



FASHIONS LIMITED
A Govt. Recognised Export House

Men's fashion technology

Date: 13.08.2021

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 Friday 13th August 2021 and Un-Audited Financial Results (Standalone & Consolidated) for the 1st quarter ended 30th June, 2021 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, Friday 13th August 2021 have inter-alia considered, approved and taken on record the Quarterly Unaudited Financial Results- Standalone and Consolidated of Samtex Fashions Limited for the quarter ended 30th June, 2021 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 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



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
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SAMTEX FASHIONS LIMITED				
Regd. Office & Works: Khasra No 62, D 1/3 Industrial Area, Rajarampur, Sikandrabad, Bulandshahr UP 203205 IN				
CIN: L17112UP1993PLC022479 Email: samtex.compliance@gmail.com, Website: samtexfashions.com				
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021				
PART-I		(Rs. In Lakhs, except per share data)		
Particulars		Three Months Ended		Year Ended
		Unaudited	Unaudited	Audited
		30.06.2021	30.06.2020	31.03.2021
				31.03.2021
1	Income	0	0	0
	Revenue From Operations	0	0	0.51
	Other income	0	0	0.51
	Total Income	0	0	0.51
2	Expenses	0	0	0
	(a) Cost of materials consumed	0	0	0
	(b) Purchase of Stock-in-trade	0	0	0
	(c) Changes in Inventories of finished goods, work in progress and stock in trade	0	0	0
	(d) Employee benefits expense	1.8	0.84	1.81
	(e) Finance Cost	0.05	0	0.08
	(f) Depreciation and amortisation Expenses	13.31	13.46	12.87
	(g) Other Expenses	4.38	4.96	8.21
	Total Expenses	19.54	19.26	22.97
3	Profit/(Loss) before exceptional item and tax	(19.54)	(19.26)	(22.46)
4	Exceptional items	0	0	0
5	Profit/(Loss) before tax	(19.54)	(19.26)	(22.46)
6	Tax Expenses	0	0	0
	Current Tax	0	0	0
	Deferred Tax	0	(1.68)	0
7	Total Tax Expenses	0	(1.68)	0
8	Other Comprehensive income, net of income tax	(0.0389)		
	(i) (a) Items that will not be re-classified to the profit or loss	0		
	(b) Income Tax relating to items that will not be re-classified to profit or loss	0	0	0.06
	(ii) (a) Items that will be re-classified to the profit or loss		(0.12)	0
	(b) Income tax relating to items that will be re-classified to the profit or loss	0	0	0
	Total Other comprehensive income, net of income tax	(0.04)	(0.12)	0
	Total Comprehensive income for the period	(19.58)	(17.70)	(22.46)
9	Paid-up equity share capital	1490.00	1490.00	1490.00
	Face value per Equity Share	2.00	2.00	2.00
	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year			(1,325.44)
10	Earning per share			
	(a) Basic	(0.03)	(0.02)	(0.03)
	(b) Diluted	(0.03)	(0.02)	(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 13.08.2021. The Statutory Auditors of the Company have conducted a "Limited Review" of the above financial results for the quarter ended 30th June, 2021.
- 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: 13.08.2021

Atul Mittal
Chairman & Managing Director
Date: 13.08.2021

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
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CIN: L17112UP1993PLC022479 Email: samtex.compliance@gmail.com, Website: samtexfashions.com				
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2021				
(Rs. In Lakhs, except per share data)				
PART-I	Consolidated			
Particulars	Three Months Ended			Year Ended
	Unaudited 30.06.2021	Unaudited 30.06.2020	Audited 31.03.2021	Audited 31.03.2021
1 Income	0	0	0	0
Revenue From Operations	0	2.4	6.46	13.55
Other income	0	2.4	6.46	13.55
Total Income	0	2.4	6.46	13.55
2 Expenses	0	0	0	0
(a) Cost of materials consumed	0	0	0	0
(b) Purchase of Stock-in-trade	0	0	0	0
(c) Changes in Inventories of finished goods, work in progress and stock in trade	0	0	0	0
(d) Employee benefits expense	6.68	6.74	12.45	44.73
(e) Finance Cost	0.05	0.02	0.11	0.23
(f) Depreciation and amortisation Expenses	172.3	195.69	102.15	689.24
(g) Other Expenses	6.46	10.92	38.14	83.23
Total Expenses	185.49	213.37	152.85	817.43
3 Profit/(Loss) before exceptional item and tax	(185.49)	(210.97)	(146.39)	(803.88)
4 Exceptional items	0	0	0	0
5 Profit/(Loss) before tax	(185.49)	(210.97)	(146.39)	(803.88)
6 Tax Expenses	0	0	0	0
Current Tax	0	(1.68)	0	(1.68)
Deferred Tax	0	(1.68)	0	(1.68)
7 Total Tax Expenses	0	(1.68)	0	(1.68)
8 Other Comprehensive income, net of income tax	-0.8189			
(i) (a) Items that will not be re-classified to the profit or loss		2.24		
(b) Income Tax relating to items that will not be re-classified to profit or loss	0	0	(5.71)	(5.65)
(ii) (a) Items that will be re-classified to the profit or loss	0	0	0	0
(b) Income tax relating to items that will be re-classified to the profit or loss	0	0	0	0
Total Other comprehensive income, net of income tax	(0.82)	2.24	(5.71)	(5.65)
Total Comprehensive income for the period	(186.31)	(207.05)	(152.10)	(807.85)
9 Paid-up equity share capital	1490.00	1490.00	1490.00	1490.00
Face value per Equity Share	2.00	2.00	2.00	2.00
Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				(23,753.37)
10 Earning per share				
(a) Basic	(0.25)	(0.28)	(0.20)	(1.08)
(b) Diluted	(0.25)	(0.28)	(0.20)	(1.08)

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 13.08.2021. The Statutory Auditors of the Company have conducted a "Limited Review" of the above financial results for the quarter ended 30th June, 2021.
- 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.
- 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

Chairman & Managing Director
DIN: 00223366

Place: New Delhi
Date: 13.08.2021

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 Financial Results for the First quarter (Q1) ended 30.06.2021 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 Financial Results for the First quarter (Q1) ended 30.06.2021 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: 13.08.2021
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To

**The Board of Directors of
Samtex Fashions Limited.**

Report on the Audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of Standalone financial results of Samtex Fashions Ltd ("the Company"), for the quarter and year ended June 30,2021,attached herewith, being submitted by the Company pursuant to the Requirement of Regulations 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

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

- I. are presented in accordance with the requirements of the Listing Regulations in this Regard, and
- II. give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34") and other accounting principles generally accepted in India, of the loss, the total comprehensive income, and other financial information of the Company for the quarter and year ended June 30,2021.

Basis for Qualified Opinion

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



ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

- i. Originally the plant of the company was setup at NSEZ, Noida which was later on shifted outside NSEZ during the FY 2017-18 and in march 2019 the company further changed its business premises (rented) to Plot no 163, 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 premise to D1/3, Industrial Area, Vill-Rajarampur, Sikandrabad, Bulandshahr-UP203205, 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 amounting to Rs 686.31 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 IndAs 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 company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. As a result of ongoing matters, we are unable to determine as to whether any adjustment that would have been necessary and required to be made in respect of trade receivable, trade payables, borrowings, current liabilities, loans and advances and contingent liabilities as at 30th June, 2021 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/ availability of fixed assets and inventory. Pending completion of such verification, we are unable to comment on the possible impact, if any, arising out of the said matters.
- iii. The company had given loans and advances as on 30.06.2021 which are outstanding from long time. In the absence of recovery and confirmation from the party, we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable. Moreover, we have not been provided with justification giving said advance and sufficient, appropriate audit evidence relating to verification of the same. Pending completion of such verification/ reconciliation, we are unable to comment on the possible impact, if any, arising out of the said matters.
- iv. As of 30th June 2021, 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 a long period of time, 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 has balance of recognized Deferred Tax Asset as on 30.06.2021 amounting Rs 132.28 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 30.06.2021
- 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. No internal audit report is available.
- 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, if 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, if 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.

Management's Responsibility for the Financial Results

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

In preparing the statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the



Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

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

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

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



conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

FOR KAPIL KUMAR & CO

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO: 006241N

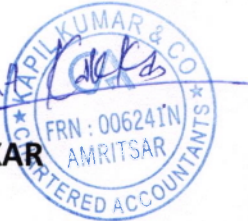

MOHIT KAKKAR
(PARTNER)

MEMBERSHIP NUMBER: 538844

UDIN: 21538844AAAAFA5719

AMRITSAR

13th August 2021



INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors of

Samtex Fashions Limited.

Report on the Audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of M/s Samtex Fashions Ltd ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates and joint ventures for the quarter ended 30/06/2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I. Includes the results of the following entities:

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

ii. M/s Arlin Foods Ltd

II. are presented in accordance with the requirements of the Listing Regulations in this Regard, and

III. give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34") and other accounting principles generally accepted in India, of the loss, the total comprehensive income, and other financial information of the group for the quarter and year ended June 30, 2021.

Basis for Qualified Opinion

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



- 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 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 premise to D1/3, Industrial Area, Vill-Rajarampur, Sikandrabad, Bulandshahr-UP203205, however till date the company is unable to shift its assets and business operations to new premises. 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 28518.86 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.
- iv. The group has not followed the treatment for recognition and re-measurement of employee benefit costs as detailed in the IndAs 19.

Material Uncertainty Related to Going Concern

The Group has made losses during the current year and the preceding year. As a result of the losses, 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 30th June 2021 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 loans, trade payables, security deposits, balances with government authorities, bank balances, FDR's along with interest thereon and bank loans as at June, 2021. 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 30.06.2021 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 30.06.2021, majority of which are outstanding from long time. In the absence of recovery and confirmation from the party,



we are unable to comment on the recoverability and consequential impact of reconciliation and adjustment arising there from in the results, if any, is not ascertainable. Moreover, we have not been provided with justification giving said advance and sufficient, appropriate audit evidence relating to verification of the same. Pending completion of such verification/ reconciliation, we are unable to comment on the possible impact, if any, arising out of the said matters.

- 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, if any, arising out of the said matters.
- vi. As of 30th June 2021, the holding company's inventory 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 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. No internal audit report has been made available.
- ix. We have not been provided with sufficient, appropriate audit evidence relating to classification of trade payable dues to MSME and trade payable dues other than MSME. Pending completion of such verification/ reconciliation, we are unable to comment on the possible impact, if any, arising out of the said matters.
- x. The Company has balance of recognized Deferred Tax Asset as on 30.06.2021 amounting Rs 652.6 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 30.06.2021.
- 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.

Management's Responsibility for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The holding Company's Board of Directors are responsible for preparation and presentation of the statement that give a true and fair view of the net loss and other comprehensive income of the group and other financial information in accordance with applicable accounting standard prescribed under section



133 of the Act read with relevant rule there under and other accounting principles generally accepted in India in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

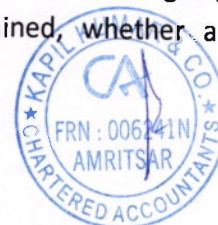
The Respective Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of Respective Board of Director use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the group to express an opinion on the Financial Results.

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

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

Other Matter

1. The consolidated financial results include the unaudited financial statements/ financial information of M/s Lina Global Inc (wholly owned subsidiary of M/s SSA International Ltd) whose Ind AS Financial Statements reflect total assets of Rs.371.95lacs as at 30th June 2021, 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.

FOR KAPIL KUMAR & CO

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO: 006241N

MOHIT KAKKAR

(PARTNER)

MEMBERSHIP NUMBER: 538844

UDIN: 21538844AAAAFB2258

AMRITSAR

