

SWADESHI POLYTEX LIMITED

BALANCE SHEET AS AT 31st MARCH, 2022


(Rs. in '000)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>(1) Non-current asset</b>			
(a) Property, Plant and Equipment	5	476	468
(b) Intangible Assets	6	220	277
(c) Financial Assets:			
(i) Loans	7	4,203	4,602
(d) Deferred Tax Assets (Net)	8	10,082	47,279
(e) Other non-current assets	9	20	1,344
<b>Total non-current assets</b>		<b>15,001</b>	<b>53,970</b>
<b>(2) Current Asset</b>			
(a) Inventories	10	50,039	60,054
(b) Financial Assets:			
(i) Cash and cash equivalents	11.1	27,785	9,441
(ii) Other bank balances	11.2	2,26,306	-
(iii) Loans	12	399	547
(iv) Others	13	509	4
(c) Other Current Assets	14	19,730	23,844
<b>Total current assets</b>		<b>3,24,768</b>	<b>93,890</b>
<b>Total Assets</b>		<b>3,39,769</b>	<b>1,47,860</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	15	39,000	39,000
(b) Other equity	16	(1,23,521)	(3,78,774)
<b>Total Equity</b>		<b>(84,521)</b>	<b>(3,39,774)</b>
<b>LIABILITIES</b>			
<b>(1) Non current liabilities</b>			
(a) <b>Financial liabilities</b>			
(i) Other financial liabilities	17	21,642	21,642
<b>Total non-current liabilities</b>		<b>21,642</b>	<b>21,642</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	18	-	17,915
(ii) Trade payables	19		
(a) total outstanding dues of micro enterprises and small enterprises		775	559
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,320	10,202
(iii) Other financial liabilities	20	10	10
(b) Other current liabilities	21	3,97,092	4,37,306
(c) Provisions	22	1,451	-
<b>Total current liabilities</b>		<b>4,02,648</b>	<b>4,65,992</b>
<b>Total Equity and Liabilities</b>		<b>3,39,769</b>	<b>1,47,860</b>

Significant Accounting Policies

The accompanying notes form an integral part of the financial statements.

As per our Report of even date attached  
For SPMR & Associates  
CHARTERED ACCOUNTANTS

  
(M.S. Latha)  
Partner

FRN : 007578N, M.No. : 088221

Place : Faridabad  
Date : 19-05-2022




UDIN :- 22088221AISZJS8918

For and on behalf of the Board of Directors

  
(Shyam Sunder Madan)  
Director  
DIN : 02427885

  
(Sanjay Garg)  
Director  
DIN : 09539286

  
(Ankit Garg)  
Chief Financial Officer

  
(Anuradha)  
Company Secretary

  
(Bhuwan Chaturvedi)  
Chief Executive Officer

SWADESHI POLYTEX LIMITED

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

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>INCOME</b>			
Revenue from operations	23	3,62,280	-
Other Income	24	4,710	1,564
<b>Total Income</b>		<b>3,66,990</b>	<b>1,564</b>
<b>EXPENSES</b>			
Changes in inventories	25	10,015	-
Depreciation and amortization expense	26	148	135
Other expenses	27	18,763	21,366
<b>Total Expenses</b>		<b>28,926</b>	<b>21,501</b>
<b>Profit / (Loss) before tax</b>		<b>3,38,064</b>	<b>(19,937)</b>
Less : Tax Expenses			
- Current tax		46,253	-
- Deferred tax		37,197	(3,645)
- Earlier Years		94	(42)
<b>Total Tax Expenses</b>		<b>83,544</b>	<b>(3,687)</b>
<b>Profit / (Loss) from continuing operations</b>		<b>2,54,520</b>	<b>(16,250)</b>
Profit / (Loss) from discontinued operations	28	980	(117)
Tax expenses of discontinued operations		247	-
<b>Profit / (Loss) from discontinuing operations after tax</b>		<b>733</b>	<b>(117)</b>
<b>Profit / (Loss) for the year</b>		<b>2,55,253</b>	<b>(16,367)</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>2,55,253</b>	<b>(16,367)</b>
<b>Earnings per equity share of face value of Rs. 1/- each (P.Y. Rs. 1/- each)</b>			
<b>-Continued Business</b>			
(i) Basic (in Rs.)	29	6.53	(0.42)
(ii) Diluted (in Rs.)	29	6.53	(0.42)
<b>Earnings per equity share of face value of Rs. 1/- each (P.Y. Rs. 1/- each)</b>			
<b>- Discontinued Business</b>			
(i) Basic (in Rs.)	29.1	0.02	(0.00)
(ii) Diluted (in Rs.)	29.1	0.02	(0.00)

Significant Accounting Policies

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The accompanying notes form an integral part of the financial statements.

As per our Report of even date attached  
For SPMR & Associates  
CHARTERED ACCOUNTANTS

(M.S. Latha)  
Partner  
FRN : 007578N, M.No. : 088221  
Place : Faridabad  
Date : 19-05-2022

For and on behalf of the Board of Directors

(Shyam Sunder Madan)  
Director  
DIN : 02427885

(Sanjay Garg)  
Director  
DIN : 09539286

(Ankit Garg)  
Chief Financial Officer

(Anuradha)  
Company Secretary

(Bhuvan Chaturvedi)  
Chief Executive Officer

**SWADESHI POLYTEX LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**A. EQUITY SHARE CAPITAL**

**CURRENT REPORTING PERIOD (AS AT 31st MARCH, 2022)**

(Rs. in '000)

Particulars	Amount
Balance at the beginning of the current reporting period	39,000
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the current year	-
Balance at the end of the current reporting period	39,000

**PREVIOUS REPORTING PERIOD (AS AT 31st MARCH, 2021)**

(Rs. in '000)

Particulars	Amount
Balance at the beginning of the previous reporting period	39,000
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the previous reporting period	-
Changes in equity share capital during the previous year	-
Balance at the end of the previous reporting period	39,000

**B. OTHER EQUITY**

**CURRENT REPORTING PERIOD (AS AT 31st MARCH, 2022)**

(Rs. in '000)

Particulars	Reserve and Surplus			
	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance at the beginning of the current reporting period	1,67,070	10,975	(5,56,819)	(3,78,774)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-
Total Comprehensive Income for the current year	-	-	2,55,253	2,55,253
Dividend	-	-	-	-
Transfer to Retained Earnings	-	-	-	-
Any Other Changes	-	-	-	-
Balance at the end of the current reporting period	1,67,070	10,975	(3,01,566)	(1,23,521)



**SWADESHI POLYTEX LIMITED**

**PREVIOUS REPORTING PERIOD (AS AT 31st MARCH, 2021)**

(Rs. in '000)

Particulars	Reserve and Surplus			
	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance at the beginning of the previous reporting period	1,67,070	10,975	(5,40,452)	(3,62,407)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-
Total Comprehensive Income for the previous year	-	-	(16,367)	(16,367)
Dividend	-	-	-	-
Transfer to Retained Earnings	-	-	-	-
Any Other Changes	-	-	-	-
Balance at the end of the previous reporting period	1,67,070	10,975	(5,56,819)	(3,78,774)


As per our Report of even date attached

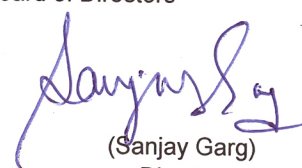
For SPMR & Associates  
CHARTERED ACCOUNTANTS

  
 (M.S. Latha)  
 Partner  
  
 FRN : 007578N, M.No. : 088221  
 Faridabad

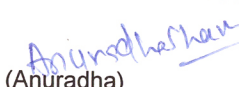
Place : Faridabad  
Date : 19-05-2022

For and on behalf of the Board of Directors

  
 (Shyam Sunder Madan)  
 Director  
 DIN : 02427885

  
 (Sanjay Garg)  
 Director  
 DIN : 09539286

  
 (Ankit Garg)  
 Chief Financial Officer

  
 (Anuradha)  
 Company Secretary

  
 (Bhuwan Chaturvedi)  
 Chief Executive Officer

**SWADESHI POLYTEX LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2022**

		(Rs. in '000)	
		Year Ended 31-03-2022	Year Ended 31-03-2021
		Amount (Rs)	Amount (Rs)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) for the year before Tax from continuing operations	3,38,064	(19,937)
	Profit / (Loss) for the year before Tax from discontinuing operations	980	(117)
	<u>Adjustments for :</u>		
	Depreciation and amortization expenses	148	135
	Interest received	(4,710)	(1,225)
	<b>Operating Profit before working capital changes</b>	<b>3,34,482</b>	<b>(21,144)</b>
	<u>Net Change in :</u>		
	Other non-current assets	1,324	4,811
	Inventories	10,015	-
	Financial-assets-loans	547	(28)
	Other current assets	4,114	978
	Trade payables	(6,666)	3,109
	Other-current Liabilities	(40,214)	(9,564)
	Provisions-Current	1,451	-
	<b>Cash generated from Operations</b>	<b>3,05,053</b>	<b>(21,838)</b>
	Direct Taxes Paid	(46,594)	42
	<b>Net Cash flow from Operating activities</b>	<b>2,58,459</b>	<b>(21,796)</b>
		(A)	(21,796)
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(99)	-
	Investment in fixed deposits with bank	(2,26,306)	-
	Interest received on Loans and Fixed Deposits with Banks	4,205	1,335
	<b>Net cash used in Investing activities</b>	<b>(2,22,200)</b>	<b>1,335</b>
		(B)	1,335
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(Repayment) of Borrowings	(17,915)	-
	Net cash from / (used in) financing activities	(17,915)	-
		(C)	-
	<b>Net increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>18,344</b>	<b>(20,461)</b>
	Add: Cash and Cash Equivalents at the beginning of the year	9,441	29,902
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>27,785</b>	<b>9,441</b>
	<b>Cash and Cash Equivalents Comprises;</b>		
	Cash on Hand	4	34
	Cheques on Hand	23,385	-
	Balances with Banks in Current Accounts	4,396	1,407
	Balances with Banks in Fixed Deposit Accounts	-	8,000
		<b>27,785</b>	<b>9,441</b>
	<b>Other bank balances:</b>		
	In Fixed Deposit Accounts with Bank*	2,26,306	-
		<b>2,26,306</b>	<b>-</b>

\*Includes Fixed Deposits having Original maturity period more than twelve months but less than 12 months from Balance Sheet date.

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements.

As per our Report of even date attached  
For SPMR & Associates  
CHARTERED ACCOUNTANTS

(M.S. Latha)  
Partner  
FRN : 007578N, M.No. : 088221

Place : Faridabad  
Date : 19-05-2022



For and on behalf of the Board of Directors

(Shyam Sunder Madan)  
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Chief Financial Officer

(Anuradha)  
Company Secretary

(Bhuvan Chaturvedi)  
Chief Executive Officer

## SWADESHI POLYTEX LIMITED

### NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

#### 1 CORPORATE & GENERAL INFORMATION

Swadeshi polytex Limited is a listed company having CIN: L25209UP1970PLC003320 and engaged in carrying the business of transacting in, owning, purchasing, selling, leasing, sub-leasing, letting, sub-letting, renting and developing and other related activity of any type of real estate including land, plot, buildings, factories, warehouses, infrastructures whether residential, commercial, agricultural, industrial, rural, urban or otherwise that may belong to company or to any other person or persons of whatever nature and to deal in real estate, land, immovable properties and other related assets of any description or nature as owners, syndicators, developers, advisors, service providers, brokers, agents and any other capacity and to do all such activities related to such business having its registered office at A-1, Sector - 17, New Kavi Nagar Industrial Area, Ghaziabad (U.P).

The financial statements were approved for issue by the Board of Directors in their meeting held on 19th May, 2022.

#### 2 BASIS OF PREPARATION AND PRESENTATION

##### (a) Basis of Preparation

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. These financial statements comply with the provisions of the Companies Act, 2013 (the Act) and guidelines issued by the Securities and Exchange Board of India (SEBI).

##### (b) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

##### (c) Functional and presentation currency

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all financial values are rounded to the nearest thousand, except when otherwise indicated.

##### (d) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification

##### (i) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

##### (ii) A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

##### (iii) Deferred tax assets/liabilities are classified as non-current.

##### (iv) The Company recognizes twelve months period as its operating cycle.

#### 3 USE OF ESTIMATES

The preparation of financial statements in conformity with Ind AS requires management to make adjustments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expense and related disclosure concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and underlying assumptions are reviewed on an ongoing basis and revised if management became aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements. Application of accounting policies that require critical accounting estimates involving complex and critical judgment is disclosed in notes to accounts.



4 SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

4.1 Property, Plant & Equipment and Depreciation

- (a) The company has elected the option to continue the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the date of transition as per Ind AS 101. Property, plant and equipment are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any.
- (b) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs to the item can be measured reliably.
- (c) Depreciation on all items comprised in Property, Plant and Equipment is being provided on Straight Line Method.
- (d) Based on the technical experts assessment of useful life, certain items of property plant and equipment as detailed below are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Property, plant and equipment	Useful Life of Asset ( In year) as per Schedule-II	Useful Life of Asset ( In year) as adopted
Building	60	60
Plant & Machinery	15	5 to 10
Furniture & Fixtures	10	5
Computer	3	3
Computer Server	6	6

- (e) Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' or 'Other Expenses' as the case may be.
- (f) Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

4.2 Intangible Assets and Amortization

- (a) Software costs are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortized on a straight-line basis over their estimated useful lives. All other costs on it are expensed in the statement of profit and loss as and when incurred.
- (b) Based on the technical experts assessment of useful life these are amortized over a period of six years.

4.3 Impairment of Assets

- (a) Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis. In such cases, the recoverable amount is determined for the Cash Generating units (CGU) to which the assets belongs . If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of asset.
- (b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or have decreased.



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**4.4 Revenue Recognition**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

- (a) Revenue from transfer of rights in leasehold land is recognized when the company receives full payment from buyer and there is relinquishment of right in favour of the buyer by the company.
- (b) Interest on receivables is accounted only when no significant uncertainty as to measurability or collectability exists. Other interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Interest on refund claims of Sales Tax, Excise Duty and Others is accounted for as and when determined by the Authorities concerned and the same is received by the Company.
- (c) Revenue is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. Revenue excludes Goods and Service Tax (GST) as applicable.

**4.5 Inventories**

Valuation of stocks is done as mentioned below:

Leasehold Plot Rights	At lower of book value or net realizable value
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Cost of Leasehold Land is determined after including the proportionate expenditure incurred on the development thereof.

**4.6 Taxation**

**(a) Current Tax**

Current tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current income taxes are recognized under "income tax payable" net of payments on account, or under "tax receivables" where there is a credit balance.

**(b) Deferred Tax**

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. 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 on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

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 that the related tax benefit will be realized.



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## SWADESHI POLYTEX LIMITED

### 4.7 Refunds of Taxes and Duties

Refund claims arising out of monies paid under protest or under appeals and charged to Revenue are accounted for at the time of receipt of orders or actual refunds whichever is earlier.

### 4.8 Provisions, Contingent Liabilities and Contingent Assets

Disclosure of contingencies as required by the Indian accounting standard is furnished in the Notes to accounts.

- (a) Provisions are made when (a) the Company has a present obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- (b) Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset. Information on contingent liabilities is disclosed in the notes to the financial statement. A contingent asset is disclosed where an inflow of economic benefits is probable.

### 4.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contract such as foreign currency exchange forward contracts.

#### A Financial Assets

##### (a) Initial recognition and measurement

The company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Purchase and sale of financial assets are accounted for at trade date.

##### (b) Subsequent Measurement : Non-derivative financial instruments

###### (i) Financial assets carried at amortized cost (AC)

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset 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 amount outstanding.

###### (ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it 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 amount outstanding.

###### (iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### (c) Investment in subsidiaries/associates/joint ventures

Investment in subsidiaries, if any, is carried at cost in the separate financial statements.

##### (d) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

##### (e) Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.



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## SWADESHI POLYTEX LIMITED

### B Financial liabilities

#### (a) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings etc. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs, if any.

#### (b) Subsequent Measurement : Non-derivative financial instruments

Financial liabilities are subsequently carried at amortized cost using the effective interest method, For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### (c) Offsetting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### C Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### 4.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.11 Leases

4.11.1 The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

4.11.2 At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

4.11.3 The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

4.11.4 The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

4.11.5 During the year the Company has not entered into any lease transaction.



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## SWADESHI POLYTEX LIMITED

### 4.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and cheques/drafts on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank, short-term highly liquid fixed deposits with bank with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 4.13 Contract Liabilities

A contract liability is the obligation to transfer of goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

### 4.14 Cash Flow Statement

Cash flows are reported using indirect method as per Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

### 4.15 Earning Per Share

Basic earnings (loss) per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

### 4.16 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating Officer has decided that the company has only one segment i.e. real estate.

### 4.17 Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.



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**SWADESHI POLYTEX LIMITED**

**5 Property, Plant and Equipment**

(Rs. in '000)

The changes in the carrying value of property, plant and equipment for the year ended 31st March, 2022 are as follows:

Particulars	Building	Plant & Machinery	Furniture & Fixtures	Computer	Total
Gross carrying value as at April 1, 2021	93	667	516	494	1,770
Additions	-	99	-	-	99
Deletions	-	-	-	-	-
<b>Gross carrying value as at March 31, 2022</b>	<b>93</b>	<b>766</b>	<b>516</b>	<b>494</b>	<b>1,869</b>
Accumulated depreciation as at April 1, 2021	18	524	398	362	1,302
Depreciation for the year	2	45	-	44	91
Accumulated depreciation on deletions	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>20</b>	<b>569</b>	<b>398</b>	<b>406</b>	<b>1,393</b>
<b>Net Carrying value as at March 31, 2022</b>	<b>73</b>	<b>197</b>	<b>118</b>	<b>88</b>	<b>476</b>

The changes in the carrying value of property, plant and equipment for the year ended 31st March, 2021 were as follows:

Particulars	Building	Plant & Machinery	Furniture & Fixtures	Computer	Total
Gross carrying value as at April 1, 2020	93	667	516	494	1,770
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
<b>Gross carrying value as at March 31, 2021</b>	<b>93</b>	<b>667</b>	<b>516</b>	<b>494</b>	<b>1,770</b>
Accumulated depreciation as at April 1, 2020	17	492	398	316	1,223
Depreciation for the year	1	32	-	46	79
Accumulated depreciation on deletions	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	<b>18</b>	<b>524</b>	<b>398</b>	<b>362</b>	<b>1,302</b>
<b>Net Carrying value as at March 31, 2021</b>	<b>75</b>	<b>143</b>	<b>118</b>	<b>132</b>	<b>468</b>

Note: a) There is no revaluation of any of the items of Property, Plant & Equipments during the year.

b) Title Deeds in respect of Building (Flat in Pushpak Bhawan) are in the name of the Company.

**6 Intangible Assets**

(Rs. in '000)

The changes in the carrying value of Intangible Assets for the year ended 31st March, 2022 are as follows:

Particulars	Softwares	Total
Gross carrying value as at April 1, 2021	-	-
Additions	354	354
Deletions	-	-
<b>Gross carrying value as at March 31, 2022</b>	<b>354</b>	<b>354</b>
Accumulated depreciation as at April 1, 2021	-	-
Depreciation for the year	77	77
Accumulated depreciation on deletions	57	57
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>-</b>
<b>Net Carrying value as at March 31, 2022</b>	<b>134</b>	<b>134</b>
	<b>220</b>	<b>220</b>

The changes in the carrying value of Intangible Assets for the year ended 31st March, 2021 were as follows:

Particulars	Softwares	Total
Gross carrying value as at April 1, 2020	-	-
Additions	354	354
Deletions	-	-
<b>Gross carrying value as at March 31, 2021</b>	<b>354</b>	<b>354</b>
Accumulated depreciation as at April 1, 2020	-	-
Depreciation for the year	21	21
Accumulated depreciation on deletions	56	56
<b>Accumulated depreciation as at March 31, 2021</b>	<b>77</b>	<b>77</b>
<b>Net Carrying value as at March 31, 2021</b>	<b>277</b>	<b>277</b>



**SWADESHI POLYTEX LIMITED**

**7 Loans (Non-Current)**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good) Loan due by an officer of the Company*	4,203	4,602
<b>Total</b>	<b>4,203</b>	<b>4,602</b>

\*Refer Note 38.3.1 for details of Loan.

**8 Deferred Tax Assets (Net)**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets due to Carried forward losses	10,142	38,400
Deferred Tax Liability due to Depreciation	60	73
MAT Credit	60	73
<b>Deferred Tax Assets (Net)</b>	<b>10,082</b>	<b>47,279</b>

**8.1 The movement on the deferred tax account is as follows:**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
At the start of the year	47,279	43,634
Credit/(Charge) during the year	(28,245)	3,755
MAT Credit	(8,952)	(110)
<b>Total Credit/(Charge) to Statement of Profit and Loss</b>	<b>(37,197)</b>	<b>3,645</b>
At the end of the year	10,082	47,279

**8.2 Amount of Income Tax recognised in the Statement of Profit and Loss**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
<b>Current tax - Continued Operations</b>		
Current year	46,253	-
Deferred Tax	37,197	(3,645)
Earlier Years	94	(42)
	<b>83,544</b>	<b>(3,687)</b>
<b>Current tax - Discontinued Operations</b>		
Current year	247	-
	<b>247</b>	<b>-</b>
<b>Total</b>	<b>83,791</b>	<b>(3,687)</b>

**8.3 Reconciliation of effective tax rate:**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
Profit before tax	3,39,044	(20,054)
Average Applicable Tax Rate	24.714%	0.000%
Income tax amount	83,791	-
Other Temporary difference	-	(3,645)
Other Permanent Differences	-	(42)
<b>Effective Income tax expense</b>	<b>83,791</b>	<b>(3,687)</b>



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**SWADESHI POLYTEX LIMITED**

**9 Other Non-Current Assets**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, Considered Good)</b>		
Security deposit**	20	20
Statutory dues deposited under Protest	-	1,324
<b>Total</b>	<b>20</b>	<b>1,344</b>

\*\*At amortized cost.

**10 Inventories**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
Leasehold Plot Rights*	50,039	60,054
<b>Total</b>	<b>50,039</b>	<b>60,054</b>

\* Refer Note 4.5

**11 CASH AND BANK BALANCES**

**11.1 Cash and Cash Equivalents**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
Balances with schedule banks:		
In Current Accounts	4,396	1,407
In Fixed Deposit Accounts having Originally maturity less than 3 months	-	8,000
Cheques on hand	23,385	-
Cash on hand	4	34
<b>Total</b>	<b>27,785</b>	<b>9,441</b>

**11.2 Other bank balances**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
In Fixed Deposit Accounts with Bank*	2,26,306	-
<b>Total</b>	<b>2,26,306</b>	<b>-</b>

\*Includes Fixed Deposits having Original maturity period more than twelve months but less than 12 months from Balance Sheet date.

**12 Loans (Current)**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, Considered Good)</b>		
Loan due by an officer of the Company*	399	547
<b>Total</b>	<b>399</b>	<b>547</b>

\*Refer Note 38.3.1 for details of Loan.

**13 Other financial assets-Current**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, Considered Good)</b>		
Interest accrued	509	4
<b>Total</b>	<b>509</b>	<b>4</b>

**14 Other Current Assets**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, Considered Good)</b>		
<b>Others</b>		
Income tax receivable (net of provisions)*	17,332	23,822
Recoverable from Parties	-	4
Excise and Custom refund receivable	2,380	-
Prepaid Expenses	18	18
<b>Total</b>	<b>19,730</b>	<b>23,844</b>

\*Includes Rs. 440/- (P.Y. Rs. 440/-) deposited in respect of A.Y 2012-13 under Protest.



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**SWADESHI POLYTEX LIMITED**

**15 Equity Share Capital**

Particulars	(Rs. in '000)			
	As at 31st March 2022		As at 31st March 2021	
	Number	Amount	Number	Amount
<b>Authorized</b>				
Equity Share of Rs. 1/- (P.Y. Rs. 1/-) each	22,50,00,000	2,25,000	22,50,00,000	2,25,000
9.5% Redeemable cumulative Preference Shares of Rs. 100/- each	2,50,000	25,000	2,50,000	25,000
		<b>2,50,000</b>		<b>2,50,000</b>
<b>Issued, Subscribed &amp; Fully Paid up</b>				
Equity Shares of Rs 1/- (P.Y. Rs. 1/-) each fully paid up	3,90,00,000	39,000	3,90,00,000	39,000
		<b>39,000</b>		<b>39,000</b>

**15.1 Reconciliation of share capital:**

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	Amount	Number	Amount
Equity Shares at the beginning of the year	39000000	39,000	39000000	39,000
Add / (Less): Shares issued / (forfeited / buyback) during the year	-	-	-	-
Equity Shares at the end of the year	<b>39000000</b>	<b>39,000</b>	<b>39000000</b>	<b>39,000</b>

**15.2 The rights, preferences and restrictions attached to each class of shares:**

The Company has issued only one class of equity shares having par face value of Rs 1/- per share. Each equity shareholder is eligible for one vote per fully paid share held. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders or in case of partly paid shares the paid-up amount.

**15.3 The detail of shareholders each holding more than 5% of the issued share capital:**

Name of the Shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares held	% of holding	No. of Shares held	% of holding
National Textile Corporation Ltd	13110000	33.62 %	13110000	33.62 %
MKJ Enterprises Ltd	4875250	12.50 %	4875250	12.50 %
Selecto Pac Private Ltd.	3432500	8.80 %	3432500	8.80 %
Paharpur Cooling Towers Ltd.	5281530	13.54 %	5281530	13.54 %
Doypack Systems Pvt Ltd.	2775000	7.12 %	2775000	7.12 %

**15.4 Disclosure of Shareholding of Promoters:**

**15.4.1 As at 31st March 2022**

**Class of Shares - Equity Share**

Promoter Name	Shares held by Promoters at the end of the year			% Change during the Year
	No. of Shares	% of Total Shares		
Late Mr. Mahendra Swarup	52500	0.13 %		0.00%
National Textile Corporation Ltd	13110000	33.62 %		0.00%
Selecto Pac Private Ltd.	3432500	8.80 %		0.00%
Paharpur Cooling Towers Ltd.	5281530	13.54 %		0.00%
Doypack Systems Pvt Ltd.	2775000	7.12 %		0.00%
<b>Total</b>	<b>24651530</b>	<b>63.21 %</b>		<b>0.00 %</b>

**15.4.2 As at 31st March 2021**

**Class of Shares - Equity Share**

Promoter Name	Shares held by Promoters at the end of the year			% Change during the Year
	No. of Shares	% of Total Shares		
Late Mr. Mahendra Swarup	52500	0.13 %		0.00%
National Textile Corporation Ltd	13110000	33.62 %		0.00%
Selecto Pac Private Ltd.	3432500	8.80 %		0.00%
Paharpur Cooling Towers Ltd.	5281530	13.54 %		0.00%
Doypack Systems Pvt Ltd.	2775000	7.12 %		0.00%
<b>Total</b>	<b>24651530</b>	<b>63.21 %</b>		<b>0.00 %</b>



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**SWADESHI POLYTEX LIMITED**

**16 Other Equity**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
<b>General Reserve</b>		
Opening Balance		
(+) Additions during the year	1,67,070	1,67,070
(-) Utilized / transferred during the year	-	-
	<b>1,67,070</b>	<b>1,67,070</b>
<b>Capital Redemption Reserve</b>		
Opening Balance		
(+) Additions during the year	10,975	10,975
(-) Utilized / transferred during the year	-	-
	<b>10,975</b>	<b>10,975</b>
<b>Retained Earnings</b>		
As per last Balance Sheet	(5,56,819)	(5,40,452)
Add: Profit / (Loss) for the year	2,55,253	(16,367)
	<b>(3,01,566)</b>	<b>(5,56,819)</b>
	<b>(1,23,521)</b>	<b>(3,78,774)</b>

**17 Other financial liabilities-Non current**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
Other Payable*		
<b>Total</b>	21,642	21,642
	<b>21,642</b>	<b>21,642</b>

\*Refer Note No. 30.2

**18 Borrowings-Current**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
<b>Unsecured</b>		
Loan from Related Parties		
<b>Total</b>	-	17,915
	-	<b>17,915</b>

Company has taken interest free unsecured loan from National Textile Corporation Ltd which was repayable on demand and the same has been repaid during the current year as per demand made by the lender.

**19 Trade Payables**

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
Total Outstanding dues of micro and small enterprises	775	559
Total Outstanding dues of other than micro and small enterprises	3,320	10,202
<b>Total</b>	<b>4,095</b>	<b>10,761</b>

**19.1 Ageing Schedule of Trade Payable is as below**

**19.1.1 As at 31st March, 2022**

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed dues - MSME	775	-	-	-	775
Undisputed dues - Others	2,634	150	-	536	3,320
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

**19.1.2 As at 31st March, 2021**

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed dues - MSME	559	-	-	-	559
Undisputed dues - Others	9,666	-	-	536	10,202
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-



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**SWADESHI POLYTEX LIMITED**

**20 Other Financial Liabilities**

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Retention Money Payable	10	10
<b>Total</b>	<b>10</b>	<b>10</b>

**21 Other Current liabilities**

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Contract Liabilities (Amount received from customers)*	3,96,900	4,36,832
Provision for Sales Tax (Net) **	-	225
Statutory dues Payable	192	249
<b>Total</b>	<b>3,97,092</b>	<b>4,37,306</b>

\*Refer Note 4.13

\*\*Pertains to earlier years and pending for adjustment with respective refunds due from Authorities.

**22 Provisions**

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Others</b>		
Provision for CSR Expenditure	1,451	-
<b>Total</b>	<b>1,451</b>	<b>-</b>

**23 Revenue from Operations**

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from sale of leasehold plot rights	3,62,280	-
	<b>3,62,280</b>	<b>-</b>

**24 Other Income**

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Income	4,710	1,225
Other Misc Income	-	339
	<b>4,710</b>	<b>1,564</b>

**25 Changes in inventories**

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening Stock</b>		
Leasehold Plot Rights	60,054	60,054
	<b>60,054</b>	<b>60,054</b>
<b>Closing Stock</b>		
Leasehold Plot Rights	50,039	60,054
	<b>50,039</b>	<b>60,054</b>
<b>(Increase) / Decrease in inventories</b>	<b>10,015</b>	<b>-</b>

**26 Depreciation and Amortisation Expenses**

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation of property, plant and equipment	91	79
Amortisation of intangible assets	57	56
	<b>148</b>	<b>135</b>



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**SWADESHI POLYTEX LIMITED**

**27 Other Expenses**

Particulars	(Rs. in '000)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Legal & Professional Expenses	12,495	13,428
Conveyance & Travelling Expense	985	1,735
CSR Expenditure	1,451	1,600
Fees to Stock Exchange	354	354
Power & Fuel	391	381
Repair Others	107	113
Business Promotion	25	746
Rates & Taxes	529	590
Directors' Sitting Fees	730	725
Payment To Auditors (Refer Note 27.1)	649	484
Communication Expenses	287	111
Advertisement	48	94
Printing & Stationary	39	55
Other Expenses	673	950
	<b>18,763</b>	<b>21,366</b>

**27.1 Payment to Auditors**

Particulars	(Rs. in '000)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Audit Fee	295	295
Tax Audit Fee	118	-
Other Matters	236	189
	<b>649</b>	<b>484</b>

**28 Profit / (Loss) from discontinued operations**

Particulars	(Rs. in '000)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Income from discontinued Operations</b>		
Refund from Sales Tax / Custom and Excise	2,380	202
	<b>2,380</b>	<b>202</b>
<b>Expenses related to discontinued Operations</b>		
Professional Fee Paid	300	319
Sales Tax Paid	1,100	-
	<b>1,400</b>	<b>319</b>
	<b>980</b>	<b>(117)</b>

**28.1 Cash flows from discontinued operations**

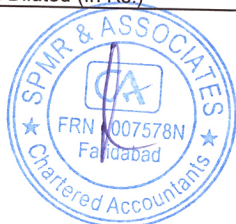
Particulars	(Rs. in '000)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Cash inflow / (outflow) from Operating activities	980	(117)
Net Cash inflow / (outflow) from Investing activities	-	-
Net Cash inflow / (outflow) from Financing activities	-	-
Net Cash inflow from discontinued operations	<b>980</b>	<b>(117)</b>

**29 Earning per Share - Continued Business**

Particulars	(Rs. in '000)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit / (Loss) attributable to Equity Shareholders (In Rs. '000)	2,54,520	(16,250)
Weighted average number of Equity Shares of Rs. 1/- Each (No. of Shares)	3,90,00,000	3,90,00,000
Earning per Shares - Basic & Diluted (In Rs.)	<b>6.53</b>	<b>(0.42)</b>

**29.1 Earning per Share - Discontinued Business**

Particulars	(Rs. in '000)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit / (Loss) attributable to Equity Shareholders (In Rs. '000)	733	(117)
Weighted average number of Equity Shares of Rs. 1/- Each (No. of Shares)	3,90,00,000	3,90,00,000
Earning per Shares - Basic & Diluted (In Rs.)	<b>0.02</b>	<b>(0.00)</b>



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**SWADESHI POLYTEX LIMITED**

**30 Discontinuing Operations**

In view of the Economic/Financial non-viability and on-going labor problems etc., the Company had discontinued its operations of manufacturing of Polyester Fibers and Chips in 1998. In earlier years the company had disposed off all assets related to discontinued business, however disputed financial liabilities are still pending as per details given below.

**30.1** The carrying amount of total assets and liabilities to be disposed off at the year end are as follows. Comparative information for the discontinuing operations is included in accordance with Ind AS-105, Discontinuing Operations:

Particulars	(Rs. in '000)	
	As at March 31, 2022	As at March 31, 2021
Total Assets		
<b>Non-current asset</b>		
Statutory dues deposited under Protest	-	1,324
Total Liabilities		
<b>Other financial liabilities-Non current</b>		
Other financial liabilities	21,642	21,642
<b>Net Assets / (Liabilities)</b>	<b>(21,642)</b>	<b>(20,318)</b>

**30.2** Other payable, Note 17, includes alleged dues being contested before the Honourable High Court at Rs. 21642 (P.Y. Rs. 21642). Hence it has not been fair valued.

**31 Impact of COVID-19 (Global pandemic)**

The Company has considered the possible effects that may result from COVID-19 global pandemic in the preparation of these financial statements. The Company has made detailed assessment of the recoverability and carrying values of its assets including Property, Plant and Equipment, intangible assets, Trade Receivables, and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the financial statements. Management believes that the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

**32** Based on information available with the Company the amounts due to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is as under:

Particulars	(Rs. in '000)	
	Year Ended 31-03-2022	Year Ended 31-03-2021
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-



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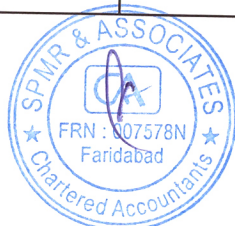
**SWADESHI POLYTEX LIMITED**

**33 Additional Regulatory Information (to the extent applicable)**

- 33.1 Title Deeds in respect of Flat owned by the Company are held by it in its own name.
- 33.2 There is no revaluation of any of the items of Property, Plant & Equipments during the year.
- 33.3 The Company does not hold any benami property and accordingly no proceeding has been initiated or pending against it for holding any benami property.
- 33.4 As per information available with the Company, it had no dealings with any company struck off u/s 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 33.5 Other than loan given in the normal and ordinary course of business, the Company has not advanced or loaned or invested funds (either from borrowed funds or any other sources or kind of funds) to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, (whether recorded in writing or otherwise), that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 33.6 The Company has not received any funds from any persons or entities, including foreign entities ("Funding Party"), with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 33.7 The Company has not dealt in or invested in any crypto currency or virtual currency.
- 33.8 The Company does not have any transaction which is not recorded in the Books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act (such as search or survey or any other relevant provisions of the Income Tax Act, 1961. Further, there were no previously unrecorded income and related assets.

**33.9 Financial Ratios as per latest amendment to Schedule III to the Companies Act, 2013 are as below:**

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reasons for Variance / REMARKS
Current Ratio (in times)	Current Assets	Current Liabilities	0.81	0.20	305.00%	Increased cash flow on account of sales in the current year as compared to no sale in proceeding year.
Debt-Equity Ratio (in times)	Total Debts	Share holders Equity	0	-0.05	-100.00%	Repayment of all debts during the year.
Debt-Service Coverage Ratio	Earning available for Debt Service	Debt Service	18.93	0	NA	Not applicable since there was loss in preceding year.
Return on Equity	Net Profit after tax (-) Preference Dividend, if any	Average Net Worth	-	-	-	Not applicable since Negative Net Worth in both years.
Inventory Turnover Ratio (in %)	Sales	Average Inventory	6.58	0	NA	Not applicable since no Sales in Preceding year.
Trade Receivable Turnover Ratio	Net Credit Sale	Average Accounts receivable	-	-	-	Not applicable since the Company has no trade receivable. Refer Policy for Revenue Recognition- Note No. 4.4.



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**SWADESHI POLYTEX LIMITED**

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reasons for Variance / REMARKS
Trade Payable Turnover Ratio	Net Credit Purchase	Average Trade Payable	-	-	-	Not applicable since the Company has no purchases of inventory items.
Net Capital Turnover Ratio	Net Sales	Working Capital [Current Assets - Current Liabilities]	-4.65	-	-	Not applicable since the Company has no positive working capital as well as no turnover in preceding year.
Net Profit Ratio (in %)	Net Profit after Tax	Net Sales	70.46%	-	NA	Not Applicable since Company has loss and Nil Turnover in preceding year.
Return on Capital Employed	Earning before Interest and Tax (EBIT)	Capital Employed [Tangible Net Worth + Total Debt + Deferred tax Liability]	-4.00	0.06	NA	Not Applicable since Company has Negative Capital Employed in both year as well as No EBIT in preceding year.
Return on Investment	Interest Income	Cost of Investment				
a. For Loans			9.29%	9.31%	-0.20%	Due to Fluctuation in Period of deposit and applicable Interest rate.
a. For Bank FD			3.40%	4.68%	-27.37%	



**SWADESHI POLYTEX LIMITED**

**34 Contingent Liabilities & Commitments (To the extent not provided for)**

Claims against the Company not acknowledged as debts including excise, Income Tax, Labour Disputes, Legal and other Disputes:

Particulars	(Rs. in '000)	
	Year Ended 31-03-2022	Year Ended 31-03-2021
(a) PF Cases pending at various forums	5,895	5,895
(b) Labor Matters relating settlement pending at various forums	4,742	4,742
(c) Custom Matters	1,711	1,711
(d) Excise Matters being refund claim and interest thereon	32,360	32,360
(e) Income Tax Matters	2,217	2,217
(f) FEMA Matters	12,600	12,600
(g) Legal cases against company u/s 138 of Negotiable Instrument Act	9,246	9,246

Note: a) Interest and penalty, if any, is not computable at this point of time hence not considered in the above statement of contingent liability.

b) The Company has received a notice from Commissioner of Customs (Export-1), Mumbai relating to submission of Export Obligation Discharge Certificate for fulfilment of export obligations during export obligation period prior to the year 2000. The Company has filed a writ petition against the said notice before Hon'ble High Court and the Management believes that no material liability will arise in this matter.

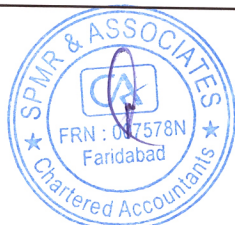
**35** The Company had incurred expenses on developing the Plots as per the approved plan of UPSIDC which had been allocated proportionately on the saleable area and unallocated portion made a part of Stock in Trade and balance was charged to Pranjal Vyapar Private Limited as agreed.

**36 Corporate Social Responsibilities (CSR) :**

As per section 135 of the Companies Act, 2013, a CSR Committee has been formed to assist the Board of Directors to formulate the CSR Policy and review the implementation and progress of the same. The Company is required to spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in accordance with relevant provisions of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended.

**36.1 Details of CSR Activities:**

Particulars	(Rs. in '000)	
	Year Ended 31-03-2022	Year Ended 31-03-2021
Amount required to be spent by the company during the year	1,451	1,600
Amount of expenditure incurred,	-	1,600
Shortfall at the end of the year,	1,451	-
Total of previous years shortfall,	-	-
Reason for shortfall	Cash flow problems till Dec 2021. The Management decided to deposit the requisite money in funds specified in Schedule-VII	-
Nature of CSR activities	To deposit in funds specified in Schedule-VII of Companies Act, 2013	Covid-19 relief materials & treatment.
Details of related party transactions, e.g., contribution to a trust controlled by the company in	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA



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**SWADESHI POLYTEX LIMITED**

37 In the opinion of the Board and to the best of their knowledge and belief the value on realization of all assets other than property, plant and equipment, intangible assets and non-current investments, in the ordinary course of business will not be less than the amount at which they are stated in Balance Sheet and that provision for all know liabilities has been made.

**38 Related Party Disclosure**

**38.1 List of Related Parties**

**38.1.1 Key Management Personnel of Reporting Entity:**

Name	Designation
Mr. Bhuwan Chaturvedi	Chief Executive Officer
Mr. Promod Pandey till 15.08.2020	Chief Financial Officer
Mr. Ankit Garg from 09.02.2021	Chief Financial Officer
Ms. Stuti Thukral from 15.05.2018 to 13.02.2020	Company Secretary
Ms. Surbhi Basantani	Company Secretary
Mr. Hartaj Sewa Singh	Director
Mr. Gaurav Swarup	Director
Mr. Y. J. Dastoor till 01.08.2020	Director
Mr. N.K. Gupta	Director
Mr. Naveen Aggarwal	Director
Mr. S.S. Madan	Director
Mr. Bipin Behari Mehrotra till 20.02.2022	Director
Mr. Sukumar Arunachalam	Director
Ms. Purti Gupta	Director
Mr. Pankaj Agarwal till 25.01.2021	Director
Mr. Manoj Kumar KG	Director
Mr. Arun Kumar Singhania from 17.08.2020	Director
Mr. Inderpal Singh Sandhu from 25.01.2021 to 12.11.2021	Director
Mr. Ashutosh Gupta from 27.01.2021	Director
Ms. Deepka Sharma 12.11.2021 to 28.01.2022	Director
Ms. Amisha Srivastava Gupt from 28.01.2022	Director

**38.1.2 Associates of Reporting Entity:**

National Textile Corporation Ltd. (Holding more than 20% shareholding in the company)  
Paharpur Cooling Towers Ltd. (Holding indirectly more than 20% shareholding in the co.)

**38.2 Following transactions were carried out during the year ended March 31, 2022 with related parties in the ordinary course of business:**

**38.2.1 Transactions with Key Management Personnel:**

Particulars	(Rs. in '000)	
	Year Ended 31-03-2022	Year Ended 31-03-2021
Remuneration paid to Ms. Stuti Thukral	-	20
Remuneration paid to Ms. Surbhi Basantani	420	420
Remuneration paid to Mr. Pramod Pandey	-	225
Remuneration paid to Mr. Ankit Garg	600	82
Remuneration paid to Mr. Bhuwan Chaturvedi*	-	-
Interest charged from Mr. Bhuwan Chaturvedi	453	478
Sitting Fees paid to Mr. Naveen Aggarwal	240	240
Sitting Fees paid to Mr. N.K. Gupta	190	170
Sitting Fees paid to Mr. S.S. Madan	160	150
Sitting Fees paid to Mr. Y.J. Dastoor	-	25
Retainership Charges Paid to Mr. Bipin Behari Mehrotra**	750	840
Sitting Fees paid to Ms. Purti Marwaha	140	140

\* Considered Nil as being reimbursed to PCTL as deputation charges.

\*\* Reimbursement of Actual Expenditure has not been considered in the above statement.



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**SWADESHI POLYTEX LIMITED**

**38.2.2 Transactions with Associates:**

(Rs. in '000)

Nature of Transactions	Year Ended	Year Ended
	31-03-2022	31-03-2021
<b>Transactions with Paharpur Cooling Towers Ltd.</b>		
Reimbursement for various expenses	5,312	5,312

**38.3 Following were the balance outstanding at March 31, 2022 with related parties:**

**38.3.1 Balance outstanding from Key Management Personnel:**

(Rs. in '000)

Particulars	Year Ended	Year Ended
	31-03-2022	31-03-2021
<b>In respect of Mr. Bhuwan Chaturvedi</b>		
Closing balance of loan given		
Non-Current	4,203	4,602
Current	399	547
<b>Total</b>	<b>4,602</b>	<b>5,149</b>

According to revised terms vide resolution of NRC dated 09-02-2021 the loan is recoverable in Quarterly instalments commencing from March - 2022 carrying Interest @ 9% P.A.

**38.3.2 Balance outstanding with Associates:**

(Rs. in '000)

Particulars	Year Ended	Year Ended
	31-03-2022	31-03-2021
<b>In respect of National Textile Corporation Ltd.</b>		
Unsecured Loan Repaid during the year	17,915	-
Unsecured Loan taken and outstanding	-	17,915

**39** Disclosure under Ind AS 108 – 'Operating Segments' is not given as, in the opinion of the Chief Operating Decision Maker, the entire business activity falls under one segment, viz ,primarily engaged as real estates. The Company conducts its business only in one Geographical Segment, viz., India.

**40 Going Concern**

As at 31st March 2022, the Company has accumulated losses of Rs 3015.66 lakh (PY Rs 5568.19 lakh) Working Capital Rs (-) 778.80 lakh (PY Rs (-) 3721.02 lakh) and net worth of Rs (-) 845.21 lakh (PY Rs (-) 3397.74 lakh) The Company has started sales of its leasehold rights in land after receiving permission from concerned Authorities. It has prepared a robust long-term business plan driven by upcoming new business projects including but not limited to development of facility area, the economic benefit of which will start accruing to the Company in the ensuing years. Management is confident of achieving the business plan targets. Sufficient cash inflows had started accruing to the Company after commencement of sales of its leasehold rights in Plots. Accordingly, these financial statements have been prepared using the going concern assumption.

**41** Previous year figures have been regrouped, rearranged or reclassified where ever necessary.

**42 Information regarding Goods Traded**

**42.1 Description :** Leasehold Plot Rights

Particulars	Year Ended 31-03-2022		Year Ended 31-03-2021	
	Qty (in Sqm)	Amount	Qty (in Sqm)	Amount
	Opening Balance*	1,44,988	60,054	1,44,988
Purchase	-	-	-	-
Sales	26,444	10,015	-	-
Closing Balance*	1,18,545	50,039	1,44,988	60,054

\* Excluding utility area of 13,577.53 Sqm.

**43 Expected Credit Loss**

For recognition of impairment loss on trade receivable and other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.



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**44 Risk Management Framework**

The Company's business is subject to various risk and uncertainties including financial risks. The Company's documented risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, market risk, interest rate risk, and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

**44.1 Financial Risk**

The Company's principal financial liabilities comprise of trade payables, borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash, cheques / draft in hand, fixed deposits, interest accrued on fixed deposits and loan advanced that derive directly from its operations.

The Company is exposed to primarily credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by Finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The Finance department provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

**44.2 Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company has received advance from customers "Other Current Liabilities-Note 21" amounting to Rs. 3969 Lakh (P.Y. Rs. 4368.32 Lakh) which is adjustable against future sales proceeds in accordance with terms of addendum dated 24.02.2022 with the customer. The company does not foresee any liquidity problem in this regard.

The below table summarized the maturity profiles of the Companies financial liabilities based on the contractual undiscounted payments:

**44.3 Maturity profile of financial Liabilities**

The table below summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Particular	(Rs. in '000)			
	Less than 1 Year	1 to 5 Years	More than 5 years	Total
<b>March 31, 2022</b>				
Borrowings	-	-	-	-
Trade payables	4,095	-	-	4,095
Other financial liabilities	-	21,642	-	21,642
	<b>4,095</b>	<b>21,642</b>	-	<b>25,737</b>
<b>March 31, 2021</b>				
Borrowings	17,915	-	-	17,915
Trade payables	10,761	-	-	10,761
Other financial liabilities	-	21,642	-	21,642
	<b>28,676</b>	<b>21,642</b>	-	<b>50,318</b>

**44.4 Market Risk**

Market Risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables, and loans and borrowings.

Company has no international operations, neither having any investments nor any derivatives. However it manages market risk through the corporate finance department, which evaluates and exercises independent control over the entire process of market risk management. The corporate finance department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies



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**SWADESHI POLYTEX LIMITED**

**44.5 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuates because of changes in prevailing market interest rates. The Company has no exposure to the risk due to the fact that it does not have any borrowing at the year end and in the previous year the borrowings were interest free. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

(Rs. in '000)

Particulars	As At March 31, 2022		As At March 31, 2021	
	Fixed Rate Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings
Inter Corporate Deposits	-	-	-	-
<b>Interest Rate Sensitivities for Floating Rate Borrowings:</b>				
Since there are no borrowings availed by the company on floating rate, therefore there is no requirement for calculating the interest rate sensitivity.				

**44.6 Foreign Exchange Risk**

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company has no exposure to foreign exchange risk as there are no international operations.

**44.7 Equity Price Risk**

The Company doesn't have any Investment in equity. Therefore, the Company is not exposed to equity price risk arising from Equity Investments.

**44.8 Credit risk**

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Trade Receivables are impaired using the Life time Expected Credit Losses (ECL) Model. The company uses a provision matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates.

Financial Assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments in normal course of business. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

During the year Company is not having any Trade Receivables however it has a contractual arrangement with a customer against which it receives the advances for future commitments. Company has a periodic system of reviewing the performance of contractual obligations which addresses the risk of non performance.

**44.9 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, if any, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.



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**SWADESHI POLYTEX LIMITED**

44.9.1	Particular	(Rs. in '000)	
		As at March 31, 2022	As at March 31, 2021
	Short term Borrowings	-	17,915
	<b>Net debts</b>	-	<b>17,915</b>
	<b>Capital components</b>		
	Share capital	39,000	39,000
	Reserves and surplus	(1,23,521)	(3,78,774)
	<b>Total capital</b>	<b>(84,521)</b>	<b>(3,39,774)</b>
	<b>Capital and net debt</b>	<b>(84,521)</b>	<b>(3,21,859)</b>
	<b>Gearing ratio (%)</b>	<b>0%</b>	<b>-6%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the period when they availed facilities from bank and others.

**45 Fair value measurement**

**45.1 Valuation Principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note below

**45.2 Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.



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**SWADESHI POLYTEX LIMITED**

**45.3 Categories of financial instruments and fair value thereof: (Rs. in '000)**

Particulars	March 31, 2022		March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A. Financial Assets - Measured at Amortized Cost</b>				
Cash and cash equivalents	27,785	27,785	9,441	9,441
Other bank balances	2,26,306	2,26,306	-	-
Loans	4,602	4,602	5,149	5,149
Other Financial assets	509	509	4	4
<b>Total</b>	<b>2,59,202</b>	<b>2,59,202</b>	<b>14,594</b>	<b>14,594</b>
<b>B. Financial Liabilities- Measured at Amortized Cost</b>				
Trade Payables	4,095	4,095	10,761	10,761
Borrowings	-	-	17,915	17,915
Other financial liabilities	21,642	21,642	21,642	21,642
<b>Total</b>	<b>25,737</b>	<b>25,737</b>	<b>50,318</b>	<b>50,318</b>

The management assessed that cash and cash equivalents and bank balances, other financial assets, trade payables, borrowings and other current liabilities is considered to be equal to the carrying amounts of these items largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortized cost is not significant in each of the year presented.

**45.4 The disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March, 2022**

(Rs. in '000)

Particulars	Total (Carrying Value)	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>A. Financial Assets - Measured at Amortized Cost</b>				
Cash and cash equivalents	27,785	-	-	27,785
Other bank balances	2,26,306	-	-	2,26,306
Loans	4,602	-	-	4,602
Other Financial assets	509	-	-	509
<b>Total</b>	<b>2,59,202</b>	<b>-</b>	<b>-</b>	<b>2,59,202</b>
<b>B. Financial Liabilities- Measured at Amortized Cost</b>				
Trade Payables	4,095	-	-	4,095
Borrowings	-	-	-	-
Other financial liabilities	21,642	-	-	21,642
<b>Total</b>	<b>25,737</b>	<b>-</b>	<b>-</b>	<b>25,737</b>



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**SWADESHI POLYTEX LIMITED**

45.5 The disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March, 2021

(Rs. in '000)

Particulars	Total (Carrying Value)	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>A. Financial Assets - Measured at Amortized Cost</b>				
Cash and cash equivalents	9,441	-	-	9,441
Other bank balances	-	-	-	-
Loans	5,149	-	-	5,149
Other Financial assets	4	-	-	4
<b>Total</b>	<b>14,594</b>	-	-	<b>14,594</b>
<b>B. Financial Liabilities- Measured at Amortized Cost</b>				
Trade Payables	10,761	-	-	10,761
Borrowings	17,915	-	-	17,915
Other financial liabilities	21,642	-	-	21,642
<b>Borrowings</b>	<b>50,318</b>	-	-	<b>50,318</b>

46 **Recent Pronouncements**

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

46.1 **Ind AS-16 Property Plant & Equipments (PPE)**

The amendment clarifies that sale proceeds of items produced in the process of making PPE available for its intended use cannot be deducted from the cost of PPE. Instead, such proceeds shall be recognized in the statement of profit or loss.

46.2 **Ind AS-37 Provisions**

The amendment clarifies that the 'costs to fulfil' a contract include both incremental costs (direct labour and material) and an allocation of other direct cost.

46.3 **Annual Improvements to Ind AS-109- Financial Instruments**

The amendment clarifies while performing the '10 percent test' for derecognition of financial liabilities, borrower includes only fees paid or received between borrower and lender directly or on behalf of others.

46.4 **Ind AS-103- Business Combination**

The amendment specifies that for identified assets and liabilities to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

The Impact, if any, of above changes will be incorporated in the financial statements for the year ended 31st March, 2023.



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