

**SAMTEX****FASHIONS LIMITED**  
A Govt. Recognised Export House*Men's fashion technology*

Date- 07.12.2020

To,  
The Manager  
Department of Corporate Relations,  
The Stock Exchange Mumbai  
Phiroze Jeejeebhoy Tower,  
Dalal Street  
Mumbai-400001  
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 2019-20, which 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](http://www.samtexfashions.com)

Kindly take the above information on record.

Thanking You,

Yours faithfully,

For Samtex Fashions Limited

*Anushika Mishra*

**Anushika Mishra**  
Company Secretary  
(Membership No. ACS-59065)

Encl.: As Above

Regd. Office & Works: Plot No. 153, Udyog Vihar, Greater Noida, Gautam Buddha Nagar, Uttar Pradesh-201308  
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



**SAMTEX**  
FASHIONS LIMITED

**27<sup>th</sup>**  
**ANNUAL REPORT**  
**2019-2020**

# SAMTEX FASHIONS LIMITED



## **BOARD OF DIRECTORS**

Atul Mittal

S. K. Gupta

Raman Ohri

Arti Srivastava

*Chairman and Managing Director*

*Director*

*Director*

*Director*

## **COMPANY SECRETARY**

Anushika Mishra

## **AUDITORS**

**M/s Kapil Kumar & Co.**

*Chartered Accountants*

Amritsar

## **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**

Plot No. 163, Udyog Vihar,

Greater Noida

Gautam Buddha Nagar , UP 201308

## **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 27th Annual General Meeting (“AGM”) of the Members of SAMTEX FASHIONS LIMITED will be held on Wednesday, 30th December, 2020 at 11:30 A.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 31 March 2020, 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.

### **SPECIAL BUSINESS**

#### **3. Change in Registered Office of the Company**

To consider and if thought it, to pass with or without modification, the following Resolution as a **Special Resolution**

“**Resolved That** pursuant to the provision of section 12 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Incorporation) Rules 2014, consent of members of the Company be and hereby accorded to shift the 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, Rajampur, Sikandrabad, Bulandshahr -203205, UP with effect from 5<sup>TH</sup> January, 2021.

**RESOLVED FURTHER THAT**, Mr Atul Mittal (DIN 00223366) Chairman & Managing director of the company be and hereby authorized to sign, execute any deed, documents and file with the Registrar of Companies, the required e-forms, and any other Statutory body or if required verification of situation of the registered office of the Company.

#### **4. Reclassification of Promoter from Promoter to Public Category**

To consider and if thought fit, to pass the following resolution with or without modifications as an **Ordinary Resolutions**

“**Resolved That** in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify Mr. Suraj Gupta forming part of the Promoter Group from ‘Promoter/Promoter Group Category’ to ‘Public Category’.

<b>S. No</b>	<b>Name of Promoter</b>	<b>Number of Shares held</b>	<b>Percentage of total Share/voting Capital</b>
1.	Suraj Gupta	100000	0.13%

“**Resolved Further That** re-classification of Promoter as public shareholders shall be subject to the following conditions:

- Such Promoter shall not directly or indirectly exercise control over the affairs of the entity.
- Increase in the level of public shareholding pursuant to re-classification of Promoter shall not be counted towards achieving compliance with minimum public shareholding requirement under rule 19A of the Securities Contracts (Regulation) Rules, 1957, and the provisions of Regulation 38 of SEBI (LODR) Regulations, 2015.
- The event of re-classification shall be disclosed to the Stock Exchanges as a material event in accordance with the provisions of these regulations.
- Board may relax any condition for re-classification in specific cases, if it is satisfied about non-exercise of control by the outgoing Promoter or its person acting in concert.”



“**Resolved Further that** the applicant seeking re classification shall not:

- (i) together, hold more than ten percent of the total voting rights in the Company;
- (ii) exercise control over the affairs of the Company directly or indirectly;
- (iii) have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- (iv) be represented on the Board of Directors (including not having a Nominee Director) of the Company;
- (v) act as a key managerial person in the Company;
- (vi) be a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines;
- (vii) be a fugitive economic offender.

“**Resolved Further That** after such reclassification following shall be the Promoters of the Company:

S. No	Name of the Shareholders	Number of shares held	Percentage of paid up share capital
1	Amit Mittal	2550000	3.42
2	Anju Mittal	5500	0.01
3	Atul Mittal	2600000	3.49
4	Gautam Aggarwal	125000	0.17
5	Inder Sain Bansal	125000	0.17
6	Kanika Mittal	500000	0.67
7	Karan Mittal	2589785	3.48
8	Naveen Mittal	2690005	3.61
9	Neena Mittal	385500	0.52
10	Neha Mittal	2075000	2.79
11	Pooja Mittal	2500000	3.36
12	Rahul Mittal	2088502	2.80
13	Rama Mittal	1693750	2.27
14	Rita Mittal	4360150	5.85
15	Sahil Mittal	500000	0.67
16	Sanjeev Mittal	2506000	3.36
17	Saurabh Mittal	500000	0.67
18	Sujata Mittal	1800000	2.42
19	Sunil Mittal	110500	0.15
20	SushmaBansal	125000	0.17
21	Vinay Mittal	1060500	1.42
22	Anubhav Mittal	3197500	4.29
23	Nitika Mittal	2500000	3.36
	Total	3,65,87,692	49.115%

“**Resolved Further That** on approval of the SEBI Board/ Stock Exchanges upon application for re-classification of the aforementioned applicant, the Company shall effect such reclassification in the Statement of Shareholding Pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.”



“**Resolved Further That** Mr. Atul Mittal (00223366) Chairman and Managing Director and Ms. Anushika Mishra, Company Secretary of the Company, be and is hereby severally authorized to submit application for reclassification to the SEBI Board, Stock Exchanges wherein the securities of the Company are listed or any other regulatory body as may be required and to take such steps expedient or desirable to give effect to this resolution.”

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

**Date: 30.11.2020**  
**Place: New Delhi**

## **REGISTERED OFFICE & WORK**

Plot No. 163, Udyog ViharM. No.  
Greater Noida,  
Gautam Buddha Nagar,  
Uttar Pradesh- 201308  
Email: [-samtex.complaine@gmail.com](mailto:-samtex.complaine@gmail.com)

Website: [-www.samtextfashions.com](http://www.samtextfashions.com)

**CIN: L17112UP1993PLC022479**

**SD/-**  
**ANUSHIKA MISHRA**  
**Company Secretary**  
**ACS-59065**

## **Notes:**

1. The Explanatory Statement pursuant to the Section 102 of the Companies Act, 2013, in respect of the Special Businesses as set out under Item No. 3 and 4 of the above notice is annexed hereto.
2. Electronic copy of all documents referred to the accompanying Notice of the 27th AGM including Statutory Registers maintained under Section 170 and 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.samtextfashions.com](http://www.samtextfashions.com).
3. In view of the massive outbreak of the COVID-19 pandemic and its continuing catastrophe, the Government of India, Ministry of Corporate Affairs ('MCA') permitted conducting Annual General Meeting ('AGM') through VC/OAVM and dispensed the personal presence of the Members at the meeting. Accordingly, the MCA vide its General Circular No. 14/2020 dated 08 April 2020, General Circular No. 17/2020 dated 13 April 2020 and General Circular No. 20/2020 dated 05 May 2020 (collectively referred to as 'MCA Circulars') and other applicable Circulars issued by Securities and Exchange Board of India (SEBI), has prescribed the procedures and manner of conducting the AGM through VC/OAVM (facility without the physical presence of the Members at a common venue). In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') (as amended) read with MCA Circulars, the 27th AGM of the Members will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is explained at Note No. 23 and also available on the website of the Company at [www.samtextfashions.com](http://www.samtextfashions.com).
4. In line with the various circulars of MCA read with SEBI circular dated 12 May 2020, the Notice of AGM along with Annual Report 2019-2020 is being sent only through electronic mode to those Members whose valid e-mail addresses are registered with the Company/ Depositories. Member may note that Notice of AGM and Annual Report for the year 2019-2020 has been uploaded on the website of the Company at [www.samtextfashions.com](http://www.samtextfashions.com). The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://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](http://www.evotingindia.com).
5. 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](mailto: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.
6. The deemed venue for 27th AGM shall be the Registered Office of the Company i.e. Plot No 163, Udyog Vihar, Greater Noida, Gautam Buddha Nagar, UP -201308 and the proceedings of the AGM shall be deemed to be made thereat.
7. Pursuant to the Circular No. 14/2020 dated 08 April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM and therefore, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, Institutional / Corporate Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Detailed procedure to participate and to cast vote has explained at Instructions for E-voting section.
8. 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.
9. 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 Thursday, 24th December 2020 to Wednesday, 30th December, 2020 (both days inclusive) for the purpose of AGM.
10. Members holding shares in electronic form are requested to intimate all changes pertaining to their nominations, power of attorney, address, name, e-mail address, contact numbers, PAN, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and Beetal Financial Services Limited, Registrars and Share Transfer Agent (RTA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company or RTA.
11. 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.
12. 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.
13. Details of Director retiring by rotation/seeking re-appointment at the ensuing AGM is annexed to the notice.
14. 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 24<sup>th</sup> Floor  
PJ Towers,  
Dalal Street, Mumbai-400 001  
Website: [www.bseindia.com](http://www.bseindia.com)  
**Scribe Code: 521206**

The Company has paid the Annual Listing Fees for the financial year 2019-2020 to the BSE Limited.

The Company has paid Annual Custodial Fees for the financial year 2019-2020 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

15. 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 Circulars dated 08 April 2020, 13 April 2020 and 05 May 2020, the Company is providing facility of remote e-voting to



its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has 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.

16. The Company has appointed Mr. Deepak Kukreja, M/s 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).
17. 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.
18. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company at [www.samtexfashions.com](http://www.samtexfashions.com) and on the website of CDSL at [www.evotingindia.com](http://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.
19. 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.
20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.samtexfashions.com](http://www.samtexfashions.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency providing Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
21. **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 27<sup>th</sup> December, 2020 (09.00 A.M.) and ends on 29<sup>th</sup> December, 2020 (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 23 December 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The Shareholders should log on to the CDSL e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) 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.
  - (iv) Click on "Shareholders" module.
  - (v) 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.

- (vi) Next enter the Image Verification as displayed and Click on Login.





- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric</p> <p>*PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>• 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).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**22. Process for those Shareholders whose e-mail addresses are not registered with the Depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**

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 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 Company/RTA e-mail id.

3. The Company/RTA shall co-ordinate with CDSL and provides the login credentials to the above mentioned Shareholders.

## **23. Instructions for Shareholders attending the AGM through VC/OAVM are as under:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 latest by 26 December 2020, mentioning their name, demat account number/folio number, e-mail id, mobile number at [samtex.compliance@gmail.com](mailto:samtex.compliance@gmail.com) The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance latest by 23 December 2020, mentioning their name, demat account number/folio number, e-mail id, mobile number at [samtex.compliance@gmail.com](mailto:samtex.compliance@gmail.com). These queries will be replied to by the Company suitably by e-mail.
6. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## **24. Instructions for Shareholders for e-voting during the AGM are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Shareholders, who are present in the AGM 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 AGM.
3. If any Votes are cast by the Shareholders through the e-voting available during the 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.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### **Note for Non – Individual Shareholders and Custodians**

1. Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
3. 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.
4. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  6. 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 e-mail address viz; samtex.compliance@gmail.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (25) 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](http://www.evotingindia.com), under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on (+91-22-23058738), (+91-22- 23058543), (+91-22-23058542).
- (26) 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](mailto:helpdesk.evoting@cdslindia.com) or call on +91-22- 23058542/43.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (“THE ACT”) FORMING PART OF THE NOTICE**

### **ITEM 3**

The Board of the Directors with a view to improve the operational efficiency of the Company, proposes to shift the 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, Bulandshahr -203205, UP with effect from 5<sup>TH</sup> January, 2021.

In accordance with the provisions of section 12(5) of the Companies Act, 2013, except on the authority of a Special Resolution passed by the Company, the registered office of the company shall not be changed outside the local limits of any city, town or village where such office is situated.

Accordingly, consent of members of the Company is sought for passing special resolution as set out at Item No. 3 of the Notice.

None of the Directors and the Key Managerial Person of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution of Item No. 3

The Board recommends the Resolution set out at Item No. 3 of the Notice for approval of the members by way of Special Resolution

### **ITEM NO. 4**

#### **Re-classification of Persons/ Entities forming part of the Promoter Group from ‘Promoter and Promoter Group Category’ To ‘Public Category’.**

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to “Listing Regulations, 2015”; effective from December, 2015 has provided a regulatory mechanism for Re-classification of Promoters as Public shareholders subject to fulfillment of conditions as provided therein

In this regard, the Company has received applications from Mr Suraj Gupta pursuant to Regulations, 31 A of the Listing Regulations 2015 to re-classifying him under the Public Category since their names have been included as a part of the Promoter group.

The above referred promoter is not associated with the company for about 20 years and he does not directly or indirectly exercise control, over the affairs of the Company. He is also not holding any post of the Key Managerial Personnel in the Company. He does not have any special rights through formal or informal; arrangements with the Company or Promoters or any person/ corporate in the Promoter Group.

In View of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, the Board of the Directors of the Company at their meeting held on 30<sup>th</sup> November 2020, have approved the applications for Re-classification received by the



Company as above from Promoter group category to Public category subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchange(s) based on declaration received from the Mr. Suraj Gupta.

His shareholding does not exceed 1% of the total Share Capital of the Company.

Further, as per Rule 19A of the Securities Contracts (Regulations) Rules, 1957, the public shareholding as on the date of the Notice fulfills the minimum Public Shareholding requirement of at least 25% and the processed Re-classification does not intend to increase the Public Shareholding to achieve compliance with the minimum Public Shareholding requirement.

None of the Directors and the Key Managerial Person of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution of Item No. 4

Promoter seeking Re-classification and person related to Promoter(s) seeking Re-classification shall not vote to approve such re –classification request.

The Board hereby recommends the Resolution as set out at Item No. 4 for consideration and approval of Shareholders of the Company by way of Ordinary Resolution.

## **ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:**

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:

<b>Name of the Director</b>	<b>Mr. Atul Mittal</b>
<b>Date of Birth</b>	25-04-1977
<b>Date of Appointment</b>	29-07-2002
<b>Qualification</b>	Graduate
<b>Expertise in specific functional areas</b>	General Management
<b>List of Directorship held in other Companies as on 31<sup>st</sup> March, 2020.</b>	Arlin Foods Limited and Arlin Exim Pvt Limited
<b>Chairman / Member of the Committees of the Board of Public Companies on which he is a Director as on 31<sup>st</sup> March, 2020.</b>	Chairman- Nil Membership-3
<b>Shareholding in the Company as on 31<sup>st</sup> March, 2020 : – Equity Shares in Numbers</b>	26,00,000
<b>Relationship with other Directors</b>	None

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

Date: 30.11.2020  
Place: New Delhi

### **REGISTERED OFFICE & WORK**

Plot No. 163, Udyog Vihar M. No.  
Greater Noida,  
Gautam Buddha Nagar,  
Uttar Pradesh- 201308  
Email: -[samtex.complaine@gmail.com](mailto:samtex.complaine@gmail.com)  
Website: -[www.samtexfashions.com](http://www.samtexfashions.com)  
CIN: L17112UP1993PLC022479

SD/  
ANUSHIKA MISHRA  
Company Secretary  
ACS-59065

**BOARD'S REPORT**

To,

**The Members,**

The Board of Directors hereby submits the 27<sup>th</sup> Annual Report of your Company together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2020.

**FINANCIAL RESULTS****Rs. In Lakhs**

<b>PARTICULARS</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b>Sales and other Income</b>	<b>0.68</b>	326.41
<b>Profit before tax, interest, depreciation and write offs</b>	<b>(35.79)</b>	(23.53)
<b>Interest &amp; Financial Expenses</b>	<b>0.02</b>	4.55
<b>Depreciation</b>	<b>53.85</b>	59.48
<b>Profits</b>	<b>(89.66)</b>	(87.56)
<b>Exceptional Expenses/income ( Net)</b>	<b>0.00</b>	0.00
<b>Profit Before Tax</b>	<b>(89.66)</b>	(87.56)
<b>Provision for Taxation</b>	<b>(6.73)</b>	(5.56)
<b>Other Comprehensive Income/ Expenses ( Net)</b>	<b>1.73</b>	1.44
<b>Profit after Tax</b>	<b>(81.19)</b>	(80.56)
<b>Balance of Profit from Previous Years</b>	<b>(2317.70)</b>	(2237.14)
<b>Balance of Profit carried forward</b>	<b>(2398.89)</b>	(2317.70)

\*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. 0.68 lakhs and Company has incurred Net Loss after the exceptional items amounting to Rs. 81.19 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 since previous two years.

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.

**COVID-19 IMPACT**

The operations of the company are badly impacted due to Covid -19 pandemic in the last quarter of FY 2019-20, which led to nationwide lockdown from 25<sup>th</sup> MARCH 2020 disrupting the operations of the Company. The company was trying to obtain the orders and not able to materialised due to Covid -19 pandemic and resulted in much severe financial stress in 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 2019-20.



## DIRECTORS

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 6 (Six) 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:-

- iii) Mr. S.K. Gupta ( Chairman )
- iv) 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 24<sup>th</sup> Annual General Meeting until the conclusion of 29<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2022.

### 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 2019-20.

The Secretarial Audit Report for the Financial Year 2019-20 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. **Pursuant to Section 203 of the Companies Act, 2013 and Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was no Company Secretary in the company from 18.10.2019 till 30.07.2020 after the resignation of CS Kamini Gupta as Company Secretary & Compliance officer w.e.f. October 17, 2019.**

**Reply:** Company was not able to find a suitable candidate for the post of the Company Secretary due to present scenario of company and later on announcement of nationwide lock down COVID-19. However, we are pleased to inform you that as the phases of Unlock have been started, the Company at the first (1st) Board Meeting held on 31st July, 2020 in the Financial Year 2020-21, has appointed Ms. Anushika Mishra (A59065), Qualified Company Secretary for our Company w.e.f 31st July, 2020. The Company has paid the penalty as imposed by BSE Limited.

2. **Pursuant to Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the company has not filed disclosures of related party transactions on a consolidated basis for the year ended on March 31, 2019 & half year ended on September 30, 2019 respectively.**

**Reply:** Related party disclosures were given in the Balance Sheet as at 31.03.2019. The Management shall take necessary steps to strictly comply the provision and assure to upload in the future.



3. As per Regulation 33(3) of SEBI (LODR), 2015 the following financial results were submitted late
- (a) The consolidated financial results for the year ended March 31, 2019 was submitted on August 27, 2019, whereas the due date was May 30, 2019.
  - (b) The consolidated financial results for the quarter ended June 30, 2019 was submitted on September 7, 2019, whereas the due date was August 14, 2019.
  - (c) The consolidated financial results for the quarter ended September 30, 2019 was submitted on November 15, 2019, whereas the due date was October 15, 2019.

**Reply:** The Consolidated Financial Results for the Year ended March 31<sup>st</sup>, 2019 were considered late due to late providing of Financial Statements by Subsidiary's SSA International Limited. Quarter ended June 30<sup>th</sup>2019, Company submitted Unaudited Standalone Financial Results well on time. The consolidated unaudited financial Results were submitted later on 7<sup>th</sup>September, 2019.

For Quarter ended September 30<sup>th</sup>, 2019 financial Results the relevant Board Meeting announced for 14.11.2019 was deferred due to some unavoidable reasons and held after one day ie on 15.11.2019 and Unaudited Financial Results for quarter and Half year ended 30.09.2019 were considered and complied.

4. The Corporate Governance report in the Annual Report of the company for the financial year ended March 31, 2019 doesn't contain following mandatory disclosures as specified in part C of Schedule V of SEBI (LODR).
- (a) certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified.
  - (b) disclosures in relation to the Sexual Harassment of Women at Workplace under (Prevention, Prohibition and Redressal) Act, 2013.
  - (c) total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor.
  - (d) A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board.
  - (e) confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

**Reply:** The above mentioned mandatory disclosures were not covered separately each point wise in the Corporate Governance report , however same were disclosed in the others enclosures and reports being part of Annual Report of the Company for the Financial Year ended March 31<sup>st</sup>2019. The same has been considered and taken care in the Corporate Governance Report of the Current year FY 2020.

6. Pursuant to Regulation 5(2) of SEBI (Insider Trading) Regulations, The trading for insiders has been closed for the period less than the Period specified in Regulation 5 (2).

**Reply:** The Company is announcing Book closure every time before holding the Board Meetings and Book closure stands continue and opened 48 hours after the intimation of outcome of Board Meeting.

## INTERNAL AUDIT

During the current financial year under report there were no any manufacturing and other operations so no any Internal audit was conducted.

## 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 31<sup>st</sup> March, 2020. The Auditor has made certain observations. The observations and reply thereto are as under:



## EMPHASIS OF MATTER

1. 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 willful defaulters. 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.

**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 notice of willful defaulter the Management of subsidiary SSA International Limited is taking care for the same.

2. 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:** Company's manufacturing facilities and all the Plant & Machineries, equipment's and including inventory were shifted to new premises in previous Financial Year which was correctly accounted in Financial Statements. In present Financial Year due to outbreak of Global Pandemic COVID-19 physical verification of fixed assets and inventory is not convenient.

3. The Company had given loans and advances as on 31.03.2019 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, the Company had advanced a further sum of Rs. 22 lacs , 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.

4. As of 31<sup>st</sup> March, 2020, 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. 25.31 Lacs and the same have not been used for the long period of time. The above mentioned Inventory items are not damaged or have become obsolete, and the Company is taking care for the inventories.

5. The Company continued to recognize deferred tax assets upto March 31, 2020 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.

6. 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 last three years there is financial stress in the company and resulting in delay in payments. The Management assures to take proper care in future.

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

**Reply:** During the current financial year under the report, there were no manufacturing and other operations so no internal audit was conducted. Hence no internal audit report was furnished.

8. 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 31.03.2020 and been relied upon by the Auditors.

9. Confirmation of balances of 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.

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

**Reply:** As per the information provided by the management the balances of trade payables, security deposits, balances with government authorities have been accounted for correctly in the financial statements for the year ended 31.03.2020 and have been relied upon by the Auditors.

## **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 2019-2020.

## **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) 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.

## 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 any manufacturing and other operations so no any Internal audit was conducted. The internal financial control system is adequate relevant to the existing operations.

## RELATED PARTY TRANSACTIONS

During the year under review, there is transaction with related parties on arm length basis falling under



the purview of Section 188 of the Act. All transactions with related parties were duly reviewed by the Audit Committee of the Board. Particulars of such transactions are mentioned in 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) read with Section 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the annual return in form MGT-9 is annexed herewith as **ANNEXURE – 3** to the Board Report and copy of annual return will be placed on Company's website [www.samtexfashions.com](http://www.samtexfashions.com)

## 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](http://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	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439197042.pdf&amp;name=VIGIL+-MECHANISM+POLICY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439197042.pdf&amp;name=VIGIL+-MECHANISM+POLICY</a>
Board Diversity	To ensure a transparent Board nomination process with the diversity of thoughts, experience, knowledge, perspective and gender in the Board	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196915.pdf&amp;name=POLICY+ON+BOARD+DIVERSITY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196915.pdf&amp;name=POLICY+ON+BOARD+DIVERSITY</a>
Policy on Preservation of Documents	This policy deals with the retention and archival of corporate records of the Company	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372452.pdf&amp;name=Policy+on+Preservation+of+Documents">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372452.pdf&amp;name=Policy+on+Preservation+of+Documents</a>
Policy- Dealing with Related Parties	This policy regulates all the transactions between the Company and its related parties	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372529.pdf&amp;name=Policy+-Dealing+with+Related+Parties">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372529.pdf&amp;name=Policy+-Dealing+with+Related+Parties</a>
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)	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372662.pdf&amp;name=Policy+-Determining+Material+Subsidiary">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372662.pdf&amp;name=Policy+-Determining+Material+Subsidiary</a>



Name of the Policy	Brief description	Web link
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.	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372810.pdf&amp;name=Policy+on+Materiality+of++Events">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372810.pdf&amp;name=Policy+on+Materiality+of++Events</a>
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.	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196980.pdf&amp;name=RISK+MANAGEMENT+POLICY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196980.pdf&amp;name=RISK+MANAGEMENT+POLICY</a>
Archival Policy	The Objective of the Policy is to cover all events or Information which has to be disclosed to Stock Exchange(s)	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=14559118270.pdf&amp;name=Archival+Policy">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=14559118270.pdf&amp;name=Archival+Policy</a>
Policy on Prevention of Sexual Harassment	The objective of the policy is to provide healthy and respectable working environment with no harassment.	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1440063622.pdf&amp;name=POLICY+ON+PREVENTION+OF+SEXUAL+HARASSMENT">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1440063622.pdf&amp;name=POLICY+ON+PREVENTION+OF+SEXUAL+HARASSMENT</a>

## 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.

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 Bombay Stock Exchange, (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, 2020.

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. Further to state that company has complied with provisions relating to the constitution of Internal Complaints Committee.

During the year is not applicable.

## 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.

## ACKNOWLEDGEMENT

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors appreciate and value the contribution made by every member of the Samtex family.

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.

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

**Place : New Delhi  
Dated : 30.11.2020**

**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](http://www.samtexfashions.com))

Place : New Delhi  
Dated : 30.11.2020

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

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	Previous Year
<b>1. POWER AND FUEL COSUMPTION</b>		
a) Purchased		
Unit	-	219320
Total Amount (Rs. Lakhs)	-	19.02
Rate/Unit (Rs.)	-	8.67
b) Own Generation Through Diesel Generator	-	
Unit	-	49600
Total Amount (Rs. Lakhs)	-	6.04
Cost/Unit (Rs.)	-	12.18

## 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.

(Rs. In Lakhs)

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

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 : 30.11.2020

Sd/-  
Atul Mittal  
Chairman & Managing Director  
DIN 00223366





**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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

S. No.	Name of Director, KMP & Designation	Remuneration of Director/ KMP for financial year 2018-19 (in Rs.)	Remuneration of Director/ KMP for financial year 2019-20 (in Rs.)	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees (times)
1	Atul Mittal Chairman & Managing Director	24,96,000	NIL	NIL	-
2	Mr. Surendra Kumar Gupta-Independent Director	Nil			
3	Ms. Arti Srivastava Independent Director				
4	Mr. Raman Ohri Independent Director				
5	Ms. Kamini Gupta Company Secretary	672,000	336,000	NIL	NIL

\*Resigned w.e.f. 17.10.2019

- 2 Number of Permanent Employees on the rolls of Company as on 31.03.2020: Nil
- 3 The Average percentile increase/decrease in the salaries of the employees (other than Managerial Personnel) for FY 2019-20 was Nil % whereas the average percentile increase in the managerial remuneration for the FY 2019-20 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- 2019-20 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 2019-20 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 2019-20 (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.:

**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)	Perma- nent	D.O.B.	D.O.J.	Qualification	Last Employ- ment before Joining the company	Equity Share held by the Employee	Rela- tion with Director
1	*Ms. Kamini Gupta	GM-Finance & CS	336,000	On Roll	19.07.1965	01.03.1995	Company Secretaries, ICWA	Metro Applian- ces Ltd.	Nil	No

\*Resigned w.e.f. 17.10.2019

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

Place : New Delhi  
Dated : 30.11.2020

sd/-  
Atul Mittal  
Chairman & Managing Director  
DIN 00223366



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
 as on Financial Year ended on 31.03.2020  
 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
 (Management & Administration) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L17112UP1993PLC022479
ii	Registration Date	26.04.1993
iii	Name of the Company	Samtex Fashions Limited
iv	Category/Sub-category of the Company	Public Company
v	Address of the Registered office & contact details	Plot No. 163, Udyog Vihar, Greater Noida, Gautam Budh Nagar, Uttar Pradesh-201308
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind Local Shoping Centre, Near Dada Harsukdas Mandir, New Delhi-110062, Contact No. 011-29961281

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Garments- Apparels	62034300	NIL

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	SSA International Ltd.	U15122DL1995PLC068186	Subsidiary	100%	2(87)(ii)
2	Arlin Foods Ltd.	U15209DL2008PLC173566	Subsidiary	100%	2(87)(ii)

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year-1.04.2019				No. of Shares held at the end of the year- 31.03.2020				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	30993440	0	30993440	41.60	30990192	0	30990192	41.60	-3248	0.0
"b) Central Govt.or State Govt."	0	0	0	0	0	0	0	0	0	0.0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0	0.0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0.0
e) Any other	0	0	0	0	0	0	0	0	0	0.0
<b>SUB TOTAL:(A) (1)</b>	<b>30993440</b>	<b>0</b>	<b>30993440</b>	<b>41.60</b>	<b>30990192</b>	<b>0</b>	<b>30990192</b>	<b>41.60</b>	<b>-3248</b>	<b>0.0</b>



Category of Shareholders	No. of Shares held at the beginning of the year-1.04.2019				No. of Shares held at the end of the year- 31.03.2020				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>(2) Foreign</b>										
a) NRI- Individuals	5697500	0	5697500	7.65	5697500	0	5697500	7.65	0	0.0
b) Other Individuals	0	0	0		0	0	0			
c) Bodies Corp.	0	0	0		0	0	0		0	0.0
d) Banks/FI	0	0	0		0	0	0			
e) Any other...	0	0	0		0	0	0			
	0	0	0		0	0	0			
<b>SUB TOTAL (A) (2)</b>	<b>5697500</b>	<b>0</b>	<b>5697500</b>	<b>7.65</b>	<b>5697500</b>	<b>0</b>	<b>5697500</b>	<b>7.65</b>	<b>0</b>	<b>0.0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>36690940</b>	<b>0</b>	<b>36690940</b>	<b>49.25</b>	<b>36687692</b>	<b>0</b>	<b>36687692</b>	<b>49.25</b>	<b>-3248</b>	<b>0.0</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	0	53000	53000	0.07	0	53000	53000	0.07	0	0.0
b) Banks/FI	0	0	0	0	0	0	0	0	0	0.0
C) Central govt	0	0	0	0	0	0	0	0	0	0.0
d) State Govt.	0	0	0	0	0	0	0	0	0	0.0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0.0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0.0
g) FIIS	0	0	0	0	0	0	0	0	0	0.0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0.0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0.0
Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00		0.0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>53000</b>	<b>53000</b>	<b>0.07</b>	<b>0</b>	<b>53000</b>	<b>53000</b>	<b>0.07</b>	<b>0</b>	<b>0.0</b>
<b>(2) Non Institutions</b>										
a) Bodies corporates									0	0.0
i) Indian	9219784	14505	9234289	12.40	8820912	14505	8835417	11.86	-398872	-0.5
ii) Overseas	0	1550000	1550000	2.08	0	1550000	1550000	2.08	0	0.0
b) Individuals	0	0	0		0	0	0			
i) Individuals shareholders holding nominal share capital upto of Rs. 1 lakhs	8632328	1881935	10514263	14.11	8800014	1862430	10662444	14.31	148181	0.2
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	11554106	56500	11610606	15.58	11856826	56500	11913326	15.99	302720	0.4
c) Others (specify)										
i) Clearing Member	12996	0	12996	0.02	1000	0	1000	0.00	-11996	0.0
ii) HUF	386739	0	386739	0.52	358683	0	358683	0.48	-28056	0.0



Category of Shareholders	No. of Shares held at the beginning of the year-1.04.2019				No. of Shares held at the end of the year- 31.03.2020				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
III) NRI	4431667	15500	4447167	5.97	4422938	15500	4438438	5.96	-8729	0.0
<b>SUB TOTAL (B)(2):</b>	<b>34237620</b>	<b>3518440</b>	<b>37756060</b>	<b>50.68</b>	<b>34260373</b>	<b>3498935</b>	<b>37759308</b>	<b>50.68</b>	<b>3248</b>	<b>0.0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>34237620</b>	<b>3571440</b>	<b>37809060</b>	<b>50.75</b>	<b>34260373</b>	<b>3551935</b>	<b>37812308</b>	<b>50.75</b>	<b>3248</b>	<b>0.0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0	0.0
<b>Grand Total (A+B+C)</b>	<b>70928560</b>	<b>3571440</b>	<b>74500000</b>	<b>100</b>	<b>70948065</b>	<b>3551935</b>	<b>74500000</b>	<b>100</b>	<b>0</b>	<b>0.0</b>

## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mrs Anju Mittal	5500	0.01	0.00	5500	0.01	0.00	0.00
2	Mr. Suraj Gupta	100000	0.13	0.00	100000	0.13	0.00	0.00
3	Mr. Sunil Mittal	110500	0.15	0.00	110500	0.15	0.00	0.00
4	Mr. Indersain Bansal	125000	0.17	0.17	125000	0.17	0.17	0.00
5	Mrs Sushma Bansal	125000	0.17	0.17	125000	0.17	0.17	0.00
6	Mr. Gautam Aggarwal	125000	0.17	0.00	125000	0.17	0.00	0.00
7	Mr. Anil K. Gupta	0	0.00	0.00	0	0.00	0.00	0.00
8	Mrs Neena Mittal	385500	0.52	0.52	385500	0.52	0.52	0.00
9	Mr. Saurabh Mittal	500000	0.67	0.67	500000	0.67	0.67	0.00
10	Mr. Sahil Mittal	500000	0.67	0.67	500000	0.67	0.67	0.00
11	Kanika Mittal	500000	0.67	0.67	500000	0.67	0.67	0.00
12	Mr. Vinay Mittal	1060500	1.42	1.42	1060500	1.42	1.42	0.00
13	Mrs Rita Mittal	4360150	5.85	0.35	4360150	5.85	0.35	0.00
14	Mrs. Rama Mittal	1693750	2.27	0.00	1693750	2.27	0.00	0.00
15	Mrs. Sujata Mittal	1800000	2.42	0.33	1800000	2.42	0.33	0.00
16	Mrs. Neha Mittal	2075000	2.79	0.60	2075000	2.79	0.60	0.00
17	Mr. Rahul Mittal	2091750	2.81	0.00	2088502	2.80	0.00	-0.004
18	Mrs. Pooja Mittal	2500000	3.36	1.68	2500000	3.36	1.68	0.00
19	Mr. Sanjeev Mittal	2506000	3.36	0.00	2506000	3.36	0.00	0.00
20	Mr. Amit Mittal	2550000	3.42	1.41	2550000	3.42	1.41	0.00
21	Mr. Karan Mittal	2589785	3.48	1.34	2589785	3.48	1.34	0.00
22	Mr Atul Mittal	2600000	3.49	1.81	2600000	3.49	1.81	0.00
23	Mr Naveen Mittal	2690005	3.61	0.20	2690005	3.61	0.20	0.00
24	Mrs Nitika Mittal	2500000	3.36	0.00	2500000	3.36	0.00	0.00
25	Mr. Anubhav Mittal	3197500	4.29	0.00	3197500	4.29	0.00	0.00
	<b>Total</b>	<b>36690940</b>	<b>49.25</b>	<b>12.01</b>	<b>36687692</b>	<b>49.25</b>	<b>12.01</b>	<b>0.00</b>



### (iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

\* There is no change in Prpmoters Holding except as below :-

Sl. No.	Name of the Promoter	SHAREHOLDING			Increase/ (Decrease) in Share Holding	Reason for Increase / (Decrease)	No. of Shares	%of total Shares of the Company
		No of share at the beginning/ End of the year	%of total Shares of the Company	Date				
1	Mr. Rahul Mittal	2091750	2.8077	31-Mar-19				
	BITPM3747A		0	11 Oct.2019	-3248	Sell	2088502	
				31-Mar-20			2088502	2.8034

### (iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of the Shareholder & PAN	SHAREHOLDING			Increase/ (Decrease) in Share Holding	Reason for Increase / (Decrease)	No. of shares	%of total Shares of the Company
		No of share at the beginning/ End of the year	%of total Shares of the Company	Date				
1	ANIL KUMAR GOEL	4500000	6.0403	31-Mar-19		NIL MOVEMENT DURING THE YEAR	4500000	6.0403
	AAJPG2552Q		0	31-Mar-20			4500000	6.0403
								0
2	GPM SPINNING MILLS PRIVATE LIMITED	3500000	4.698	31-Mar-19		NIL MOVEMENT DURING THE YEAR	3500000	4.698
	AACCG3172C	3500000	4.698	31-Mar-20			3500000	4.698
								0
3	KANIKA FINLEASE LIMITED	3250000	4.3624	31-Mar-19		NIL MOVEMENT DURING THE YEAR	3250000	4.3624
	AAACK5867E	3250000	4.3624	31-Mar-20			3250000	4.3624
								0
4	RAJESH DHERI	2359340	3.1669	31-Mar-19		NIL MOVEMENT DURING THE YEAR	2359340	3.1669
	AJWPD5242Q	2359340	3.1669	31-Mar-20			2359340	3.1669
								0
5	SANDEEPTI SCANDATA SOLUTIONS PRIVATE LTD.	1000000	1.3423	31-Mar-19		NIL MOVEMENT DURING THE YEAR	1000000	1.3423
	AAHCS6862Q	1000000	1.3423	31-Mar-20			1000000	1.3423
								0
6	KRISHAN KUMAR KAPOOR	750000	1.0067	31-Mar-19		NIL MOVEMENT DURING THE YEAR	750000	1.0067
	AEGPK6318H	750000	1.0067	31-Mar-20			750000	1.0067
								0
7	SEEMA GOEL	600000	0.8054	31-Mar-19		NIL MOVEMENT DURING THE YEAR	600000	0.8054
	AHAPG8015A	600000	0.8054	31-Mar-20			600000	0.8054
								0



Sl. No.	Name of the Shareholder & PAN	SHAREHOLDING			Increase/ (Decrease) in Share Holding	Reason for Increase / (Decrease)	No. of shares	
		No of share at the beginning/ End of the year	%of total Shares of the Company	Date			Cumulative Shareholding During the year (01-04-2019 to 31-03-2020)	%of total Shares of the Company
8	MRS. GEETA CHETAN SHAH	589330	0.791	31-Mar-19		NIL MOVEMENT DURING THE YEAR	589330	0.791
	APUPS9957F	589330	0.791	31-Mar-20			589330	0.791
								0
9	SANJEEV GOYAL	550000	0.7383	31-Mar-19		NIL MOVEMENT DURING THE YEAR	550000	0.7383
	AXPPG5900K	550000	0.7383	31-Mar-20			550000	0.7383
								0
10	QUICK DEVELOPERS PRIVATE LIMITED	509897	0.6844	31-Mar-19		NIL MOVEMENT DURING THE YEAR	509897	0.6844
	AAACQ2182N	509897	0.6844	31-Mar-20			509897	0.6844
								0

## SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Name of the Shareholder	SHAREHOLDING			Increase/ (Decrease) in Share Holding	Reason for Increase / (Decrease)	No. of shares	
		No of share at the beginning/ End of the year	%of total Shares of the Company	Date			Cumulative Shareholding During the year (01-04-2019 to 31-03-2020)	%of total Shares of the Company
1	Atul Mittal	2600000	3.49	31-Mar-19	0	Nil Movement	2600000	3.49
	Managing Director	2600000	3.49	31-Mar-20			2600000	3.49
2	Raman Ohri	0	0	31-Mar-19	0	No Shares Held	0	0
	Director			31-Mar-20			0	0
3	S.K Gupta	0	0	31-Mar-19	0	No Shares Held	0	0
	Director			31-Mar-20			0	0
4	Arti Srivastava	0	0	31-Mar-19	0	No Shares Held	0	0
	Director			31-Mar-20			0	0
5	Kamini Gupta*	0	0	31-Mar-19	0	No Shares Held	0	0
	Company secretary			31-Mar-20			0	0

\* Resigned WEF 17.10.2019



## V INDEBTEDNESS

Rs. In Lakhs

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	Nil	625.35	Nil	625.35
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	0.00	625.35	0.00	625.35
<b>Change in Indebtedness during the financial year</b>				
Additions	Nil	2.25	Nil	2.25
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	2.25	Nil	2.25
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	627.60	Nil	627.60
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	0.00	627.60	0.00	627.60

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

SI.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	<b>Gross salary</b>	Mr. Atul Mittal, WTD/MD- Executive	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		nil
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		nil
2	Stock option		nil
3	Sweat Equity		nil
4	Commission		nil
	as % of profit		
	others (specify)		
5	Others, please specify- Provident Fund contribution		nil
	<b>Total (A)</b>		nil
	<b>Ceiling as per the Act</b>	NA (due to loss in current year)	



## B. Remuneration to other directors:

SI.No	Particulars of Remuneration	Name of the Directors			Total
		Mr. S.K. Gupta	Ms. Arti Srivastava	Mr. Raman Ohri	
1	Independent Directors				
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	0	0	0	0
2	Other Non Executive Directors	No any			
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify.				
	<b>Total (2)</b>	0	0	0	0
	<b>Total (B)=(1+2)</b>				0
	<b>Total Managerial Remuneration A+B</b>				0
	<b>Overall Cieling as per the Act.</b>	NA (due to loss in current year)			

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SI. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	336000	Drwaing remuneration in the capacity as WTD/MD	336000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0		0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0		0
2	Stock Option	nil		nil
3	Sweat Equity	nil		nil
4	Commission	nil		nil
	as % of profit			
	others, specify			
5	Others, please specify- Reimbursement LTA , Medical and Contribution to PF	nil		nil
	<b>Total</b>	336000		336000





## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Place : New Delhi  
Dated : 30-11-2020

Sd/-  
Atul Mittal  
Chairman & Managing Director  
DIN 00223366



Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

*[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  
Plot No. 163, Udyog Vihar Greater Noida  
Gautam Buddha Nagar UP 201308 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, 2020 (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, 2020 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period) ;**
  - g) 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);**



- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(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:

1. Pursuant to Section 203 of the Companies Act, 2013 and Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was no Company Secretary in the company from 18.10.2019 till 30.07.2020 after the resignation of CS Kamini Gupta as Company Secretary & Compliance officer w.e.f. October 17, 2019.
2. Pursuant to Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the company has not filed disclosures of related party transactions on a consolidated basis for the year ended on March 31, 2019 & half year ended on September 30, 2019 respectively.
3. As per Regulation 33(3) of SEBI (LODR), 2015 the following financial results were submitted late
  - (a) The consolidated financial results for the year ended March 31, 2019 was submitted on August 27, 2019, whereas the due date was May 30, 2019.
  - (b) The consolidated financial results for the quarter ended June 30, 2019 was submitted on September 7, 2019, whereas the due date was August 14, 2019.
  - (c) The consolidated financial results for the quarter ended September 30, 2019 was submitted on November 15, 2019, whereas the due date was October 15, 2019.
4. The Corporate Governance report in the Annual Report of the company for the financial year ended March 31, 2019 doesn't contain following mandatory disclosures as specified in part C of Schedule V of SEBI (LODR).
  - (a) certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified.
  - (b) disclosures in relation to the Sexual Harassment of Women at Workplace under (Prevention, Prohibition and Redressal) Act, 2013.
  - (c) total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor.
  - (d) A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board.
  - (e) confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.
5. Pursuant to Regulation 5(2) of SEBI (Insider Trading) Regulations, The trading for insiders has been closed for the period less than the Period specified in Regulation 5 (2).



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 was 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 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.

**FOR DMK ASSOCIATES  
COMPANY SECRETARIES**

**SD/-  
(SHIVANI AGARWAL)  
ACS, LL.B.  
Partner  
CP No. 18282  
ACS No. 36232  
UDIN : A036232B001350787**

**Date: 30.11.2020  
Place: New Delhi**



To,  
**THE MEMBERS,  
SAMTEX FASHIONS LIMITED  
CIN: L17112UP1993PLC022479  
Plot No. 163, Udyog Vihar Greater Noida  
Gautam Buddha Nagar UP 201308 IN**

**Sub: Our Secretarial Audit for the Financial Year ended March 31, 2020 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**

**SD/-  
(SHIVANI AGARWAL)  
ACS, LL.B.  
Partner**

**CP No. 18282  
ACS No. 36232  
UDIN : A036232B001350787**

**Date: 30.11.2020  
Place: New Delhi**



## Management Discussions and Analysis Report

**Overview: -**

### **Company Background**

The Company was incorporated on 26<sup>th</sup> April, 1993 and having its Registered Office at Plot No. 163, Udyog Vihar, Greater Noida, Gautam Buddha Nagar UP 201308, 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 2019-2020 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 the Month of March, 2019 the company shifted to the new premises to setup the manufacturing facilities. 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.**

In the current financial year 2019 -20 there were no any manufacturing operations in the Company. Hence there was no Internal Control system set up in the Company



## **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. Further in current year the situation had worsened due to Covid -19.

## **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.

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

**Place : New Delhi  
Dated : 30.11.2020**

**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. Board of Directors:

During the year under report the Board of Directors Comprised of Four Directors – one Executive Director and Three Non- Executive Independent Directors.

The composition of Board of Directors, their category and other directorships as on 31<sup>st</sup> March, 2020 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	2	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 21 years. He possesses command in his field of operations and managing the affairs of the Company.

#### Board Meetings and attendance of Directors :

During the year, six Meetings of the Board were held on 30.05.2019, 14.08.2019, 27.08.2019, 07.09.2019, 15.11.2019 and 13.02.2020

#### Attendance record of Directors:

The table given below gives the attendance record of all the Directors at the six Board Meetings held during 2019-20 ,as well as at the last Annual General Meeting held on 24.09.2019.

Sl. No.	Name of Director	No. of Board Meeting attended	Attendance at the last AGM
1	Mr.Atul Mittal	6	Yes
2	Mr.S.K. Gupta	4	Yes
3	Mr.Raman Ohri	3	No
4.	Ms. Arti Srivastava	5	No





### 3. SHAREHOLDING OF DIRECTORS

The Shareholding of Directors (In individual capacity) as on 31 March 2020 are 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 2020.

### 4. Familiarization Programme for Directors

The company conduct familiarization programs for the Directors to enable them to familiarise with the company. Web- link [http://www.samtexfashions.com/finance\\_reports/finance\\_report\\_download.php?id=1460372738..pdf&name=Familiarisation+Programme+-+Independent+Director](http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372738..pdf&name=Familiarisation+Programme+-+Independent+Director)

### 5. Independent Directors Meeting

- 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 was planned but due to COVID -19 Pandemic could not held during the FY 2019-20 by 31.03.2020.
- 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

#### c) Audit committee

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

The constitution of the Audit Committee as below :-

- Mr.S.K.Gupta- Chairman
- Mrs. Raman Ohri- Member
- Mr. Atul Mittal – Member
- 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 Accounts Department and the Statutory Auditors.

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.

Audit Committee Meetings

Sl. No.	Date of Meeting	Strength	No. of members Present
1	29.05.2019	4	3
2	14.08.2019	4	3
3	27.08.2019	4	3
4	07.09.2019	4	3
5	13.11.2019	4	3
6	13.02.2020	4	3



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

Member	No. of Meetings attended	Category
Mr.S.K.Gupta	4	Member & Chairman
Mr.Raman Ohri	3	Member
Mr. Atul Mittal	6	Member
Ms. Arti Srivastava	5	Member

Mr. S.K. Gupta Chaired the Meeting of Audit Committee held on 31<sup>st</sup> July, 2020 for reviewing and approving the Final Accounts for the period ended 31<sup>st</sup> March, 2020.

#### 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 review 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.

#### 6. Internal Audit

During the current financial year under report there were no any manufacturing and other operations so no any Internal audit was conducted.

#### 7. Nomination and Remuneration Committee :

- a) The Nomination and Remuneration committee presently comprises of Three 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.
- **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

#### Meetings and Attendance:

Sl. No.	Date of Meeting	Strength	No. of Member Present
1.	27.08.2019	3	2

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

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

During the year under report one meeting of the committee was held to consider and re appointment of Independent Director Mr. S.K. Gupta, Mr. Raman Ohri and Ms Arti Srivastav on non rotational basis for tenure of five years as applicable. Considered reappointment with remuneration of Mr. Atul Mittal Chairman & Managing Director for a further period of three years wef 01.09.2019.

#### b) Performance evaluation criteria for independent directors.

The Nomination and Remuneration Committee, in its meeting held on 27.08.2019, 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

#### 8. 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. Details of Remuneration to Directors for the Year 2019-20: -

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.

#### 9. Stake Holders Relationship Committee :

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 & GM Finance 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 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 31<sup>st</sup> March, 2020.
- **Compliance Officer** : The Board has designated **Ms. Kamini Gupta, Company**

**Secretary and GM Finance** as the Compliance officer and after resignation of Ms. Kamini Gupta wef 17<sup>th</sup> October, 2019, Managing Director Mr. Atul Mittal officiating the Compliance Officer till the appointment of New Company Secretary 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](mailto:samtex.compliance@gmail.com)

**10. Details of Shareholders Complaints during the FY 2019-20:-**

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

**11. 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 31<sup>st</sup> March, 2020

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

New Delhi: 30<sup>th</sup> November, 2020

**12. 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.

**13. 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.

#### 14. 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 Ms. Rashmi Saxena , Proprietor, Rashmi Saxena & Associates, Membership Number 6416 , CP Number 6938 , 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.

#### 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 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.

#### 15. 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 2019-20 are as below:

Particulars	Amount	Rs. in lakhs
Statutory Audit Fee		2.00
Other Services for Certification and Income Tax		1.00

#### 16. General Body Meeting :

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

Annual General Meeting/Year	Day, Date & Time of the AGM	Venue
24 <sup>th</sup> AGM 2016-17	Friday, 29 <sup>th</sup> September, 2017 at 9.30 AM	Regd. Office: Property No. D-100, Hosiery Complex, Phase-II, Noida, Gautam Budha Nagar, U.P. - 201305
25 <sup>th</sup> AGM 2017-18	Friday, 28 <sup>th</sup> September, 2018 at 9.30 AM	---- do---
26 <sup>th</sup> AGM 2018-19	Tuesday, 24 <sup>th</sup> Setember, 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

#### 17. Details of Special Resolutions:

1. 24 <sup>th</sup> AGM	i) Appointment of Mrs. Shubhra Bhambri as an Independent Director – who was appointed earlier as an additional Director .
2. 25 <sup>th</sup> AGM	No any Special Resolution
3. 26 <sup>th</sup> 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 Director 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



## 18. 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.

## 19. 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.

## 20. Disclosures:

### a) Related Party Transactions as required :

Related Party Transactions as required by the Accounting Standards (AS) 18 on “Related Party Disclosures” issued by the Institute of Chartered Accountant of India have been disclosed in Notes to Accounts to the Financial Statements. Members may refer to the notes to accounts for details of related Party Transactions. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Accounts and as below :-

Nature of Transaction	SSA International Ltd.	Arlin Foods LTD	Bloomngdale Vendors Pvt Ltd	Atul Mittal
<b>A.Investments</b>				
Opening Balance	3,720.00	150.01		
Issued during the Year				
Less:-Impairment during the year	3,720.00	150.01		
Closing Balance				
<b>C.Borrowings</b>				
Opening Balance				272.55
Amount paid During the Year				0.25
Amount Received during the year				2.50
Closing Balance				274.80
<b>E. Debtor/ Creditors</b>				
Opening Balance (debit)		16.23	58.66	
Amount Received during the year			39.72	
Amount Paid during the year			6.83	
Expenses directlty incuured			1.26	
Closing Balance		16.23	24.50	-

### b) Penalties Imposed :

During the year under consideration, the penalty was imposed on the Company by the Stock Exchanges due to late adoption of Quarterly / Half yearly Financial Results for the period ended 30.09.2019 for one day due to defernment of Board meeting dtd 14.11.2019 and after defernment held on 15.11.2019.

### c) MANAGEMENT DISCUSSION AND ANALYSIS

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

### 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 of Policy

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	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439197042.pdf&amp;name=VIGIL+MECHANISM+POLICY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439197042.pdf&amp;name=VIGIL+MECHANISM+POLICY</a>
Board Diversity	To ensure a transparent Board nomination process with the diversity of thoughts, experience, knowledge, perspective and gender in the Board	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196915.pdf&amp;name=POLICY+ON+BOARD+DIVERSITY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196915.pdf&amp;name=POLICY+ON+BOARD+DIVERSITY</a>
Policy on Preservation of Documents	This policy deals with the retention and archival of corporate records of the Company	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372452.pdf&amp;name=Policy+on+Preservation+of+Documents">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372452.pdf&amp;name=Policy+on+Preservation+of+Documents</a>
Policy- Dealing with Related Parties	This policy regulates all the transactions between the Company and its related parties	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372529.pdf&amp;name=Policy-+Dealing+with+Related+Parties">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372529.pdf&amp;name=Policy-+Dealing+with+Related+Parties</a>
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)	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372662.pdf&amp;name=Policy-+Determining+Material+Subsidiary">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372662.pdf&amp;name=Policy-+Determining+Material+Subsidiary</a>
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.	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372810.pdf&amp;name=Policy+on+Materiality+of++Events">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1460372810.pdf&amp;name=Policy+on+Materiality+of++Events</a>
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.	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196980.pdf&amp;name=RISK+MANAGEMENT+POLICY">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1439196980.pdf&amp;name=RISK+MANAGEMENT+POLICY</a>
Archival Policy	The Objective of the Policy is to cover all events or Information which has to be disclosed to Stock Exchange(s)	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=14559118270.pdf&amp;name=Archival+Policy">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=14559118270.pdf&amp;name=Archival+Policy</a>
Policy on Prevention of Sexual Harassment	The objective of the policy is to provide healthy and respectable working environment with no harassment.	<a href="http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1440063622.pdf&amp;name=POLICY+ON+PREVENTION+OF+SEXUAL+HARASSMENT">http://www.samtexfashions.com/finance_reports/finance_report_download.php?id=1440063622.pdf&amp;name=POLICY+ON+PREVENTION+OF+SEXUAL+HARASSMENT</a>

## f) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. Further to state that company has complied with provisions relating to the constitution of Internal Complaints Committee.

During the year not applicable .



**g) Mandatory Requirements-**

The Company is compliant with the mandatory 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.

**h) Non- mandatory Requirements- NONE**

**21. Auditors 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 Auditors Certificate regarding compliance of Corporate Governance is annexed to the Report.

**22 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 31.07.2020.

**23. Means of communication:**

The company communicates with the shareholders at large through its Annual Reports, Publication of Financial Results ,and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges and The Registrar of Companies. The quarterly results are published in prominent daily newspapers, Financial Express (English) and Regional language (Hindi) Newspaper. The Company has also posted information relating to its financial results, Annual Report, Corporate Governance Report and shareholding pattern in Electronic Data with Mumbai Stock Exchange and can be viewed at the company's Website [www.samtexfashions.com](http://www.samtexfashions.com) .

**24 General Shareholders Information :**

**i) Registered office & Works :**

**Samtex Fashions Ltd.**

Plot No. 163

Udyog Vihar, Greater Noida

Gautam Buddha Nagar , UP 201308

**ii) 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](mailto:samtex.compliance@gmail.com)

**iii) Registrars and Share Transfer Agents :**

Beetal Financial & Computer Services(P) Ltd

Registrars and Transfer Agents

Beetal House, 3<sup>rd</sup> Floor

99, Madangir, BH- Local Shopping Center

New Delhi-110062

Ph. : 011-29961281,29961282 Fax : 011-29961284

**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 .

**General Shareholders Information :**

**i) 27<sup>th</sup> Annual General Meeting:-**

Date : 30<sup>th</sup> December, 2020

Time : 11.30 A.M

Means : Through Video Confrencing ( VC ) / other Audio Visiual Means ( OAVM )

Venue: Deemed to be at Registered Office of the Company.





- ii) Book closure Details: - 24<sup>th</sup> December 2020 to 30<sup>th</sup> December, 2020
- iii) Dividend Payment Details: - N.A
- iv) **Financial Calendar (2020-2021 -Tentative)**  
 First quarter results : August , 2020  
 Second quarter results : November, 2020  
 Third quarter results : February , 2021  
 Fourth quarter results : May , 2021  
 Annual results : May , 2021  
 AGM for the year ended 31.03.2021: September, 2021
- v) **Listing and Stock code** : The company's Equity shares are listed on  
 The Stock Exchange, Mumbai, BSE Limited,  
 Phiroze Towers, Dalal Street Mumbai,
- vi) Stock Market Data : (**Scrip Code-521206**)

Year 2019 -2020 (Month)	The Stock Exchange, Mumbai		
	Highest	Lowest	Closing
April- 2019	1.65	1.35	1.46
May - 2019	1.56	1.22	1.25
June -2019	1.31	0.68	0.68
July - 2019	0.68	0.58	0.58
August – 2019	0.59	0.49	0.49
September - 2019	0.49	0.49	0.49
October - 2019	0.50	0.49	0.49
November -2019	0.50	0.49	0.49
December -2019	0.50	0.49	0.49
January - 2020	0.50	0.49	0.49
February - 2020	0.50	0.49	0.49
March- 2020	0.49	0.49	0.49

## 25. Listing Fees :

The company has paid the annual listing fees to the Stock Exchange for the year 2019 -2020.

## 26. Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2020:

Category of Shareholders	No of shares	Percentage
Promoter's Holding	36687692	49.25
Mutual Funds/UTI	53000	0.07
Banks/Financial institution (Central /State Govt. inst/Non Govt inst)	---	---
Private Corporate Bodies	8835417	11.86
NRI/OCBs	5988438	8.04
Others (Trust , HUF and Clearing Members)	359683	0.48
Indian Public	22575770	30.30
Total	74500000	100.00

**27 . Distribution of Shareholding as at 31<sup>st</sup> March,2019:**

Share Holding of Nominal value of Rs. 2 each	Folio Nos.	% of Total Folio Nos.	Shares in Nos.	% of Total
Up to 5000	6090	86.62	3822283	5.1306
5001 – 10000	387	5.50	1526253	2.0487
10001 – 20000	255	3.63	1936521	2.5994
20001 – 30000	108	1.54	1362534	1.8289
30001 - 40000	42	0.60	751816	1.0091
40001 - 50000	25	0.35	579042	0.7772
50001 - 100000	44	0.62	1605735	2.1553
100001 and above	80	1.14	62915816	84.4508
<b>Total</b>	<b>7031</b>	<b>100.00</b>	<b>74500000</b>	<b>100.00</b>

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

**28. Plant Location**

Plot No. 163

Udyog Vihar, Greater Noida

Gautam Buddha Nagar , UP 201308

**29. 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.

**30. Dematerialization of Shares :**

Trading in Samtex Fashions Ltd. Share is permitted in De-Materialised Form w.e.f 8<sup>th</sup> October,2001 as per notifications issued by the SEBI. The company has entered in to 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 31<sup>st</sup> March, 2020.

**No. of shares dematerialized 709,48,065 95.23% of total share capital**

**31. 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 : 30.11.2020**

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



## **PRACTINCING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
**THE MEMBERS OF SAMTEX FASHIONS LIMITED**  
**PLOT NO. 163, UDYOG VIHAR,**  
**GAUTAM BUDDHA NAGAR,**  
**GREATER NOIDA, UP-201308 IN**

We have examined the compliance of the conditions of Corporate Governance by Samtex Fashions Limited ('the Company') for the year ended on 31<sup>st</sup> March 2020, 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, 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<sup>st</sup> March, 2020, except the following:

1. In terms of Regulation 23(9) of SEBI Listing Regulations, the company was required to file disclosure of related party transactions on a consolidated basis in the format specified in the relevant accounting standards and publish the same on its website, *however the Company has not given disclosure in the prescribed format for annual results for the period ended on March 31, 2019 & half yearly results for the period ended on September 30, 2019 respectively.*
2. The Corporate Governance report in the Annual Report of the company for the financial year ending March 31, 2019 doesn't contain following mandatory disclosures as specified in part C of Schedule V of SEBI (LODR).
  - a) *certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified;*
  - b) *disclosures in relation to the Sexual Harassment of Women at Workplace under (Prevention, Prohibition and Redressal) Act, 2013;*
  - c) *total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor;*
  - d) *A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board;*
  - e) *confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.*

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

**For DEEPAK KUKREJA & ASSOCIATES**  
**COMPANY SECRETARIES**

**Place : New Delhi**  
**Date : 30.11.2020**

**Sd/-**  
**(DEEPAK KUKREJA)**  
**COMPANY SECRETARY**  
**FCS NO. 4140**  
**C.P. No.8265**  
**UDIN: F004140B001354016**



## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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

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

1. We have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2020 on standalone and consolidated basis and that to the best of our 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 accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year 2019-20 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 systems 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 declared that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and ethics for the year 2019-20 covered by this report.

**Sd/-**

**Atul Mittal**

**Chairman & Managing Director and CFO**

**(DIN 00223366)**

**Date: 31.07.2020**

**Place: New Delhi**



## 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 2020, 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 31<sup>st</sup> March, 2020, 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, Udyog Vihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. 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.
- 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 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, 2020 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 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 willful 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.
- 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, if any, arising out of the said matters.
- iii. The company had given loans and advances as on 31.03.2019 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, the company had advanced a further sum of Rs 22 lacs, 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 31<sup>st</sup> March 2020, 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, 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, 2020, 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, if any, arising out of the said matters.
- ix. Confirmation of balances of 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.

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. 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.

## **Other Matter**

In Note No. 29(iv) to the financial results regarding the impact of COVID 19 on the operations of the group 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. As required by the Companies (Auditor's Report) Order, 2016 (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 2020 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/-  
CHIRAG AGGARWAL  
(PARTNER)  
MEMBERSHIP NUMBER: 52052  
UDIN: 20523052AAAAEL9036**

**31/07/2020  
NEW DELHI**



## 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 2020, we report that:

- (i) a) The Company has not updated its records showing full particulars, including quantitative details and, situation of fixed assets.
- 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 is pending to be updated.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not own any immovable property.
- (ii) 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 under updation. Accordingly, they were not produced before us for verification and we have relied upon the information provided to us by the management. Further as explained to us discrepancies noticed on physical verification were not significant and have been properly dealt within the books of accounts.
- (iii) As explained to us, the Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii)(b) &(c) of the Order is not applicable to the Company in respect of repayment of the principal amount. However the company has advanced loan to wholly owned subsidiary M/s Arlin Foods Ltd and the outstanding balance of the said loan as on 31.03.2020 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.
- (iv) In our opinion and 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.
- (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, 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, 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

Sr No	Name of Statute	Nature of the Dues	Amount	Period	Due Date	Date of payment
1	Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Monthly Provident fund	16200	01/04/2019 to 30/09/2019	15 <sup>th</sup> of following month	Not yet paid.
2	Income Tax Act 1961	TDS	2503	01/04/2019 to 30/09/2019	7 <sup>th</sup> of following month	Not yet paid.
3	Income Tax Act 1961	TDS	12140	01/09/2019 to 30/09/2019	7 <sup>th</sup> of following month	Not yet paid.



Further TDS payable from period 01/10/2019 to 31/03/2020 was outstanding for payment till date.

- 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 29.16 lacs in total related to earlier years have been uploaded by the department relating to certain discrepancies and a sum amounting to Rs 16.92 lacs related to TDS defaults related to earlier years have been uploaded on TRACES website. The said demands being dispute, 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.

- (viii) 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.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year.
- (x) In our opinion and 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.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not been paid or provided during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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 into 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) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

**CHIRAG AGGARWAL**  
**(PARTNER)**  
**MEMBERSHIP NUMBER: 523052**  
**UDIN: 20523052AAAAEL9036**

**31/07/2020**  
**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")**

We have audited the internal financial controls over financial reporting of Samtex Fashions Limited ("the Company") as of 31 March 2020 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/-  
CHIRAG AGGARWAL  
(PARTNER)  
MEMBERSHIP NUMBER: 523052  
UDIN: 20523052AAAAEL9036**

**31/07/2020  
NEW DELHI**



## STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(CIN : L17112UP1993PLC022479)

(In Lacs)

Particulars		Note No.	As at March 31, 2020	As at March 31, 2019
<b>A</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	1	379.19	433.04
	(b) Capital work-in-progress			
	(c) Intangible assets		-	-
	(d) Financial assets			
	(i) Investments	2	150.01	150.01
	(ii) Trade Receivables	2	686.31	693.31
	(iii) Other financial assets	2	7.42	9.44
	(e) Deferred tax assets (net)		130.18	123.45
	(f) Other non-current assets	3	118.68	118.68
	<b>Total Non - Current Assets</b>		<b>1,471.78</b>	<b>1,527.92</b>
2	<b>Current assets</b>			
	(a) Inventories	4	25.32	25.32
	(b) Financial assets			
	(i) Trade receivables	5	24.50	58.66
	(ii) Cash and cash equivalents	6	1.50	45.81
	(iii) Bank balances other than (ii) above	6	9.73	8.62
	(iv) Other financial assets	2	0.41	0.91
	(c) Current Tax Assets (Net)		26.38	26.32
	(d) Other current assets	6	86.55	65.01
	<b>Total Current Assets</b>		<b>174.40</b>	<b>230.64</b>
	<b>Total Assets (1+2)</b>		<b>1,646.18</b>	<b>1,758.55</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	7	1,491.80	1,491.80
	(b) Other equity	8	(1,248.89)	(1,167.70)
	<b>Total equity</b>		<b>242.91</b>	<b>324.10</b>
	<b>LIABILITIES</b>			
2	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	9	627.60	625.35
	(b) Provisions	10	15.84	24.17
	<b>Total Non - Current Liabilities</b>		<b>643.44</b>	<b>649.52</b>
3	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	11	-	-
	(ii) Trade payables dues to MSME		-	-
	(ii) Trade payables dues to other than MSME	12	758.10	764.36
	(b) Provisions	10	-	0.67
	(c) Current Tax Liabilities (Net)			
	(d) Other current liabilities	13	1.74	19.91
	<b>Total Current Liabilities</b>		<b>759.84</b>	<b>784.94</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>1,646.18</b>	<b>1,758.55</b>

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/-

**(CHIRAG AGGARWAL)**

Partner

M.No 523052

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-

**SURENDRA KUMAR GUPTA**

(Director)

DIN NO-00223035

Sd/-

**ATUL MITTAL**

(Chairman & Managing Director and CFO)

DIN NO-00223366

Sd/-

**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065

Place : DELHI

Date : July 31 2020

UDIN : 20523052AAAAEL9036



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(CIN : L17112UP1993PLC022479)

(In Lacs)

Particulars		Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from operations	14	-	309.67
	Add: Transfer to New York		-	-
II	Other Income	15	<b>0.68</b>	<b>16.74</b>
III	<b>Total Revenue (I + II)</b>		<b>0.68</b>	<b>326.41</b>
IV	<b>EXPENSES</b>			
	(a) Cost of materials consumed	16	-	-
	(b) Purchase of Stock-in-Trade		-	133.33
	Add: Transfer from India		-	-
	(c) Changes in stock of finished goods and work-in-progress	17	-	(25.12)
	(d) Employee benefit expense	18	8.47	75.75
	(e) Finance costs	19	0.02	4.55
	(f) Depreciation and amortisation expense	20	53.85	59.48
	(g) Other expenses	21	28.00	165.98
	<b>Total Expenses (V)</b>		<b>90.34</b>	<b>413.97</b>
VI	<b>Profit/(loss) before exceptional items and tax (I- IV)</b>			
	Exceptional Item Expenses		-	-
	Exceptional Item Expenses		-	-
VII	<b>Profit/(loss) before tax (V - III)</b>		<b>(89.66)</b>	<b>(87.56)</b>
VIII	<b>Tax Expense</b>			
	(1) Current tax		-	1.40
	(2) Deferred tax		(6.73)	(6.96)
	<b>Total tax expense</b>		<b>(6.73)</b>	<b>(5.56)</b>
IX	<b>Profit/(loss) for the year (VI - VII)</b>		<b>(82.93)</b>	<b>(82.00)</b>
X	<b>Other comprehensive income(Net)</b>		1.73	1.44
			1.73	1.44
X	<b>Total comprehensive income/(loss) for the year (VIII + IX)</b>		<b>(81.19)</b>	<b>(80.56)</b>
XII	<b>Earnings per equity share (of Rs 10 each):</b>			
	(1) Basic		(0.11)	(0.11)
	(2) Diluted		(0.11)	(0.11)

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/-

**(CHIRAG AGGARWAL)**

Partner

M.No 523052

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-

**ATUL MITTAL**

(Chairman & Managing Director and CFO)

DIN NO-00223366

Sd/-

**SURENDRA KUMAR GUPTA**

(Director)

DIN NO-00223035

Sd/-

**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065

Place : DELHI

Date : July 31 2020

UDIN : 20523052AAAAEL9036



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(CIN : L17112UP1993PLC022479)

(In Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	<b>(89.66)</b>	<b>(87.56)</b>
Adjustments for:	-	-
Amounts Charged directly to Other Comprehensive Income	1.73	1.44
Depreciation and amortisation	53.85	59.48
Loss/(Gain) on disposal of property, plant and equipment	-	15.74
Interest income recognised in profit or loss	(0.68)	(0.71)
Finance cost recognised in profit or loss	0.02	4.55
<b>Movements in working capital:</b>		
(Increase) /decrease in trade and other receivables	41.15	201.83
(Increase) /decrease in other financial assets	2.51	20.21
(Increase) /decrease in other current assets	(21.54)	1.76
(Increase) /decrease in other non-current assets	-	-
(Increase) /decrease in inventories	-	(25.12)
Increase/ (decrease) in trade payables	(6.26)	(163.51)
Increase/ (decrease) in provisions	(9.00)	0.59
Increase/ (decrease) in other current liabilities	(18.17)	(2.69)
<b>Cash generated from operations</b>	<b>(46.05)</b>	<b>26.00</b>
Income taxes paid (net of refund, if any)	0.06	5.51
<b>Net cash generated from operations</b>	<b>(46.11)</b>	<b>20.49</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	20.36
Interest received	0.68	0.71
(Increase) /decrease in other bank balances	(1.11)	2.16
<b>Net cash generated from /(used in) investing activities</b>	<b>(0.43)</b>	<b>23.23</b>
<b>C. Cash flow from financing activities</b>		
Net Increase /(Decrease) in long term borrowing	2.25	(30.95)
Net Increase /(Decrease) in short term borrowing	-	-
Interest Paid	(0.02)	(4.55)
<b>Net cash used in financing activities</b>	<b>2.23</b>	<b>(35.50)</b>
<b>Net change in cash and cash equivalents</b>	<b>(44.31)</b>	<b>8.21</b>
Cash and cash equivalents as at the beginning of the Year	<b>45.81</b>	<b>37.59</b>
Cash and cash equivalents as at the end of the Year	<b>1.50</b>	<b>45.81</b>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents [Refer Note 10]	<b>1.50</b>	<b>45.81</b>

### 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/-

**(CHIRAG AGGARWAL)**

Partner

M.No 523052

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-

**ATUL MITTAL**

(Chairman & Managing Director and CFO)

DIN NO-00223366

Sd/-

**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065

Sd/-

**SURENDRA KUMAR GUPTA**

(Director)

DIN NO-00223035

Place : DELHI

Date : July 31 2020

UDIN : 20523052AAAAEL9036





## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

(CIN : L17112UP1993PLC022479)

(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, 2018	745.00	1,490.00	1.00	1.80
Change in equity share capital during the year	-	-	-	-
Balance as at March 31, 2019	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			1.44	1.44
- Remeasurement of the defined benefit plans				
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			1.73	1.73
- Remeasurement of the defined benefit plans				
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)

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/-

**(CHIRAG AGGARWAL)**

Partner

M.No 523052

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-

**ATUL MITTAL**

(Chairman & Managing Director and CFO)

DIN NO-00223366

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**SURENDRA KUMAR GUPTA**

(Director)

DIN NO-00223035

Sd/-

**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065

Place : DELHI

Date : July 31 2020

UDIN : 20523052AAAAEL9036



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### COMPANY OVERVIEW

Samtex Fashions Limited ("the Company" hereinafter) was incorporated on 26.04.1993 having its registered address at Property No D-100, Phase II, Hosiery Complex, Gautam Budh Nagar, Noida, Uttar Pradesh. The company is engaged primarily in the business of manufacture of ready-made garments and also in trading activity of food grains.

### **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 31<sup>st</sup> July 2020.

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, Udyog Vihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. 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 a written down basis 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

**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 recognised 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, 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 recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised 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 categorised 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 recognised 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 longterm 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 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 amortised cost or at fair value through OCI. All recognised 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 recognised in the Statement of Profit and Loss.

### **Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised 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. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

### **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 recognised 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.



# SAMTEX FASHIONS LIMITED



Notes to be Financial Statements for year ended March 31, 2020

Note No. 1 - Property, plant and equipment

(In Lacs)

Description of Assets	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Mobiles	Housing Project	Total
<b>Cost or deemed cost</b>							
<b>Balance as at March 31 2019</b>	<b>447.96</b>	<b>0.22</b>	<b>0.07</b>	<b>8.69</b>	<b>3.38</b>	<b>121.23</b>	<b>581.55</b>
Additions during the year							-
Deletions during the year							-
<b>Balance as at March 31 2020</b>	<b>447.96</b>	<b>0.22</b>	<b>0.07</b>	<b>8.69</b>	<b>3.38</b>	<b>121.23</b>	<b>581.55</b>
<b>Accumulated Depreciation and impairment</b>							
<b>Balance as at March 31 2019</b>	<b>142.91</b>	<b>0.09</b>	<b>0.02</b>	<b>2.63</b>	<b>2.86</b>	<b>-</b>	<b>148.51</b>
Depreciation / amortisation expense	53.25	-	-	0.35	0.25	-	53.85
Eliminated on disposal of assets	-	-	-	-	-	-	-
<b>Balance as at March 31 2020</b>	<b>196.17</b>	<b>0.09</b>	<b>0.02</b>	<b>2.97</b>	<b>3.10</b>	<b>-</b>	<b>202.36</b>
<b>Net Carrying Amount</b>							
<b>Balance as at March 31 2019</b>	<b>305.04</b>	<b>0.13</b>	<b>0.04</b>	<b>6.06</b>	<b>0.53</b>	<b>121.23</b>	<b>433.04</b>
<b>Balance as at March 31 2020</b>	<b>251.79</b>	<b>0.13</b>	<b>0.04</b>	<b>5.72</b>	<b>0.28</b>	<b>121.23</b>	<b>379.19</b>

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

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

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
<b>Financial assets at amortised cost</b>		
<b>Investments</b>		
<b>Unquoted Equity Investments</b>		
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
<b>Total</b>	<b>3,930.01</b>	<b>3,930.01</b>
Less: Impairment in Value of Investments		
SSA International Limited	3,720.00	3,720.00



Particulars	As at March 31, 2020	As at March 31, 2019
Yogendra Worsted Limited	60.00	60.00
<b>Net Value of Investments</b>	<b>150.01</b>	<b>150.01</b>
<b>Trade Receivable</b>		
a) Unsecured, considered good	686.31	693.31
<b>Loans</b>		
d) Security Deposits	7.42	9.44
<b>TOTAL [I]</b>	<b>843.74</b>	<b>852.76</b>
<b>Current</b>		
<b>Financial assets at amortised cost</b>		
a) Interest accrued on bank deposits	0.41	0.91
<b>TOTAL [II]</b>	<b>0.41</b>	<b>0.91</b>
<b>TOTAL [I + II]</b>		

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

**(In Lacs)**

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Duty paid under protest	118.68	118.68
<b>Total [I]</b>	<b>118.68</b>	<b>118.68</b>
<b>Current</b>		
(b) Other advances	48.56	26.53
(c) Balance with Government authorities	37.99	38.48
<b>Total [II]</b>	<b>86.55</b>	<b>65.01</b>
<b>TOTAL [I+II]</b>	<b>205.23</b>	<b>183.69</b>

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

**(In Lacs)**

Particulars	As at March 31, 2020	As at March 31, 2019
(c) Finished goods	25.32	25.32
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>25.32</b>	<b>25.32</b>



## Note No. 5 - Trade receivables

(In Lacs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Current		
(a) Unsecured, considered good	24.50	58.66
<b>TOTAL</b>	<b>24.50</b>	<b>58.66</b>

## Note - 6 Cash and bank balances

(In Lacs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>1. Cash and cash equivalents:</b>		
a) Cash on hand	0.53	21.52
b) Balance with banks		
(i) In current accounts	0.97	24.29
(ii) In other deposit accounts	-	-
<b>Total-Cash and cash equivalents [A]</b>	<b>1.50</b>	<b>45.81</b>
<b>2. Other bank balances</b>		
a) Balance with banks		
(i) In other deposit accounts (maturity in excess of 3 Months)	9.73	8.62
<b>Total-Other bank balances [B]</b>	<b>9.73</b>	<b>8.62</b>
<b>TOTAL [A+B]</b>	<b>11.23</b>	<b>54.42</b>

## Note No.7 - Share Capital

(In Lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
<b>AUTHORIZED SHARES</b>				
Equity Shares of Rs 2/- Each	800.00	1,600.00	800.00	1,600.00
<b>ISSUED,SUBSCRIBED AND PAID UP SHARES</b>				
Equity Shares of Rs 2/- Each Fully Paid Up	745.00	1,490.00	745.00	1,490.00
<b>FORFEITED SHARES</b>				
Amount Originally Paid up on 1,00,000 Zero Coupon Warrant @ 1.80 per Warrant	1.00	1.80	1.00	1.80
<b>TOTAL</b>	<b>746.00</b>	<b>1,491.80</b>	<b>746.00</b>	<b>1,491.80</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
<b>EQUITY SHARES</b>				
At the beginning of the year	745.00	1,490.00	745.00	1,490.00
Issued during the year as fully paid up	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>745.00</b>	<b>1,490.00</b>	<b>745.00</b>	<b>1,490.00</b>

(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 2020, 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 No.8 - Other Equity

(In Lacs)

<b>b. Other equity</b>	<b>Capital Reserves</b>	<b>Security Premium</b>	<b>Reserves &amp; Surplus</b>	<b>Total</b>
<b>Balance as at April 1, 2016</b>	<b>1,000,000.00</b>	<b>114,000,000.00</b>	<b>267,884,057.84</b>	<b>382,884,057.84</b>
(a) Loss for the year			(451,429,747.91)	(451,429,747.91)
(b) Other Comprehensive income of the year, net of income tax				
Total comprehensive income/(loss) for the year			(454,393,203.91)	(454,393,203.91)
<b>Balance as at March 31, 2017</b>	<b>1,000,000.00</b>	<b>114,000,000.00</b>	<b>(186,509,146.07)</b>	<b>(71,509,146.07)</b>
(a) Loss for the year			(369.20)	(369.20)
(b) Other Comprehensive income of the year, net of income tax			(1.96)	(1.96)
- Remeasurement of the defined benefit plans				
Total comprehensive income/(loss) for the year			(371.16)	(371.16)
<b>Balance as at March 31, 2018</b>	<b>1,000,000.00</b>	<b>114,000,000.00</b>	<b>(186,509,517.23)</b>	<b>(71,509,517.23)</b>
(a) Loss for the year			(82.00)	(82.00)
(b) Other Comprehensive income of the year, net of income tax			1.44	1.44
- Remeasurement of the defined benefit plans				
Total comprehensive income/(loss) for the year			(80.56)	(80.56)
<b>Balance as at March 31, 2019</b>	<b>1,000,000.00</b>	<b>114,000,000.00</b>	<b>(186,509,597.79)</b>	<b>(71,509,597.79)</b>

## Note - 9: Non Current Borrowings

(In Lacs)

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Unsecured Borrowings - at amortised Cost		
(i) Unsecured Borrowings from advances & related parties	627.60	625.35
<b>Total Borrowings carried at Amortised Cost</b>	<b>627.60</b>	<b>625.35</b>



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

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
(a) Provision for employee benefits		
a. Provision for leave encashment	10.70	10.41
b. Provision for gratuity	5.14	13.76
<b>Total [I]</b>	<b>15.84</b>	<b>24.17</b>
<b>Current</b>		
(a) Provision for employee benefits		
a. Provision for leave encashment	-	0.28
b. Provision for gratuity	-	0.38
c. Other Provision	-	-
<b>Total [II]</b>	<b>-</b>	<b>0.67</b>
<b>Total Provisions [I+II]</b>	<b>15.84</b>	<b>24.84</b>

## Note - 12: Trade Payables

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables	758.10	764.36
<b>Total</b>	<b>758.10</b>	<b>764.36</b>

## Note - 13: Other Liabilities

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
a) Other Payable	0.61	5.89
b) Statutory dues payable	1.12	14.02
<b>Total other liabilities</b>	<b>1.74</b>	<b>19.91</b>

## Note - 14: Revenue from operations

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Sale of products	-	131.74
(b) Other operating income		
- Job Work	-	177.93
<b>Total Revenue from operations</b>	<b>-</b>	<b>309.67</b>



## Note - 15: Other Income

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Interest income	0.68	0.71
(b) Rent Income	-	5.00
(c) Export Benefit and other benefits	-	11.03
<b>Total other income</b>	<b>0.68</b>	<b>16.74</b>

## Note - 16: - Cost of material consumed

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	-	-
Add: Purchases	-	-
Less: Closing stock	-	-
<b>Total cost of material consumed</b>	<b>-</b>	<b>-</b>

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

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<u>Inventories at the beginning of the year:</u>		
Finished goods	25.32	0.19
Finished goods in transit	-	-
Work-in-progress	-	-
Scrap Material	-	-
	<b>25.32</b>	<b>0.19</b>
<u>Inventories at the end of the year:</u>		
Finished goods	25.32	25.32
Finished goods in transit	-	-
Work-in-progress	-	-
Scrap Material	-	-
	<b>25.32</b>	<b>25.32</b>
<b>Net (increase) / decrease</b>	<b>-</b>	<b>(25.12)</b>

## Note - 18: Employee benefit expenses

(In Lacs)

Particulars	Year ended March 31 2020	Year ended March 31 2019
Salaries and wages	8.47	68.93
Contributions to provident fund	-	2.54
Contributions to employee state insurance	-	-
Gratuity expense	-	1.76
Leave Encashment	-	0.06
Staff welfare expenses	-	-
Others	-	2.46
<b>Total Employee benefit expenses</b>	<b>8.47</b>	<b>75.75</b>



## Note - 19: Finance cost

(In Lacs)

Particulars	Year ended March 31 2020	Year ended March 31 2019
Interest expense on:		
(i) Interest on working capital facilities	-	3.97
Bank Charges	0.02	0.58
<b>Total Finance cost</b>	<b>0.02</b>	<b>4.55</b>

## Note - 20: Depreciation and amortisation expense

(In Lacs)

Particulars	Year ended March 31 2020	Year ended March 31 2019
(i) Property, plant and equipment	53.85	59.48
<b>Total Depreciation</b>	<b>53.85</b>	<b>59.48</b>

## Note - 21: Other expenses

(In Lacs)

Particulars	Year ended March 31 2020	Year ended March 31 2019
Consumption of Stores and Spares :-	-	5.53
Power and Fuel	-	37.53
Freight Inwards	-	0.08
Repair and Maintenance( Machinery)	-	4.90
Repair and Maintenance( Electricals)	-	0.70
Processing and finishing Expenses	-	42.01
Auditor's Remuneration	3.00	3.00
Travelling and Conveyance Expenses	-	2.68
Rent Expenses	4.88	26.89
Legal and Professional Charges	3.34	5.37
Insurance Expenses	-	0.18
Rates and Taxes	7.27	4.46
Printing and Stationary Expenses	-	0.09
Interest on TDS	4.80	0.19
Postage, Telegram and Telephone Expenses	1.37	2.62
General Expenses	1.96	1.99
Compliance Audit Fees	-	1.54
Charity and Donation	-	1.66
Loss on sales of Fixed Assets	-	15.74
	-	-
<b>Selling and Distribution Expenses :-</b>	-	-
Rebate and Discount	-	7.69
Advertisement Expenses	1.39	1.14
<b>Total other expenses</b>	<b>28.00</b>	<b>165.98</b>



## Note 22. Categories of Financial Instruments

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Financial assets</b>		
Measured at Amortised cost		
a) Trade Receivables	710.82	751.97
b) Loans	7.42	9.44
c) Cash & Cash Equivalents	1.50	45.81
d) Other Bank Balances	9.73	8.62
e) Other Financial Assets	0.41	0.91
<b>Total Financial assets</b>	<b>729.87</b>	<b>816.74</b>
<b>Financial liabilities</b>		
Measured at Amortised cost		
a) Borrowings	627.60	625.35
b) Trade Payables	758.10	764.36
<b>Total Financial liabilities</b>	<b>1,385.70</b>	<b>1,389.71</b>
<b>Financial Assets as at FVTPL</b>		
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		
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
	SURENDRA KUMAR GUPTA	RAMAN OHRI	Independent 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	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	31.03.2020	31.03.2020	31.03.2019
<b>A. Investments</b>							
Opening Balance	3,720.00	3,720.00	150.01	150.01			
Issued during the Year							
Less:- Impairment during the year	3,720.00	3,720.00	150.01	150.01			
Closing Balance		-		-			
<b>C. Borrowings</b>							
Opening Balance						272.55	303.50
Amount paid During the Year						0.25	30.95
Amount Received during the year						2.50	
Closing Balance						274.80	272.55
<b>E. Debtor/ Creditors</b>							
Opening Balance (debit)			16.23	15.32	58.66		
Amount Received during the year					39.72		
Amount Paid during the year				0.91	6.83		
Expenses directly incurred					1.26		
Closing Balance			16.23	16.23	24.50	-	-

## 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	As at
	31.03.2020	31.03.2019
<b>Earnings Per Equity Share:</b>		
Net Profit after tax	-81.19	-80.56
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	-0.11	-0.11
Diluted Earnings per Share	-0.11	-0.11

## Note 27 - PAYMENTS TO AUDITOR

Particulars	As at	As at
	31.03.2020	31.03.2019
	Amount	Amount
(a) Statutory Audit Fee	2.00	2.00
(b) Other Services		
(i) For certification	-	-
(ii) For Income Tax	1.00	1.00
	<b>3.00</b>	<b>3.00</b>

## 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 - 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 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.
- (iv) The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance in the markets. On 11.03.2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organisation (WHO). It has also resulted in significant disruption in global and Indian economic activities. The situation has been under close watch by the company to take prompt actions for continuity of business operations in an optimised manner. The company believes that the impact of this outbreak will not be significant on its business and financial positions.
- (v) The Company has regrouped/reclassified the previous year figures to make them comparable with current year figures.

In terms of our report attached.

For **KAPIL KUMAR & CO**

Chartered Accountants

FRN NO 006241N

Sd/-

**(CHIRAG AGGARWAL)**

Partner

M.No 523052

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-

**ATUL MITTAL**

(Chairman & Managing Director and CFO)

DIN NO-00223366

Sd/-

**SURENDRA KUMAR GUPTA**

(Director)

DIN NO-00223035

Sd/-

**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065

Place : DELHI

Date : July 31 2020

UDIN : 20523052AAAAEL9036

**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 31<sup>st</sup> March, 2020****Part "A": Subsidiaries**

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

Sl. No.	Particulars	Details	
1	Name of the subsidiary	<b>SSA International Limited</b>	<b>Arlin Foods Limited (Formerly known as Sam Buildcon Limited)</b>
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	(255,30.03)	4.86
6	Total assets	365,07.81	308.82
7	Total Liabilities	583,17.84	153.96
8	Investments	259.85	Nil
9	Turnover & other Income	8.69	0.54
10	Profit before taxation	(876.89)	0.14
11	Provision for taxation	0	0
12	Profit after taxation	(876.89)	0.14
13	Proposed Dividend	0	Nil
14	% of shareholding	100	100

**Part "B": Associates & Joint Ventures**

-----NA-----

**As per our Report of Even Date Attached  
In terms of our report attached**

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

**For and on behalf of the Board of Directors**

**Sd/-**  
**(CHIRAG AGGARWAL)**  
Partner  
M.No 523052

**Sd/-**  
**ATUL MITTAL**  
(CMD & CFO)  
DIN NO-00223366

**Sd/-**  
**Surender Kumar Gupt**  
(Director)  
DIN No.: 00223035

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

Place : New Delhi  
Date : July 31, 2020

**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.

1. Details of contracts or arrangements or transactions not at Arm's length basis.- **N.A**
2. Details of contracts or arrangements or transactions at Arm's length basis. **Nil**

<b>SL. No.</b>	<b>Particulars</b>	<b>Name</b>	<b>Name</b>
1	Name (s) of the related party & nature of relationship	SSA International Limited (wholly owned Subsidiary)	Arlin Foods Limited, (wholly owned Subsidiary)
2	Nature of contracts/arrangements/transaction	N.A	N.A
3	Duration of the contracts/arrangements/ transaction	N.A	N.A
4	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A	N.A
5	Date of approval by the Board	N.A	N.A
6	Amount paid as advances, if any	N.A	N.A

**As per our Report of Even Date Attached  
In terms of our report attached**

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

For and on behalf of the Board of Directors

**Sd/-**  
**(CHIRAG AGGARWAL)**  
Partner  
M.No 523052

**Sd/-**  
**ATUL MITTAL**  
(CMD & CFO)  
DIN NO-00223366

**Sd/-**  
**Surender Kumar Gupt**  
(Director)  
DIN No.: 00223035

Place : New Delhi  
Date : July 31, 2020

**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 2020, 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 31<sup>st</sup> March, 2020, 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 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, Udyog Vihar, Greater Noida, UP- 201308 and since then no manufacturing activity has been carried on. 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.
- 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 28524.66 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 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, 2020 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 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 willful 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.
- 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 March 31, 2020. 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.
- iv. The group had given loans and advances as on 31.03.2019, 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, the holding company had advanced a further sum of Rs 22 lacs, we have not been provided with the justification for advance given and sufficient, appropriate audit evidence relating to verification of the same along with. Pending completion of such verification 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 31<sup>st</sup> March 2020, 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 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, 2020, 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.



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. 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.

Those Board of Directors of the holding company 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 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.376.96 lacs as at 31st March, 2020, 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. 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 2019 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/-  
CHIRAG AGGARWAL  
(PARTNER)  
MEMBERSHIP NUMBER: 523052  
UDIN: 20523052AAAAEK2446**

**31<sup>st</sup> July 2020  
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, 2020, 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/-  
CHIRAG AGGARWAL  
(PARTNER)  
MEMBERSHIP NUMBER: 523052  
UDIN: 20523052AAAAEK2446**

**31<sup>st</sup> July 2020  
NEWDELHI**



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(CIN : L17112UP1993PLC022479)

(In Lacs)

Particulars		Note No.	As at March 31, 2020	As at March 31, 2019
<b>A</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	1	8,381.31	9,164.09
	(b) Capital work-in-progress		170.34	170.34
	(c) Intangible assets	1	0.59	0.59
	(d) Financial assets		-	-
	(i) Investments	2	-	60.00
	(ii) Trade Receivables	2	28,524.66	27,927.48
	(iii) Other financial assets	2	366.42	388.78
	(e) Deferred tax assets (net)	3	90.43	83.70
	(f) Other non-current assets	3A	294.81	365.24
	<b>Total Non - Current Assets</b>		<b>37,828.55</b>	<b>38,160.22</b>
2	<b>Current assets</b>			
	(a) Inventories	4	25.32	25.32
	(b) Financial assets		-	-
	(i) Trade receivables	5	24.50	647.16
	(ii) Cash and cash equivalents	6	65.50	138.96
	(iii) Bank balances other than (ii) above	6	35.71	34.34
	(iv) Other financial assets	2	4.16	4.52
	(c) Current Tax Assets (Net)	6A	59.03	58.82
	(d) Other current assets	3A	276.75	303.99
	<b>Total Current Assets</b>		<b>490.98</b>	<b>1,213.10</b>
	<b>Total Assets (1+2)</b>		<b>38,319.52</b>	<b>39,373.32</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	7	1,491.80	1,491.80
	(b) Other equity	8	(22,942.64)	(21,944.08)
	<b>Total equity</b>		<b>(21,450.84)</b>	<b>(20,452.28)</b>
	<b>LIABILITIES</b>			
2	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	9	652.60	650.35
	(b) Provisions	10	15.84	34.98
	<b>Total Non - Current Liabilities</b>		<b>668.44</b>	<b>685.33</b>
3	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	11	55,618.07	55,619.47
	(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	834.93	851.23
	(iii) Other financial liabilities		2,633.45	2,633.45
	(b) Provisions	10	-	0.92
	(c) Current Tax Liabilities (Net)		-	-
	(d) Other current liabilities	13	15.49	35.21
	<b>Total Current Liabilities</b>		<b>59,101.93</b>	<b>59,140.27</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>38,319.53</b>	<b>39,373.32</b>

See accompanying notes to the Ind AS financial statements

In terms of our report attached.

For **KAPIL KUMAR & CO**

Chartered Accountants

FRN NO 006241N

Sd/-

**(CHIRAG AGGARWAL)**

Partner

M.No 523052

Place : DELHI

Date : July 31, 2020

UDIN : 20523052AAAAEK2446

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-

**ATUL MITTAL**

(Chairman & Managing Director and CFO)

DIN NO-00223366

Sd/-

**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065

Sd/-

**SURENDRA K GUPTA**

(Director)

DIN NO-00223035



## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(CIN : L17112UP1993PLC022479)

(In Lacs)

Particulars		Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from operations	14	-	309.67
	Add: Transfer to New York		-	-
II	Other Income	15	9.92	38.11
III	<b>Total Revenue (I + II)</b>		<b>9.92</b>	<b>347.78</b>
IV	<b>EXPENSES</b>			
	(a) Cost of materials consumed	16	-	-
	(b) Purchase of Stock-in-Trade		-	133.33
	Add: Transfer from India		-	-
	(c) Changes in stock of finished goods and work-in-progress	17	-	(25.12)
	(d) Employee benefit expense	18	77.97	171.47
	(e) Finance costs	19	0.24	5.20
	(f) Depreciation and amortisation expense	20	782.78	876.16
	(g) Other expenses	21	119.48	300.89
	<b>Total Expenses (V)</b>		<b>980.48</b>	<b>1,461.93</b>
VI	<b>Profit/(loss) before exceptional items and tax (I- IV)</b>			
	Exceptional Item Expenses		-	-
	Exceptional Item Expenses		-	-
VII	<b>Profit/(loss) before tax (V - III)</b>		<b>(970.56)</b>	<b>(1,114.15)</b>
VIII	<b>Tax Expense</b>			
	(1) Current tax		-	1.42
	(2) Deferred tax		<b>(6.73)</b>	<b>(6.96)</b>
	<b>Total tax expense</b>		<b>(6.73)</b>	<b>(5.53)</b>
IX	<b>Profit/(loss) for the year (VI - VII)</b>		<b>(963.83)</b>	<b>(1,108.61)</b>
X	<b>Other comprehensive income(Net)</b>		(27.39)	(216.60)
X	<b>Total comprehensive income/(loss) for the year (VIII + IX)</b>		<b>(991.21)</b>	<b>(1,325.22)</b>
XII	<b>Earnings per equity share (of Rs 10 each):</b>			
	(1) Basic		(1.33)	(1.78)
	(2) Diluted		(1.33)	(1.78)

See accompanying notes to the Ind AS financial statements

In terms of our report attached.

For **KAPIL KUMAR & CO**

Chartered Accountants

FRN NO 006241N

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-  
**(CHIRAG AGGARWAL)**

Partner

M.No 523052

Sd/-  
**ATUL MITTAL**  
(Chairman & Managing Director and CFO)

DIN NO-00223366

Sd/-  
**SURENDRA K GUPTA**

(Director)

DIN NO-00223035

Place : DELHI

Date : July 31, 2020

UDIN : 20523052AAAAEK2446

Sd/-  
**ANUSHIKA MISHRA**  
(Company Secretary)

M NO-ACS 59065



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(CIN : L17112UP1993PLC022479)

(In Lacs)

Particulars	Year ended 31-03-20	Year ended 31-03-19
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	<b>(970.56)</b>	<b>(1,114.15)</b>
Adjustments for:		
Amounts Charged directly to Other Comprehensive Income	(27.39)	23.40
Depreciation and amortisation	782.78	876.16
Loss/(Gain) on disposal of property, plant and equipment	-	24.74
Interest income recognised in profit or loss	(2.78)	(9.65)
Finance cost recognised in profit or loss	0.24	5.20
Capital Investment Subsidy	(2.89)	(2.89)
<b>Movements in working capital:</b>		
(Increase) /decrease in trade and other receivables	25.47	221.80
(Increase) /decrease in other financial assets	82.73	43.04
(Increase) /decrease in other current assets	22.78	(6.64)
(Increase) /decrease in other non-current assets	70.44	168.44
(Increase) /decrease in inventories	-	(25.12)
Increase/ (decrease) in trade payables	(16.30)	(170.44)
Increase/ (decrease) in provisions	(20.06)	(3.07)
Increase/ (decrease) in other current liabilities	(19.72)	(5.77)
Increase/ (decrease) in other financial liabilities	-	-
<b>Cash generated from operations</b>	<b>(75.26)</b>	<b>25.03</b>
Income taxes paid (net of refund, if any)	0.21	6.37
<b>Net cash generated from operations</b>	<b>(75.47)</b>	<b>18.66</b>
<b>B. Cash flow from investing activities</b>		
Payments for property, plant and equipment	-	14.29
Proceeds from disposal of property, plant and equipment	-	20.36
Interest received	2.78	9.65
(Increase) /decrease in other bank balances	(1.37)	2.16
<b>Net cash generated from /(used in) investing activities</b>	<b>1.41</b>	<b>46.46</b>
<b>C. Cash flow from financing activities</b>		
Net Increase /(Decrease) in long term borrowing	2.25	(30.95)
Net Increase /(Decrease) in short term borrowing	(1.40)	(4.44)
Interest Paid	(0.24)	(5.20)
<b>Net cash used in financing activities</b>	<b>0.61</b>	<b>(40.58)</b>
<b>Net change in cash and cash equivalents</b>	<b>(73.46)</b>	<b>24.54</b>
Cash and cash equivalents as at the beginning of the Year	138.96	114.42
Cash and cash equivalents as at the end of the Year	<b>65.50</b>	<b>138.96</b>
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents[Refer Note 10]	<b>65.50</b>	<b>138.96</b>

See accompanying notes to the Ind AS financial statements

In terms of our report attached.

For **KAPIL KUMAR & CO**

Chartered Accountants

FRN NO 006241N

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-  
**(CHIRAG AGGARWAL)**

Partner  
M.No 523052

Sd/-  
**ATUL MITTAL**

(Chairman & Managing Director and CFO)  
DIN NO-00223366

Sd/-  
**SURENDRA K GUPTA**

(Director)  
DIN NO-00223035

Place : DELHI

Date : July 31, 2020

UDIN : 20523052AAAAEK2446

Sd/-  
**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(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, 2018	745.00	1,490.00	1.00	1.80
Change in equity share capital during the year	-	-	-	-
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

B. OTHER EQUITY	Capital Reserves	Security Premium	Reserves & Surplus	Total
Balance as at March 31, 2018	18.82	1,140.00	(21,774.79)	(20,615.97)
(a) Loss for the year	(2.89)		(1,108.61)	(1,111.50)
(b) Other Comprehensive income of the year, net of income tax			(216.60)	(216.60)
Total comprehensive income/(loss) for the year	(2.89)		(1,325.22)	(1,328.11)
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)

In terms of our report attached.

For **KAPIL KUMAR & CO**

Chartered Accountants

FRN NO 006241N

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

Sd/-

**(CHIRAG AGGARWAL)**

Partner

M.No 523052

Sd/-

**ATUL MITTAL**

(Chairman & Managing Director and CFO)

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**SURENDRA K GUPTA**

(Director)

DIN NO-00223035

Sd/-

**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065

Place : DELHI

Date : July 31, 2020

UDIN : 20523052AAAAEK2446



## Note No. 1 - Property, plant and equipment

(In Lacs)

Description of Assets	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Building	Electrical Fittings	Housing Project	Land (freehold)	Land (Lease-hold)	Roads	Total
Balance as at March 31 2019	8,285.98	34.05	124.76	32.83	2,846.45	69.02	121.23	98.78	266.03	404.06	12,283.19
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31 2019	8,285.98	34.05	124.76	32.83	2,846.45	69.02	121.23	98.78	266.03	404.06	12,283.19
<b>Accumulated Depreciation and impairment</b>											
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
<b>Net Carrying Amount</b>											
Balance as at March 31 2019	5,822.39	18.33	63.60	16.48	2,496.47	69.02	121.23	98.78	232.25	225.54	9,164.09
Balance as at March 31 2020	5,254.47	13.84	43.22	14.59	2,377.85	69.02	121.23	98.78	220.81	167.49	8,381.31
<b>Description of Assets</b>											
<b>Gross Carrying Amount</b>											
Balance as at March 31 2019	11.79										
Additions	-										
Disposals	-										
Balance as at March 31 2018	11.79										
<b>Accumulated Depreciation and impairment</b>											
Balance as at March 31 2019	11.21										
Depreciation / amortisation expense	-										
Eliminated on disposal of assets	-										
Balance as at March 31 2020	11.21										
<b>Net Carrying amount</b>											
Balance as at March 31 2019	0.59										
Balance as at March 31 2020	0.59										





## **SAMTEX FASHIONS LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

The group includes 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

#### **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 31<sup>ST</sup> JULY 2020.

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.

These financial statements were approved for issue by the Board of Directors on July 31, 2020.

##### **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.

**d) Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a written down basis 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 recognised 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:**

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 recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised 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 categorised 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 recognised 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 longterm 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 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 amortised cost or at fair value through OCI. All recognised 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 recognised in the Statement of Profit and Loss.

#### **Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised 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. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

#### **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.



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

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
<b>Investments</b>		
<b>Unquoted Equity Investments</b>		
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	60.00
<b>Total</b>	<b>360.00</b>	<b>360.00</b>
Less: Impairment in Value of Investments		
Express warehousing Ltd	300.00	240.00
Yogendra Worsted Limited	60.00	60.00
<b>Net Value of Investments</b>	<b>-</b>	<b>60.00</b>
<b>Trade Receivable</b>		
a) Unsecured, considered good	28,825.60	28,228.42
Less: provision for bad debts	(300.94)	(300.94)
<b>Net Trade Receivable</b>	<b>28,524.66</b>	<b>27,927.48</b>
<b>Loans</b>		
d) Security Deposits	366.42	388.78
<b>TOTAL [I]</b>	<b>29,192.02</b>	<b>28,677.20</b>
<b>Current</b>		
<b>Financial assets at amortised cost</b>		
a) Interest accrued on bank deposits	4.16	4.52
<b>TOTAL [II]</b>	<b>4.16</b>	<b>4.52</b>
<b>TOTAL [I + II]</b>		

## Note No.3- Deffered Tax Asset (net)

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
The balance comprise of temporary difference attributable to property plant and equipment and expenses allowable on actual basis	83.7	83.7

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

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
(a) Capital advances	98.17	98.17
(b) Duty paid under protest	196.63	267.07
<b>Total [I]</b>	<b>294.81</b>	<b>365.24</b>
<b>Current</b>		
(a) Prepaid expenses	-	4.94
(b) Other advances	227.62	245.58
(c) Balance with Government authorities	49.13	53.46
<b>Total [II]</b>	<b>276.75</b>	<b>303.99</b>
<b>TOTAL [I+II]</b>	<b>571.56</b>	<b>669.23</b>




**Note - 4: Inventories [lower of cost and net realisable value]**
**(In Lacs)**

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Raw materials	-	-
(b) Work-in-progress	-	-
(c) Finished goods & Stock in trade	25.32	25.32
(d) Stores and spares	-	-
(e) Scrap	-	-
	-	-
<b>Total Inventories at the lower of cost and net realisable value</b>	<b>25.32</b>	<b>25.32</b>

**Note No. 5 - Trade receivables**
**(In Lacs)**

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
(a) Unsecured, considered good	24.50	647.16
<b>TOTAL</b>	<b>24.50</b>	<b>647.16</b>

**Note - 6 Cash and bank balances**
**(In Lacs)**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>1. Cash and cash equivalents:</b>		
a) Cash on hand	1.87	23.90
b) Balance with banks		
(i) In current accounts	63.00	114.52
(ii) In other deposit accounts	0.63	0.53
<b>Total-Cash and cash equivalents [A]</b>	<b>65.50</b>	<b>138.96</b>
<b>2. Other bank balances</b>		
a) Balance with banks		
(i) In other deposit accounts (maturity in excess of 3 Months)	35.71	34.34
<b>Total-Other bank balances [B]</b>	<b>35.71</b>	<b>34.34</b>
<b>TOTAL [A+B]</b>	<b>101.21</b>	<b>173.30</b>

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

Particulars	As at March 31, 2020	As at March 31, 2019
Net Current Tax Asset (TDS/Advance Tax)		58.82
<b>Total</b>	<b>-</b>	<b>58.82</b>



## Note No.7 - Share Capital

(In Lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
<b>AUTHORIZED SHARES</b>	-	-	-	-
Equity Shares of Rs 2/- Each	800.00	1,600.00	800.00	1,600.00
<b>ISSUED,SUBSCRIBED AND PAID UP SHARES</b>				
Equity Shares of Rs 2/- Each Fully Paid Up	745.00	1,490.00	745.00	1,490.00
<b>FORFEITED SHARES</b>				
Amount Originally Paid up on 1,00,000 Zero Coupon Warrant @ 1.80 per Warrant	1.00	1.80	1.00	1.80
<b>TOTAL</b>	<b>746.00</b>	<b>1,491.80</b>	<b>746.00</b>	<b>1,491.80</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
<b>EQUITY SHARES</b>				
At the beginning of the year	745.00	1,490.00	745.00	1,490.00
Issued during the year as fully paid up	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>745.00</b>	<b>1,490.00</b>	<b>745.00</b>	<b>1,490.00</b>

- (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 2020, 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

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
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	652.60	650.35
<b>Total Borrowings carried at Amortised Cost</b>	<b>652.60</b>	<b>650.35</b>

### (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 2020	
	of principal amount	of interest accrued
	(in lacs)	(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
<b>Totals</b>	<b>2,467</b>	<b>166</b>



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

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current</b>		
(a) Provision for employee benefits		
a. Provision for leave encashment	10.70	12.04
b. Provision for gratuity	5.14	22.95
<b>Total [I]</b>	<b>15.84</b>	<b>34.98</b>
<b>Current</b>		
(a) Provision for employee benefits		
a. Provision for leave encashment	-	0.37
b. Provision for gratuity	-	0.54
c. Other Provision	-	-
<b>Total [II]</b>	<b>-</b>	<b>0.92</b>
<b>Total Provisions [I+II]</b>	<b>15.84</b>	<b>35.90</b>

## Note - 11: Current Borrowings

(In Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans Repayable on demand</b>		
(ii) Working Capital Facility		
(a) EPC Account	421.34	421.34
(b) OCC Account	55,196.73	55,198.13
<b>Total Borrowings carried at Amortised Cost</b>	<b>55,618.07</b>	<b>55,619.47</b>

(A) Details of Security & 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 2020	
	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
<b>Total</b>	<b>51110</b>	<b>4514</b>



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

Particulars	As at 31st March 2020	As at 31st March 2019
Working Capital Finance	55,618.07	55,619.47
<b>Total</b>	<b>55,618.07</b>	<b>55,619.47</b>

**Note - 12: Trade Payables**

(In Lacs)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade Payables	834.93	851.23
<b>Total</b>	<b>834.93</b>	<b>851.23</b>

**Note - 13: Other Liabilities**

(In Lacs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Current</b>		
a) Other Payable	0.61	5.89
b) Statutory dues payable	14.87	29.31
<b>Total other liabilities</b>	<b>15.49</b>	<b>35.21</b>

**Note - 14: Revenue from operations**

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Sale of products	-	131.74
(b) Other operating income		
-Job Work	-	177.93
<b>Total Revenue from operations</b>	<b>-</b>	<b>309.67</b>

**Note - 15: Other Income**

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(a) Interest income	2.78	9.65
(b) Rent Income	-	5.00
(c) Other Non operating Income	7.14	23.46
<b>Total other income</b>	<b>9.92</b>	<b>38.11</b>

**Note - 16: - Cost of material consumed**

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	-	-
Add: Purchases	-	-
	-	-
Less: Closing stock	-	-
<b>Total cost of material consumed</b>	<b>-</b>	<b>-</b>



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

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<u>Inventories at the beginning of the year:</u>		
Finished goods & Stock in trade	25.32	0.19
	<b>25.32</b>	<b>0.19</b>
<u>Inventories at the end of the year:</u>		
Finished goods & Stock in trade	25.32	25.32
	<b>25.32</b>	<b>25.32</b>
<b>Net (increase) / decrease</b>	<b>-</b>	<b>(25.12)</b>

## Note - 18: Employee benefit expenses

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	74.91	128.65
Contributions to provident fund	1.07	3.94
Contributions to employee state insurance	0.25	0.40
Gratuity expense	-	3.85
Leave Encashment	1.26	0.87
Staff welfare expenses	0.49	0.95
Others	-	32.82
<b>Total Employee benefit expenses</b>	<b>77.97</b>	<b>171.47</b>

## Note - 19: Finance cost

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on:		
(i) Interest on working capital facilities	-	3.97
(ii) Interest on term loan	-	-
(i) Interest others	0.08	0.08
Bank Charges	0.16	1.14
<b>Total Finance cost</b>	<b>0.24</b>	<b>5.20</b>

## Note - 20: Depreciation and amortisation expense

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
(i) Property, plant and equipment	782.78	876.16
<b>Total Depreciation</b>	<b>782.78</b>	<b>876.16</b>



## Note - 21: Other expenses

(In Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of Stores and Spares :-	-	5.53
Power and Fuel	33.74	69.02
Freight Inwards	-	0.08
Material Handling Charges	-	6.96
Repair and Maintenance( Machinery)	-	10.11
Repair & Maintenance(Building)	-	1.33
Repair and Maintenance( Electricals)	-	0.70
Processing and finishing Expenses	-	42.01
Auditor's Remuneration	6.30	6.30
Travelling and Conveyance Expenses	3.73	10.57
Rent Expenses	10.22	32.35
Legal and Professional Charges	13.66	17.64
Insurance Expenses	8.36	13.35
Rates and Taxes	12.59	4.61
Printing and Stationary Expenses	0.11	0.37
Interest on TDS	4.80	0.19
Postage, Telegram and Telephone Expenses	2.74	4.10
General Expenses	16.15	7.46
Compliance Audit Fees	-	1.54
Charity and Donation	-	1.66
Repair and Maintenance- Vehicle	0.32	0.43
Loss on sales of Fixed Assets	-	24.74
ITC Disallowed(Sales Tax)	5.37	31.04
<b>Selling and Distribution Expenses :-</b>		
Rebate and Discount	-	7.69
Advertisement Expenses	1.39	1.14
<b>Total Other Expenses</b>	<b>119.48</b>	<b>300.89</b>

## Note 22 Categories of Financial Instruments

(In Lacs)

Particulars	As At 31st March 2020	As At 31st March 2019
<b>Financial assets</b>		
Measured at Amortised cost		
a) Trade Receivables	28,549.17	28,574.64
b) Loans	366.42	388.78
c) Cash & Cash Equivalentents	65.50	138.96
d) Other Bank Balances	35.71	34.34
e) Other Financial Assets	4.16	4.52
<b>Total Financial assets</b>	<b>29,020.96</b>	<b>29,141.24</b>





Particulars	As At	As At
	31st March 2020	31st March 2019
Measured at Amortised cost		
a) Borrowings	56,270.67	56,269.82
b) Trade Payables	834.93	851.23
c) Other Financial Borrowings	2,633.45	2,633.45
<b>Total Financial liabilities</b>	<b>59,739.05</b>	<b>59,754.50</b>
<b>Financial Assets as at Fair Value</b>	(Rs in Lacs)	(Rs in Lacs)
a) Investments	-	60.00

### 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 31-03-20	As at 31-03-19
	(Rs in Lacs)	(Rs in Lacs)
Bank Guarantees issued & outstanding (SSA International LTD)	60.02	60.02
Entry Tax (SSA International LTD)	41.57	41.57
Income Tax A.Y 2011-12 (SSA International LTD)	7.45	7.45
Income Tax A.Y 2011-12 (SSA International LTD)	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 laready deposited are being filed and recieve in the due course.

### Commitments

Particulars	As at 31-03-20	As at 31-03-19
"Estimated amount of unexecuted Capital Contracts* (net of advances & deposits) (SSA International Ltd)"	22,655,366	227

\*M/s SSA International 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	Key personnels are related to management of related party
Bloomingdale Vendors Pvt Ltd	Key personnels are related to management of related party
Atul Mittal	Director
SURENDRA KUMAR GUPTA	Independent Director
RAMAN OHRI	Independent Director

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

	As at 31.03.2020 (Rs in Lacs)	As at 31.03.2019 (Rs in Lacs)
<b>Transactions with Gartex Overseas Pvt Ltd</b>		
<b>Lease Rent</b>		
Opening Balance	0.30	0.15
Paid during the year		
Payable for the year	0.15	0.15
Closing balance	0.45	0.30
<b>Transactions with SSR Apparels Pvt Ltd</b>		
<b>Lease Rent</b>		
Opening Balance	0.30	0.15
Paid during the year	0.30	
Payable for the year	0.15	0.15
Closing balance	0.15	0.30
<b>Transactions with Express Warehousing Ltd</b>		
<b>Rent Expenses Payable</b>		
Opening Balance	1.02	1.02
Paid during the year		
Receipt during the year		
Payable for the year		
Closing balance	1.02	1.02
<b>Security Deposits</b>		
Opening Balance	325.00	325.00
Net security paid during the year		
Closing balance	325.00	325.00
<b>Investment</b>		
Opening Balance	300.00	300.00
Investment made during the year		
Impairment in value	300.00	-240.00
Closing balance	-	60.00



	As at 31.03.2020 (Rs in Lacs)	As at 31.03.2019 (Rs in Lacs)
<b>Transactions with Bloomingdale Vendors Pvt Ltd</b>		
<b>Receivables</b>		
Opening Balance	58.66	-
Amount Received during the year	39.72	
Amount Paid during the year	6.83	
Expenses directly incurred	1.26	
Closing Balance	24.50	-
<b>Transactions with Atul Mittal</b>		
<b>Borrowings</b>		
Opening Balance	282.55	313.50
Amount Received during the year	2.50	-
Amount Paid during the year	0.25	30.95
Closing Balance	284.80	282.55

## Note 25 - EARNINGS PER EQUITY SHARE

Particulars	As at 31.03.2020 (Rs in Lacs)	As at 31.03.2019 (Rs in Lacs)
<b>Earnings Per Equity Share:</b>		
Net Profit after tax	-991.21	-1,325.22
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	-1.33	-1.78
Diluted Earnings per Share	-1.33	-1.78

## Note 26 - PAYMENTS TO AUDITOR

Particulars	As at 31.03.2020 (Rs in Lacs)	As at 31.03.2019 (Rs in Lacs)
(a) Statutory Audit Fee	4.30	4.30
(b) Other Services		
(i) For certification	-	-
(ii) For Income Tax	2.00	2.00
	<b>6.30</b>	<b>6.30</b>

## 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.
- (vi) The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance in the markets. On 11.03.2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organisation (WHO). It has also resulted in significant disruption in global and Indian economic activities. The situation has been under close watch by the group to take prompt actions for continuity of business operations in an optimised manner. The group believes that the impact of this outbreak will not be significant on its business and financial positions.

## N - PREVIOUS YEAR FIGURES

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

In terms of our report attached.

For **KAPIL KUMAR & CO**

Chartered Accountants

FRN NO 006241N

For and on behalf of the Board of Directors

**SAMTEX FASHIONS LTD**

**Sd/-**

**(CHIRAG AGGARWAL)**

Partner

M.No 523052

**Sd/-**

**ATUL MITTAL**

(Chairman & Managing Director and CFO)

DIN NO-00223366

**Sd/-**

**SURENDRA K GUPTA**

(Director)

DIN NO-00223035

**Sd/-**

**ANUSHIKA MISHRA**

(Company Secretary)

M NO-ACS 59065

Place : DELHI

Date : July 31, 2020

UDIN: 20523052AAAAEK2446

**Book Post/Registered/Courier**

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**SAMTE FASHIONS LIMITED**

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