeti Saxena (DIN 07597269) who was appointed by the Board of Directors as an Additional Director (Non Executive Independent) of the Company w.e.f August 30, 2022 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 but who is eligible for appointment as Independent Women Director (Non- Executive) and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Independent Women Director (Non- Executive) of the Company.”

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force) and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure



Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) Mrs. Preeti Saxena (DIN 07597269), who has submitted a declaration that she meets the criteria for independence as provided in the act and SEBI Listing Regulations and who is eligible for appointment and in respect of whom based on her evaluation of performance, the Nomination and Recommendation Committee has recommended her appointment to the board which was further approved by the board be and is hereby appointed as an Independent, Non –Executive Women Director on non – rotational basis for term of 5 (five) consecutive years commencing from August 30, 2022.

RESOLVED FURTHER THAT Board of Directors and/or the Company Secretary of the Company be and is hereby authorized to take all such act as, matters and things as may be deemed necessary or expedient for giving effect to this resolution.”

5. Re-appointment of Mr. Atul Mittal as Chairman & Managing Director of the Company for the period of 3 years.

To consider and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution** :

“**RESOLVED THAT** pursuant to the provisions of Sections 196,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, as approved by Board of Directors and Nomination and Remuneration Committee, consent of the members be and is hereby accorded to appoint Mr. Atul Mittal (DIN No. 00223366), as Chairman & Managing Director of the Company for the period of 3 years, with effect from 1st September, 2022 on the terms and remuneration as set out below:

1. Term of Re-appointment - 3 Years
2. Remuneration – Nil
3. Perquisites and Allowances- Nil
4. The Managing Director shall be reimbursed for all expenses incurred by him for any Business Meeting or Business trips. These will not be considered as perquisites.
5. The Managing Director shall discharge his official duties/power as delegated by Board from time to time.

Date: 30.08.2022

Place: New Delhi

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

**REGISTERED OFFICE & WORK
Khasra No 62 D1/3 Industrial Area
RajarampurSikandrabad
Bulandshahr UP- 203205**

**SD/-
ANUSHIKA MISHRA
Company Secretary
M. No.-ACS-59065**

Email: -samtex.compliance@gmail.com

Website: -www.samtexfashions.com

CIN: L17112UP1993PLC022479



Notes:

Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the 29th Annual General Meeting pursuant to Section 102 (1) of the Companies Act, 2013, is annexed hereto and forms part of the Notice.

1. In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs has issued a General Circular bearing No. 2/2022 dated 5th May, 2022 read with Circular Number 20/2020 dated May 5, 2020, Circular No. 02/2021 dated 13th January, 2021 Circular No. 19/2021 dated December 8, 2021 and Circular No. 21/2021 dated December 14, 2021 allowing convening of AGM through Video Conferencing or other audio visual modes subject to certain requirements. In the terms of the said circular and in compliance with the provisions of the Companies Act, 2013 and SEBI Circular SEBI/HO/CFD2/CIR/P/2022/62 dated May 13, 2022 and relevant circular of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the AGM of the Company is being held through VC/OAVM. Hence members can attend and Participate in the AGM through VC/OAVM only. In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with guidance/ clarification issued by ICSI. The proceedings of the 29th AGM shall be deemed to be conducted at the registered office i.e. Khasra No 62 D1/3 Industrial Area Rajarampur Sikandrabad Bulandshahr UP- 203205 of the Company. The detailed procedure for participating in the meeting through VC / OAVM is appended herewith and also available at the Company's website www.samtexfashions.com
2. In compliance with the said circulars, the Notice of AGM along with Annual Report 2021-2022 is being sent only through electronic mode to those Members whose valid e-mail addresses are registered with the Company/ Depositories/RTA. Member may note that Notice of AGM and Annual Report for the year 2021-2022 has been uploaded on the website of the Company at www.samtexfashions.com. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the same is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 24th September 2022 to Friday, 30th September, 2022 (both days inclusive) for the purpose of AGM.**
4. The Company draws your attention to the notification issued by SEBI dated January 24, 2022, June 08, 2018, and the press release dated December 3, 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. This measure is aimed at curbing fraud and manipulation risk in physical transfer/ transmission and transposition securities by unscrupulous entities. Transfer/ transmission



and transposition of securities only in demat form will improve ease facilitate convenience and safety of transactions for investors. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact either the Company or M/s Beetal Financial & Computer Services (P) Ltd for assistance in this regard.

5. SEBI vide its Circulars dated November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company and furnish the requisite details.
6. Members holding shares in physical form are requested to send the following documents in original to Registrar and Share Transfer Agent latest by Monday, September 22, 2022:
 - Form ISR-1 along with the supporting documents. The said form is available on the website of the Company at www.samtexfashions.com.under finance Section.
 - Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:-
 - a. cancelled cheque in original.
 - b. bank attested legible copy of the first page of the Bank Passbook/ Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and the full address of the Bank branch.
 - self-attested photocopy of the PAN Card of all the holders;
 - Self-attested photocopy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company to the Company's Registrar and Share Transfer Agent, M/s Beetal Financial & Computer Services (P) Ltd beetalrta@gmail.com. quoting their folio number. Members holding shares in electronic form must inform about any change in their address or bank particulars to their respective Depository Participants and not to the Company.
7. Instructions for the Members whose e-mail IDs are not registered with the Company or with the Depositories:
 - (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self



attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to beetalrta@gmail.com.

- (ii) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to beetalrta@gmail.com.
 - (iii) The RTA shall co-ordinate with CDSL and provides the login credentials to the above mentioned shareholders.
8. Since the AGM is being held through VC/OAVM, physical attention of Members has been dispensed with. In view of the MCA Circular, no proxy shall be appointed by the members; hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, Institutional / Corporate Members intending to attend /vote at AGM through VC/OAVM by their respective authorized representatives are required to send to the Company/RTA/ Scrutinizer a certified copy of Board Resolutions, pursuant to section 113 of the Companies Act, 2013, by email at www.samtexfashions.com authorizing their representative to attend and vote at the Meeting through VC.
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
10. **Nomination Facility** As per the provisions of Section 72 of the Companies Act, the facility for making nomination is available for the Members in respect of the Equity Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms available at Company's Website www.samtexfashions.com.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and MCA General Circulars bearing No 2/2022 dated may 5th, 2022, to conduct their AGM on or before 31st December, 2022 in accordance with the requirements as provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5th, 2020. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. For this purpose the Company had entered into an agreement with, Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
12. Members who cast their votes by remote e-voting may attend the Meeting through VC, but will not be entitled to cast their votes at the Meeting once again.



13. Details of Director retiring by rotation/seeking re-appointment at the ensuing AGM is annexed to the notice.
14. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under section 189 of the Companies Act, 2013 will be available for inspection by the Members in electronic mode on the website of the Company at www.samtexfashions.com.
15. The Company has appointed Mr. Deepak Kukreja, Deepak Kukreja & Associates to act as scrutinizer for conducting the scrutiny of the votes casted at AGM (e-voting as well as by Remote E-voting).
16. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
17. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.samtexfashions.com and on the website of CDSL at www.evotingindia.com, immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be forwarded to the Stock Exchanges where the shares of Company are listed.
18. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
19. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company, will be entitled to vote.
20. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or RTA. The Equity Shares of the Company are listed on the following Stock Exchange:-



Stock Exchange

BSE Limited 24th Floor
PJ Towers,
Dalal Street, Mumbai-400 001
Website: www.bseindia.com

Scribe Code: 521206

21. Members holding shares in physical form are requested to dematerialize their holding in order to eliminate all risks associated with physical shares. Members can contact the Company or RTA for further assistance.
22. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.
23. **CDSL INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING AGM THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:-**
 - i. The voting period begins on 27th September, 2022 (10.00 A.M.) and ends on 29th September, 2022 (05.00 P.M.) During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii. The Shareholders who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
 - iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
 - iv. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
 - v. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless



authentication but also enhancing ease and convenience of participating in e-voting process.

- vi. In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.



<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- (1) The shareholders should log on to the e-voting website www.evotingindia.com.
- (2) Click on “Shareholders” module.
- (3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company

OR

Alternatively, if you are registered for CDSL’s EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:



For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for M/s Samtex Fashions Limited for the relevant on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; samtex.compliance@gmail.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for those Shareholders whose e-mail addresses/Mobile Number are not registered with the Depositories/Company

- 1) For Physical Shareholders- please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to Company/RTA e-mail id.
- 2) For Demat Shareholders–please update your email id & mobile no. with your respective Depository Participants.
- 3) For Individual Demat Shareholders – Please update your email id & Mobile no. with your respective Depository Participants (DP) which is mandatory while e – Voting & joining virtual meetings through Depository.



INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- 1) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
- 2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- 3) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- 4) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 5) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 6) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 7) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- 8) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 9) Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- 10) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM and e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk. evoting@cdslindia.com or call on (+91-22-23058738) or Mr. (+91-22-23058543) or (+91-22-23058542).



All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400 013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on +91-22- 23058542/43.

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013 and other applicable provisions)

The following Explanatory Statement sets out all the material facts relevant to the item (s) of the Special Business(s) contained in the Notice of 29th Annual General Meeting

ITEM NO. 4

Mrs. Preeti Saxena (DIN- 07597269) was appointed as an additional Director of the Company w.e.f August 30, 2022 and her tenure as Additional Independent Director is up to the conclusion of this Annual General Meeting, however she was appointed as Independent Women Director (Non- Executive) for consecutive period of five years effective from August 30, 2022 subject to the approval of shareholders. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed her as an Independent Non executive Women Director on non –rotational basis for term of five consecutive years from the August 30, 2022. The company has in terms of section 160(1) of the Act, received in writing a notice proposing her candidature for the office of the Director. Keeping in view the experience and expertise, the Board of Directors recommends the proposed resolution for her appointment set out in Item no. 4 of the notice calling AGM.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mrs. Preeti Saxena is in any way concerned or interested financially or otherwise in the Resolution set out at Item No. 4 of the Notice Calling AGM. Necessary documents in this regard are available for inspection by the Members at the registered office/ corporate office of the Company during business hours on any working day.

ITEM NO. 5

Mr. Atul Mittal (DIN- 00223366) is appointed as Chairman & Managing Director of the Company w.e.f. 1st September, 2022 for a period of 3 years. Mr. Atul Mittal is a Commerce Graduate, belonging to an Industrialist family and is having the managerial experience of about 21 years in Samtex Fashions Limited. He has put his sincere efforts and hard work for the growth and development of the Company. Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Nomination and Remuneration Committee recommend to the board of director and Board of Directors in its meetings held on 30th August, 2022 approved the appointment of Mr. Atul Mittal, as Chairman & Managing Director, for 3 years w.e.f 1st September, 2022, on the terms as set out in the Resolution. The company has also received a request in writing from member of the company proposing his candidature as director. Accordingly, item no. 5 is recommended for approval as Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives



except Mr. Atul Mittal is in any way concerned or interested financially or otherwise in the Resolution set out at Item No. 5 of the Notice Calling AGM. Necessary documents in this regard are available for inspection by the Members at the registered office/ corporate office of the Company during business hours on any working day.

STATEMENT CONTAINING THE RELEVANT DETAILS REQUIRED UNDER SCHEDULE V TO THE COMPANIES ACT, 2013 ARE AS STATED HEREUNDER:

GENERAL INFORMATION

Samtex Fashions Ltd. is engaged in the business of manufacturing & selling of Ready Made Garments. and is in operations since 1994.

The company is incurring losses in the past few years.

INFORMATION ABOUT THE APPOINTEE

Mr. Atul Mittal is a Commerce Graduate, belonging to an Industrialist family and is having the managerial experience of about 21 years in Samtex Fashions Limited. He has put his sincere efforts and hard work for the growth and development of the Company This may also be considered as an abstract of the Terms and Conditions of the appointment of the Managing Director and the Memorandum of interest in pursuance of Section 190 of the Companies Act, 2013.

Mrs. Preeti Saxena is a fellow member of ICSI and a Law Graduate from Delhi University. She has varied experience in secretarial, Legal field from past 30 years. She has very Good knowledge in field of HR, Labour Laws and Industrial Laws. She has served in Listed Companies and having a good Understanding in matter of Listing Compliances.

Details of Directors seeking appointment/ Reappointment at the ensuing Annual General Meeting under Regulation 36(3) of SEBI (LODR) 2015 and Secretarial Standard-2 on General Meeting).

As required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, the particulars of Directors seeking appointment/reappointment are as under:

Name of the Director	Mr. Atul Mittal
Date of Birth	25-04-1977
Date of Appointment	29-07-2002
Qualification	Graduate
Expertise in specific functional areas	General Management
List of Directorship held in other Companies as on 31st March, 2022	ARLIN Foods Limited
Chairman/Member of the Committees of the Board of Public Companies on which he is a Director as on 31st March, 2022	Chairman- NIL Membership-3
Shareholding in the Company as on 31st March, 2022:- Equity Shares in Numbers	2600000
Relationship with other Directors	None

**Independent Director :-**

Name of the Director	Mrs. PreetiSaxena
Date of Birth	21-09-1965
Date of Appointment	30-08-2022
Qualification	Company Secretary & Law Graduate from Delhi University.
Expertise in specific functional areas	Secretarial and legal
List of Directorship held in other Companies as on 31st March, 2022	LYLA SERVICES PRIVATE LIMITED
Chairman/Member of the Committees of the Board of Public Companies on which he is a Director as on 31st March, 2022	NIL
Shareholding in the Company as on 31st March, 2022:- Equity Shares in Numbers	NIL
Relationship with other Directors	None

Date: 30.08.2022**Place: New Delhi****By order of the Board
For SAMTEX FASHIONS LIMITED****REGISTERED OFFICE & WORK
Khasra No 62 D1/3 Industrial Area
RajarampurSikandrabad
Bulandshahr UP- 203205****SD/-
ANUSHIKA MISHRA
Company Secretary
M. No.-ACS-59065**

Email: -samtex.compliance@gmail.com

Website: -www.samtexfashions.com

CIN: L17112UP1993PLC022479

**BOARD'S REPORT**

To,
The Members,

The Board of Directors hereby submits the 29th Annual Report of your Company together with the Audited Accounts of the Company for the year ended 31st March, 2022.

FINANCIAL RESULTS

	Rs. In Lakhs	
PARTICULARS	2021-22	2020-2021
Sales and other Income	0.61	0.60
Profit before tax, interest, depreciation and write offs	(23.15)	(24.93)
Interest & Financial Expenses	0.36	0.11
Depreciation	52.16	53.26
Profits	(75.67)	(78.30)
Exceptional Expenses/income (Net)	0.00	0.00
Profit Before Tax	(75.67)	(78.30)
Provision for Taxation	(0.42)	(1.68)
Other Comprehensive Income/ Expenses (Net)	0.09	0.06
Profit after Tax	(75.16)	(76.55)
Balance of Profit from Previous Years	(2475.44)	(2398.89)
Balance of Profit carried forward	(2550.60)	(2475.44))

*The Company does not propose any transfer to General Reserve.

REVIEW OF OPERATIONS & FUTURE PROSPECTS:

There were no any manufacturing and other business operations in the company throughout the year. The revenue are to the tune of Rs. 0.61 lakhs and Company has incurred Net Loss after the exceptional items amounting to Rs. 75.16 Lakhs.

In your Company's Wholly Owned Subsidiary namely SSA International Limited there were no manufacturing activities in the plants and was Non Performing Asset NPA as declared by the lenders/ banks.

As you are already aware that Company's other wholly owned Subsidiary namely Arlin Foods Limited is not operational. Your Board is exploring new avenues to revive the Company.

MATERIAL CHANGES

No Material changes and commitments have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report, which may affect the financial position of the Company.



DIVIDEND

There are no earnings in the company the Directors regret their inability to recommend any dividend for the year 2021-22.

DETAILS OF DIRECTORS /KMP APPOINTED/ RESIGNED DURING THE YEAR

Atul Mittal (DIN : 00223366) Managing Director of the Company in accordance with the requirements of the Companies Act, 2013 and the Company's Articles of Association,retires by rotation and being eligible offers himself for re-appointment.

BOARD OF DIRECTORS MEETINGS

During the year 6 (Six)Board Meetings and 5 (five) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE

Pursuant to the provisions of section 177 of the Companies Act, 2013 and as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 presently the Audit Committee comprise the following members:-

- i) Mr. S.K. Gupta (Chairman)
- ii) Mr. Atul Mittal
- iii) Mr. Raman Ohri
- iv) Ms. Arti Srivastava

AUDITORS

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s Kapil Kumar & Co. Chartered Accountants, (Firm Registration No. 006241N) appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 24thAnnual General Meeting until the conclusion of 29thAnnual General Meeting of the Company to be held in the calendar year 2022.

Therefore, pursuant to the completion of their term in this 29th Annual General Meeting and their consent received for re-appointment, the Board hereby re-appoint M/s Kapil Kumar & Co. Chartered Accountants, (Firm Registration No. 006241N) as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of this 29th Annual General Meeting of the Company scheduled to be held on September 30th, 2022 till the conclusion of this 34th Annual General Meeting of the Company.

Necessary resolution and explanation thereto have been provided in the AGM notice seeking approval of members..



SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. DMK, Associates, Company Secretaries, as Secretarial Auditor to undertake the Secretarial Audit of the Company for the FY 2021-22.

The Secretarial Audit Report for the Financial Year 2021-22 submitted by them in prescribed form MR-3 has been annexed hereto marked as **ANNEXURE -4** and forms an integral part of this Report. The Secretarial Auditor has made certain observations. The observations and reply thereto are as under:

OBSERVATIONS

1. *The Company has received a Show Cause Notice from the Office of the Commissioner of Income Tax (TDS) u/s 279(1) of the Income Tax Act, 1961 for default amount in deposit of TDS amounting to Rs.9,02,184/ for the Financial Year 2016-2017-. As on the date of signing of this report, Rs.8,92,184/- has been paid. Also as confirmed by management, the company is in the process of deposit of Rs.10000/- at the earliest.*

Reply: As per the show cause notice received, the Company is in process to pay the remaining amount of Rs. 10,000 of TDS for the Financial Year, 2016-2017

2. *The fine was levied by BSE as per the SEBI Circular no. SEBI/HO /CFD/CMD/ CIR/P/2020/12 dated January 22, 2020 as per Regulation 31A(3)(a) for Non-compliance pertaining to delay in submission of reclassification application with BSE. The company has applied for waiver of fine. The Review Committee of BSE in its hearing has agreed for waiver, however no written communication is received by the Company yet.*

Reply: The Company had submitted the representation for waiver of the fines imposed, with BSE, and in Request Review Committee meeting, BSE had waived off the fines imposed on the Company, and Company is in process to receive the written communication for waiver from BSE.

3. *The fine was levied by BSE as per the SEBI Circular no. SEBI/HO /CFD/CMD/ CIR/P/2020/12 dated January 22, 2020 for late filing of financial results for the quarter ended September 2021 as per Regulation 33 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015. The company has applied for waiver of fine; however no written communication is received by the Company yet.*

Reply: The Company had made request to BSE for waiver of fine imposed by BSE as the results for the quarter ended 30th September, 2021 was duly filed with BSE but there was a typographical error in one place in the Limited Review Report. As on the date of the report written communication of waiver is not received by the Company.



4. The Company has filed the unaudited financial statements along with Limited Review Report for the quarter ended June, 2021 within prescribed time period, however while submitting the results, the standalone & consolidated auditors report was mentioned in the heading instead of standalone and limited review report. BSE has levied fine as per the SEBI Circular no. SEBI/HO /CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for non-filing of limited review report for the quarter ended June 2021 & September, 2021 as per Regulation 33 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015. The company has applied for waiver of fine and the same was granted by BSE for the quarter ended June, 2021.

Reply: The Company has filed the unaudited financial statements along with Limited Review Report for the quarter ended June, 2021. The Management after receiving the discrepancy from BSE had submitted the revised report. The company has applied for waiver of fine and the same was granted by BSE for the quarter ended June, 2021.

5. *The Company has not filed Form MGT 14 for borrowing of funds which was approved in its Board Meeting held on 10.06.2021.*

Reply: The Company will duly comply with the provisions and will file the MGT-14 Form accordingly.

INTERNAL AUDIT

Debananda Nayak, Company Secretary in Practice (C.P. No- 15188), have been appointed for the Financial Year, as the Internal Auditor to review the Internal Control System of the Company, and to report thereon.

AUDITORS' REPORT

The Statutory Auditors of the Company has submitted their reports on the standalone and consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022. During the Financial Year, no instances of fraud have been reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 read with rules framed thereunder, either to the Company or to the Central Government. Further, the Auditor has made certain observations. The observations and reply thereto are as under:

EMPHASIS OF MATTER

1. 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 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 & condition mentioned therein. As per 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.

Reply: 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.

2. 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 671.01 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.

Reply: The Management is following up with concerned parties regarding recovery of due amount and balance confirmations.

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

Reply: 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.

4. 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 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 24/05/2019. Further , IDBI Bank has declared the main borrower(M/s SSA International Limited) its Directors and Guarantors (including M/s Samtex Fashions Ltd) as wilful 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, if any, arising out of the said matters.



Reply:The Company has received a notice u/s 13(2) of the SARFAESI Act, 2002 from consortium of banks for revocation of its Corporate Guarantee. In respect of declaration of willful defaulter the Management of subsidiary SSA International Limited is taking care for the same.

5. We have not been provided with sufficient, appropriate audit evidence relating to physical verification 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.

Reply:-Fixed Assets and Inventories have been accounted for correctly in the financial statements for the year ended 31.03.2022 and been relied upon by the Auditors.

6. The Company had given loans and advances as on 31.03.2022 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 for justification giving said advances and sufficient, appropriate audit evidence relating to the 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

Reply: The advances are given in connection with business of the company, to restore the business operations of the company have been accounted for correctly in the financial statements.

7. As of 31st March, 2022, Inventories amounting to Rs 25.31 Lacs and as no business activity has been taken out during the year, the inventories have not been used for the a long period of time, the Company may provide for if any inventory item is damaged or has become obsolete or if the selling price has declined.

Reply: As the Company is having a Inventories amounting to Rs. 25.31Lacs and the same have not been used for the long period of time. The above mentioned Inventoryitems are not damaged or havebecomeobsolete, and the Company is taking care for the inventories.

8. The Company continued to recognize deferred tax assets up to March 31, 2022 in the 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.

Reply: The management is making continuous efforts to restore the business operations of the company and is hopeful of future taxable income against which the deferred tax assets so created will be utilized.

9. 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 services tax are not in confirmation with balances as appearing in the online portal.

Reply: Due to continuous losses since past few years there is financial stress in the company and resulting in delay in payments. The Management assures to take proper care in future.



10. We have not been provided with the internal audit report.

Reply: The Company had appointed an Internal Auditor, as during the current Financial Year there were no manufacturing and other operations so internal audit report is not given.

11. We have not been provided with sufficient, appropriate audit evidence relating to classification of trade payable dues to MSME and trade payables 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.

Reply:As the Company is not having any trade payable dues to MSME, same have not been provided to the Auditors. As per the information provided by the management regarding trade payables dues other than MSME have been accounted for correctly in the financial statements for the year ended 31.03.2022 and been relied upon by the Auditors.

12. Balance of trade payable is outstanding from long period and are subject to confirmation and consequential effect if any on the financial Statement 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.

Reply: As per the information provided by the management the Outstanding balances of Trade payables, have been accounted for correctly in the financial statements for the year ended 31.03.2022 and have been relied upon by the Auditors.

13. Confirmation of balances 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.

Reply: As per the information provided by the management the balances, security deposits, balances with government authorities have been accounted for correctly in the financial statements for the year ended 31.03.2022 and have been relied upon by the Auditors.

14. As informed to us the bank accounts of the Company were put on debit freeze by EPF department and we have not been provided with detailed explanation regarding the litigation with EPF department. Moreover, several litigation are ongoing with income tax department against which the company had also deposited Rs. 118.67 lacs for different financial year 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.

Reply: As per the information provided by the management, The Bank Accounts of the Company are operational now. Further, The Company is in discussion with the department to finalize the ongoing litigations.

MAINTENANCE OF COST RECORDS

Pursuant to Section 148(1) of the Companies Act, 2013 and rules made there under and with Cost Accounting Records Rules 2011, the Company is exempted to maintain Cost Records for the Financial Year 2021-22.



PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

During the Year not applicable.

BOARD EVALUATION

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board and as collated by Nomination and Remuneration Committee and the Board expressed its satisfaction.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion & Analysis Report is appended in the Annual report.

CORPORATE GOVERNANCE

The Company is committed to maintain the standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

As required under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 a separate report on Corporate Governance report along with Certificate on its compliance is annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) read with Section 134(5), Your Directors state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All independent directors have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) and with regard to integrity, expertise and experience of the Companies Act, 2013 and provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of Section 178(3) of the Companies Act, 2013, upon recommendation of the Nomination and Remuneration Committee, the Board has adopted the Nomination and Remuneration Policy of the Company. Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other prescribed matters, are governed by such policy. As per terms of Section 178(4) of the Act, such policy is attached hereto as **ANNEXURE - 1** which forms part of this report.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars of Employees pursuant to Section 197(12) of The Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached hereto as **ANNEXURE-3** which forms part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism Policy to deal with instance of fraud and mismanagement, if any.

As per the policy objective, the Company encourages its employees who have concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment. A vigil mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director/Chairman of the Audit Committee in exceptional cases. Such policy is made available on the website of the Company..

CREDIT RATING

The credit rating was get suspended in the Financial Year 2016-17 and presently not applicable.

SUBSIDIARIES

The Company has two subsidiaries namely, **SSA International Limited** and **Arlin Foods Limited**. During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiaries. As per Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a Consolidated Financial Statement of the Company and its subsidiary has been prepared and attached to the Standalone Financial Statement of the Company.



The **Consolidated Financial Statements** have been prepared in accordance with the relevant accounting standards.

Pursuant to the provisions of the rule 8 of Companies (Accounts) Rules, 2014, Form AOC-1 annexed to the Financial Statements.

The accounts of the Subsidiaries are also available for inspection for shareholders /members / investor, during the business hours at the registered office of the company.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of Business of the Company during the year. The Company has two wholly owned subsidiaries namely **SSA International Limited and M/s. Arlin Foods Limited**. There was no change in the nature of business in SSA International Limited as well as Arlin Foods Limited.

PUBLIC DEPOSIT

The Company has not invited or accepted fixed deposits from public during the year under review, under Chapter V of the Companies Act, 2013 and the Rules made there under.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

During the current financial year under report there were no manufacturing and other operations so no Internal audit was conducted. The Internal Financial Control System is adequatere relevant to the existing operations

RELATED PARTY TRANSACTIONS

During the year under review, there is no new transaction with related parties on arm length basis and in the Ordinary course of Business. All transactions with related parties are of previous years. As required under the Companies Act, 2013 the prescribed Form AOC-2 annexed to the Financial Statements.

LOANS, GUARANTEES AND INVESTMENT

During the year under report the company has not made any fresh investments nor have provided any new Guarantee.

INDUSTRIAL RELATIONS

The Industrial relations remained cordial during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO

In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, a statement containing details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in the manner as prescribed under the Companies (Accounts) Rules, 2014, is given in **ANNEXURE - 2** hereto and forms part of this Report.



EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 Annual return of the Company is available on the Company's website www.samtexfashions.com under Financial Report.

POLICIES AND WEB ADDRESS

As per the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all listed entities are required to formulate certain policies. All such policies are available on our website i.e. www.samtexfashions.com. Key policies that have been adopted by the Board are as follows:

Name of the Policy	Brief description	Web link
Vigil Mechanism Policy	The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy	http://samtexfashions.com/finance.php
Board Diversity	To ensure a transparent Board nomination process with the diversity of thoughts, experience, knowledge, perspective and gender in the Board	http://samtexfashions.com/finance.php
Policy on Preservation of Documents	This policy deals with the retention and archival of corporate records of the Company	http://samtexfashions.com/finance.php
Policy- Dealing with Related Parties	This policy regulates all the transactions between the Company and its related parties	http://samtexfashions.com/finance.php
Policy on Material Subsidiary	This policy deals with determination of Material Subsidiaries of Samtex Fashions Limited in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI LODR)	http://samtexfashions.com/finance.php
Materiality of Events	The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.	http://samtexfashions.com/finance.php



Risk Management Policy	The objective of Risk Management Policy at Samtex Fashions Limited is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities.	http://samtexfashions.com/finance.php
Archival Policy	The Objective of the Policy is to cover all events or Information which has to be disclosed to Stock Exchange(s)	http://samtexfashions.com/finance.php

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS

On 1.08.2018, SSA International Limited, wholly owned subsidiary of the company, received a demand notice from State Bank of India, Stressed Assets Management Branch-I. Demand Notice stated that SBI, the Lead bank has initiated action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and in exercise of powers conferred under section 13(2) read Rule 3 of Security Interest (Enforcement) Rules, 2002 called upon the borrower /guarantors/ Mortgagors to repay the debt amounting to Rs. 632,05,29,655/- with in sixty days from the receipt of the notice. If SSA International Limited fails to pay the said amount in the stipulated time, the bank will take the possession of the property mortgaged as mention in the said Notice.

The said action of SBI, the lead bank initiated under SARFASSI Act 2002 to repay the debt has been challenged by SSA International Ltd, in the concerned court, and matter is still under dispute. And the Counter Claims have been filed to the claims filed by the lead bank and other member banks.

Further notices from SBI Lead bank and other Member banks for possession of Properties and declaring promoters as willful defaulters were received. The Management of SSA is approaching the banks for One Time Settlement and the same is pending for negotiations.

Furthermore, IDBI Bank has taken the possession of the property of SSA International Limited situated at Village Patti Kalyana Tehsil Samalkha District Panipat, on 12.03.2021.

The Company (Samtex Fashions Limited) had given corporate guarantee in respect of this loan to SSA international Limited

The Company did not receive any other order passed by any Court or Tribunal or Regulator.

DEMATERIALIZATION OF SHARES

Your Company's shares are participating both with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN number of the Company is **INE931D01020**



STOCK EXCHANGE LISTING

The Equity shares of your Company are listed at: The BSE Limited, (BSE), Mumbai.

CORPORATE SOCIAL RESPONSIBILITY

The Company was not required to constitute corporate social responsibility committee pursuant to section 135 of the Companies Act, 2013.

CODE OF CONDUCT

In compliance with Regulation 26(3) of the **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015** and the Companies Act, 2013, the Company has framed and adopted a code of conduct. The code is applicable to the members of the Board and all employees of the Company.

The Board Members have affirmed compliance with the Code of Conduct for the period ended March 31, 2022.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all applicable provisions of Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India and notified by the Central Government.

OTHER DISCLOSURES

The Company affirms that the annual listing fees for the Financial Year 2022-23 to BSE Ltd. is duly paid.

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to members, business associates, various agencies of the Government, Financial Institutions and Banks for all the help and Co-operation extended by them to the Company.

They also acknowledge with appreciation the devoted services rendered by the workers, staff and Executives at all levels of the Company. The Directors appreciate and value the contribution made by every member of the Samtex family

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

Place : New Delhi

Dated : 30.08.2022

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



NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

1. **OBJECTIVE:**

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

2. **ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.



- To perform such other functions as may be necessary or appropriate for the performance of its duties.

3. **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

4. **EVALUATION**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

5. **REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

6. **RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

7. **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to



the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors [excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013] shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of pay structure as per the Company's Policy, in compliance with the provisions of the Companies Act, 2013.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) Any performance based pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

8. AMENDMENTS

This policy can be modified or repealed at any time by the Board of Directors of the Company.

(Policy is available on company website; www.samtexfashions.com)

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

Place : New Delhi

Dated : 30.08.2022

Sd/-

Atul Mittal

Chairman & Managing Director

DIN 00223366



A. CONSERVATION OF ENERGY:

- i) Energy Conservation measures taken: NIL
- ii) The steps taken by the Company for utilising alternate sources of energy: NIL
- iii) The capital investment on energy conservation equipment's: NIL
- iv) Total energy consumptions, energy consumption per unit of production:

	Current Year 2021-22	Previous Year 2020-21
1. POWER AND FUEL CONSUMPTION		
a) Purchased		
Unit	-	-
Total Amount (Rs. Lakhs)	-	-
Rate/Unit (Rs.)	-	-
b) Own Generation Through Diesel Generator		
Unit	-	-
Total Amount (Rs. Lakhs)	-	-
Cost/Unit (Rs.)	-	-

B. RESEARCH AND DEVELOPMENT

(i) RESEARCH AND DEVELOPMENT

The Company has no specific R & D activities. As the Company had not carried any manufacturing activity in the financial year.

(ii) TECHNOLOGY ABSORPTION

The Company has not taken any technical knowhow and hence not applicable.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to Exports, initiative taken to increase exports, development of new export markets for product and services and export plans:

There are no operations in the Company during the Financial Year; hence there is no Foreign Exchange Earnings and outgo.

	Current Year (Rs.)	Previous Year (Rs.)
i) Earnings for the year (FOB value of Exports)	0	0
ii) Outgo for the year Raw Material	0	0

During the year under review there is no any export or import of goods.

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

Place : New Delhi
Dated : 30.08.2022

Sd/-
Atul Mittal
Chairman & Managing Director
DIN 00223366



ANNEXURE-3

Particulars of employees pursuant to section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014

1 The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

S. No.	Name of Director, KMP & Designation	Remuneration of Director/ KMP for financial year 2020-21 (in Rs.)	Remuneration of Director/KMP for financial year 2021-22 (in Rs.)	% increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/ to median remuneration of employees (times)
1	Atul Mittal Chairman & Managing Director	NIL	NIL	NIL	-
2	Mr. Surendra Kumar Gupta Independent Director	Nil			
3	Ms. Arti Srivastava Independent Director				
4	Mr. Raman Ohri Independent Director				
5	*Ms. Anushika Mishra Company Secretary	NIL	384,000	NIL	NIL

2 Number of Permanent Employees on the rolls of Company as on 31.03.2022: One

3 The Average percentile increase/decrease in the salaries of the employees (other than Managerial Personnel) for FY 2021-22 was Nil % whereas the average percentile increase in the managerial remuneration for the FY 2021-22 is Nil % The Company's variable compensation philosophy for its managerial personnel is to ensure its competitive in the global markets in which it operates, for attracting & retaining the best talent.

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Statement pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014

1. The details of Employees who were employed throughout the FY- 2021-22 and were in receipt of minimum aggregate Remuneration of Rs.1.2 Cr.: Nil
2. The details of Employees who were employed for the part of FY 2021-22 and for that part they received minimum aggregate remuneration of Rs. 8.5 lakh per month: Nil



3. The details of Employees who were employed during FY 2021-22 (whether for full year or part thereof) and were drawing remuneration which is in excess of the remuneration drawn by MD or WTD or Manager and along with this, he is holding minimum 2% of the equity shares of the company together with his wife & dependent children: Nil

PARTICULARS OF REMUNERATION (RELATIVE) EMPLOYEES -NIL

Detail of top employees (having less than 10 employees for period under report) in terms of remuneration drawn:-

S. No	Name	Designation	Salary Received (2019-20)	Permanent	D.O.B.	D.O.J.	Qualification	Last Employment before Joining the company	Equity Share held by the Employee	Relation with Director
1	*Ms. Anushika Mishra	Company Secretary	3,84,000	On Roll	10.03.1997	31.07.2020	Company Secretaries	Express Warehousing Limited	Nil	No

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

**Place : New Delhi
Dated : 30.08.2022**

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



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**TO,
THE MEMBERS,
SAMTEX FASHIONS LIMITED
CIN: L17112UP1993PLC022479
Khasra No 62 D 1/3 Industrial Area,
Rajarampur Sikandrabad, Bulandshahr,
UP 203205 IN**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SAMTEX FASHIONS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure 1 attached to this report:-:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); (No FDI and ECB was taken and no ODI was given by the company during the Audit Period)
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 ; (Not applicable to the Company during the Audit Period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021; (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period) and;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)

VI. OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY

As per the information provided, there is no specific law applicable to the Company during the audit period.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. mentioned above subject to following observations:

1. *The Company has received a Show Cause Notice from the Office of the Commissioner of Income Tax (TDS) u/s 279(1) of the Income Tax Act. 1961 for default amount in deposit of TDS amounting to Rs.9,02,184/ for the Financial Year 2016-2017-. As on*



the date of signing of this report, Rs.8,92,184/- has been paid. Also as confirmed by management, the company is in the process of deposit of Rs.10000/- at the earliest.

2. *The fine was levied by BSE as per the SEBI Circular no. SEBI/HO /CFD/CMD/CIR/P/2020/12 dated January 22, 2020 as per Regulation 31A(3)(a) for Non-compliance pertaining to delay in submission of reclassification application with BSE. The company has applied for waiver of fine. The Review Committee of BSE in its hearing has agreed for waiver, however no written communication is received by the Company yet.*
3. *The fine was levied by BSE as per the SEBI Circular no. SEBI/HO /CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for late filing of financial results for the quarter ended September 2021 as per Regulation 33 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015. The company has applied for waiver of fine; however no written communication is received by the Company yet.*
4. The Company has filed the unaudited financial statements along with Limited Review Report for the quarter ended June, 2021 and September, 2021 within prescribed time period, however while submitting the results, the standalone & consolidated auditors report was mentioned in the heading instead of standalone and limited review report. *BSE has levied fine as per the SEBI Circular no. SEBI/HO /CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for non-filing of limited review report for the quarter ended June 2021 & September, 2021 as per Regulation 33 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015. The company has applied for waiver of fine and the same was granted by BSE for the quarter ended June, 2021.*
5. The Company has not filed Form MGT 14 for borrowing of funds which was approved in its Board Meeting held on 10.06.2021.

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, women and Independent Directors. During the year, there were no changes in the composition of the Board of Directors.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and in case of meeting at shorter notice which was held in accordance with the law and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.
3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

Based on the compliance mechanism established by the company and on the



basis of the Compliance Certificate (s) placed and taken on record by the Board of Directors at their meeting(s), **we further report that;**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not incurred any specific event/action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

Date: 30.08.2022
Place: New Delhi
UDIN: A036232D000873101

For DMK ASSOCIATES
COMPANY SECRETARIES

Sd/-
(SHIVANI AGARWAL)
ACS
PARTNER
ACS 36232, C P 18282
Peer Review No. 779/2020



To,

**THE MEMBERS,
SAMTEX FASHIONS LIMITED
CIN: L17112UP1993PLC022479
Khasra No 62 D 1/3 Industrial Area,
Rajarampur Sikandrabad, Bulandshahr,
UP 203205 IN**

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis to our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The recovery suit filed by State Bank of India, the lead Bank and other members before the Debts Recovery Tribunal-II, Delhi in respect of the Corporate Guarantee given by the Company for an amount of Rs.807.46 crores to the banks for secured loans taken by SSA International Limited, its wholly owned Subsidiary has been challenged by the SSA International Limited which is lying pending with the said Tribunal as on the date of the report.



8. As per the information provided by the company, there are certain cases filed by or against the company, which are currently lying pending with the various Courts. However as informed these cases have no major impact on the company except mentioned in point no. 7 above.

**For DMK ASSOCIATES
COMPANY SECRETARIES**

**Date: 30.08.2022
Place: New Delhi
UDIN: A036232D000873101**

**Sd/-
(SHIVANI AGARWAL)
ACS
PARTNER
ACS 36232, C P 18282
Peer Review No. 779/2020**



MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Overview

Company Background

The Company was incorporated on 26th April, 1993 and having its Registered Office at Khasra No. 62 D 1/3 Industrial Area Rajarampur Sikandrabad, Bulandshahr UP-203205, engaged in the business of manufacturing and selling of Ready Made Garments.

Its Corporate Office is located at Unit No. 137, DLF Prime tower, F Block, Okhla Phase –I, New Delhi -110020. The Trading Office in USA in the city of New York is not operational during the year under report.

Company Management

The Board of Directors of the Company presently comprised of four Directors headed by Mr. Atul Mittal Chairman & Managing Director of the Company. The Board has a combination of Executive and non-Executive Directors comprising of one Executive Director - namely Mr. Atul Mittal Managing Director and three non-Executive Independent Directors.

The Board of Directors meets regularly at least 4 times in a year. In the year 2021-2022 Six such meetings were held, the details of the attendance of Directors in the Board Meetings have been given in the Report of Corporate Governance. The Board has also constituted Committees namely, (a) Audit Committee (b) Nomination and Remuneration Committee (c) Stake holders Relationship Committee. The committee members' meet regularly from time to time to dispose of the work assigned to them respectively.

Product and Services

The Company is engaged in the business of manufacturing and selling of Ready Made Garments. In March 2019 the Company changed the business premises to setup the manufacturing facilities, however there no manufacturing activities have been carried on. Further, in January 2021 the Company further changed the Registered Office to Khasra No 62, D 1/3 Industrial Area, Rajarampur, Sikandrabad, Bulandshahr UP 203205, As regards the commencement of manufacturing activities at the new premises the company is not able to setup and start in absence of orders.

Industry Structure and Development

The Indian Textile Industry especially Garment Sector is export oriented and is one of the leading textile industry in the world, having an overwhelming presence in the Indian Economy. The international trade in clothing and textile plays a vital role through its contribution to industrial output, employment generation and export earnings for the country. The Industry is targeting towards modernization and expansions being encouraged by the prevailing textile strategies and policies.

The Indian clothing and textile industry has attracted huge investments and is moving towards economic growth. Restructuring its system and operations to match the international levels of technology, quality and standards. As a result, the capacity has expanded to meet the future requirements as the demands are growing but with slow speed. The business environment is very challenging.



Opportunities and Threats

The modern technology, improvements in infrastructure and regulations, all are playing significant role among the different sectors of the Industry.

The textile and clothing industry is also facing increase in input prices as well as increase in conversion cost. The inflationary pressure both within the country and globally have bearing on the outlook of the textile and clothing industry.

Segment Wise Performance

During the current year the reportable segment did not exceed the quantitative threshold limits as per the applicable accounting standard, Hence segment wise performance is not evaluated.

Internal control systems and their adequacy

During the current financial year under report, there were no manufacturing and other operations so no internal audit was conducted. The Internal Financial Control System is adequate relevant to the existing operations.

Discussion on financial performance with respect to operational performance.

The commencement of manufacturing activities at the new premises the company is not able to setup and start in due to absence of orders in the reporting year.

Material developments in Human Resources / Industrial Relations front, including number of people employed.

The Company is not carrying any business operation throughout the year, hence not applicable

Disclosure of Accounting Treatment:

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial Statements.

Date: 30.08.2022

Place: New Delhi

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

**SD/-
ATUL MITTAL
Chairman & Managing Director
DIN-00223366**



CORPORATE GOVERNANCE REPORT

1. Company's philosophy

Samtex Fashions Limited, (SFL), SFL 's philosophy on corporate governance envisages to attain Transparency, Accountability, Fairness, Integrity and Social Responsibility in all facets of its operations. The corporate governance enables us to have our system in place and gives us sufficient freedom to operate within the framework of accountability. The company has a firm belief that the Code of Corporate Governance provides the structure by which the rights and responsibilities are mentioned and distributed amongst the different members of the organisation.

2. I) Board of Directors

a) Composition and Category of Directors

During the year under report the Board of Directors has an optimum combination of Executive Director, Non Executive and Women Director, which Comprised of Four Directors – One Executive Director and Three Non- Executive Independent Directors (including one women Director).

(b) Other Directorships and Committee Memberships

The composition of Board of Directors, their category and other directorships as on 31st March, 2022 given as under :-

Sl. No	Name Of the Director	Designation	Category	No. of Directorship and Committee Membership/Chairmanship		
				Other Directorship	Committee Membership	Committee Chairperson
1	Mr. Atul Mittal	Chairman & Managing Director	Promoter & Executive	1	2	-
2	Mr. Raman Ohri	Director	Independent Non-executive	1	3	-
3	Mr. S.K.Gupta	Director	Independent Non-executive	1	3	3
4	Ms. Arti Srivastava	Director	Independent Non-executive	-	3	-

Retiring Directors

Mr. Atul Mittal, Chairman & Managing Director is retiring by rotation in the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

Mr. Atul Mittal is a graduate, belonging to an industrial family and is having experience of 23 years. He possesses command in his field of operations and managing the affairs of the Company.



c) **Attendance record of each Director:**

The table given below gives the attendance record of all the Directors at the Six Board Meetings held during 2021-22, as well as at the last Annual General Meeting held on 30.09.2021.

Sl. No.	Name of Director	No. of Board Meeting attended	Attendance at the last AGM
1	Mr.Atul Mittal	6	No
2	Mr.S.K. Gupta	6	Yes
3	Mr.Raman Ohri	1	No
4.	Ms. Arti Srivastava	6	Yes

d) **d) Board Meetings and attendance of Directors :**

During the year, Six (6) Meetings of the Board were held on 10.06.2021, 29.06.2021, 13.08.2021, 30.08.2021, 12.11.2021 and 11.02.2022.

e) **e) Disclosure of Relationship of Directors Inter-se :**

Directors of the Company are not related to each other.

f) **f) Shareholding Of Directors :**

The Shareholding of Directors (In individual capacity) as on 31 March 2022 is given below:

Sr. No.	Name of Director	No. of Shares Held	% to total Shares
1	Mr. Atul Mittal	2600000	3.49%

The Independent Non-Executive Directors of the Company are not holding any shares in the Company as on 31 March 2022.

g) **g) Familiarization Programme for Directors**

The company conduct familiarization programs for the Directors to enable them to familiarize with the company. *Web- link <http://samtexfashions.com/finance.php>*.

II) Independent Directors Meeting

a) As required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 a separate meeting of Independent Directors of the Company were held on 11.02.2022 during 2021-22.

b) b) In terms of requirement of Schedule V of SEBI Listing Regulations, the Board has identified the following core skills/expertise/ competencies of the Directors in the context of the Company's business for effective functioning as



given below:

Skills and its description	Atul Mittal	Surendra Kumar Gupta	Raman Ohri	Arti Srivastava
Administrative Expertise	YES	YES	YES	YES
Industry Knowledge	YES	YES	-	-
Technology and Digitisation perspective	YES	-	-	YES

3) AUDIT COMMITTEE

a) The Constitution Of The Audit Committee As Below:-

The composition of Audit Committee given as under;-

1. Mr. S.K. Gupta - Chairman
2. Mr. Raman Ohri - Member
3. Mr. Atul Mittal – Member
4. Ms. Arti Srivastava –Member

The meetings were scheduled well in advance. In addition to the members of the audit committee, these meetings were attended by the head of the Statutory Auditors of the Company.

The terms of reference of Audit committee are extensive and include all that is mandated in Regulation 18 of SEBI (LODR) Regulations 2015 and Corresponding section 177 of the Companies Act, 2013.

The Company Secretary of the Company act as the Secretary to the Committee. The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings.

b) Audit Committee Meetings

Sl. No.	Date of Meeting	Strength	No. of Members Present
1	10.06.2021	4	4
2	29.06.2021	4	3
3	13.08.2021	4	3
4	12.11.2021	4	3
5	11.02.2022	4	3



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

Member	No. of Meetings attended	Category
Mr.S.K.Gupta	5	Member & Chairman
Mr.Raman Ohri	1	Member
Mr. Atul Mittal	5	Member
Ms. Arti Srivastava	5	Member

Mr. S.K. Gupta Chaired the Meeting of Audit Committee held on 30th May, 2022 for reviewing and approving the Final Accounts for the period ended 31st March, 2022.

c) **Terms of reference**

The Audit Committee has the powers as provided under section 177 of the Companies Act, 2013 as well as requirements under Listing Agreement/ Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 pertaining to Audit Committee, which include amongst others:

- Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements and audit report before submission to the Board.
- Reviewing with management, performance of statutory and internal auditors and adequacy of internal control systems.
- Reviewing with management the quarterly Financial Statements before submission to Board of Directors for approval.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority, reporting structure coverage and frequency of internal audit.
- Review and functioning of Whistle Blower/ Vigil Mechanism.

The Committee reviews the Management Discussion and Analysis of the financial condition, results of operations and statements of significant Related Party Transactions, internal control and any other matter which may be a part of its terms of reference or referred to by the Board of Directors.

In the year under reference, the Audit committee comprised of four Directors, three (3) of them are Non-Executive Independent Directors. All these Directors possessed good knowledge of Corporate Finance, Accounts and Company Law.

**d) Internal Audit**

Debananda Nayak, Company Secretary in Practice (C.P. No- 15188), have been appointed for the Financial Year, as the new Internal Auditor to review the Internal Control System of the Company, and to report thereon.

4. NOMINATION AND REMUNERATION COMMITTEE :**a) The present Constitution of the committee is as follows:**

1. Mr.S.K.Gupta- Chairman
2. Mr. Raman Ohri- Member
3. Ms. Arti Srivastava – Member

b) Meetings and Attendance:

S. No.	Date of Meeting	Strength	No. of Member Present
1	30.08.2021	3	2

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

Members	No. of Meetings Attended	Category
Mr.S.K.Gupta	1	Member & Chairman
Mr. Raman Ohri	0	Member
Ms. Arti Srivastava	1	Member

During the year under report One (1) meeting of the committee was held to consider and reappointment of Mr Atul Mittal, who is liable to retire by rotation at ensuring AGM.

c) The Nomination and Remuneration committee presently comprises of Three (3) Directors, all are Non- Executive Independent Directors.

The terms of reference are in line with the requirement of Code of Corporate Governance. The Nomination and Remuneration Committee has the powers as provided under section 178 of the Companies Act, 2013 as well as requirements under Listing Agreement/ Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations , 2015 pertaining to Nomination & Remuneration Committee, which include amongst others:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.



- Recommend to the Board a policy relating to the remuneration for the directors, Key managerial Personnel and Senior Management.
- Fixation of salary, perquisites etc. of all Executives Directors of the company at the time of their appointment/re-appointment.
- Deciding commission payable to executive directors.

Identify persons who qualify to become Directors and who may be appointed in senior management in accordance with criteria laid down and recommend to the Board their appointment and removal.

d) **Performance evaluation criteria for independent directors.**

The Nomination and Remuneration Committee, in its meeting held on 30.08.2021, has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board Members, including Independent Directors. The performance evaluation of Independent Directors was done by the entire Board of Directors excluding the Directors being evaluated.

5. DIRECTOR'S REMUNERATION

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

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

Since the Company is under Financial Stress during the Financial Year, Chairman and Managing Director decided not to receive any Salary during the Year

In Rs.

Name	Designation	Salary	Perquisites	P.F.	Gross Remuneration
Atul Mittal	Chairman & Managing Director	Nil	Nil	Nil	Nil

b) **Non-Executive Directors:**

Non-Executive Directors have not been paid any remuneration.

6 STAKE HOLDERS RELATIONSHIP COMMITTEE

- a) a) Stake Holders Relationship Committee meets regularly and during the year 4 meetings were held. To expedite the process of Share Transfers the powers are delegated to the Company Secretary and one Executive Director, and the delegated authority attends to Share Transfer formalities once in a fortnight. In case of any difference of opinion or there being a dispute among the claimants the matter is



forwarded to the Stake holders Relationship Committee for their Approval. The Committee comprises of Four (4) Directors, one of whom is Executive Director. The Chairman , Mr. S.K. Gupta, is a Non-Executive Director.

The Present Constitution of the committee is as follows:

Mr. S.K. Gupta	Chairman
Mr. Raman Ohri	Member
Mr. Atul Mittal	Member
Ms. Arti Srivastava	Member

- There was no share Transfer / Demat cases, or Complaints pending for more than 30 days, as on 31st March, 2022.

- b) **Compliance Officer :** The Board has designated **Ms. Anushika Mishra, Company Secretary** as the Compliance officer and after resignation of Mr. Atul Mittal, Managing Director officiating the Compliance Officer till the appointment of Company Secretary Ms Anushika Mishra with effective from 31.07.2020 in the company.

Address :- Unit No. 137, DLF Prime Tower, F- Block, Okhla Phase –I, New Delhi -110020. Ph. No. 011- 49025972, Email ID: samtex.compliance@gmail.com

- c) **Details of Shareholders Complaints during the FY 2021-22:-**

Investors Compliant	SEBI	BSE	Investor
Number of complaints pending at the beginning of year	Nil	Nil	Nil
Number of complaints Received	Nil	Nil	Nil
Number of complaints resolved	Nil	Nil	Nil
Number of complaints pending complaints at the end of year	Nil	Nil	Nil

- d) **Code of Conduct**

Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, continuous improvement of the internal control system and sound investor relations.

Declaration as required under Regulation 26(3) and Schedule V of SEBI (LODR) Regulations, 2015

All Directors and Senior Management of the Company have affirmed Compliance with the Samtex Code of Conduct for the financial year ended 31st March, 2022.

New Delhi: 30th August, 2022



7. GENERAL BODY MEETING

a) a) The details of last three Annual General Meetings are given as follows:-

Annual General Meeting/Year	Day, Date & Time of the AGM	Venue
26 th AGM 2018-19	Tuesday, 24 th September, 2019 at 10:00 A.M	Rajdhani Party Lawn, khassara No. 228, opp. Pathway School, village Hazipur, Sector 104, Noida Gautam Budha Nagar, UP 201304
27 th AGM 2019-20	Wednesday, 30 th December, 2020, Through Video Conferencing or Other Audio Visual (VC/OAVM) at 11:30 A.M.	Through (VC/OAVM) and the deemed Venue Shall be the Registered Office of the Company i.e. Plot No 163, Udyog Vihar, Greater Noida, Gautam Buddha Nagar, UP- 201308
28 th AGM 2020-21	Thursday, 30 th September, 2021, Through Video Conferencing or Other Audio Visual (VC/OAVM) at 04:30 P.M.	Through (VC/OAVM) and the deemed Venue Shall be the Registered Office of the Company i.e. Khasra No 62,D 1/3 Industrial Area, Rajarampur, Sikandrabad, Bulandshahr UP 203205 IN

b) Details of Special Resolutions:

1.	26 th AGM	i) Appointment of Mr. Surender Kumar Gupta –Independent Non executive Director for 5 years with waiver of limiting the age of 75 years.
		ii) Appointment of Mr. Raman Ohri –Independent Non executive for 5years
		iii) Appointment of Mr. Atul Mittal as Chairman & Managing Director, with remuneration, for further period of 3 years w.e.f 01.09.2019
2.	27 th AGM	i) Change of Registered office of the Company from Plot No 163, Udyog Vihar, Greater Noida, Gautam Buddha Nagar, UP- 201308 to Khasra No. 60, D1/3, Industrial Area, Rajarampur, Sikandrabad, Bulandshar, UP- 203205.
3.	28 th AGM	No Special Resolution was in 28 th AGM of the Company



c) Postal Ballot

During the year under review no resolution was passed through Postal Ballot.

Currently there is no Special Resolution is proposed to be passed through Postal Ballot.

d) Subsidiary Companies

The Company has two wholly owned subsidiary companies, namely SSA International Limited and Arlin Foods Limited (earlier name Sam Buildcon Limited). The requirements of Regulation 24 of SEBI (LODR) Regulations 2015 with regard to subsidiary companies have been complied with, to the extent applicable.

8 Means of Communications

a) Results

Unaudited Standalone, as well as Consolidated Quarterly as well as Annual Audited Financial Results of the Company, are approved and taken on record by the Board of Directors of the Company within 45 days (for I, II, III quarter)/ 60 days (for IV quarter) from the end of the quarter. The Approved Results are communicated to Stock Exchanges where Company is listed and also published within 48 hours in Financial Express i.e. English Newspaper and Hari Bhoomi i.e. Hindi Newspaper

b) Website: The Company's website (www.samtexfashions.com), provides comprehensive information on Company's profile its business lines, Management, Corporate Governance etc. An exclusive section is dedicated to Investors, where all information related to quarterly/yearly results, Annual Report; Quarterly Transfer Details to IEPF etc. are pasted from time to time. It provides all the information as prescribed under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

c) Intimation to the Stock Exchanges : All Price Sensitive information and material events are disclosed to the Stock Exchange(s), in accordance with its Materiality Policy on disclosure of material events. The objective of the Materiality Policy is to ensure timely and adequate disclosure of material events and price-sensitive information under Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company. All such disclosures are signed by the Managing Director, or Compliance of information is also pasted on the website of the Company.

9. GENERAL SHAREHOLDER INFORMATION

a) Registered office & Works:

Samtex Fashions Ltd.

Khasra No. 60, D1/3, Industrial Area,
Rajarampur, Sikandrabad, Bulandshar,
UP- 203205



b) Company's Corporate Office :

Unit No. 137, DLF Prime Tower,
F- Block, Okhla Phase –I, New Delhi -110020
Ph. No. 011-49025972
Email ID: samtex.compliance@gmail.com

c) Registrars and Share Transfer Agents:

Beetal Financial & Computer Services(P) Ltd
Registrars and Transfer Agents
Beetal House, 3rd Floor
99, Madangir, BH- Local Shopping Center
New Delhi-110062
Ph. : 011-29961281,29961282 Fax : 011-29961284

d) Investors Correspondence :

In case of any delay in attending to transfer of shares, non receipt of Annual Report or any other related matter the following official of Samtex Fashions Ltd. may be contacted.

Ms. Anushika Mishra, Company Secretary .

e) Annual General Meeting for the financial Year ended 31st March, 2022.

29th Annual General Meeting:-

Date : **30th September, 2022**

Time : 1:00 P.M

Means : Through Video Conferencing (VC) / other Audio Visual Means (OAVM)

Venue: Deemed to be Registered Office of the Company.

Book closure Details : - 24th September 2022 to 30th September, 2022

f) Dividend Payment Details: - N.A

g) Financial Calendar (2022 -2023 Tentative)

First quarter results : 8th August , 2022

Second quarter results : November, 2022

Third quarter results : February, 2023

Fourth quarter results : May, 2023

Annual results : May , 2023

AGM for the year ended 31.03.2023: September, 2023

h) Listing and Stock code : The company's Equity shares are listed on
The BSE Limited (BSE),
Phiroze Towers, Dalal Street Mumbai- 400023



i) **Stock Market Data** : (Scrip Code-521206)

Year 2021-22 (Month)	The Stock Exchange, Mumbai		
	Highest	Lowest	Closing
April- 2021	1.1	0.74	0.96
May – 2021	1.28	1	1.04
June -2021	1.55	0.96	1.52
July – 2021	1.68	1.37	1.37
August – 2021	1.51	0.9	0.9
September – 2021	1.1	0.82	1.1
October – 2021	1.51	1.05	1.51
November -2021	3.83	1.58	3.83
December -2021	10.04	3.85	8.62
January – 2022	8.19	3.59	3.59
February – 2022	4.22	2.92	3.45
March- 2022	4.41	3.19	3.28

j) **Listing Fees:**

The company has paid the annual listing fees to the Stock Exchange for the year 2022-23.

k) **Shareholding Pattern of the Company as on 31st March, 2022**

Category of Shareholders	No of shares	Percentage
Promoter's Holding	36686614	49.24
Mutual Funds/UTI	53000	0.07
Banks/Financial institution (Central /State Govt. inst/Non Govt inst)	---	---
Private Corporate Bodies	8997218	12.08
NRI/OCBs	4375364	5.87
Others (Trust , HUF and Clearing Members)	421550	0.56
Indian Public	23966254	32.18
Total	74500000	100.00

l) **Distribution of Shareholding as at 31st March, 2022**

Share Holding of Nominal value of Rs. 2 each	Folio Nos.	% of Total Folio Nos.	Shares in Nos.	% of Total
Up to 5000	10953	91.16	5286998	7.0966
5001 – 10000	514	4.27	1982494	2.6611
10001 – 20000	266	2.21	2047802	2.7487
20001 – 30000	102	0.84	1300400	1.7455
30001 – 40000	37	0.30	667758	0.8963



40001 – 50000	31	0.25	730361	0.9804
50001 – 100000	46	0.38	1706194	2.2902
100001 and above	66	0.54	60777993	81.5812
Total	12015	100.00	74500000	100.00

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

m) Plant Location

Khasra No. 60, D1/3, Industrial Area,
Rajarampur, Sikandrabad, Bulandshar,
UP- 203205

n) Share Transfer System:

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

o) Dematerialization of Shares:

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

The Company's ISIN number is INE931D01020.

Shares Dematerialized Record :

The following data indicates the extent of dematerialization of company's shares as on 31st March, 2022.

No. of shares dematerialized 7,09,51,590 95.237% of total share capital

10. OTHER DISCLOSURES

a) Related Party Transactions as required :

Related Party Transactions: Pursuant to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, omnibus approvals for transactions with Related Parties were obtained from the Audit Committee, and the Board, during the Financial Year 2021-22, However there was no material Related Party Transaction during the year ended March 31, 2022.

b) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large:

The disclosures with regard to transactions with Related Parties are given in the Notes to Accounts of the Audited Financial statements for the Financial Year ended



with March 31, 2022. These transactions are not in the Company's interest. There was no material Related Party Transaction during the year ended March 31, 2022.

Penalties Imposed :

During the year under consideration, following penalties were imposed on the Company-

- I. Non- compliance of Regulation 33 of SEBI LODR for Submission of Financial Results for Quarter ended 30th June, 2021.

The Company had represented the above matter and made request to BSE for waiver of fine imposed by BSE. BSE after considering the request waived the fine.

- II. Non compliance of Regulation 33 of SEBI LODR for Submission of Financial Results for Quarter ended 30th September, 2021.

The Company had made request to BSE for waiver of fine imposed by BSE as the results for the quarter ended 30th September, 2021 was duly filed with BSE but there was a typographical error in one place in the Limited Review Report. As on the date of the report written communication of waiver is not received by the Company.

- III. Non Compliance of Regulation 31A(3)(a)of SEBI (LODR) pertaining to delay in submission of reclassification application of any person as promoter or Public to BSE.

The Company had submitted the representation for waiver of the fines imposed, with BSE, and in Request Review Committee meeting, BSE had waived off the fines imposed on the Company, and Company is in process to receive the written communication for waiver from BSE.

d) DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has complied with the Indian Accounting Standards (Ind AS) as laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs in preparation of its Financial Statements. The Basis of preparation, measurement and significant accounting policies are disclosed in the Notes to the Financial Statements.

e) Description and Web link of Various Policy

The details of various other policies applicable to the Company are available in the Finance Section under the financial Reports on the Company's website i.e. www.samtextfashions.com.



Name of the Policy	Brief description	Web link
Vigil Mechanism Policy	The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy	http://samtexfashions.com/finance.php
Board Diversity	To ensure a transparent Board nomination process with the diversity of thoughts, experience, knowledge, perspective and gender in the Board	http://samtexfashions.com/finance.php
Policy on Preservation of Documents	This policy deals with the retention and archival of corporate records of the Company	http://samtexfashions.com/finance.php
Policy- Dealing with Related Parties	This policy regulates all the transactions between the Company and its related parties	http://samtexfashions.com/finance.php
Policy on Material Subsidiary	This policy deals with determination of Material Subsidiaries of Samtex Fashions Limited in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI LODR)	http://samtexfashions.com/finance.php
Materiality of Events	The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.	http://samtexfashions.com/finance.php
Risk Management Policy	The objective of Risk Management Policy at Samtex Fashions Limited is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities.	http://samtexfashions.com/finance.php
Archival Policy	The Objective of the Policy is to cover all events or Information which has to be disclosed to Stock Exchange(s)	http://samtexfashions.com/finance.php

b) Mandatory Requirements-

The Company is compliant with the mandatory requirements, except some of the requirements, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “SEBI Listing Regulations”) formulated by the Securities and Exchange Board of India.

c) Non- mandatory Requirements - NONE

**11. CERTIFICATE PURSUANT TO THE REGULATION 34 AND SCHEDULE V (C)(10)(I) OF SEBI LISTING REGULATIONS READ WITH SECTION 164 OF COMPANIES ACT, 2013 REGARDING QUALIFICATION/DISQUALIFICATION TO ACT AS DIRECTOR**

The Company has received the certificate from Mr. Neeraj Gupta , Proprietor, Neeraj Gupta & Associates, Membership Number 5720 , CP Number 4006, Practicing Company Secretaries, that none of the Directors on the Board of the company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority

12. AUDITORS REMUNERATION

The Company has appointed M/s Kapil Kumar & Co. Chartered Accountants (Firm Registration No. 006241N) as the Statutory Auditors

The particulars of payment to Statutory Auditors by the Company during the financial year 2021-22 are as below:

Particulars	Amount Rs. in lakhs
Statutory Audit Fee	1.00

13. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND CODE OF PRACTICE AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Pursuant to the Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019, company is having the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company has also adopted a Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in adherence to the principles set out in Schedule A to the said Regulations.

14. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the Management.

15. RECONCILIATION OF SHARE CAPITAL AUDIT

Ms. Rashmi Saxena, Proprietor, Rashmi Saxena & Associates, Membership Number-6416, CP Number-6938 , Practicing Company Secretaries, carries out the Reconciliation of share Capital Audit for the quarter ended on 30.06.2021, 30.09.2021 and 31.12.2021 and



by Mr. Neeraj Gupta, Membership Number- 5720, CP Number- 4006 Company Secretary in Practice, carries out the Reconciliation of share Capital Audit for the quarter ended on 31.03.2022 as mandated by SEBI and reports on the Reconciliation of Total Issued and Listed Capital with that of total share capital admitted/ held in Dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof as required pursuant to Circular No. D&CC/FITTC/CIR-16/2002 31 December 2002, issued by the SEBI and Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 (as amended) is submitted to the Stock Exchanges on quarterly basis and is also placed before the Stakeholders Relationship Committee Members and Board of Directors of the Company for noting, comments and advise.

16. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed section on 'Management Discussion and Analysis' forms part of this report.

17. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

During the year not applicable.

18. PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in Regulation 17 to 27 clauses (b) to (i) of sub regulation (2) of regulation 46 and paragraph C,D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") the Certificate from Practicing Company Secretary regarding compliance of Corporate Governance is annexed to the Report.

19. CEO/CFO Certification

a) Mr. Atul Mittal, CFO of the company have given an annual certification on financial reporting and the internal controls to the Board in terms of provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 at its meeting held on 30.05.2022.

20. DETAILS OF DEMAT/ UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

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

**Place : New Delhi
Dated : 30.08.2022**

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



PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

(Pursuant to Regulations 17 to 27, Clauses (b) to (i) of Sub Regulation (2) of Regulation 46 and Paragraph C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
THE MEMBERS OF
SAMTEX FASHIONS LIMITED
KHASRA NO 62 D 1/3 INDUSTRIAL AREA
RAJARAMPUR SIKANDRABAD
BULANDSHAHR, U.P.- 203205.

We have examined the compliance of the conditions of Corporate Governance by Samtex Fashions Limited – CIN-L17112UP1993PLC022479 ('the Company') for the year ended on 31 March 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31 March 2022.

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

Thanks & Regards

Date : 30.08.2022
Place : New Delhi
UDIN No.: A065026D000872294

Sd/-
CS ANKIT TIWARI
Practicing Company Secretary
ACS, MBA, B. Com.
ACS No.: 65026
C. P. No.: 24431
Peer Review No.: 2153/2022



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
SAMTEX FASHIONS LIMITED
Khasra No 62 D 1/3 Industrial Area Rajarampur Sikandrabad
Bulandshahr UP 203205

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Samtex Fashions Limited having CIN L17112UP1993PLC022479 and having registered office at Khasra No 62 D 1/3 Industrial Area Rajarampur Sikandrabad Bulandshahr UP 203205 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal <http://www.mca.gov.in>) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1	SURENDRA KUMAR GUPTA	00223035	29/07/2002
2	ATUL MITTAL	00223366	01/09/2016
3	RAMAN OHRI	02534078	27/01/2009
4	ARTI SRIVASTAVA	08271421	14/11/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For NEERAJ GUPTA & ASSOCIATES
Company Secretaries

Sd/-

Place: New Delhi
Date: 30.08.2022
UDIN NO. **F005720D000868221**

CS Neeraj Gupta
CS in Whole Time Practice
Membership No.: 5720
CP No.: 4006



MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

(Under Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015)

To,
The Board of Directors,
Samtex Fashions Limited.

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

1. I have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2022 on standalone basis and that to the best of my knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accountings standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year 2021-22 which are fraudulent, illegal or violative of the Company's code of conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
4. I have disclosed to the Auditors and the Audit committee
 - (a) Significant changes, if any, in internal control over financial reporting during the Year;
 - (b) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (c) Instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.
5. It is further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and ethics for the year 2021-22 covered by this report.

Sd/-

Date : 30.05.2022
Place : New Delhi

Atul Mittal
Chairman & Managing Director & CFO
(DIN 00223366)

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF
SAMTEX FASHIONS LIMITED**

Report on Audit of the Financial Statements**Qualified Opinion**

We have audited the accompanying standalone financial statements of SAMTEX FASHIONS LIMITED, which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view (subject to the matters of Basis of Qualified Opinion and emphasis mentioned below) in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit/loss, total comprehensive income/ loss, its cash flows and the changes in equity for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- 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 to Plot no 163, UdyogVihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. As per information furnished to us the company has further entered into a rent agreement in the month of January 2022 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 recognised 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.



- 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 671.07 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 remeasurement of employee benefit costs as detailed in the Ind AS 19.

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. 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 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, 2022 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 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 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 31.03.2022 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 31st March 2022, inventories 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 may provide for if any inventory item is damaged or has become obsolete or if the selling price has declined.
 - v. The Company continued to recognize deferred tax assets upto March 31, 2022, 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.
 - vi. 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.
 - vii. We have not been provided with the internal audit report.
 - viii. 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, it any, arising out of the said matters.
 - ix. 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.
 - x. 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, it any, arising out of the said matters.
 - xi. As informed to us the bank accounts of the company were put on debit freeze by EPF department 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 118.67 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting



process.

Auditor's Responsibilities for the Audit of financial statement

Our objectives are to obtain reasonable assurance about whether the financial 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

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 financial statements, 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 management's 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial 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 Company to express an opinion on the Financial Results.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and



qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial information of the branches and joint operations, referred to in the Other Matters paragraph above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss, the standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone Ind AS financial statements.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company, as on 31 March 2022 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report



in “Annexure B”. Our report expresses a qualified / adverse opinion on the operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements refer note no. 23(a).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

**MOHIT KAKKAR
(PARTNER)**

MEMBERSHIP NUMBER: 538844

NEW DELHI

30/05/2022

UDIN: 22538844AJVVWS3830

**Annexure A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report that:

- (i) a) A) The Company has not updated its records showing full particulars, including quantitative details and, situation of fixed assets.
 - B) According to the information and explanations given to us, the Company does not have any intangible assets hence clause 3(i)(a)(B) not applicable to the Company.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year. As informed to us there is regular program which has been carried out during the year. However, we are unable to comment on any difference in physical verification and books as we have not been provided with sufficient appropriate audit evidence relating to physical verification of fixed assets and fixed assets register was not produced before us for verification.
 - c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company. However, due to clerical error in the previous years it has been mentioned that the company does not hold any immovable property.
 - d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
 - e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- (ii) a) According to the information and explanations given to us the inventory has been physically verified during the year by the management, but stock records were not produced before us for verification and we have relied upon the information provided to us by the management. Due to lack of adequate information, we are unable to comment upon their coverage and procedure adopted by the management. According to the information and explanations given to us, no discrepancies in aggregate of 10% or more in each class of inventory were noticed.
 - b) According to the information and explanations given to us the Company has not been sanctioned any working capital limits in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us the Company has not granted any fresh loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. However the company has advanced loan to wholly owned subsidiary M/s Arlin Foods Ltd during the earlier years and the outstanding balance of the said loan as on 31.03.2022 is Rs 16.23 lacs. The said loan is unsecured and free of interest and schedule of repayment of the principal has not been stipulated.



(A) The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures and Associates are as follows:

Particulars	Guarantees	Loans/Advances	Investment
Aggregate amount granted/provided during the year	-	-	-
- Subsidiaries - Joint Ventures - Associates - Others	-	-	-
Balance Outstanding as at balance sheet date in respect of above cases	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 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.	The company had already advanced loan to whollyowned subsidiary M/s Arlin Foods Ltd and the outstanding balance of the said loan as on 31.03.2022 is Rs 16.23 lacs. The said loan is unsecured and free of interest and schedule of repayment of the principal has not been stipulated.	The company had already made an investment amounting to Rs 1.5 Cr in wholly owned subsidiary in M/S ArlinFoods Limited in earlier years and has also investment amounting Rs 37.20 Crore in wholly owned subsidiary M/S SSA International in earlier years . The said investment done in SSA international has been fully impaired during earlier years.
- Subsidiaries - Joint Ventures - Associates			
- Others		The company had already given advances in earlier years to other parties balance standing amounting Rs 32.49 lacs as on 31.03.2022.	

(B) According to the information explanation provided to us, the Company has granted loans/advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

	All Parties/Others	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans	-	-	-
- Repayable on demand (A)			
- Agreement does not specify any terms or period of repayment (B)	Rs 22.00 lacs	-	Rs 16.23 lacs
Total (A+B)	Rs 22.00 lacs	-	Rs 16.23 lacs



Percentage of loans/ advances in nature of loans to the total loans	57.54%	-	42.45%
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- (iv) According to the information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the act in respect of investments, guarantees & securities provided by it during the year, however we have not been provided with necessary documents to verify the compliance of said provisions.
- (v) In our opinion & according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of provisions of Sections 73 to 76 of the Act or any other relevant provisions of the Act & the rules framed thereunder.
- (vi) According to the information and explanations given to us, Maintenance of Cost records as prescribed by the Central Government under Section 148(1)(d) of the Companies Act 2013 is not applicable to the company for the year.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, goods and service tax, cess and other material statutory dues have not been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, goods and service tax, cess and other material statutory dues were in arrears for a period of more than six months from the date they became payable as detailed below

- b) According to information and explanation given to us, the disputed statutory dues i.e Income Tax aggregating to Rs 166.29 lakhs that have not been provided for in the books of accounts on account of matters pending before concerned appellate authorities. The company had paid a sum amounting to Rs 118.68 lakhs as duty under protest against these demands. No further details / explanations have been provided to us on these matters.

As per the data available online Income Tax account of the company, there are certain liabilities to the tune of Rs 44.85 lacs in total related to earlier years have been uploaded by the department relating to certain discrepancies and a sum amounting to Rs 6.27 lacs related to TDS defaults related to earlier years have been uploaded on TRACES website. The said demands being disputed, the company is in process of filing necessary rectifications u/s 154 of the income tax act with the income tax department.

The company has received order under section 8 of the employees provident fund and miscellaneous provisions act dated 03/03/2020 and as per the said order the company has defaulted in payment of provident fund dues/damages, etc under the said act amounting to the tune of Rs 707645. No further details / explanations have been provided to us on these matters. As informed to us the bank accounts of



the company were put on debit freeze by EPF department and we have not been provided with detailed explanation regarding the litigation with the EPF department.

- (viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) a) Based on our audit procedures and according to the information and the explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks, Government or to debenture holders.
- b) According to the information and explanation given to us 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. 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.
- c) Based upon the audit procedures performed and according to the information and the explanations given to us by the management, no term loans were taken during the year. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- d) In our opinion and according to the information and explanation given to us, no funds raised on short term basis by the Company hence the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- e) According to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.
- f) According to the information and explanation given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.
- (x) (a) According to the information and explanation given to us the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) a) According to the information and explanations given to us, no material fraud on the company by its officers or employees has been noticed or reported during the year.



However, 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.

- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - c) In our opinion and according to the information and explanations given to us ,no whistleblowers complaints were received during the year by the company and hence not considered
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of examination of books and records of the company carried out by us, all the transactions with the related parties are in compliance with provisions of section 177 and 188 of the act, where applicable. The details there on has been disclosed in the financial statements as required under the applicable Accounting Standards.
- (xiv) a) According to the information and explanations given to us the company does not have an adequate internal audit system as the company is not in operations since past many years.
- b) We were unable to obtain the internal audit reports of the company, hence the internal audit reports have not been considered by us.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company .
- (xvi) (a) In our opinion and according to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting Rs 23.09 lacs during the financial year covered by our audit and Rs 23.36 during immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence



supporting the assumptions, there exist material uncertainty as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report

- (xx) (a) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

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

**Sd/-
MOHIT KAKKAR
(PARTNER)
MEMBERSHIP NUMBER: 538844**

**30/05/2022
NEW DELHI
UDIN: 22538844AJVWWS3830**



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Samtex Fashions Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide



reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to information and explanations given to us, the company does not have an adequate internal financial control system commensurate with the size of company and nature of its business.

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

**Sd/-
MOHIT KAKKAR
(PARTNER)
MEMBERSHIP NUMBER: 538844**

**30/05/2022
NEW DELHI
UDIN: 22538844AJVVWS3830**



STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

CIN No. - LI7112UP1993PLCO22479

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	1	273.77	325.93
	(b) Capital work-in-progress			
	(c) Intangible assets		-	-
	(d) Financial assets			
	(i) Investments	2	150.01	150.01
	(ii) Trade Receivables	2	671.08	686.31
	(iii) Other financial assets	2	7.42	7.42
	(e) Deferred tax assets (net)		132.28	131.86
	(f) Other non-current assets	3	118.68	118.68
	Total Non - Current Assets		1,353.23	1,420.21
2	Current assets			
	(a) Inventories	4	25.32	25.32
	(b) Financial assets			
	(i) Trade receivables	5	-	9.86
	(ii) Cash and cash equivalents	6	1.54	1.70
	(iii) Bank balances other than (ii) above	6	10.21	10.09
	(iv) Other financial assets	2	1.04	0.61
	(c) Current Tax Assets (Net)		26.49	26.43
	(d) Other current assets	6	85.36	83.70
	Total Current Assets		149.96	157.72
	Total Assets (1+2)		1,503.19	1,577.93
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	7	1,491.80	1,491.80
	(b) Other equity	8	(1,400.60)	(1,325.44)
	Total equity		91.20	166.36
	LIABILITIES			
2	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	630.56	627.60
	(b) Provisions	10	15.84	15.84
	Total Non - Current Liabilities		646.40	643.44
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	11	-	-
	(ii) Trade payables dues to MSME		-	-
	(ii) Trade payables dues to other than MSME	12	764.56	766.76
	(b) Provisions	10	-	-
	(c) Current Tax Liabilities (Net)		1.04	1.37
	(d) Other current liabilities	13		
	Total Current Liabilities		765.60	768.13
	Total Equity and Liabilities (1+2+3)		1,503.19	1,577.93
			(0.00)	

See accompanying notes & Accounting policies to the Ind AS financial statements
In terms of our report attached.

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N

Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065

Place : DELHI
Date : May 30 2022
UDIN: 22538844AJVWWS3830



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

CIN No. - LI7112UP1993PLCO22479

(In Lacs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I Revenue from operations	14	-	-
Add: Transfer to New York		-	-
II Other Income	15	0.61	0.60
III Total Revenue (I + II)		0.61	0.60
IV EXPENSES			
(a) Cost of materials consumed	16	-	-
(b) Purchase of Stock-in-Trade		-	-
Add: Transfer from India		-	-
(c) Changes in stock of finished goods and work-in-progress	17	-	-
(d) Employee benefit expense	18	7.49	5.00
(e) Finance costs	19	0.36	0.11
(f) Depreciation and amortisation expense	20	52.16	53.26
(g) Other expenses	21	16.27	20.53
Total Expenses (V)		76.28	78.90
VI Profit/(loss) before exceptional items and tax (I- IV)			
Exceptional Item Expenses		-	-
Exceptional Item Expenses		-	-
VII Profit/(loss) before tax (V - III)		(75.67)	(78.30)
VIII Tax Expense			
(1) Current tax		-	-
(2) Deferred tax		(0.42)	(1.68)
Total tax expense		(0.42)	(1.68)
IX Profit/(loss) for the year (VI - VII)		(75.25)	(76.61)
X Other comprehensive income(Net)		0.09	0.06
		0.09	0.06
X Total comprehensive income/(loss) for the year (VIII + IX)		(75.16)	(76.55)
XII Earnings per equity share (of Rs 10 each):			
(1) Basic		(0.10)	(0.10)
(2) Diluted		(0.10)	(0.10)

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N
Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

Place : DELHI
Date : May 30 2022
UDIN: 22538844AJVWWS3830

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

CIN No. - LI7112UP1993PLCO22479

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit for the year	(75.67)	(78.30)
Adjustments for:	-	-
Amounts Charged directly to Other Comprehensive Income	0.09	0.06
Depreciation and amortisation	52.16	53.26
Loss/(Gain) on disposal of property, plant and equipment	-	-
Interest income recognised in profit or loss	(0.61)	(0.60)
Finance cost recognised in profit or loss	0.36	0.11
Movements in working capital:		
(Increase) /decrease in trade and other receivables	25.10	14.64
(Increase) /decrease in other financial assets	(0.42)	(0.20)
(Increase) /decrease in other current assets	(1.65)	2.85
(Increase) /decrease in other non-current assets	-	-
(Increase) /decrease in inventories	-	-
Increase/ (decrease) in trade payables	(2.20)	8.66
Increase/ (decrease) in provisions	-	-
Increase/ (decrease) in other current liabilities	(0.34)	(0.37)
Cash generated from operations	(3.18)	0.11
Income taxes paid (net of refund, if any)	0.06	0.05
Net cash generated from operations	(3.24)	0.07
B. Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	-	-
Interest received	0.61	0.60
(Increase) /decrease in other bank balances	(0.13)	(0.35)
Net cash generated from / (used in) investing activities	0.48	0.25
C. Cash flow from financing activities		
Net Increase /(Decrease) in long term borrowing	2.96	-
Net Increase /(Decrease) in short term borrowing	-	-
Interest Paid	(0.36)	(0.11)
Net cash used in financing activities	2.60	(0.11)
Net change in cash and cash equivalents	(0.16)	0.20
Cash and cash equivalents as at the beginning of the Year	1.70	1.50
Cash and cash equivalents as at the end of the Year	1.54	1.70
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents [Refer Note 10]	1.54	1.70

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N
Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

Place : DELHI
Date : May 30 2022
UDIN: 22538844AJVVWS3830

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. EQUITY SHARE CAPITAL	Equity Share Capital		Share Warrant	
	Number of shares	Amount (Rs)	Number of shares	Amount Rs.
Balance as at March 31, 2019	745.00	1,490.00	1.00	1.80
Change in equity share capital during the year	-	-	-	-
Balance as at March 31, 2020	745.00	1,490.00	1.00	1.80
Change in equity share capital during the year	-	-	-	-
Balance as at March 31, 2021	745.00	1,490.00	1.00	1.80
Change in equity share capital during the year	-	-	-	-
Balance as at March 31, 2022	745.00	1,490.00	1.00	1.80

B. OTHER EQUITY	Capital Reserves	Security Premium	Reserves & Surplus	Total
Balance as at March 31, 2018	10.00	1,140.00	(2,237.14)	(1,087.14)
(a) Loss for the year			(82.00)	(82.00)
(b) Other Comprehensive income of the year, net of income tax - Remeasurement of the defined benefit plans			1.44	1.44
Total comprehensive income/(loss) for the year			(80.56)	(80.56)
Balance as at March 31, 2019	10.00	1,140.00	(2,317.70)	(1,167.70)
(a) Loss for the year			(82.93)	(82.93)
(b) Other Comprehensive income of the year, net of income tax - Remeasurement of the defined benefit plans			1.73	1.73
Total comprehensive income/(loss) for the year			(81.19)	(81.19)
Balance as at March 31, 2020	10.00	1,140.00	(2,398.89)	(1,248.89)
(a) Loss for the year			(76.61)	(76.61)
(b) Other Comprehensive income of the year, net of income tax - Remeasurement of the defined benefit plans			0.06	0.06
Total comprehensive income/(loss) for the year			(76.55)	(76.55)
Balance as at March 31, 2021	10.00	1,140.00	(2,475.44)	(1,325.44)
(a) Loss for the year			(75.25)	(75.25)
(b) Other Comprehensive income of the year, net of income tax - Remeasurement of the defined benefit plans			0.09	0.09
Total comprehensive income/(loss) for the year			(75.16)	(75.16)
Balance as at March 31, 2022	10.00	1,140.00	(2,550.60)	(1,400.60)

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N
Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065

Place : DELHI
Date : May 30 2022
UDIN: 22538844AJVVWS3830



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

COMPANY OVERVIEW

Samtex Fashions Limited ("the Company" hereinafter) was incorporated on 26.04.1993. The company is engaged primarily in the business of manufacture of ready-made garments and also in trading activity of food grains. 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 to Plot no 163, UdyogVihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. As per 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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation and compliance with Ind AS

- i) These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

These financial statements were approved for issue by the Board of Directors on 30.05.2022.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Lac (INR 00,000), except when otherwise indicated.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Certain financial assets and financial liabilities measured at fair values (as required by the relevant Ind AS)
- ii) Defined benefit and other long-term employee benefits have been measured at actuarial valuation as required by relevant Ind As.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company



operates.

c) Property, Plant and Equipment (PPE)

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment which are carried at cost are recognized in the Statement of Profit and Loss.

IndAS 101 permits a first time adopter to elect to continue with the carrying value of all of its property, plant and equipment as recognised in the financial statements as at the date of transition of IndAS, measured as per previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommission liabilities, if any. This exemption can also be used for intangible assets covered by IndAS 28 Intangible asset. The Company has elected to measure all of its property, plant and equipment's and intangible assets at their previous GAAP carrying value.

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 to Plot no 163, UdyogVihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. As per 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. The Company is required to determine impairment in respect of fixed assets, However the impairment testing has not been done during the year.

d) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on straight line method over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company. Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

S no	Asset Classification	Useful Life
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1	Factory Building	30 Years
2	Furniture & Fixture	10 Years
3	Office Equipment	5 Years
4	Vehicles	3 Years
5	Mobile	3 Years
6	Electrical Fittings	10 Years
7	Plant	15 Years

e) Impairment of Tangible and Intangible Assets

No business activity has been carried on by the group during the year and production facilities has not been used for a long period of time. The group is required to determine impairment in respect of fixed assets, However the group has not done impairment testing.

f) Inventories:

Inventories are valued as follows:

Raw materials, stores & accessories are valued at lower of cost and net realizable value (NRV). However, these items are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

Finished goods, stock-in-trade are valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on FIFO basis.

g) Borrowing Costs:

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

h) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value



of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

i) **Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty/GST.

Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery. Revenues from sale of byproducts are included in revenue.

Export benefits are accounted on recognition of export sales.

j) **Employee benefits:**

- i. 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.

However, for brought forward defined benefit plans recognized and remeasured during earlier years, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), was reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognized in OCI was reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost was recognized in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.



k) Income Tax:

Income Tax expenses comprise current tax and deferred tax charge or credit. Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement Profit and Loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable. Deferred tax asset if any is created on the temporary difference attributable to Property and Equipment and expense allowable on actual payment basis and in case of accumulated losses and unabsorbed depreciation deferred tax asset is only created to the extent of deferred tax liability, considering the certainty of future profits.

l) Earnings Per Share:

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m) Foreign Currency Transactions:

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined. All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income. The Company has applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.



n) Segment reporting

The Company has two reportable segments based on geographic locations India & New York. Segments have been identified as reportable segments by the Company's chief operating decision maker ("CODM"). Segment profit amounts are evaluated regularly by the Board, which has been identified as the CODM, in deciding how to allocate resources and in assessing performance. Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Segment profit (Earnings before interest, depreciation and amortization, and tax) amounts are evaluated regularly by the Board that has been identified as its CODM in deciding how to allocate resources and in assessing performance. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

However, during the current year the reportable segment did not exceed the quantitative threshold limits as per the applicable accounting standard.

o) Financial Instruments:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments Initial Recognition. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and



- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through OCI. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL: Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period.

Trade receivables amounting to Rs 671.07 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.

Derecognition of financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues



to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. On de recognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

p) Financial Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognized at the proceeds received.

q) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

r) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.



Notes to the financial statements for the year ended March 31, 2022
Note No. 1 - Property, plant and equipment

(Rupees in Lacs)

Description of Assets	Plant and Equipment & Fixtures	Furniture & Vehicles	Office Equipment	Building	Electrical Fittings	Mobiles	Housing Project	Total
Cost or deemed cost								
Balance as at March 31 2019	447.96	0.22	0.07	8.69	-	3.38	121.23	581.55
Additions during the year	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-
Balance as at March 31 2020	447.96	0.22	0.07	8.69	-	3.38	121.23	581.55
Additions during the year	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-
Balance as at March 31 2021	447.96	0.22	0.07	8.69	-	3.38	121.23	581.55
Additions during the year	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-
Balance as at March 31 2022	447.96	0.22	0.07	8.69	-	3.38	121.23	581.55
Accumulated Depreciation and impairment								
Balance as at March 31 2019	142.91	0.09	0.02	2.63	-	2.86	-	148.51
Depreciation / amortisation expense	53.25	-	-	0.35	-	0.25	-	53.85
Eliminated on disposal of assets	-	-	-	-	-	-	-	-
Balance as at March 31 2020	196.17	0.09	0.02	2.97	-	3.10	-	202.36
Depreciation / amortisation expense	52.91	-	-	0.35	-	-	-	53.26
Eliminated on disposal of assets	-	-	-	-	-	-	-	-
Balance as at March 31 2021	249.08	0.09	0.02	3.32	-	3.10	-	255.62
Depreciation / amortisation expense	51.82	-	-	0.34	-	-	-	52.16
Eliminated on disposal of assets	-	-	-	-	-	-	-	-
Balance as at March 31 2022	300.90	0.09	0.02	3.66	-	3.10	-	307.78
Net Carrying Amount								
Balance as at March 31 2020	251.79	0.13	0.04	5.72	-	0.28	121.23	379.19
Balance as at March 31 2021	198.88	0.13	0.04	5.37	-	0.28	121.23	325.93
Balance as at March 31 2022	147.05	0.13	0.04	5.03	-	0.28	121.23	273.77



Note No. 2 - Other financial assets [unsecured and considered good, unless otherwise stated]

(In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Financial assets at amortised cost		
Investments		
Unquoted Equity Investments		
a) Investment in Arlin Foods Limited 15,00,070 Equity Shares (Previous Year 15,00,070) of Rs 10/- Each Fully paid-up.	150.01	150.01
b) Investment in SSA International Limited. 3,72,00,000 Equity Shares (Previous Year 3,72,00,000) of Rs 10/- Each Fully Paid-up.	3,720.00	3,720.00
c) Investment in Yogendra Worsted Limited 6,00,000 Equity Shares (Previous year 600,000) of Rs 10/- Each Fully Paid-up.	60.00	60.00
Total	3,930.01	3,930.01
Less: Impairment in Value of Investments		
SSA International Limited	3,720.00	3,720.00
Yogendra Worsted Limited	60.00	60.00
Net Value of Investments	150.01	150.01
Trade Receivable		
a) Unsecured, considered good	671.08	686.31
Loans		
d) Security Deposits	7.42	7.42
TOTAL [I]	828.50	843.74
Current		
Financial assets at amortised cost		
a) Interest accrued on bank deposits	1.04	0.61
TOTAL [II]	1.04	0.61
TOTAL [I + II]		

Note No.3- Other assets [unsecured and good, unless otherwise stated]

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Duty paid under protest	118.68	118.68
Total [I]	118.68	118.68
Current		
(a) Prepaid expenses	0.09	
(b) Other advances	48.72	48.63
(c) Balance with Government authorities	36.55	35.08
Total [II]	85.36	83.70
TOTAL [I+II]	204.04	202.38



Note - 4: Inventories [lower of cost and net realisable value]

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Finished goods	25.32	25.32
Total Inventories at the lower of cost and net realisable value	25.32	25.32

Note No. 5 - Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
(a) Unsecured, considered good	-	9.86
TOTAL	-	9.86

Note - 6 Cash and bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
1. Cash and cash equivalents:		
a) Cash on hand	0.23	0.73
b) Balance with banks		
(i) In current accounts	1.31	0.97
Total-Cash and cash equivalents [A]	1.54	1.70
2. Other bank balances		
a) Balance with banks		
(i) In other deposit accounts (maturity in excess of 3 Months)	10.21	10.09
Total-Other bank balances [B]	10.21	10.09
TOTAL [A+B]	11.75	11.79



Note No. 7 - Share Capital

(In Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
AUTHORIZED SHARES Equity Shares of Rs 2/- Each	800.00	1,600.00	800.00	1,600.00
ISSUED, SUBSCRIBED AND PAID UP SHARES Equity Shares of Rs 2/- Each Fully Paid Up	745.00	1,490.00	745.00	1,490.00
FORFEITED SHARES Amount Originally Paid up on 1,00,000 Zero Coupon Warrant @ 1.80 per Warrant	1.00	1.80	1.00	1.80
TOTAL	746.00	1,491.80	746.00	1,491.80

(a) Reconciliation of Shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2022		As at March 31, 2021	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
EQUITY SHARES At the beginning of the year	745.00	1,490.00	745.00	1,490.00
Issued during the year as fully paid up	-	-	-	-
Outstanding at the end of the year	745.00	1,490.00	745.00	1,490.00

(b) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

Particulars	As at March 31, 2022		As at March 31, 2021	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
Anil Kumar Goel	42.50	5.70	42.50	5.70

(c) Shares held by promoter

Particulars	As at March 31, 2022		As at March 31, 2021	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Atul Mittal	26.00	3.49	26.00	3.49

(d) The Company has only one class of equity shares having a par value of ₹ 2/- per share. The equity shareholders of the Company have voting rights and are subject to the preferential rights as prescribed under law, if any. The equity shares are also subject to restriction as prescribed under the Companies Act, 2013. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31st March 2022, no dividend is declared by Board of Directors. (Previous year - Nil)

(e) Shares held by Holding/Ultimate holding company and/or their subsidiaries/associates: Nil (Previous year -Nil)



Note - 9: Non Current Borrowings

(In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Borrowings - at amortised Cost		
(i) Unsecured Borrowings from advances & related parties	630.56	627.60
Total Borrowings carried at Amortised Cost	630.56	627.60

Note - 10: Provisions [Current and Non-current]

(In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
(a) Provision for employee benefits		
a. Provision for leave encashment	10.70	10.70
b. Provision for gratuity	5.14	5.14
Total [I]	15.84	15.84
Current		
(a) Provision for employee benefits		
a. Provision for leave encashment	-	-
b. Provision for gratuity	-	-
c. Other Provision	-	-
Total [II]	-	-
Total Provisions [I+II]	15.84	15.84



Note - 12: Trade Payables

(In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	764.56	766.76
Total	764.56	766.76

Note - 13: Other Liabilities

(Rupees in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
a) Other Payable	0.77	0.72
b) Statutory dues payable	0.26	0.65
Total other liabilities	1.04	1.37

Note - 14: Revenue from operations

(In Lacs)

Particulars	Year ended 31 March 2022 (Rs)	Year ended 31 March 2021 (Rs)
(a) Sale of products	-	-
Total Revenue from operations	-	-

Note - 15: Other Income

Particulars	Year ended 31 March 2022 (Rs)	Year ended 31 March 2021 (Rs)
(a) Interest income	0.61	0.60
(b) Rent Income	-	-
Total other income	0.61	0.60

Note - 16: - Cost of material consumed

Particulars	Year ended 31 March 2022 (Rs)	Year ended 31 March 2021 (Rs)
Opening stock	-	-
Add: Purchases	-	-
Less: Closing stock	-	-
Total cost of material consumed	-	-



(Rupees in Lacs)

Note - 17: - Changes In Inventories of Stock-In-Trade

Particulars	Year ended 31 March 2022 (Rs)	Year ended 31 March 2021 (Rs)
Inventories at the beginning of the year:		
Finished goods	25.32	25.32
Finished goods in transit	-	-
Work-in-progress	-	-
Scrap Material	-	-
	25.32	25.32
Inventories at the end of the year:		
Finished goods	25.32	25.32
Finished goods in transit	-	-
Work-in-progress	-	-
Scrap Material	-	-
	25.32	25.32
Net (increase) / decrease	-	-

Note - 18: Employee benefit expenses

(In Lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	7.49	5.00
Others	-	-
Total Employee benefit expenses	7.49	5.00

Note - 19: Finance cost

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on:		
(i) Interest on working capital facilities	-	-
Bank Charges	0.36	0.11
Total Finance cost	0.36	0.11

Note - 20: Depreciation and amortisation expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Property, plant and equipment	52.16	53.26
Total Depreciation	52.16	53.26



Note - 21: Other expenses

(in lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Auditor's Remuneration	1.00	3.00
Rent Expenses	5.76	5.28
Legal and Professional Charges	4.29	4.41
Rates and Taxes	3.32	6.69
Interest on TDS	-	-
Postage, Telegram and Telephone Expenses	-	-
Advertisement Expenses	0.97	1.15
Total other expenses	16.27	20.53

Note 22. Categories of Financial Instruments

(in lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Financial assets		
Measured at Amortised cost		
a) Trade Receivables	671.08	696.18
b) Loans	7.42	7.42
c) Cash & Cash Equivalents	1.54	1.70
d) Other Bank Balances	10.21	10.09
e) Other Financial Assets	1.04	0.61
Total Financial assets	691.29	716.00

(in lacs)

Financial liabilities		
Measured at Amortised cost		
a) Borrowings	630.56	627.60
b) Trade Payables	764.56	766.76
Total Financial liabilities	1,395.12	1,394.36

Financial Assets as at FVTPL		
a) Investments	150.01	150.01

Note 23 - CONTINGENT LIABILITIES

- (a) No provision has been made in the books of accounts by the company for a sum of Rs.59.02 lacs, Rs. 60.66 lacs Rs.5.80 lacs & Rs.40.80 lacs for which the demand has been raised by the Income Tax Department for the A.Y. 2000-01, A.Y. 2001-02, A.Y.2003-04 & A.Y.2007-08, respectively. Appeal before High Court for A.Y. 2000-01 & 2001-02 have been dismissed, hence, the company is in the process of filing Special Leave Petition (SLP) before Supreme Court. The liabilities for A.Y. 2003-04 & A.Y. 2007-08 stands before the Appellate Authority.
- b) Guarantees :-The company has guaranteed a sum of Rs. 80,746 Lacs (Previous Year Rs. 80,746 Lacs) against secured Loans taken by SSA International Ltd. from financial institutions; these are wholly owned subsidiaries of the Company. The accounts of the wholly owned subsidiary SSA International Ltd has been classified as Non performing assets by the banks. The company has also received the notice u/s 13(2) of SARFESI Act from consortium of banks for revocation of its corporate guarantee.



Note 24 - RELATED PARTY DISCLOSURES

I. Related Parties with Whom Transactions have been Taken Place and Relationships.

S. No.	Name of Related Parties	Relationship
1	SSA International Limited	Wholly owned Subsidiary company
2	Arlin Foods Limited	Wholly owned Subsidiary company
3	Bloomingdale Vendors Pvt Ltd	Enterprises under control of KMP/ Relative
4	Atul Mittal	Director

II. Related Parties with Whom Transactions have been Taken Place and Nature of Transactions

Nature of Transaction	SSA International Limited		Arlin Foods LTD		Bloomingdale Vendors Pvt Ltd		Atul Mittal	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
A. Investments								
Opening Balance			150.01	150.01				
Investment made during earlier years	3,720.00	3,720.00						
Impairment during earlier year	3,720.00	3,720.00						
Closing Balance			150.01	150.01				
C. Borrowings								
Opening Balance							274.80	274.80
Amount paid During the Year								
Amount Received								
Closing Balance							274.80	274.80
Sale/Job Work Done								
D. Loan & Advances								
Opening Balance			16.23	16.23				
Amount paid during the year						5.80		
Amount Received during the year						5.80		
Expenses paid directly								
Closing Balance			16.23	16.23				
E. Debtor/ Creditors								
Opening Balance					9.87	24.51		
Amount Received during the year					6.60	14.66		
Amount Paid during the year						0.02		
Expenses directly incurred								
Closing Balance					3.27	9.87	-	



Note 25 - SEGMENT REPORTING

During the current year the reportable segment did not exceed the quantitative threshold limits as per the applicable accounting standard. Hence necessary disclosures under this Act have not been given. In earlier years the company has identified a reportable segment viz M/S Samtex Fashions Ltd. New York. Segments and necessary disclosures were made. The accounting policies adopted for segment reporting are in line with the Accounting Policy of the Company. Except the Accounting period which is for the Segment is calendar year.

Note 26 - EARNINGS PER EQUITY SHARE

Particulars	As at 31.03.2022 Amount	As at 31.03.2021 Amount
Earnings Per Equity Share:		
Net Profit after tax	-75.16	-76.55
Equity Shares outstanding	745.00	745.00
Weighted Average Equity Shares	745.00	745.00
Nominal Value of Equity Share	2.00	2.00
Basic Earnings per Share	-0.10	-0.10
Diluted Earnings per Share	-0.10	-0.10

Note 27 - PAYMENTS TO AUDITOR

Particulars	As at 31.03.2022 Amount	As at 31.03.2021 Amount
(a) Statutory Audit Fee	1.00	2.00
(b) Other Services		
(i) For certification	-	-
(ii) For Income Tax	-	1.00
	1.00	3.00

Note 28 - TRANSACTION WITH MICRO, SMALL AND MEDIUM ENTERPRISES

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

Note 29- Additional Regulatory Information

1. No transactions to report against the following disclosure requirements as notified by MCA

- a) Crypto Currency or Virtual Currency
- b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- c) Registration of charges or satisfaction with Registrar of Companies
- d) Related to borrowed funds.
- ii. Utilization of borrowed funds & share premium.
- iii. Borrowings obtained on the basis of security of current assets.



- iv. Discrepancy in utilization of borrowings.
- v. Current maturity of long-term borrowings.
 - e) Revaluation of Assets
 - f) Capital-work in progress
 - g) Intangible Assets under development.
 - h) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of companies Act, 1956 during the Financial Year.
 - i) The company did not undertake any transactions with regards to any scheme of arrangement in terms of section 230 to 237 of the companies act 2013.
 - j) Title deeds of immovable property are held in the name of company.

2. Others

Where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- a) i) repayable on demand or
- ii) without specifying any terms or period of repayment

Type of Borrower	Amount of loan and Advance in the nature of Loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters		
Directors		
KMPs		
Related Parties	16,23,000	42.45%

3. RATIOS

Ratios	Numerator	Denominator	Current Reporting Period	Previous Reporting Period
Current Ratio	Current Assets	Current Liabilities	0.20	0.21
Debt Equity Ratio	Debt Capital (Current and previous year is NIL,therefore the ratio is not calculated)	Shareholder's Equity	-	-
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Current and previous year is NIL,therefore the ratio is not calculated)	-	-



Return on Equity Ratio	Profit for the year (Current and previous year is NIL,therefore the ratio is not calculated)	Shareholder's Equity	-	-
Inventory Turnover Ratio	COGS(Current and previous year is NIL,therefore the ratio is not calculated)	Average Inventory	-	-
Trade Receivables turnover ratio	Net Sales(Current and previous year is NIL,therefore the ratio is not calculated)	Average trade receivables	-	-
Trade payables turnover ratio	Total Purchases (Current and previous year is NIL,therefore the ratio is not calculated)	Closing Trade Payables	-	-
Net capital turnover ratio	Sales(Current and previous year is NIL,therefore the ratio is not calculated)	Working capital (CA-CL)	-	-
Net profit ratio	Net Profit	Sales(Current and previous year is NIL,therefore the ratio is not calculated)	-	-
Return on Capital employed	Earnings before interest and tax(Current and previous year is NIL,therefore the ratio is not calculated)	Capital Employed	-	-
Return on investment	Net Profit	Investment	-	-

Note 30-Others

- (1) Confirmation of balances of trade debtors, loans and advances, trade payables, security deposits, balances with government authorities have not been provided to us, we are unable to comment on the possible impact, it any, arising out of the said matters.



(ii) Investment of Rs 3720 Lakh in SSA International Limited & Rs 60 Lakh in Yogendra Worsted Limited, for which provision for diminuation in value of Investment has been booked during the earlier year, as the company has incurred heavy losses due to which networth of the company has been eroded\

(iii) The wholly owned Subsidiary of the company, namely, M/S SSA International Ltd has been declared Non Performing Assets (NPAs) 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

(v) The Company has regrouped/reclassified the previous year figures to make them comparable with current year figures.

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N

Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

Place : DELHI
Date : MAY 30 2022
UDIN: 21538844AAAAEH3020

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures as on 31st March, 2022

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In lakhs)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary	SSA International limited	Arlin Foods Limited(Formerly known as Sam Buildcon Limited)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share capital	3720.00	150.00
5.	Reserves & surplus	(26868.72)	5.26
6.	Total assets	35186.44	309.83
7.	Total Liabilities	58335.16	154.55
8.	Investments	259.85	0
9.	Turnover	8.45	0.52
10.	Profit/ Loss before taxation	(609.83)	0.17
11.	Provision for taxation	0	0
12.	Profit after taxation	(609.83)	0.17
13.	Proposed Dividend	NIL	Nil
14.	% of shareholding	100	100

Part "B" : Associates & Joint Venture - NA

**As per our Report of Event date attached
In terms of our report attached**

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N

Sd/-
Mohit Kakkar
(Partner)
M.No 538844

For and on Behalf of the Board of directors
SAMTEX FASHIONS LTD

Sd/-
Atul Mittal
(Chairman & Managing Director)
DIN: 00223366

Sd/-
Surender Kumar Gupta
(Director)
DIN: 00223035

Place: Delhi
Date: 30.05.2022

Sd/-
Anushika Mishra
(Company Secretary)
M. No ACS 59065



FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at Arm's length basis.**- There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis

2. **Details of contracts or arrangements or transactions at Arm's length basis.** There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2022.

**As per our Report of Event date attached
In terms of our report attached**

**For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N**

**Sd/-
Mohit Kakkar
(Partner)
M.No 538844**

**For and on Behalf of the Board of directors
SAMTEX FASHIONS LTD**

**Sd/-
Atul Mittal
(Chairman & Managing Director)
DIN: 00223366**

**Sd/-
Surender Kumar Gupta
(Director)
DIN: 00223035**

**Place: Delhi
Date: 30.05.2022**

**Sd/-
Anushika Mishra
(Company Secretary)
M. No ACS 59065**



INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
SAMTEX FASHIONS LIMITED**

Report on Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of SAMTEX FASHIONS LIMITED, ("the Parent") and its subsidiary (the Company and its subsidiary together referred to as "the Group") which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view (subject to the matters of Basis of Qualified Opinion and emphasis mentioned below) in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit/loss, total comprehensive income/ loss, its cash flows and the changes in equity for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- i. The wholly owned subsidiary M/s SSA International Ltd has defaulted in repayment obligations towards banking institutions. The subsidiary company M/s SSA International Limited had not made provision of Interest on Cash credit/Term loan charged by banks/ financial institutions during the current year and earlier years on various loans taken from Bank / Financial Institutions in the Financial Statements. Had the company made such Interest provision in the Statement of Profit and loss, the loss for the year and the accumulated would have been higher. The non-recognition of interest expenses is not in accordance with Ind AS on borrowing costs requirement.
- ii. 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, UdyogVihar, Greater Noida, UP-201308 and since then no manufacturing activity has been carried on. As per 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.

- iii. 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 28505.83lacs 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.
- iv. 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 31.03.2022 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 are unable to comment on the consequential impact of 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 to Going Concern:

The Group has made losses during the current year and the preceding year. As a result of the losses, 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, 2022 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 Fashions 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, it any, arising out of the said matters.\

- iii. Confirmation of balances are not available for Trade payables, security deposits, balances with government authorities, bank balances, FDR's along with interest thereon and bank loans as at March 31, 2022. That is why the transactions made by the banks in the accounts of the company could not be reconciled in the absence of information from banks regarding transactions in bank accounts. Moreover, there are several bank current accounts having balances amounting to Rs 53.18 lacs as on 31.03.2022 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, it any, arising out of the said matters.
- iv. The group had given loans and advances as on 31.03.2022, 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, it any, arising out of the said matters.
- v. We have not been provided with sufficient, appropriate audit evidence relating to physical verification 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.
- vi. As of 31st March 2022, 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 may provide for if any inventory item is damaged or has become obsolete or if the selling price has declined.
- vii. The group 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. We have not been provided with the internal audit report.
- 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, it any, arising out of the said matters.
- x. The holding company continued to recognize deferred tax assets up to March 31, 2022, 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
- xi. As informed to us the bank accounts of the holding company were put on debit freeze



by EPF department 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management 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 financial statement

Our objectives are to obtain reasonable assurance about whether the financial 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

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 financial statements, 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 management's 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 group'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 financial statements, including the disclosures, and whether the financial 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

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.379.86lacs as at 31st March, 2022, 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. Our opinion on the consolidated Ind



AS financial statement is modified in respect of our reliance on the Ind AS financial statements / financial information certified by the Management of the company.

2. In Note No. 28vi to the financial results regarding the impact of COVID 19 on the operations of the company has been disclosed. Further, the extent to which the COVID 19 pandemic will impact the company's financial performance is dependent on future developments, which are highly uncertain.

Report on Other Legal and Regulatory Requirements

1. With respect to matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by the respective auditors of the companies included in consolidated financial statements of the Company, to which reporting under CARO is applicable, we report as under:

Sr No.	Name of the Entity	CIN	Holding Company/ Subsidiary Company	Clause number of the CARO report which is qualified or adverse.
1	SSA International Limited	U15122DL1995PLC068186	Wholly owned subsidiary	Clause 3(1)(a)(A), 3(1)(c), 3(ii)(b), 3(ix)(a)&(b), 3(xiv), 3(xvii).
2	Arlin Foods Limited	U15209DL2008PLC173566	Wholly owned subsidiary	Clause 3(1)(a)(A), 3(xiv).

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial information of the branches and joint operations, referred to in the Other Matters paragraph above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the holding Company, as on 31 March 2022 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified from being



appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a qualified / adverse opinion on the operating effectiveness of the group's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements refer note no. 23.
 - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

**MOHIT KAKKAR
(PARTNER)**

MEMBERSHIP NUMBER: 538844

UDIN 22538844AJWYOW6162

30 MAY 2022

NEW DELHI



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of Samtex Fashions Limited ("the Holding Company"), and that of its subsidiary company (the Holding Company and its subsidiary constitute "the Group").

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to groups's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the holding company's and its subsidiaries internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the group's internal financial controls system over financial reporting



Meaning of Internal Financial Controls over Financial Reporting

A group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the groups'; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorizations of management and directors of the holding company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets that could have a material effect on the financial statements

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to information and explanations given to us, the Holding Company and its Subsidiary Companies, which are companies incorporated in India, does not have an adequate internal financial control system commensurate with the size of group and nature of its business.

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

Sd/-

**MOHIT KAKKAR
(PARTNER)
MEMBERSHIP NUMBER: 538844
UDIN 22538844AJWYOW6162
30 MAY 2022
NEW DELHI**



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

CIN No. - LI7112UP1993PLCO22479

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	1	7,042.09	7,692.07
	(b) Capital work-in-progress		170.34	170.34
	(c) Intangible assets	1	0.59	0.59
	(d) Financial assets		-	-
	(i) Investments	2	-	-
	(ii) Trade Receivables	2	28,505.83	28,518.86
	(iii) Other financial assets	2	366.42	366.42
	(e) Deferred tax assets (net)	3	92.53	92.11
	(f) Other non-current assets	3A	216.85	216.85
	Total Non - Current Assets		36,394.65	37,057.23
2	Current assets			
	(a) Inventories	4	25.32	25.32
	(b) Financial assets		-	-
	(i) Trade receivables	5	-	9.86
	(ii) Cash and cash equivalents	6	57.76	66.91
	(iii) Bank balances other than (ii) above	6	38.31	36.07
	(iv) Other financial assets	2	3.65	4.91
	(c) Current Tax Assets (Net)	6A	59.49	59.29
	(d) Other current assets	3A	279.89	277.48
	Total Current Assets		464.43	479.83
	Total Assets (1+2)		36,859.07	37,537.07
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	7	1,491.80	1,491.80
	(b) Other equity	8	(24,429.77)	(23,753.37)
	Total equity		(22,937.97)	(22,261.57)
	LIABILITIES			
2	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	655.56	652.60
	(b) Provisions	10	15.84	15.84
	Total Non - Current Liabilities		671.40	668.44
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	11	55,614.53	55,615.81
	(ii) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	12	839.41	842.14
	(iii) Other financial liabilities			
	(b) Provisions	10	2,633.45	2,633.45
	(c) Current Tax Liabilities (Net)		-	-
	(d) Other current liabilities	13	38.26	38.80
	Total Current Liabilities		59,125.65	59,130.21
	Total Equity and Liabilities (1+2+3)		36,859.08	37,537.07

See accompanying notes & Accounting policies to the Ind AS financial statements

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For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N

Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

UDIN 22538844AJWYOW6162
Place : DELHI
Date : MAY 30, 2022

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035



CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

CIN No. - LI7112UP1993PLCO22479

(In Lacs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I Revenue from operations	14	-	-
Add: Transfer to New York		-	-
II Other Income	15	9.59	13.55
III Total Revenue (I + II)		9.59	13.55
IV EXPENSES			
(a) Cost of materials consumed	16	-	-
(b) Purchase of Stock-in-Trade		-	-
Add: Transfer from India		-	-
(c) Changes in stock of finished goods and work-in-progress	17	-	-
(d) Employee benefit expense	18	19.41	44.73
(e) Finance costs	19	0.46	0.23
(f) Depreciation and amortisation expense	20	649.97	689.24
(g) Other expenses	21	25.08	83.23
Total Expenses (V)		694.92	817.42
VI Profit/(loss) before exceptional items and tax (I- IV)			
Exceptional Item Expenses		-	-
Exceptional Item Expenses		-	-
VII Profit/(loss) before tax (V - III)		(685.33)	(803.87)
VIII Tax Expense			
(1) Current tax		-	-
(2) Deferred tax		(0.42)	(1.68)
Total tax expense		(0.42)	(1.68)
IX Profit/(loss) for the year (VI - VII)		(684.91)	(802.19)
X Other comprehensive income(Net)		8.66	(5.65)
XI Total comprehensive income/(loss) for the year (VIII + IX)		(676.25)	(807.84)
XII Earnings per equity share (of Rs 10 each):			
(1) Basic		(0.91)	(1.08)
(2) Diluted		(0.91)	(1.08)

See accompanying notes to the Ind AS financial statements

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

UDIN 22538844AJWYOW6162
Place : DELHI
Date: MAY 30, 2022

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

CIN No. - LI7112UP1993PLCO22479

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities		
Profit for the year	(685.33)	(803.87)
Adjustments for:		
Amounts Charged directly to Other Comprehensive Income	8.66	(5.65)
Depreciation and amortisation	649.97	689.24
Loss/(Gain) on disposal of property, plant and equipment	-	-
Interest income recognised in profit or loss	(2.55)	(9.97)
Finance cost recognised in profit or loss	0.46	0.23
Capital Investment Subsidy	(0.15)	(2.89)
Movements in working capital:		
(Increase) /decrease in trade and other receivables	22.90	20.44
(Increase) /decrease in other financial assets	1.26	(0.75)
(Increase) /decrease in other current assets	(2.41)	(0.73)
(Increase) /decrease in other non-current assets	-	77.96
(Increase) /decrease in inventories	-	-
Increase/ (decrease) in trade payables	(2.73)	7.21
Increase/ (decrease) in provisions	-	-
Increase/ (decrease) in other current liabilities	(0.54)	23.32
Increase/ (decrease) in other financial liabilities	-	-
Cash generated from operations	(10.47)	(5.47)
Income taxes paid (net of refund, if any)	0.20	0.26
Net cash generated from operations	(10.68)	(5.73)
B. Cash flow from investing activities		
Payments for property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment	-	-
Interest received	2.55	9.97
(Increase) /decrease in other bank balances	(2.24)	(0.35)
Net cash generated from / (used in) investing activities	0.31	9.62
C. Cash flow from financing activities		
Net Increase /(Decrease) in long term borrowing	2.96	-
Net Increase /(Decrease) in short term borrowing	(1.28)	(2.26)
Interest paid	(0.46)	(0.23)
Net cash used in financing activities	1.22	(2.48)
Net change in cash and cash equivalents	(9.15)	1.40
Cash and cash equivalents as at the beginning of the Year	66.90	65.50
Cash and cash equivalents as at the end of the Year	57.76	66.90
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents [Refer Note 10]	57.76	66.90

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

UDIN 22538844AJWYOW6162

Place : DELHI
Date: MAY 30, 2022

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

Rs in Lacs

A. EQUITY SHARE CAPITAL	Equity Share Capital		Share Warrant	
	Number of shares	Amount (Rs)	Number of shares	Amount Rs.
Balance as at March 31, 2019	745.00	1,490.00	1.00	1.80
Change in equity share capital during the year	-	-	-	-
Balance as at March 31, 2020	745.00	1,490.00	1.00	1.80
Change in equity share capital during the year	-	-	-	-
Balance as at March 31, 2021	745.00	1,490.00	1.00	1.80
Change in equity share capital during the year	-	-	-	-
Balance as at March 31, 2022	745.00	1,490.00	1.00	1.80

b. Other equity	Capital Reserves	Security Premium	Reserves & Surplus	Total
Balance as at March 31, 2019	15.93	1,140.00	(23,100.01)	(21,944.08)
(a) Loss for the year	(2.89)		(963.83)	(966.72)
(b) Adjustment of taxes	0	0	(4.46)	(4.46)
(b) Other Comprehensive income of the year, net of income tax			(27.39)	(27.39)
Total comprehensive income/(loss) for the year	(2.89)		(995.67)	(998.56)
Balance as at March 31, 2020	13.04	1,140.00	(24,095.68)	(22,942.64)
(a) Loss for the year	(2.89)		(802.19)	(805.08)
(b) Other Comprehensive income of the year, net of income tax			(5.65)	(5.65)
- Remeasurement of the defined benefit plans				
Total comprehensive income/(loss) for the year	(2.89)		(807.84)	(810.73)
Balance as at March 31, 2021	10.15	-	(24,903.52)	(23,753.37)
(a) Loss for the year	(0.15)	-	(684.91)	(685.06)
(b) Other Comprehensive income of the year, net of income tax	-	-	8.66	8.66
- Remeasurement of the defined benefit plans				
Total comprehensive income/(loss) for the year	(0.15)		(676.25)	(676.40)
Balance as at March 31, 2022	10.00	-	(25,579.77)	(24,429.77)

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

UDIN 22538844AJWYOW6162
Place : DELHI
Date: MAY 30, 2022

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065



Notes to the financial statements for the year ended March 31, 2022

Note No. 1 - Property, plant and equipment

Description of Assets	Plant & Equipment										(In Lacs)
	Furniture & Fixtures	Vehicles	Office Equipment	Building	Electrical Fittings	Housing Project	Land (freehold)	Land (Leasehold)	Roads	Total	
Cost or deemed cost											
Balance as at March 31 2019	8,285.98	34.05	124.76	32.83	2,846.45	121.23	98.78	266.03	404.06		12,283.19
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31 2020	8,285.98	34.05	124.76	32.83	2,846.45	121.23	98.78	266.03	404.06		12,283.19
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31 2021	8,285.98	34.05	124.76	32.83	2,846.45	121.23	98.78	266.03	404.06		12,283.19
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31 2022	8,285.98	34.05	124.76	32.83	2,846.45	121.23	98.78	266.03	404.06		12,283.19
Accumulated Depreciation and impairment											
Balance as at March 31 2019	2,463.58	15.72	61.16	16.35	349.98	-	-	33.79	178.51		3,119.10
Depreciation / amortisation expense	567.92	4.49	20.38	1.89	118.61	-	-	11.44	58.05		782.78
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-		-
Balance as at March 31 2020	3,031.50	20.21	81.54	18.23	468.60	-	-	45.22	236.56		3,901.88
Depreciation / amortisation expense	483.84	4.27	12.35	0.80	118.49	-	-	11.44	58.05		689.24
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-		-
Balance as at March 31 2021	3,515.35	24.48	93.89	19.03	587.09	-	-	56.66	294.61		4,591.12
Depreciation / amortisation expense	468.73	3.00	9.08	0.50	157.68	-	-	11.00	-		649.97
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-		-
Balance as at March 31 2022	3,984.08	27.48	102.97	19.53	744.77	-	-	67.66	294.61		5,241.10
Net Carrying Amount											
Balance as at March 31 2020	5,254.47	13.84	43.22	14.59	2,377.85	121.23	98.78	220.81	167.49		8,381.31
Balance as at March 31 2021	4,770.63	9.57	30.87	13.79	2,259.36	121.23	98.78	209.37	109.44		7,692.07
Balance as at March 31 2021	4,301.90	6.57	21.79	13.30	2,101.69	121.23	98.78	198.37	109.44		7,042.09



Description of Assets	Computer Software
Gross Carrying Amount	
Balance as at March 31 2020	11.79
Additions	-
Disposals	-
Balance as at March 31 2021	11.79
Accumulated Depreciation and impairment	
Balance as at March 31 2020	11.21
Depreciation / amortisation expense	-
Eliminated on disposal of assets	-
Balance as at March 31 2021	11.21
Net Carrying amount	
Balance as at March 31 2020	0.59
Balance as at March 31 2022	0.59



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

The group includes the following entities:

- M/s SSA International Ltd (along with its wholly owned subsidiary M/s Lina Global INC).
- M/s Arlin Foods Ltd

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation and compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

These financial statements were approved for issue by the Board of Directors on 30th May, 2022.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Lac (INR 00,000), except when otherwise indicated.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Certain financial assets and financial liabilities measured at fair values (as required by the relevant Ind AS)
- ii) Defined benefit and other long term employee benefits have been measured at actuarial valuation as required by relevant Ind As.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

c) Property, Plant and Equipment (PPE)

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing



costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment which are carried at cost are recognized in the Statement of Profit and Loss.

Ind AS 101 permits a first time adopter to elect to continue with the carrying value of all of its property, plant and equipment as recognized in the financial statements as at the date of transition of Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommission liabilities, if any. This exemption can also be used for intangible assets covered by IndAS 28 Intangible asset. The Company has elected to measure all of its property, plant and equipment's and intangible assets at their previous GAAP carrying value.

d) Depreciation:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight line method over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company. Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

S no	Asset Classification	Useful Life
1	Factory Building	30 Years
2	Furniture & Fixture	10 Years
3	Office Equipment	5 Years
4	Vehicles	3 Years
5	Mobile	3 Years
6	Electrical Fittings	10 Years
7	Plant	15 Years

e) Impairment of Tangible and Intangible Assets

No business activity has been carried on by the group during the year and production



facilities has not been used for a long period of time The group is required to determine impairment in respect of fixed assets, However the group has not done impairment testing.

f) **Inventories:**

Inventories are valued as follows:

Raw materials, stores& accessories are valued at lower of cost and net realizable value (NRV). However, these items are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

Finished goods, stock-in-trade are valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on FIFO basis.

g) **Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

h) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount



cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

i) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty/GST.

Revenue from sales is recognized when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery. Revenues from sale of byproducts are included in revenue.

Export benefits are accounted on recognition of export sales.

j) Employee benefits:

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.

However, till last year for defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. The defined benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans.



Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

The Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The company's liability is actuarially determined. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

k) Income Tax:

Income Tax expenses comprise current tax and deferred tax charge or credit. Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized directly in equity or OCI is recognized in equity or OCI and not in the Statement Profit and Loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable. Deferred tax asset if any is created on the temporary difference attributable to Property and Equipments and expense allowable on actual payment basis and in case of accumulated losses and unabsorbed depreciation deferred tax asset is only created to the extent of deferred tax liability, considering the certainty of future profits.

**l) Earnings Per Share:**

The basic Earnings Per Share (“EPS”) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

m) Foreign Currency Transactions:

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined. All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income. The Company has applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

n) Segment reporting

The Company has two reportable segments based on geographic locations India & New York. Segments have been identified as reportable segments by the Company's chief operating decision maker (“CODM”). Segment profit amounts are evaluated regularly by the Board, which has been identified as the CODM, in deciding how to allocate resources and in assessing performance. Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Segment profit (Earnings before interest, depreciation and amortization, and tax) amounts are evaluated regularly by the Board that has been identified as its CODM in deciding how to allocate resources and in assessing performance. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to



operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

However, during the current year the reportable segment did not exceed the quantitative threshold limits as per the applicable accounting standard.

o) Financial Instruments:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments Initial Recognition. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities



Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL: Gains or Losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period.

Trade receivables which are long overdue and not provided for allowance for expected credit loss have not been recognized on these financial assets during the year. 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.

Derecognition of financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

p) Financial Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company



are recognized at the proceeds received.

q) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

r) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.



Note No. 2 - Other financial assets [unsecured and considered good, unless otherwise stated]

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current Investments		
Unquoted Equity Investments	-	-
b) Investment in Express Warehousing Ltd	300.00	300.00
c) Investment in Yogendra Worsted Limited 6,00,000 Equity Shares (Previous year 600,000) of Rs 10/- Each Fully Paid-up.	-	60.00
Total	300.00	360.00
Less: Impairment in Value of Investments		
Express warehousing Ltd	300.00	300.00
Yogendra Worsted Limited	-	60.00
Net Value of Investments	-	-
Trade Receivable		
a) Unsecured, considered good	28,806.76	28,819.80
Less: provision for bad debts	(300.94)	(300.94)
Net Trade Receivable	28,505.83	28,518.86
Trade Receivable Ageing		
Less than 6 months	-	-
6 months-1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	28,505.83	28,518.86
Other Financial Assets	-	-
d) Security Deposits	366.42	366.42
TOTAL [I]	29,173.18	29,186.22
Current		
Financial assets at amortised cost		
a) Interest accrued on bank deposits	3.65	4.91
TOTAL [II]	3.65	4.91
TOTAL [I + II]		

Note No.3- Deffered Tax Asset (net)

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
The balance comprise of temporary difference attributable to property plant and equipment and expenses allowable on actual basis	92.5	92.1



Note No.3A- Other assets [unsecured and good, unless otherwise stated]

Rupees in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
(a) Capital advances	98.17	98.17
(b) Duty paid under protest	118.68	118.68
Total [I]	216.85	216.88
Current		
(a) Prepaid expenses	0.10	0.03
(b) Other advances	228.47	227.38
(c) Balance with Government authorities	51.33	49.07
TOTAL [II]	279.89	277.48
TOTAL [I -II]	496.74	494.33

Note - 4: Inventories [lower of cost and net realisable value]

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Raw materials	-	-
(b) Work-in-progress	-	-
(c) Finished goods & Stock in trade	25.32	25.32
(d) Stores and spares	-	-
(e) Scrap	-	-
Total Inventories at the lower of cost and net realisable value	25.32	25.32

Note No. 5 - Trade receivables

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
(a) Unsecured, considered good	-	9.86
TOTAL	-	9.86

Note - 6 Cash and bank balances

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Cash and cash equivalents:		
a) Cash on hand	1.30	2.44
b) Balance with banks		
(i) In current accounts	55.79	63.82
(ii) In other deposit accounts	0.67	0.64
Total-Cash and cash equivalents [A]	57.76	66.91
2. Other bank balances		
a) Balance with banks		
(i) In other deposit accounts (maturity in excess of 3 Months)	38.31	36.07
Total-Other bank balances [B]	38.31	36.07
TOTAL [A+B]	96.07	102.97



Note - 6A Current Tax Asset (TDS/Advance Tax)

(Rupees in Lacs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Net Current Tax Asset (TDS/Advance Tax)		
Total	-	-

Note No. 7 - Share Capital

(Rupees in Lacs)

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
AUTHORIZED SHARES				
Equity Shares of Rs 2/- Each	800.00	1,600.00	800.00	1,600.00
ISSUED, SUBSCRIBED AND PAID UP SHARES				
Equity Shares of Rs 2/- Each Fully Paid Up	745.00	1,490.00	745.00	1,490.00
FORFEITED SHARES				
Amount Originally Paid up on 1,00,000 Zero Coupon Warrant @ 1.80 per Warrant	1.00	1.80	1.00	1.80
TOTAL	746.00	1,491.80	746.00	1,491.80

(a) Reconciliation of Shares outstanding at the beginning and at the end of the year

(Rupees in Lacs)

Particulars	As at		As at	
	March 31, 2022		March 31, 2021	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
EQUITY SHARES				
At the beginning of the year	745.00	1,490.00	745.00	1,490.00
Issued during the year as fully paid up	-	-	-	-
Outstanding at the end of the year	745.00	1,490.00	745.00	1,490.00

(b) The Company has only one class of equity shares having a par value of ₹ 2/- per share. The equity shareholders of the Company have voting rights and are subject to the preferential rights as prescribed under law, if any. The equity shares are also subject to restriction as prescribed under the Companies Act, 2013. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31st March 2022, no dividend is declared by Board of Directors. (Previous year - Nil)

(c) Shares held by Holding / Ultimate holding company and/or their subsidiaries/associates: Nil (Previous year -Nil)



Note - 9: Non Current Borrowings

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings - at amortised Cost		
(i) Term Loan from Banks	2,633.45	2,633.45
(ii) Vehicle Loans from banks		
Less: Current Maturity of term loans (reflected as other current financial liabilities)		
Less: Term Loans recalled by banks (reflected as other current financial liabilities)	(2,633.45)	(2,633.45)
(i) Unsecured Borrowings from advances & related parties	655.56	652.60
Total Borrowings carried at Amortised Cost	655.56	652.60

(a) Term Loan from Banks

Term loan of Rs.700 Lacs (year end balance Rs. 194.97 lacs) from IDBI Bank Ltd. is secured by first charge on the fixed assets (solvent plant) of the company at Samalkha Unit and further guaranteed by irrevocable and unconditional personal guarantee of Rita Mittal and Naveen Mittal (CMD) & corporate guarantee of Samtex fashions Ltd.	The principle amount is repayable in 20 equal quarterly instalments of Rs.35 Lacs from 01.04.2013 to 01.01.2018. Interest will be payable at BBR plus 350 BPS monthly
Term loan of Rs.750 Lacs (year end balance Rs. 164.02 lacs) from State Bank of India is secured by exclusive charge over assets created for the Co-generation Power Plant at Samalkha and second charge over current assets, both present & future, of the company. Extension of second charge over fixed assets of the company (excluding fixed assets at mandideep industrial area, M.P & assets created for co-generation power Plant at samalkha). Further guaranteed by personal guarantee of Rita Mittal and Naveen Mittal (CMD) and corporate guarantee of Samtex Fashions Limited, Empire Finvest Limited, Gartex Overseas Private Limited and SSR Apparel Private Limited.	The principle amount is repayable in 23 equal quarterly instalments of Rs.31 Lacs and last quarterly instalment of Rs.37 Lacs from 01.04.2013 to 31.03.2019. Interest will be payable 4.00% above base rate at Monthly rests.
Term loan of Rs.780 Lacs(year end balance Rs.350.02 lacs) from State Bank of India is secured by exclusive charge over entire fixed assets created at Rice Mill-2 at Mandideep Plant. Further guaranteed by personal guarantee of Rita Mittal, Vinay Mittal and Naveen Mittal(CMD) and corporate guarantee by Samtex Fashions Ltd.,Empire Finvest Pvt. Ltd.,Gartex Overseas Pvt. Ltd. and SSR Apparel Pvt. Ltd.	The principle amount is repayable in 20 equal quarterly instalments of Rs.39 lacs each beginning from 31.12.2013 to 30.09.2018
Term loan of Rs.480 Lacs(year end balance Rs.210.86 lacs) from State Bank of Travancore is secured by exclusive charge on fixed assets of the proposed solvent extraction plant at Mandideep(excluding land). Further guaranteed by personal guarantee of Rita Mittal and Naveen Mittal (CMD) and corporate gurantee by Samtex Fashions Ltd.	The principle amount is repayable in 25 equal quarterly instalments of Rs.19.20 lacs each beginning from 01.04.2013 to 30.06.2019
Term loan of Rs.2375 Lacs(year end balance Rs. 1713.57 lacs) from IDBI Bank Ltd. is secured by exclusive charge on fixed assets of the proposed Soya Extraction Plant at Mandideep(excluding land). Further guaranteed by personal guarantee of Rita Mittal and Naveen Mittal(CMD) and corporate gurantee by Samtex Fashions Ltd.	The principle amount is repayable in 24 equal quarterly instalments of Rs.98.96 lacs each beginning from 01.10.2014 to 01.07.2020



HDFC Bank Ltd. Car Loan of Rs.3,30,000 (year end balance is . NIL) is secured by hypothecation of Maruti Celerio Car and personal guarantee of directors.	Repayable in 36 equated monthly instalments of Rs.10,602 including interest(@ 9.70 % p.a)from the date of loan (30/10/2015)
HDFC Bank Ltd. Car Loan of Rs.3,70,000 (year end balance is NIL) is secured by hypothecation of Maruti Celerio Car and personal guarantee of directors.	Repayable in 36 equated monthly instalments of Rs.11,887 including interest(@ 9.70 % p.a)from the date of loan (30/10/2015)
Kotak Mahindra Prime Ltd. Audi Car Loan of Rs.40,80,000 (year end balance is Rs. NIL) is secured by hypothecation of Audi Car and personal guarantee of directors.	Repayable in 60 equated monthly instalments of Rs.84,008 including interest(@ 8.90 % p.a)from the date of loan (26/12/2015)

The Company had defaulted in repayment of loans which remained outstanding are as follows

Particular	Amount of default as on 31st march 2021	
	of principal amount (in lacs)	of interest accrued (in lacs)
Term Loan from IDBI Bank	175	20
Term Loan from State Bank of India	164	-
Term Loan from State Bank of India	350	-
Term Loan from State Bank of India (State Bank of Travancore)	211	-
Term Loan from IDBI Bank	1,567	146
Totals	2,467	166

Note - 10: Provisions [Current and Non-current]

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
(a) Provision for employee benefits		
a. Provision for leave encashment	10.70	10.70
b. Provision for gratuity	5.14	5.14
Total [I]	15.84	15.84
Current		
(a) Provision for employee benefits		
a. Provision for leave encashment	-	-
b. Provision for gratuity	-	-
c. Other Provision	-	-
Total [II]	-	-
Total Provisions [I+II]	15.84	15.84



Note - 11: Current Borrowings

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans Repayable on demand		
(ii) Working Capital Facility		
(a) EPC Account	421.34	421.34
(b) OCC Account	55,194.47	55,194.47
Total Borrowings carried at Amortised Cost	55,615.81	55,615.81

(A) Details of security and Guarantee for working capital finance:-

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

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

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

The Compny had defaulted in repayment of loans which remained outstanding are as follows

Particular	Amount of default as on 31st march 2022	
	of principal amount	of interest accrued
	(in lacs)	(in lacs)
Working Capital from Canara Bank	12830	1796
Working Capital from IDBI Bank	4280	593
Working Capital from SBI Bank	34000	2125
Total	51110	4514

(B) Details of short-term borrowings guaranted by some of the directors or others:

Particulars	As At 31st March 2022	As At 31st March 2021
Working Capital Finance	55,614.53	55,615.81
Total	55,614.53	55,615.81

Note - 12: Trade Payables

(Rupees in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	839.41	842.14
Total	849.41	842.14

Trade Payable Ageing	As at March 31, 2022	As at March 31, 2021
Less than 1 Year	11.27	28.92
1-2 Year	14.90	3.48
2-3 Year	1.59	16.78
More than 3 Year	811.66	792.96
Total	839.41	842.14



Note - 13: Other Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
a) Other Payable	0.77	0.72
b) Statutory dues payable	37.49	38.08
Total other liabilities	38.26	38.80

Note - 14: Revenue from operations

(Rupees in Lacs)

Particulars	Year ended 31 March 2022 (Rs)	Year ended 31 March 2021 (Rs)
(a) Sale of products	-	-
(b) Other operating income -Job Work	-	-
Total Revenue from operations	-	-

Note - 15: Other Income

(Rupees in Lacs)

Particulars	Year ended 31 March 2022 (Rs)	Year ended 31 March 2021 (Rs)
(a) Interest income	2.55	9.97
(b) Rent Income	-	-
(c) Other Non operating Income	7.04	3.58
Total other income	9.59	13.55

Note - 16: Cost of material consumed

(Rupees in Lacs)

Particulars	Year ended 31 March 2022 (Rs)	Year ended 31 March 2021 (Rs)
Opening stock	-	-
Add: Purchases	-	-
Less: Closing stock	-	-
Total cost of material consumed	-	-

Note - 17: Changes In Inventories of Stock-In-Trade

(Rupees in Lacs)

Particulars	Year ended 31 March 2022 (Rs)	Year ended 31 March 2021 (Rs)
<u>Inventories at the beginning of the year:</u>		
Finished goods & Stock in trade	25.32	-
	25.32	-
<u>Inventories at the end of the year:</u>		
Finished goods & Stock in trade	25.32	-
	25.32	-
Net (increase) / decrease	-	-



Note - 18: Employee benefit expenses

(Rupees in Lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
SSalaries and wages	14.77	43.05
Contributions to provident fund	0.19	0.71
Contributions to employee state insurance	0.04	0.09
Gratuity expense	-	0.64
Leave Encashment	-	0.11
Staff welfare expenses	-	0.13
Others	4.40	-
Total Employee benefit expenses	19.41	44.73

Note - 19: Finance cost

(Rupees in Lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on:		
(i) Interest on working capital facilities	-	-
(ii) Interest on term loan	-	-
(i) Interest others	0.03	0.02
Bank Charges	0.43	0.21
Total Finance cost	0.46	0.23

Note - 20: Depreciation and amortisation expense

(Rupees in Lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Property, plant and equipment	649.97	689.24
Total Depreciation	649.97	689.24



Note - 21: Other expenses

(Rupees in Lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of Stores and Spares :-	-	-
Power and Fuel	0.24	7.72
Freight Inwards	-	-
Material Handling Charges	-	-
Repair and Maintenance(Machinery)	-	-
Repair & Maintenance(Building)	-	-
Repair and Maintenance(Electricals)	-	-
Processing and finishing Expenses	-	-
Auditor's Remuneration	2.30	6.30
Travelling and Conveyance Expenses	0.38	1.51
Rent Expenses	11.35	9.84
Legal and Professional Charges	4.35	20.00
Insurance Expenses	0.14	0.10
Rates and Taxes	3.53	7.22
Printing and Stationary Expenses	0.01	0.05
Interest on TDS	-	-
Postage, Telegram and Telephone Expenses	0.24	1.04
General Expenses	1.56	2.65
Compliance Audit Fees	-	-
Charity and Donation	-	-
Repair and Maintenance- Vehicle	-	0.13
Loss on sales of Fixed Assets	-	-
ITC Disallowed(Sales Tax)	-	25.52
Selling and Distribution Expenses :-		
Rebate and Discount	-	-
Advertisement Expenses	0.97	1.15
Total Other Expenses	25.08	83.23

Note 22. Categories of Financial Instruments

(Rupees in Lacs)

PARTICULARS	As at March 31, 2022 Rs in Lacs)	As at March 31, 2021 (Rs in Lacs)	As at March 31, 2020 (Rs in Lacs)
Financial assets Measured at Amortised cost			
a) Trade Receivables	28,505.83	28,528.73	28,549.17
b) Loans	366.42	366.42	366.42
c) Cash & Cash Equivalents	57.76	66.91	65.50
d) Other Bank Balances	38.31	36.07	35.71
e) Other Financial Assets	3.65	4.91	4.16
Total Financial assets	28,971.97	29,003.02	29,020.96
Financial liabilities Measured at Amortised cost			
a) Borrowings	56,270.09	56,268.41	56,270.67
b) Trade Payables	839.41	842.14	834.93
c) Other Financial Borrowings	2,633.45	2,633.45	2,633.45
Total Financial liabilities	59,742.95	59,744.00	59,739.05



Financial Assets as at Fair Value	(Rs in Lacs)	(Rs in Lacs)	(Rs in Lacs)
a) Investments	-	-	-

Note 23 - CONTINGENT LIABILITIES

- (a) No provision has been made in the books of accounts by the holding company for a sum of Rs.59.02 lacs, Rs. 60.66 lacs Rs.5.80 lacs & Rs.40.80 lacs for which the demand has been raised by the Income Tax Department for the A.Y. 2000-01, A.Y. 2001-02, A.Y.2003-04 & A.Y.2007-08, respectively. Appeal before High Court for A.Y. 2000-01 & 2001-02 have been dismissed, hence, the company is in the process of filing Special Leave Petition (SLP) before Supreme Court. The liabilities for A.Y. 2003-04 & A.Y. 2007-08 stands before the Appellate Authority. No provision has been made by the company for a sum of Rs 210 lacs for which demand has been raised by the income tax department for the A.Y 2010-11 against the wholly owned subsidiary M/s SSA International Ltd, the company is process of filling an appeal before the Delhi High Court.
- (b) **Guarantees** :-The holding company has guaranteed a sum of Rs. 80,746 Lacs (Previous Year Rs. 80,746 Lacs) against secured Loans taken by SSA International Ltd. from financial institutions; these are wholly owned subsidiaries of the Company. The accounts of M/s SSA International Ltd has been classified as Non Performing Assets by the banks during earleir years and The Susidiary compnay M/s SSA International Ltd as well hoding company M/s Samatex Fashions Ltd has received notice under SARFAESI Act.

Particulars	As at 31-03-2022	As at 31-03-2021	As at 31-03-2020
	(Rs in Lacs)	Rs in Lacs)	((Rs in Lacs)
Bank Guarantees issued & outstanding (SSA International LTD)	60.02	60.02	60.02
Entry Tax (SSA International LTD)	41.57	41.57	41.57
Income Tax Penalty A.Y 2010-11	210.00	210.00	210.00
Income Tax A.Y 2011-12 (SSA International LTD)	7.45	7.45	7.45
Income Tax A.Y 2011-12 (SSA International LTD)	8.80	8.80	8.80

The subsidiary compnay M/s SSA international Ltd had filed litigations with the Customs, Excise, Service Tax Apellate Tribunal and had already deposited duties under protest, where as the litigations have been decided in the favour of the compnay and refund of the duties already deposited received.

b) Commitments:

(Rupees in Lacs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Estimated amount of unexecuted Capital Contracts* (net of advances & deposits) (SSA International Ltd)	226.55	226.55	226.55

*M/s SSAInternational Ltd has booked a house at Noor us Sabah Residency, at Bhopal, cost of the house is Rs. 301,24,400, which is payable as per construction link plan.

Note 24 RELATED PARTY DISCLOSURES

I. Related Parties with Whom Transactions have been Taken Place and Relationships.

Name of Related Parties	Relationship
Gartex Overseas Pvt Ltd	Key personnels are related to management of related party
SSR Apparels Pvt Ltd	Key personnels are related to management of related party



Express Warehousing LTD
 Bloomingdale Vendors Pvt Ltd
 Atul Mittal
 SURENDRA KUMAR GUPTA
 RAMAN OHRI

Key personnels are related to management of related party
 Key personnels are related to management of related party
 Director
 Independent Director
 Independent Director

II. Related Parties with Whom Transactions have been Taken Place and Nature of Transactions

Particulars	Year ended 31 March 2022 (Rs. in Lacs)	Year ended 31 March 2021 (Rs. in Lacs)	Year ended 31 March 2020 (Rs. in Lacs)
Transactions with Gartex Overseas Pvt Ltd			
Lease Rent			
Opening Balance	0.45	0.45	0.30
Paid during the year			
Payable for the year			0.15
Closing balance	0.45	0.45	0.45
Transactions with SSR Apparels Pvt Ltd			
Lease Rent			
Opening Balance	0.15	0.15	0.30
Paid during the year			0.30
Payable for the year			0.15
Closing balance	0.15	0.15	0.15
Transactions with Express Warehousing Ltd			
Rent Expenses Payable			
Opening Balance	1.02	1.02	1.02
Paid during the year			
Receipt during the year			
Payable for the year			
Closing balance	1.02	1.02	1.02
Security Deposits			
Opening Balance	325	325.00	325.00
Net security paid during the year			
Closing balance	325	325.00	325.00
Investment			
Opening Balance			
Investment made during earlier years	300	300.00	300.00
Impairment made in earlier years	300	300.00	300.00
Closing balance			-
Transactions with Bloomingdale Vendors Pvt Ltd			
Receivables			
Opening Balance	9.86	24.50	58.66
Amount Received during the year	6.6	14.66	39.72
Amount Paid during the year		0.02	6.83
Expenses directly incurred			1.26
Closing Balance	3.26	9.86	24.50



Loan & Advances			
Opening Balance		-	-
Amount paid During the Year		5.80	-
Amount Received during the year		5.80	-
Closing Balance		-	-
Transactions with Atul Mittal			
Borrowings			
Opening Balance	284.8	284.80	282.55
Amount Received during the year			2.50
Amount Paid during the year		0.25	
Closing Balance	284.8	284.80	284.80

Note 25 - EARNINGS PER EQUITY SHARE

Particulars	As at 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2020
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Earning Per Equity Share			
Net Profit after tax	-676.25	-807.84	-991.21
Equity Shares outstanding	745.00	745.00	745.00
Weighted Average Equity Shares	745.00	745.00	745.00
Nominal Value of Equity Share	2.00	2.00	2.00
Basic Earnings per Share	-0.91	-1.08	-1.33
Diluted Earnings per Share	-0.91	-1.08	-1.33

Note 26 - PAYMENTS TO AUDITOR

Particulars	As at 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2020
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
(a) Statutory Audit Fee	2.3	4.30	4.30
(b) Other Services			
(i) For certification			-
(ii) For Income Tax		2.00	2.00
	2.3	6.30	6.30

Note 27 - TRANSACTION WITH MICRO, SMALL AND MEDIUM ENTERPRISES

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

Note 28 - OTHERS

- (i) Confirmation of balances of trade debtors, loans and advances, trade payables, security deposits, balances with government authorities have not been provided to us, we are unable to comment on the possible impact, if any, arising out of the said matters.
- (ii) Investment of Rs 3720 Lakh in SSA International Limited & Rs 60 Lakh in Yogendra Worsted Limited, for which provision for diminution in value of Investment has been booked during the earlier year, as the company has incurred heavy losses in FY 2017-18 due to which networth of the company has been eroded.
- (iii) Investment of Rs 300 Lakh in Express Warehousing Limited made by M/s SSA International Ltd for which



provision for diminution in value of Investment has been booked during the year and in earlier year, as the company has incurred heavy losses .

- (iv) The wholly owned Subsidiary of the company, namely, M/S SSA International Ltd has been declared Non Performing Assets (NPAs) 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.
- (v) Confirmations from certain banks in respect of bank balances and FDR's have not been received from the banks . The account balances and the interest and other charges have been accounted on the basis of information available with the Company and the provisions of various sanction letters/agreements available.

Note 29 - PREVIOUS YEAR FIGURES

The Company has regrouped/reclassified the previous year figures to make them comparable with current year figures.

Note-30. Additional disclosures/regulatory information as required by Schedule III to the Companies Act, 2013

a) Details of benami property held

No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

b) Compliance with number of layers of companies

The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

c) Compliance with approved Scheme(s) of Arrangements

There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

d) Undisclosed income

There is no income surrendered or disclosed as income during the current or preceding year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), that has not been recorded in the books of account.

e) Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in crypto currency or virtual currency during the financial year.

f) Utilisation of Borrowed funds and share premium

Not Applicable

g) In case of borrowings from banks

i) Utilisation of borrowed funds

At the balance sheet date, the Group has used the borrowings from banks for the specific purpose for which it was taken.

ii) Security of current assets against borrowings

The Group was availing borrowing from banking institutions against security of its current assets ,however accounts of the company was classified as non performing assets by the consortium banks during FY 2016-17 and therefore the company has stopped filing quarterly returns or statements of current assets with the banks/financial institutions.



iii) Wilful defaulter

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 Fashions 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.

iv) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction of charges that are yet to be registered with Registrar of Companies beyond the statutory period.

h) Relationship with Struck off Companies

The Group does not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of companies Act,1956 during the Financial Year.

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period
Current Ratio	Current Assets	Current Liabilities	0.01	0.01
Debt Equity Ratio	Debt Capital (Current and previous year is NIL,therefore the ratio is not calculated)	Shareholder's Equity	-	-
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Current and previous year is NIL,therefore the ratio is not calculated)	-	-
Return on Equity Ratio	Profit for the year (Current and previous year is NIL,therefore the ratio is not calculated)	Shareholder's Equity	-	-



Inventory Turnover Ratio	COGS(Current and previous year is NIL,therefore the ratio is not calculated)	Average Inventory	-	-
Trade Receivables turnover ratio	Net Sales(Current and previous year is NIL,therefore the ratio is not calculated)	Average trade receivables	-	-
Trade payables turnover ratio	Total Purchases (Current and previous year is NIL,therefore the ratio is not calculated)	Closing Trade Payables	-	-
Net capital turnover ratio	Sales(Current and previous year is NIL,therefore the ratio is not calculated)	Working capital (CA-CL)	-	-
Net profit ratio	Net Profit	Sales(Current and previous year is NIL,therefore the ratio is not calculated)	-	-
Return on Capital employed	Earnings before interest and tax(Current and previous year is NIL,therefore the ratio is not calculated)	Capital Employed	-	-
Return on investment	Net Profit	Investment	-	-

In terms of our report attached.

For KAPIL KUMAR & CO
Chartered Accountants
FRN NO 006241N

Sd/-
(MOHIT KAKKAR)
Partner
(M.NO: 538844)

For and on behalf of the Board of Directors
SAMTEX FASHIONS LTD

Sd/-
ATUL MITTAL
(Chairman & Managing Director & CFO)
DIN-00223366

Sd/-
SURENDRA KUMAR GUPTA
(Director)
DIN-00223035

Place : DELHI
Date : MAY 30 2022
UDIN: 21538844AAAAE14909

Sd/-
ANUSHIKA MISHRA
(Company Secretary)
M NO-ACS 59065

Book Post/Registered/Courier

If undelivered, please return to :



SAMTEX FASHIONS LIMITED

Corporate Office: Unit No. 137, DLF Prime Tower,
F-Block, Okhla, Phase-I, New Delhi -110020