



BOMBAY RAYON FASHIONS LTD.
CIN : L17120MH1992PLC066880

Regd. Office : 3rd Floor, DLH Mangal Murti Building, Linking Road, Santacruz (West), Mumbai-400054
Tel : +91 22 61068800, Fax : +91 22 61068830, E-mail ID : mail@bombayrayon.com, Website : www.bombayrayon.com

STATEMENT OF STANDALONE UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2022.

Sr. No.	Particulars	STANDALONE			
		Quarter Ended		Year Ended	
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from Operations (Net of Excise Duty)	14.04	26.30	16.14	83.08
	(b) Other Income	0.36	0.45	0.44	1.46
	Total Income	14.40	26.75	16.58	84.54
2	Expenses				
	Cost of Materials consumed	4.63	12.68	2.09	48.35
	Purchase of stock-in-trade				
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.12	19.39	12.06	26.04
	Employee benefits expense	6.57	9.66	10.01	41.28
	Finance Cost	3.51	13.82	22.24	81.17
	Depreciation and amortisation expense	16.15	13.44	17.01	64.34
	Other expenses	35.67	18.95	57.66	202.62
	Total Expenses	66.65	87.94	121.07	463.80
3	Profit / (Loss) before Extraordinary Items and Tax (1-2)	(52.25)	(61.19)	(104.49)	(379.26)
	Extraordinary items	10.66	670.67		888.07
4	Profit Before tax	(62.91)	(731.86)	(104.49)	(1,267.33)
5	Tax expense				
	a) Current tax				
	b) Deferred Tax	-	(117.04)	(1.92)	(258.68)
	c) Short Provision for Tax in respect of earlier years				
	d) Mat Credit Entitlement				
	Total tax Expenses	-	(117.04)	(1.92)	(120.13)
6	Profit / (Loss) after tax before Minority Interest (4-5)	(62.91)	(614.82)	(102.57)	(1,147.20)
7	Other Comprehensive Income (OCI)				
	(i) Items that will not be reclassified to Statement of Profit & Loss	-	-	-	-
	(a) Remeasurements of the defined benefit Liabilities / (assets)	-	-	-	-
	(ii) Income Tax relating to items that will not be reclassified to Profit & Loss	-	-	-	-
8	Total other Comprehensive Income (OCI)	-	1.59	-	1.59
9	Total Comprehensive Income for the year (5+6)	(62.91)	(616.41)	(102.57)	(1,148.79)
10	Paid-up Equity share Capital (Face value Rs. 10/- each)	317.48	317.48	317.48	317.48
11	Earnings Per Share (EPS) Basic & Diluted (of Rs. 10/- each)	(1.98)	(19.48)	(3.23)	(36.13)

- This statement has been prepared in accordance with the Companies (Indian Accounting) Rules, 2015 (Ind As) prescribed under Section 133 of Companies Act, 2013 with rule 3 of the Company (Indian Accounting) Rules, 2015 and Companies (Indian Accounting Standard) Accounting Rules, 2016.
- The consortium Lenders with exposure of 89.44% of the Debt assigned their debt to JM Financial Asset Reconstruction Company Limited (JMFARC). The Company has decided not to provide the interest on these assigned loans w.e.f. 1st April, 2020 & reverse the interest provided for prior period. The JMFARC have notified the Company that the interest is applicable as per the rates contracted as per restructured sanctions and the impact of the non-provision is understatement of finance cost for the quarter ended to the extent of Rs.121.47 Crores. Had the Company provided for interest, the loss would have been higher to that extent.
- The Company has also not provided the interest dues for Axis Bank Limited for the Quarter amounting to Rs.10.77 Crs.
- The company's total non-provision of the interest (period 01.04.2022 upto 30.06.2022) due to the financial institutions and Axis Bank Limited is Rs. 2,446.93 Crs. (P.Y. Rs. 2314.69 Crs).
- The company has not provided for interest accrued and due on the Optionally Convertible Debentures ("OCD").
- During the period the JMFARC has invoked the rights of Securities held in Subsidiary i.e BRFL Textile Private Limited, where the value of pledge is amounting to Rs. 271.91 Crs. The company is under discussion with the Financial Institutions for valuation of such invoking of rights, hence due to non-receipt of any confirmation from the lenders towards the value of such equity and preference shares, no adjustment has been made in the books of accounts in relation to the loan outstanding to the lender. Accordingly, the same is shown as unallocated adjustments under the outstanding due to the respective lender.
- The Redemption Procedures of Investment in Debentures of the wholly owned subsidiary, STI India Limited is not carried out. Therefore, impairment of the investment in the debentures is not ascertainable.
- On 7th June, 2022 Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) has admitted the petition filed by one of the operational creditor of the company for initiation of Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016. Mr. Shantanu T Ray had been appointed as the Interim Resolution Professional ("IRP") for the Company, via order dated 7th June, 2022. A director of the suspended Board had filed an appeal before National Company Law Appellate Tribunal, New Delhi (NCLAT) against the said Order. The said appeal was dismissed by Hon'ble NCLAT on 15th July, 2022. In the first meeting of Committee of Creditors (CoC) the proposal for appointment of Mr. Satish Kumar Gupta as a Resolution Professional ("RP") was considered and approved and Hon'ble NCLT has approved the appointment of RP by virtue of Order dated 4th August, 2022.
- Electricity power at Tarapur unit of the Company was disconnected on 21st June, 2022 due to non-payment of dues and the unit is not operational at present.
- The above results were reviewed by the Audit Committee. The Board of Directors in their meeting held on 30 August, 2022 has approved the above results and its release.
- The RP has relied upon the results provided by the Board members in review of the financial results and certifications, representations and statements made by the Director of the Company in relation to these financial results and has taken on record accordingly.
- Figures for the previous period / year have been re-grouped / reworked / rearranged wherever necessary to make the comparable.
- The Company operates in a single segment of manufacture and sale of Textiles.
- The above is Financial Results for the quarter ended 30th June, 2022 are also available on the website of the Company at www.bombayrayon.com and on the website of Stock Exchanges at www.nseindia.com and www.bseindia.com.

For and on behalf of Board of Directors

Aman Agrawal
Chairman & Managing Director

Place : Mumbai
Date : 30th August, 2022

**P R AGARWAL & AWASHTI
CHARTERED ACCOUNTANTS**

REGD OFFICE: 42, Gopal Bhavan, 199, Princess Street, Mumbai – 400002.

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Independent Auditors' Review Report on Quarterly Unaudited Standalone Financial Results of Bombay Rayon Fashions Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
Bombay Rayon Fashions Limited**

We have reviewed the accompanying Statement of Unaudited Financial Results of **Bombay Rayon Fashions Limited** ("the Company") for the quarter ended June 30, 2022 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29" March 2019 ('the Circular').

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

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

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Financial Results prepared in accordance with applicable Indian Accounting Standards specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement except:

- a) As per Indian Accounting Standard 36 on Impairment of Assets, the Company is required to determine impairment in respect of Property, Plant & Equipment's as per the methodology prescribed under the said Standard. However, the Management of 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 these Standalone Financial Statements is not ascertainable.

- b) The Redemption Procedures of Investment in Debentures of the wholly owned subsidiary, STI India Limited is not carried out. Therefore, impairment of the investment in the debentures is not ascertainable.*
- c) Non-provision of trade receivables/payables, trade advances, capital advances, deposits and loans are subject to reconciliation, confirmation and consequential adjustments that may arise on reconciliation which may have major impact for the period ended June 30, 2022. Had this provision been made, the current assets would have been lower and the net worth would have also been eroded to that extent. These conditions, along with absence of clear indications or plans for revival, in our opinion, indicate that there is significant uncertainty about realization of the carrying amount of the assets as on June 30, 2022. We are unable to ascertain the consequent effect on the balances held by the company and loss for the year.*
- d) The company has not provided for interest accrued and due on the Optionally Convertible Debentures (“OCD”) The total interest payable are unascertainable. We further state that to this extent the loss of the company is understated.*
- e) During the period covered under our audit, we find that the company has not provided for interest accrued and due on the borrowing from financial institution and bank. The total interest not provided in books during the period are as follows:*
 - i. Non-Provision of interest dues during the quarter is Rs. 121.47 Crs. i.e. interest due to JMFARC. The Non-provision of interest in the P.Y. was Rs.472.85 Crs.*
 - ii. Non-Provision of interest dues during the quarter is Rs. 10.77 Crs. i.e. interest due to Axis Bank Limited. The Non-provision of interest in the P.Y. was Rs.43.10 Crs.*

To this extent we state that the loss of the company is understated.

We would further like to state that the company’s total non-provision of the interest (period 01.04.2022 upto 30.06.2022) due to the financial institutions and Axis Bank Limited is Rs. 2,446.93 Crs. (P.Y. Rs. 2314.69 Crs).

- f) During the period under audit, the financial institution has invoked the rights of Securities held in Subsidiary i.e BRFL Textile Private Limited, where the value of pledge is amounting to Rs. 271.91 Crs. The company is under discussion with the Financial Institutions for valuation of such invoking of rights, hence due to non-receipt of any confirmation from the lenders towards the value of such equity and preference shares, no adjustment has been made in the books of accounts in relation to the loan outstanding to the lender. Accordingly, the same is shown as unallocated adjustments under the outstanding due to the respective lender.*

The impact of the above qualifications (a) to (f) on the Standalone Financial Statements, if any, is not ascertainable.

Material Uncertainty in relation to Going Concern

The company has an accumulated losses of Rs.1,093.83 Crs during the period ended June 30, 2022 and, as of that date, the Company’s current liabilities exceeded its current assets by Rs.3,540.14 Crs and its Net worth have negative by Rs.776.35 Crs which has resulted in complete erosion of the net worth of the company. Further it maybe noted that on 7th June, 2022 Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) has admitted the

petition filed by one of the operational creditor of the company for initiation of Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016. Mr. Shantanu T Ray had been appointed as the Interim Resolution Professional ("IRP") for the Company, via order dated 7th June, 2022. In the first meeting of Committee of Creditors (CoC) the proposal for appointment of Mr. Satish Kumar Gupta as a Resolution Professional ("RP") was considered and approved and Hon'ble NCLT has approved the appointment of RP by virtue of Order dated 4th August, 2022.

Due to these events or conditions which casts a doubt on the ability of the company to continue as a going concern.

Emphasis of Matter

We draw attention to;

Implementation of SARFAESI ACT, 2002

In the F.Y. 2019-20, upon the defaults made by the company on account of the of financial obligations and delay in payment of instalments, the J M Financial Assets Reconstruction Co. Ltd JMFARC (present lender), took action under SARFAESI Act and took over the possession of entire mortgage movable and immovable assets of BRFL and its associates/subsidiary companies including STI and initiated the process of sale of assets and has taken over the possession of assets of STI (w.e.f. 14th September, 2019) and initiated the process of sale of its entire mortgaged assets which include main factory building and plant and machineries of STI in which the Company operated its main business activities, the Company had no option rest except to close down its unit/plant.

For P.R. AGARWAL & AWASTHI
CHARTERED ACCOUNTANTS
FIRM REGN NO.:117940W

Pawan Kr

Agarwal

CA PAWAN KR. AGARWAL

PARTNER

M.NO. 034147

UDIN No. : **22034147AQHFTU5108**

PLACE: MUMBAI

DATE: 30-08-2022

Digitally signed by Pawan Kr Agarwal
DN: c=IN, st=Maharashtra,
2.5.4.20=e4b88615b29866ff042d25afe7d99a5c9526940bbc96e4e29510e0e
bd8d59ca, postalCode=400099, street=B/21 Padma Nagar, Andheri Kurla
Road, Andheri (E), Mumbai, Sahar P and T Colony, Mumbai, Mumbai,
serialNumber=e8134f65cacc7b246dc2f2af9be200a2643b3fe940172aa8
744f1b95b8ad5, o=Personal, cn=Pawan Kr Agarwal, title=1074,
pseudoym=cba5d41a1e1191094cc1002c08b643d9
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BOMBAY RAYON FASHIONS LTD.
CIN : L17120MH1992PLC066880

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STATEMENT OF CONSOLIDATED UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2022

Sr. No.	Particulars	CONSOLIDATED (Rs. In Crores)			
		Quarter Ended		Year Ended	
		30.06.2022 (Unaudited)	31.03.2022 (Audited)	30.06.2021 (Unaudited)	31.03.2022 (Audited)
1	Income				
	(a) Revenue from Operations (Net of Excise Duty)	14.04	720.76	16.14	777.54
	(b) Other Income	0.36	7.55	0.44	8.56
	Total Income	14.40	728.31	16.58	786.10
2	Expenses				
	Cost of Materials consumed	4.63	518.33	2.09	554.00
	Purchase of stock-in-trade	-	1.45	-	1.45
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.12	(38.05)	12.06	(31.40)
	Employee benefits expense	6.57	108.63	10.01	140.25
	Finance Cost	3.51	86.31	22.24	153.66
	Depreciation and amortisation expense	16.15	65.90	17.01	116.80
	Other expenses	35.67	335.56	57.66	519.25
	Total Expenses	66.65	1,078.13	121.07	1,454.00
3	Profit / (Loss) before Extraordinary Items and Tax (1-2)	(52.25)	(349.82)	(104.49)	(667.90)
	Extraordinary Items	10.66	559.13	0	776.53
4	Profit Before tax	(62.91)	(908.95)	(104.49)	(1,444.43)
5	Tax expense				
	a) Current tax	-	-	-	-
	b) Deferred Tax	-	(117.38)	(1.92)	(124.31)
	c) Short Provision for Tax in respect of earlier years	-	0.02	-	0.02
	d) Mat Credit Entitlement	-	-	-	-
	Total tax Expenses	-	(117.36)	(1.92)	(124.29)
6	Profit / (Loss) after tax before Minority Interest (4-5)	(62.91)	(791.59)	(102.57)	(1,320.14)
7	Other Comprehensive Income (OCI)				
	(i) Items that will not be reclassified to Statement of Profit & Loss	-	-	-	-
	(a) Remeasurements of the defined benefit Liabilities / (assets)	-	-	-	-
	(b) Income Tax relating to items that will not be reclassified to Profit & Loss	-	-	-	-
8	Total other Comprehensive Income (OCI)	-	-	-	(1.53)
9	Total Comprehensive Income for the year (5+6)	(62.91)	(791.59)	(102.57)	(1,318.60)
10	Paid-up Equity share Capital (Face value Rs. 10/- each)	317.48	317.48	317.48	317.48
11	Earnings Per Share (EPS) Basic & Diluted (of Rs. 10/- each)	(1.98)	(24.93)	(3.23)	(41.58)

- This statement has been prepared in accordance with the Companies (Indian Accounting) Rules, 2015 (Ind As) prescribed under Section 133 of Companies Act, 2013 with rule 3 of the Company (Indian Accounting) Rules, 2015 and Companies (Indian Accounting Standard) Accounting Rules, 2016.
- The consortium Lenders with exposure of 89.44% of the Debt assigned their debt to JM Financial Asset Reconstruction Company Limited (JMFARC). The Company has decided not to provide the interest on these assigned loans w.e.f. 1st April, 2020 & reverse the interest provided for prior period. The JMFARC have notified the Company that the interest is applicable as per the rates contracted as per restructured sanctions and the impact of the non-provision is understatement of finance cost for the quarter ended to the extent of Rs.121.47 Crores. Had the Company provided for interest, the loss would have been higher to that extent.
- The Company has also not provided the interest dues for Axis Bank Limited for the Quarter amounting to Rs.10.77 crs.
- The company's total non-provision of the interest (period 01.04.2022 upto 30.06.2022) due to the financial institutions and Axis Bank Limited is Rs. 2,446.93 Crs. (P.Y. Rs. 2314.69 Crs).
- The company has not provided for interest accrued and due on the Optionally Convertible Debentures ("OCD").
- During the period the JMFARC has invoked the rights of Securities held in Subsidiary i.e BRFL Textile Private Limited, where the value of pledge is amounting to Rs. 271.91 Crs. The company is under discussion with the Financial Institutions for valuation of such invoking of rights, hence due to non-receipt of any confirmation from the lenders towards the value of such equity and preference shares, no adjustment has been made in the books of accounts in relation to the loan outstanding to the lender. Accordingly, the same is shown as unallocated adjustments under the outstanding due to the respective lender.
- The Redemption Procedures of Investment in Debentures of the wholly owned subsidiary, STI India Limited is not carried out. Therefore, impairment of the investment in the debentures is not ascertainable.
- On 7th June, 2022 Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) has admitted the petition filed by one of the operational creditor of the company for initiation of Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016. Mr. Shantanu T Ray had been appointed as the Interim Resolution Professional ("IRP") for the Company, via order dated 7th June, 2022. A director of the suspended Board had filed an appeal before National Company Law Appellate Tribunal, New Delhi (NCLAT) against the said Order. The said appeal was dismissed by Hon'ble NCLAT on 15th July, 2022. In the first meeting of Committee of Creditors (CoC) the proposal for appointment of Mr. Satish Kumar Gupta as a Resolution Professional ("RP") was considered and approved and Hon'ble NCLT has approved the appointment of RP by virtue of Order dated 4th August, 2022.
- Electricity power at Tarapur unit of the Company was disconnected on 21st June, 2022 due to non-payment of dues and the unit is not operational at present.
- The above results were reviewed by the Audit Committee. The Board of Directors in their meeting held on 30 August, 2022 has approved the above results and its release.
- The RP has relied upon the results provided by the Board members in review of the financial results and certifications, representations and statements made by the Director of the Company in relation to these financial results and has taken on record accordingly.
- The Lenders of the Company are J M Financial Asset Reconstruction Company Limited and Axis Bank Limited which declared the Company as NPA.
- While consolidating the accounts for the quarter and year ended 30.06.2022, unaudited accounts of the Indian subsidiary Bombay Rayon Holding Ltd is considered. The accounts of other Indian subsidiary and foreign subsidiaries accounts could not be considered for the reasons given here under:
 - BRFL Bangladesh Pvt. Ltd. - No operations
 - BRFL Italia SRL - Business Closed
 - BRFL Italia Licenses SRL - Financials not available
 - DPJ Clothing Ltd - Financials not available
 - STI India Ltd., Indian listed subsidiary - Financials not available.
 - BRFL Textile Private Limited (ceased to be a subsidiary w.e.f April 2022).
- Name of the associate not included for consolidation
 - BRFL Textile Private Limited (Associate w.e.f April 2022)
- Figures for the previous period / year have been re-grouped / reworked / rearranged wherever necessary to make the comparable.
- The Company operates in a single segment of manufacture and sale of Textiles.
- The above is Financial Results for the quarter ended 30th June, 2022 are also available on the website of the Company at www.bombayrayon.com and on the website of Stock Exchanges at www.nseindia.com and www.bseindia.com.

For and on behalf of Board of Directors

Anjan Agrawal
Chairman & Managing Director

Place : Mumbai
Date : 30th August, 2022

**P R AGARWAL & AWASHTI
CHARTERED ACCOUNTANTS**

REGD OFFICE: 42, Gopal Bhavan, 199, Princess Street, Mumbai – 400002.

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Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of BOMBAY RAYON FASHIONS LIMITED Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To

**The Board of Directors of
Bombay Rayon Fashions Limited**

We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of **Bombay Rayon Fashions Limited** ("the Parent") and its subsidiaries, (collectively referred to as "the Group") and its share of the net profit/(loss) after tax and total comprehensive income / loss of its subsidiaries for the quarter ended June 30, 2022 ("the Statement"), attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated 29th March 2019 ('the Circular').

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

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

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

The Statement includes the results of the following entities:

- a) Name of Subsidiary included:**
 - i) Bombay Rayon Holdings Limited

b) Name of the subsidiary not included for consolidation

- i) BRFL Textile Private Limited (ceased to be a subsidiary w.e.f April 2022).
- ii) STI India Limited
- iii) DPJ Clothing Ltd
- iv) BRFL Bangladesh Pvt. Ltd
- v) BFRL Italia S.R.L. (*Fellow Subsidiary*)
- vi) BRFL Italia Licenses S.R.L (*Fellow Subsidiary*)

c) Name of the associate not included for consolidation

- i) BRFL Textile Private Limited (Associate w.e.f April 2022).

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable Indian Accounting Standards specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement except:

- a) *As per Indian Accounting Standard 36 on Impairment of Assets, the Company is required to determine impairment in respect of Property, Plant & Equipment's as per the methodology prescribed under the said Standard. However, the Management of 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 these Standalone Financial Statements is not ascertainable.*
- b) *The Redemption Procedures of Investment in Debentures of the wholly owned subsidiary, STI India Limited is not carried out. Therefore, impairment of the investment in the debentures is not ascertainable.*
- c) *Non-provision of trade receivables/payables, trade advances, capital advances, deposits and loans are subject to reconciliation, confirmation and consequential adjustments that may arise on reconciliation which may have major impact for the period ended June 30, 2022. Had this provision been made, the current assets would have been lower and the net worth would have also been eroded to that extent. These conditions, along with absence of clear indications or plans for revival, in our opinion, indicate that there is significant uncertainty about realization of the carrying amount of the assets as on June 30, 2022. We are unable to ascertain the consequent effect on the balances held by the company and loss for the year.*
- d) *The company has not provided for interest accrued and due on the Optionally Convertible Debentures ("OCD"). The total interest payable are unascertainable. We further state that to this extent the loss of the company is understated.*
- e) *During the period covered under our audit, we find that the company has not provided for interest accrued and due on the borrowing from financial institution and bank. The total interest not provided in books during the period are as follows:*

- i) *Non-Provision of interest dues during the quarter is Rs. 121.47 Crs. i.e. interest due to JMFARC. The Non-provision of interest in the P.Y. was Rs.472.85 Crs.*
- ii) *Non-Provision of interest dues during the quarter is Rs. 10.77 Crs. i.e. interest due to Axis Bank Limited. The Non-provision of interest in the P.Y. was Rs.43.10 Crs.*

To this extent we state that the loss of the company is understated.

We would further like to state that the company's total non-provision of the interest (period 01.04.2020 upto 30.06.2022) due to the financial institutions and Axis Bank Limited is Rs. 2,446.93 Crs. (P.Y. Rs. 2314.69 Crs).

- f) *During the period under audit, the financial institution has invoked the rights of Securities held in Subsidiary i.e BRFL Textile Private Limited, where the value of pledge is amounting to Rs. 271.91 Crs. The company is under discussion with the Financial Institutions for valuation of such invoking of rights, hence due to non-receipt of any confirmation from the lenders towards the value of such equity and preference shares, no adjustment has been made in the books of accounts in relation to the loan outstanding to the lender. Accordingly, the same is shown as unallocated adjustments under the outstanding due to the respective lender.*

The impact of the above qualifications (a) to (f) on the Standalone Financial Statements, if any, is not ascertainable.

Material Uncertainty in relation to Going Concern

The company has an accumulated losses of Rs.1,093.83 Crs during the period ended June 30, 2022 and, as of that date, the Company's current liabilities exceeded its current assets by Rs.3,540.14 Crs and its Net worth have negative by Rs.776.35 Crs which has resulted in complete erosion of the net worth of the company. Further it maybe noted that on 7th June, 2022 Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) has admitted the petition filed by one of the operational creditor of the company for initiation of Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016. Mr. Shantanu T Ray had been appointed as the Interim Resolution Professional ("IRP") for the Company, via order dated 7th June, 2022. In the first meeting of Committee of Creditors (CoC) the proposal for appointment of Mr. Satish Kumar Gupta as a Resolution Professional ("RP") was considered and approved and Hon'ble NCLT has approved the appointment of RP by virtue of Order dated 4th August, 2022.

Due to these events or conditions which casts a doubt on the ability of the company to continue as a going concern.

Emphasis of Matter

We draw attention to;

Implementation of SARFAESI ACT, 2002

In the F.Y. 2019-20, upon the defaults made by the company on account of the of financial obligations and delay in payment of instalments, the J M Financial Assets Reconstruction Co. Ltd JMFARC (present lender), took action under SARFAESI Act and took over the possession of entire mortgage movable and immovable assets of BRFL and its associates/subsidiary companies including STI and initiated the process of sale of assets and has taken over the possession of assets of STI (w.e.f. 14th September, 2019) and initiated the process of sale of its entire mortgaged assets which include main factory building and plant and machineries of

STI in which the Company operated its main business activities, the Company had no option rest except to close down its unit/plant.

For P R Agarwal & Awasthi
Chartered Accountants
Firm Registration No 117940W

Pawan Kr Agarwal
CA Pawan Kr Agarwal
Partner

Digitally signed by Pawan Kr Agarwal
DN: c=IN, st=Maharashtra,
2.5.4.20=e4b88615b29866ffc942d25afe7d99a5c9526940
b3c964a29510d0ebd9d59ca, postalCode=400093,
street=B/21 Padma Nagar, Andheri Kurla Road, Andheri
(E), Mumbai, Sahar P and T Colony, Mumbai, Mumbai,
serialNumber=d683348465cc76348dcd2ba99bc200e26
b43638e940172aa8744f1b95b8ad5, o=Personal,
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Place: Mumbai
Date: 30-08-2022