



**FASHIONS LIMITED**

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Date: 13.02.2023

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

**SUBJECT: Outcome of Board Meeting held on Monday 13<sup>th</sup> February, 2023 and Unaudited Financial Results (Standalone & Consolidated) for the 3<sup>rd</sup> Quarter and Nine Months ended 31<sup>st</sup> December, 2022 pursuant to regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir,


Pursuant to provisions of Regulation 30 and 33 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, We would like to inform you that in the Meeting held today, Monday, 13<sup>th</sup> February 2023 have inter-alia considered, approved and taken on record the Unaudited Financial Results- Standalone and Consolidated of Samtex Fashions Limited for the Third quarter and nine months ended 31<sup>st</sup> December, 2022 duly reviewed and recommended by the Audit Committee along with Auditor's Review Report.

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

It is further informed that the Meeting of the Board of Directors commenced at 4:00 P.M and concluded at...~~4~~:30 P.M.

Kindly take note the same on your records.  
Thanking You,

For SAMTEX FASHIONS LIMITED

  
Atul Mittal  
Chairman & Managing Director  
(DIN-00229366)  
Encl: as above

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



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CIN: L17112UP1993PLC022479 Email: samtex.compliance@gmail.com, Website: samtexfashions.com						
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2022						
(Rs. In Lakhs, except per share data)						
PART-I	Particulars	Standalone				
		Quarter Ended		Nine Months Ended		Year Ended
		Unaudited 31.12.2022	Unaudited 30.09.2022	Unaudited 31.12.2021	Unaudited 31.12.2022	Unaudited 31.12.2021
	<b>Income</b>					
I	Revenue From Operations	0	0	0	0	0
II	Other income	0	0.07	0.14	0.07	0.14
III	<b>Total Income (I+II)</b>	0	0.07	0.14	0.07	0.14
IV	<b>Expenses</b>					
	(a) Cost of materials consumed	0	0	0	0	0
	(b) Purchase of Stock-in-trade	0	0	0	0	0
	(c) Changes in inventories of finished goods, work in progress and stock in trade	0	0	0	0	0
	(d) Employee benefits expense	2.05	2.05	1.8	6.15	5.44
	(e) Finance Cost	0	0.01	0.03	0.03	0.15
	(f) Depreciation and amortisation Expenses	13.04	13.04	13.31	39.12	39.94
	(g) Other Expenses	4.98	3.31	2.95	14.06	11.80
	<b>Total Expenses</b>	<b>20.07</b>	<b>18.41</b>	<b>18.09</b>	<b>59.36</b>	<b>57.33</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>	<b>(20.07)</b>	<b>(18.34)</b>	<b>(17.95)</b>	<b>(59.29)</b>	<b>(57.19)</b>
VI	Exceptional items	0	0	0	0	0
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>(20.07)</b>	<b>(18.34)</b>	<b>(17.95)</b>	<b>(59.29)</b>	<b>(57.19)</b>
	<b>Tax Expenses</b>					
	Current Tax	0	0	0	0	0
	Deferred Tax	0	0	0	0	0
VIII	<b>Total Tax Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
IX	<b>Profit/(Loss) for the Period (VII-VIII)</b>	<b>(20.07)</b>	<b>(18.34)</b>	<b>(17.95)</b>	<b>(59.29)</b>	<b>(57.19)</b>
	<b>Other Comprehensive income, net of income tax</b>					
	(i) (a) Items that will not be re-classified to the profit or loss	0	0.10	(0.01)	0.2	(0.04)
	(b) Income Tax relating to items that will not be re-classified to profit or loss	0	0	0	0	0
	(ii) (a) Items that will be re-classified to the profit or loss	0	0	0	0	0
	(b) Income tax relating to items that will be re-classified to the profit or loss	0	0	0	0	0
X	<b>Total Other comprehensive income, net of income tax</b>	<b>0</b>	<b>0.10</b>	<b>(0.01)</b>	<b>0.20</b>	<b>(0.04)</b>
XI	<b>Total Comprehensive income for the period (IX+X)</b>	<b>(20.07)</b>	<b>(18.24)</b>	<b>(17.96)</b>	<b>(59.09)</b>	<b>(57.15)</b>
XII	<b>Paid-up equity share capital</b>	<b>1490.00</b>	<b>1490.00</b>	<b>1490.00</b>	<b>1490.00</b>	<b>1490.00</b>
XIII	<b>Face value per Equity Share</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
XIV	<b>Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>					<b>(1,400.60)</b>
XV	<b>Earning per share</b>					
	(a) Basic	(0.03)	(0.02)	(0.02)	(0.03)	(0.03)
	(b) Diluted	(0.03)	(0.02)	(0.02)	(0.03)	(0.03)

**Notes:**

- The aforesaid results have been duly reviewed by Audit Committee and thereafter approved and taken on record in the meeting of the Board Of Directors of the Company held on 13.02.2022. The Statutory Auditors of the Company have conducted a "Limited Review" of the above financial results for the quarter ended 31st December, 2022.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- Originally the Plant of the Company setup at NSEZ, Noida which was later on shifted outside NSEZ during the FY- 2017-18 and in March 2019 the Company further changed the business premises to Plot No. 163, Udyog Vihar, Greater Noida, UP-201308 since then no manufacturing activities has 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, However no manufacturing activity has been carried on till date.
- The figures of the last periods have been regrouped, wherever necessary, to confirm to the current quarter's.

For and on behalf of the Board of Samtex Fashions Limited

Place: New Delhi  
Date: 13.02.2023

Atul Singh  
Chairman & Managing Director  
DIN: 00223232



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



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SAMTEX FASHIONS LIMITED							
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CIN: L17112UP1993PLC022479 Email: samtex.compliance@gmail.com, Website: samtexfashions.com							
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2022							
PART-I	Particulars	Standalone					
		Quarter Ended			Nine Months Ended		Year Ended
		Unaudited 31.12.2022	Unaudited 30.09.2022	Unaudited 31.12.2021	Unaudited 31.12.2022	Unaudited 31.12.2021	Audited 31.03.2022
<b>Income</b>							
I	Revenue From Operations	0	0	0	0	0	
II	Other income	0.66	0	8.43	1.10	8.47	
III	<b>Total Income (I+II)</b>	<b>0.66</b>	<b>0</b>	<b>8.43</b>	<b>1.10</b>	<b>8.47</b>	
<b>IV Expenses</b>							
	(a) Cost of materials consumed	0	0	0	0	0	
	(b) Purchase of Stock-in-trade	0	0	0	0	0	
	(c) Changes in Inventories of finished goods, work in progress and stock in trade	0	0	0	0	0	
	(d) Employee benefits expense	3.05	3.07	4.53	9.17	15.37	
	(e) Finance Cost	0	0.02	0.19	0.04	0.36	
	(f) Depreciation and amortisation Expenses	162.49	162.5	172.31	487.48	516.93	
	(g) Other Expenses	6.69	4.85	4.70	19.03	16.94	
	<b>Total Expenses</b>	<b>172.23</b>	<b>170.44</b>	<b>181.73</b>	<b>515.72</b>	<b>549.60</b>	
V	<b>Profit/(Loss) before exceptional item and tax (III-IV)</b>	<b>(171.57)</b>	<b>(170.44)</b>	<b>(173.28)</b>	<b>(514.62)</b>	<b>(685.33)</b>	
VI	Exceptional items	0	0	0	0	0	
VII	<b>Profit/(Loss) before tax (V-VI)</b>	<b>(171.57)</b>	<b>(170.44)</b>	<b>(173.28)</b>	<b>(514.62)</b>	<b>(685.33)</b>	
<b>Tax Expenses</b>							
	Current Tax	0	0	0	0	0	
	Deferred Tax	0	0	0	0	(0.42)	
VIII	<b>Total Tax Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0.42)</b>	
IX	<b>Profit/(Loss) for the Period (VII-VIII)</b>	<b>(171.57)</b>	<b>(170.44)</b>	<b>(173.28)</b>	<b>(514.62)</b>	<b>(684.91)</b>	
<b>Other Comprehensive income, net of income tax</b>							
	(i) (a) Items that will not be re-classified to the profit or loss	6.02	12.16	(1.59)	33.64	(1.71)	
	(b) Income Tax relating to items that will not be re-classified to profit or loss						
	(ii) (a) Items that will be re-classified to the profit or loss	0	0	0	0	0	
	(b) Income tax relating to items that will be re-classified to the profit or loss	0	0	0	0	0	
X	<b>Total Other comprehensive income, net of income tax</b>	<b>6.02</b>	<b>12.16</b>	<b>(1.59)</b>	<b>33.64</b>	<b>(1.71)</b>	
XI	<b>Total Comprehensive income for the period (IX+X)</b>	<b>(177.59)</b>	<b>(158.28)</b>	<b>(171.69)</b>	<b>(480.98)</b>	<b>(676.25)</b>	
XII	Paid-up equity share capital	1490.00	1490.00	1490.00	1490.00	1490.00	
XIII	Face value per Equity Share	2.00	2.00	2.00	2.00	2.00	
XIV	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					(24,429.77)	
<b>XV Earning per share</b>							
	(a) Basic	(0.24)	(0.21)	(0.23)	(0.65)	(0.91)	
	(b) Diluted	(0.24)	(0.21)	(0.23)	(0.65)	(0.91)	

**Notes:**

- The aforesaid consolidated results have been duly reviewed by Audit Committee and thereafter approved and taken on record in the meeting of the Board Of Directors of the Company held on 13.02.2023. The Statutory Auditors of the Company have conducted a "Limited Review" of the above financial results for the quarter ended 31st December, 2022.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- Originally the Plant of the Company setup at NSEZ, Noida which was later on shifted outside NSEZ during the FY- 2017-18 and in March 2019 the Company further changed the business premises to Plot No. 163, Udyog Vihar, Greater Noida, UP-201308 since then no manufacturing activities has 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, However no manufacturing activity has been carried on till date.
- The figures of the last periods have been regrouped, wherever necessary, to confirm to the current quarter's.

Place: New Delhi  
Date: 13.02.2023

For and on behalf of the Board of Samtex Fashions Limited

Atul Mittal  
Chairman & Managing Director  
DIN: 00233366

Regd. Office & Works: Khasra No 62, D 1/3 Industrial Area, Rajarampur, Sikandrabad, Bulandshahr UP 203205 IN  
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**MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO)**  
**CERTIFICATION**

To,

The Board of Directors,  
Samtex Fashions Limited.

I the undersigned, in my capacities as Managing Director and Chief Financial Officer of Samtex Fashions Limited and pursuant to the provisions of the Regulation 33 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 &, to the best of my knowledge and belief, certify that:

- The Standalone Unaudited (Provisional) Financial Results for the third quarter ended 31.12.2022 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- The Consolidated Unaudited (Provisional) Financial Results for the third quarter ended 31.12.2022 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.



Managing Director & CFO  
(DIN: 00223366)

Date: 13.02.2023  
Place: New Delhi

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Delhi Office: Unit No. 137, DLF Prime Tower, F Block, Okhla Phase-1, New Delhi- 110020, Telephone No. 011-49025972  
CIN : L17112UP1993PLC022479, E-mail id : [samtex.compliance@gmail.com](mailto:samtex.compliance@gmail.com), Website- [www.samtexfashions.com](http://www.samtexfashions.com)

# KAPIL KUMAR & CO.

CHARTERED ACCOUNTANTS

KAPIL KUMAR  
B.COM, F.C.A

CHIRAG AGGARWAL  
B.COM(H)A.C.A

## INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

### Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of

#### **Samtex Fashions Limited**

We have reviewed the accompanying statement of unaudited Standalone Financial Results of SAMTEX FASHIONS LIMITED ("the company") for the quarter ended on December 31st, 2022('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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B.COM(H)A.C.A

## Basis of Qualified Conclusion:

- 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, Udyog Vihar, 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 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.
- 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 outstanding as on 31/12/2022 which are long overdue and not provided for. Allowance for expected credit loss have not been recognized on these financial assets. The company has neither carried out impairment exercises of Trade Receivables nor provided for the same and recognized the same as non-current assets since long outstanding. In the absence of recovery and confirmation from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable.
- iii. The company has not followed the treatment for recognition and re measurement of employee benefit costs as detailed in the Ind As 19.

## Qualified Conclusion

Based on our review conducted as stated above, except(for the effects of matters described in the 'Basis of Qualified conclusionparagraph above) nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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## Emphasis of matter

- i. The company had already given a corporate guarantee for an amount of Rs 807.46 crores against secured loans taken by its wholly owned subsidiary, namely M/s SSA International Limited, which has been classified as nonperforming assets by the banks. The company has also received the notice u/s 13(2) of the SARFAESI Act 2002 from consortium of banks for revocation of its corporate guarantee. The company has also received a notice from IDBI Bank Ltd as to why the company along with its subsidiary SSA International Ltd (Main Borrower) and others should not be declared as wilful defaulters. The consortium bankers have filed a petition against the holding company and its subsidiary M/s SSA International Limited regarding recovery of the outstanding dues, before the Debt Restructuring Tribunal-II, Delhi, and the company has received an intimation vide O.A 530/18 dated 24/05/2018. Further, IDBI Bank has declared the main borrower (M/s SSA International Ltd), its directors and Guarantors (including M/s Samtex Fashions Ltd) as willful defaulters in terms with RBI Guidelines. The updated details of proceedings against the company and its subsidiary M/s SSA International Ltd has not been made available, in absence of such details we are unable to comment on the possible impact, it any, arising out of the said matters.
- ii. We have not been provided with sufficient, appropriate audit evidence relating to physical verification/ availability of fixed assets and inventory. Pending completion of such verification, we are unable to comment on the possible impact, it any, arising out of the said matters.
- iii. The company had given loans and advances as on 31.12.2022 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. The inventories as on 31.12.2022 have not been used for a long period of time, as no business activity has been taken out during the year and during earlier years, and the company has not provided 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 Dec 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. Further the company has not recognized fresh asset/liability during the quarter ended 31.12.2022.
- vi. Confirmation of balances are not available for loans and advances, trade payables, security deposits, balances with government authorities, bank balances, FDR's along with interest thereon and bank loans as at December 31, 2022, we are unable to comment on the possible impact, it any, arising out of the said matters.

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- vii. We have not been provided with sufficient, appropriate audit evidence relating to classification of trade payable dues to MSME and trade payable dues other than MSME. Pending completion of such verification/ reconciliation, we are unable to comment on the possible impact, if any, arising out of the said matters.
- viii. 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.
- ix. 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.

**FOR KAPIL KUMAR & CO**

**CHARTERED ACCOUNTANTS**

**FIRM REGISTRATION NO: 006241N**

**MOHIT KAKKAR**

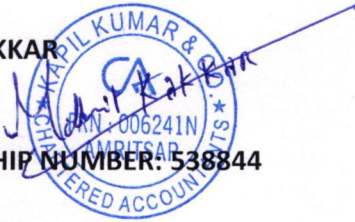
**(PARTNER)**

**MEMBERSHIP NUMBER: 538844**

**New Delhi**

**13<sup>TH</sup> February 2023**

**UDIN: 23538844BGVQSM3739**





# KAPIL KUMAR & CO.

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KAPIL KUMAR  
B.COM, F.C.A

CHIRAG AGGARWAL  
B.COM(H)A.C.A

## INDEPENDENT AUDITORS' LIMITED REVIEW REPORT

### Auditor's Report On consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of

#### **Samtex Fashions limited**

We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **M/s Samtex Fashions Ltd** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates and joint ventures for the quarter ended December 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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# KAPIL KUMAR & CO.

CHARTERED ACCOUNTANTS

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B.COM(H)A.C.A

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the results of the following entities:

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

Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention (other than basis of qualified conclusion and emphasis of matter mentioned below) that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

## **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 December, 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.

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## Basis of Qualified Conclusion

- i. The wholly owned subsidiary M/s SSA International Ltd has defaulted in repayment obligations towards banking institutions.. As per the explanation and information furnished to us, the management was not in position to estimate or calculate the interest payable on debts due to bankers as since past many years they have not received any account statement or other relevant documentation from the bankers. Moreover the subsidiary company (M/s SSA International Ltd is of the opinion as per the Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, The policy of income recognition has to be objective and based on the record of recovery. Internationally income from non-performing assets (NPA) is not recognized on accrual basis but is booked as income only when it is actually received. Therefore, the banks should not charge and take to income account interest on any NPA. On an account turning NPA, banks should reverse the interest already charged and not collected by debiting Profit and Loss account, and stop further application of interest. Correspondingly the company has not recognized the interest expenses. However the non-recognition of interest expenses is not in accordance with Ind AS on borrowing costs requirement. In absence of information, we are not able to comment upon impact, if any. However, following the RBI Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, the company has not made provision for interest on debts due to bankers after adjudication by DRT.
- ii. The wholly owned subsidiary M/s SSA international Ltd had received notice of sale of assets situated at Samalkha, District, Panipat Haryana from IDBI Bank and further the company has informed that it has come to their knowledge through newspaper advertisement that the consortium member banks have executed auction of its assets at Samalkha plant. However, in absence of any information regarding the sale of assets i.e. detail of assets sold by bank, value at which the said sale transaction has been undertaken, bank wise utilization of amount received against said sale, the company has not taken into consideration the said transaction while preparing its financial results as on 31.12.2022 and had the company recorded the said transaction the value of property plant and equipment along with depreciation charged would not have been charged and instead profit and loss on disposal of fixed asset needs to provided for 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 results. We are unable to comment on the consequential impact of adjustment arising there from in the results, if any, is not ascertainable.

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- iii. Originally the plant of the holding company was setup at NSEZ, Noida which was later on shifted outside NSEZ during the FY 2017-18 and in march 2019 the company further changed its business premises to Plot no 163, Udyog Vihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. As per the information furnished to us the company has further entered into a rent agreement in the month of January 2021 to shift its business premises to D1/3, Industrial Area, Vill-Rajarampur, Sikandrabad, Bulandshahar UP-203205 however till date the company is unable to shift its assets and business operations to new premises. We have not been provided with the copy of rent agreement to verify the term & conditions mentioned there in the group is required to determine impairment in respect of fixed assets, However the group has not done impairment testing. In the absence of any working for impairment of the fixed assets as per Ind AS 36, the impact of impairment, if any on the financial statements is not ascertainable. The wholly owned subsidiary M/s Arlin Foods Ltd has not charged any depreciation on its property, plant and equipment. The depreciation has been recognized based on of useful life and residual value estimated by the management, the estimates have been relied upon by us.
- iv. 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. 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.
- v. 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 outstanding as on 31.12.2022 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.
- vi. The group has not followed the treatment for recognition and re-measurement of employee benefit costs as detailed in the Ind As 19

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## Qualified Conclusion

Based on our review conducted as stated above, except (for the effects of matters described in the 'Basis of Qualified conclusion paragraph above) nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

## 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 holding company has also received a notice from IDBI Bank Ltd as to why the company along with its subsidiary SSA International Ltd ( Main Borrower) and others should not be declared as wilful defaulters. 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. 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.

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- iii. Confirmation of balances are not available for loans, trade payables, security deposits, balances with government authorities, bank balances, FDR's along with interest thereon and bank borrowings as at December, 2022. That is why the transactions (if any) made by the banks in the accounts of the company could not be reconciled in the absence of information bank account statements of these accounts. Moreover, there are several bank current accounts having balances amounting to Rs 51.54 lacs as on 31.12.2022 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 31.12.2022, 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/ availability of fixed assets and inventory. Pending completion of such verification we are unable to comment on the possible impact, it any, arising out of the said matters.
- vi. As of 31st December 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 has not provided 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 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.

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- ix. The Company has balance of recognized Deferred Tax Asset as on 31.12.2022 amounting Rs 92.11 lacs, 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. Further the company has not recognized fresh Asset/Liability during the quarter ended 31.12.2022.
- x. 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.

## Other Matter

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 financial statements/ financial information for the quarter ended December 2022 have not been reviewed by their auditors and have been furnished to us by the Management and our report on the results, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on such unreviewed results.

FOR KAPIL KUMAR & CO

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO: 006241N

MOHIT KAKKAR

(PARTNER)

MEMBERSHIP NUMBER: 538844

New Delhi

13<sup>TH</sup> February 2023

UDIN: 23538844BGVQSN7282

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