



**50<sup>th</sup>  
Annual Report  
2019-2020**

**SWADESHI POLYTEX LIMITED**

# SWADESHI POLYTEX LIMITED

## BOARD OF DIRECTORS

<b>Mr. Gaurav Swarup</b>	Chairman
<b>Mr. Hartaj Sewa Singh</b>	Vice Chairman
<b>Mr. A. Sukumar</b>	Director
<b>Mr. Pankaj Agarwal</b>	Director
<b>Mr. Manoj Kumar K.G.</b>	Director
<b>Mr. B. Mehrotra</b>	Director
<b>Mr. Arun Kumar Singhania</b>	Director
<b>Mr. S. S. Madan</b>	Independent Director
<b>Mr. N. K. Gupta</b>	Independent Director
<b>Mr. Naveen Aggarwal</b>	Independent Director
<b>Ms. Purti Marwaha</b>	Independent Director

## KEY MANAGERIAL PERSONNELS

Mr. Bhuwan Chaturvedi	Chief Executive Officer
Ms. Surbhi Basantani	Company Secretary

## REGISTERED OFFICE

**CIN:** L25209UP1970PLC003320

New Kavi Nagar Industrial Area Ghaziabad - 201002 (U.P.)

Website: [www.splindia.co.in](http://www.splindia.co.in)

## REGISTRAR AND SHARE TRANSFER AGENT

**M/s RCMC Share Registry Private Limited**

B-25/1, Okhla Industrial Area,

Phase-II, Near Rana Motors, New Delhi - 110 020

Phone : 011-26387320/21

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**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 50<sup>th</sup> Annual General Meeting of the Members of Swadeshi Polytex Limited will be held on Thursday, 24<sup>th</sup> September, 2020 at 12 Noon IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2020 together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gaurav Swarup having Director’s Identification Number- 00374298, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mr. Bipin Behari Mehrotra having Director’s Identification Number 03279399, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re- appointment.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Manoj Kumar Kanjirakkattu Gopalan (DIN- 08497328) who was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> December, 2019, by the Board of Directors in terms of Section 161(3) of the Act and whose term of office expires at the conclusion of the Annual General Meeting, be and is hereby appointed as Nominee Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.”

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Arun Kumar Singhania (DIN- 00160194) who was appointed as an Additional Director of the Company with effect from 17<sup>th</sup> August, 2020, by the Board of Directors in terms of Section 161(3) of the Act and whose term of office expires at the conclusion of the Annual General Meeting, be and is hereby appointed as Nominee Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.”

By order of the Board  
For **Swadeshi Polytex Limited**

Sd/-  
**(Bipin Behari Mehrotra)**  
Director  
(DIN: 03279399)

Sd/-  
**(Shyam Sunder Madan)**  
Director  
(DIN: 02427885)

Place : Ghaziabad  
Dated : 17th August, 2020

# SWADESHI POLYTEX LIMITED

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## NOTES: -

1. In view of the continuing COVID-19 pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs ("MCA") vide its Circular dated 5 May 2020 read with Circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 have permitted the holding of the Annual General Meeting ("AGM") through Video Conference/ Other Audio Visual Means, without the physical presence of the Members at a common venue.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 50<sup>th</sup> AGM of the Company shall be conducted through VC / OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for remote e-voting, participation in the AGM through VC / OAVM and e-voting during the AGM.

2. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization shall be sent to the Company at [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in) or to RCMC Share Registry Private Limited Ltd, Registrar and Share Transfer Agent at [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18<sup>th</sup> September 2020 to Thursday, 24<sup>th</sup> September 2020 (both days inclusive) for the purpose of AGM.
5. The details required under Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI Listing Regulations, 2015) and Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM forms part of the Notice.

## DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs

6. In compliance with MCA Circular No. 20/2020 dated 5 May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for FY 2019-20 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
7. Members holding shares in physical mode and who have not registered/updated their email addresses with the Company are requested to register/update their email addresses by writing to the Company's Registrar and Share Transfer Agent, RCMC Share Registry Private Limited at [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com). Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back), self-attested copy of PAN card and Aadhaar for registration/update of email address.
8. Members holding shares in dematerialised mode are requested to register /update their email addresses with their Depository Participants.

9. The Notice of AGM along with Annual Report for FY 2019-20, is available on the website of the Company at [www.splindia.co.in](http://www.splindia.co.in), on the website of Stock Exchanges i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

### PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OAVM:

10. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
11. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
12. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.
13. Members may note that the VC / OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis and facility of joining the AGM shall open 30 minutes before the time scheduled for the AGM. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
14. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) /+91 9920264780 or Ms. Pallavi Mhatre, Manager, at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) /+91 75066 82281.

### PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

15. As the AGM is being conducted through VC / OAVM, members are encouraged to express their views / send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in) to enable smooth conduct of proceedings at the AGM. Questions /Queries received by the Company on or before Thursday, 17<sup>th</sup> September 2020 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number at [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in) on or before Thursday, 17<sup>th</sup> September 2020. Speakers are requested to submit their questions at the time of registration to enable the Company to respond appropriately. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the AGM, depending upon the availability of time.
17. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

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## PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

18. In compliance with provisions of Section 108 of the Companies Act, 2013; Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force); Regulation 44 of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide Members with a facility to exercise their right to vote by electronic means for the business to be transacted at the AGM.
19. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Thursday, 17<sup>th</sup> September 2020 shall only be entitled to attend and vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
20. The remote e-voting period commences on Monday, 21<sup>st</sup> September 2020 (9:00 A.M. IST) and ends on Wednesday, 23<sup>rd</sup> September 2020 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Thursday, 17<sup>th</sup> September 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting.
21. The procedure and instructions for remote e-voting are given below:

Step 1: Log-in to NSDL e-voting system at

URL: <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

### Details on Step 1 to log in to NSDL e-voting system are mentioned below:

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e., cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
A) For Members who hold shares in demat account with NSDL.	8 Character DP Id followed by 8 Digit Client Id For example, if your DP Id is IN300*** and Client Id is 12***** then your user Id is IN300***12*****

B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
C) For Members holding shares in Physical Form.	EVEN Number followed by Folio No. registered with the company For example, if EVEN is 123456 and Folio No. is 001*** then user ID is 123456001***

5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i. If your E-Mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your E-Mail ID. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e., a .pdf file. The password to open the .pdf file is your 8 digit Client Id for NSDL account, last 8 digits of Client Id for CDSL account or Folio No. for shares held in physical form. The .pdf file contains your 'User Id' and your 'initial password'.
    - ii. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned above in this notice.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / Folio No., your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open.

**Details on Step 2 to cast vote electronically on NSDL e-Voting System are mentioned below:**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on

e-voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company, which is XXXXXX.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **Procedure for E- Voting on the day of the AGM:**

1. Only those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions by remote e-voting prior to the AGM shall be entitled to cast their vote through the e-voting system at the AGM.
2. The procedure for e-voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.

### **GENERAL INFORMATION FOR SHAREHOLDERS**

22. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdl.com/> to reset the password.
23. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com/> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

In case of any grievances connected with facility for remote e-voting or e-voting at the AGM, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)

Tel: +91 22 2499 4545/ 1800-222-990/ +91 75066 82281

24. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., 17<sup>th</sup> September 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
25. The Company has appointed Ms. Shruti Singhal (CP No.: 22138) Practising Company Secretary, Address: B-139/4, Mahalaxmi Enclave, Karawal Nagar, Delhi-110094 as the Scrutinizer to scrutinize



the e-voting process in a fair and transparent manner.

26. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
27. The result declared along with the Scrutinizer's Report shall be placed on the Company's website: [www.splindia.co.in](http://www.splindia.co.in) and on NSDL's website: <https://www.evoting.nsdl.com/> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

### PROCEDURE FOR INSPECTION OF DOCUMENTS:

28. All the documents referred to in the accompanying Notice shall be available for inspection through electronic mode, basis the request being sent on [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in).
29. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com/>.

### OTHER INFORMATION:

30. To prevent fraudulent transactions, members are advised to exercise due diligence and notify any change in information to Registrar and Share Transfer Agent or Company as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
31. Members who hold shares under more than one folio in name(s) in the same order, are requested to send the relative Share Certificate(s) to the Company's Registrar and Transfer Agent for consolidating the holdings into one account. The Share Certificate(s) will be returned after consolidation.
32. Members holding shares in dematerialised form may please note that, while opening a depository account with Participants they may have given their bank account details, which will be printed on their dividend warrants.

However, if Members want to change/correct the bank account details, they should send the same immediately to the Depository Participant concerned. Members are also requested to give the MICR code of their bank to their Depository Participant. The Company will not entertain any direct request from Members for cancellation/change in the bank account details furnished by Depository Participants to the Company.

33. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent or the Company.
34. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling form SH-13. Members holding shares in the dematerialized form may contact their Depository

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Participant for recording the nomination in respect of their holdings.

35. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar and Transfer Agent, RCMC Share Registry Private Limited, at the address mentioned below:

RCMC Share Registry Private Limited  
Add: B-25/1, Okhla Industrial Area, Phase-2,  
Near Rana Motors, New Delhi-110020  
Tel. No.: 011-26387320,21  
E-mail Id: [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com)  
Website: [www.rcmcdelhi.com](http://www.rcmcdelhi.com)

36. Pursuant to provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is maintaining an E-mail Id: [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in) exclusively for quick redressal of members/investors grievances.

37. Pursuant to the provisions of Regulation 40 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, securities can be transferred only in dematerialised form w.e.f. 1 April 2019. Members are requested to convert their physical holdings into demat form to avoid any possibility of loss, mutilation etc., of physical share certificates. Any shareholder who is desirous of dematerializing their securities may write to Surbhi Basantani, Company Secretary at [cs@splindia.co.in](mailto:cs@splindia.co.in) or [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in) or to the Registrar and Share Transfer Agent at [investor.services@rcmcdelhi.com](mailto:investor.services@rcmcdelhi.com).

By order of the Board  
For **Swadeshi Polytex Limited**

Sd/-  
(Bipin Behari Mehrotra)

Director  
(DIN: 03279399)

Sd/-  
(Shyam Sunder Madan)

Director  
(DIN: 02427885)

Place : Ghaziabad

Dated : 17th August, 2020

### **DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDERREGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOUSER REQUIRMENTS) REGULATION, 2015**

#### **ITEM NO. 2, 3, 4 & 5: BRIEF PROFILE OF DIRECTORS**

Details of Directors seeking re-appointment at the Annual General Meeting scheduled to be held on 24<sup>th</sup> September, 2020 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and disclosure requirements) Regulations 2015:

Name of the Director	Mr. Gaurav Swarup	Mr. Bipin Behari Mehrotra	Mr. Manoj Kumar Kanjirakkattu Gopalan	Mr. Arun Kumar Singhania
DIN	00374298	03279399	08497328	00160194
Age	63 years	85 years	50 years	54 years
Date of first Appointment on the Board of the Company	30/05/1988	26/08/2010	19/12/2019	17/08/2020

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<b>Name of the Director</b>	<b>Mr. Gaurav Swarup</b>	<b>Mr. Bipin Behari Mehrotra</b>	<b>Mr. Manoj Kumar Kanjirakkattu Gopalan</b>	<b>Mr. Arun Kumar Singhania</b>
<b>Qualification</b>	Master of Business Administration, Harvard University, USA (1980), Bachelor of Engineering (Mech), Jadavpur University, Calcutta (1978)	B. Com and M.S.W. Specialization in Industrial Relations & Personnel Management.	B. Tech (Textiles)	Associate member of ICSI
<b>Expertise in Specific Area</b>	Finance and General Administration	Human Resource/ Administration	Engineering	Legal, Finance & Management
<b>Shareholding in Swadeshi Polytex Limited</b>	3500 shares	Nil	Nil	Nil
<b>Directorship held in other companies (excluding foreign and private Companies)</b>	<ol style="list-style-type: none"> <li>1. Graphite India Limited</li> <li>2. Avadh Sugar &amp; Energy Limited;</li> <li>3. K S B Limited;</li> <li>4. Industrial and Prudential Investment Company Limited</li> <li>5. TIL Limited</li> <li>6. Paharpur Cooling Towers Ltd</li> </ol>	Nil	<ol style="list-style-type: none"> <li>1. India United Textile Mill Limited</li> <li>2. New City of Bombay Mfg. Mills Limited</li> <li>3. Apollo Design Apparel Parks Limited</li> <li>4. Goldmohur Design and Apparel Park Limited</li> <li>5. Aurangabad Textiles and Apparel Parks Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Monolith Industries Limited</li> </ol>
<b>Membership/ Chairmanship of Audit and Stakeholders Relationship Committees</b>	<ol style="list-style-type: none"> <li>1. Member of Audit Committee and Stakeholders Relationship Committee in KSB Limited</li> <li>2. Chairman of Audit Committee and Member of Stakeholders Relationship Committee in TIL Limited</li> <li>3. Member of Audit Committee in Graphite India Limited</li> <li>4. Chairman of Stakeholders Relationship Committee in Avadh Sugar &amp; Energy Limited</li> </ol>	Nil	<ol style="list-style-type: none"> <li>1. Member of Audit Committee in India United Textile Mill Limited</li> <li>2. Member of Audit Committee in New City of Bombay Mfg. Mills Limited</li> <li>3. Member of Audit Committee in Aurangabad Textiles and Apparel Parks Limited</li> </ol>	Nil

## SWADESHI POLYTEX LIMITED

Name of the Director	Mr. Gaurav Swarup	Mr. Bipin Behari Mehrotra	Mr. Manoj Kumar Kanjirakkattu Gopalan	Mr. Arun Kumar Singhania
Relationship with other Directors and KMPs of the Company	No relation	No relation	No relation	No relation
No. of Board Meeting Attended during the financial year	One	Five	One	NA

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### ITEM NO. 4

The Company has received a written communication from National Textile Corporation Limited (NTC Limited) for nominating Mr. Manoj Kumar Kanjirakkattu Gopalan as a Nominee Director to represent on the Board of the Company on behalf of NTC Limited.

Mr. Manoj Kumar Kanjirakkattu Gopalan (DIN- 08497328) was appointed on the Board of Director of the Company on 19<sup>th</sup> December, 2019 as an Additional Director (Nominee) of the Company. Shareholder consent of the Company is required to confirm and approve his appointment as Nominee Director of the Company.

The directors recommend the resolution at Item no. 4 of the accompanying Notice for the approval of the Members of the Company as an Ordinary Resolution.

Save and except Mr. Manoj Kumar Kanjirakkattu Gopalan being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 4 of the Notice.

#### ITEM NO. 5

The Company has received a written communication from the Paharpur Cooling Towers Limited (PCTL) for nominating Mr. Arun Kumar Singhania as a Nominee Director to represent on the Board of the Company on behalf of PCTL.

Mr. Arun Kumar Singhania (DIN- 00160194) was appointed on the Board of Director of the Company on 17<sup>th</sup> August, 2020 as an Additional Director (Nominee) of the Company. Shareholder consent of the Company is required to confirm and approve his appointment as Nominee Director of the Company.

The directors recommend the resolution at Item no. 5 of the accompanying Notice for the approval of the Members of the Company as an Ordinary Resolution.

Save and except Mr. Arun Kumar Singhania being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 5 of the Notice.

By order of the Board  
For **Swadeshi Polytex Limited**

Sd/-  
**(Bipin Behari Mehrotra)**  
Director  
(DIN: 03279399)

Sd/-  
**(Shyam Sunder Madan)**  
Director  
(DIN: 02427885)

Place : Ghaziabad  
Dated : 17th August, 2020

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting their 50<sup>th</sup> Annual Report on the Business and operations of the Company together with the audited results for the financial year ended March 31, 2020.

**FINANCIAL HIGHLIGHTS**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>Year Ended on 31.03.2020</b>	<b>Year Ended on 31.03.2019</b>
Revenue from Operations	1598.67	1315.71
Other Income	22.75	12.10
Total Income	1621.42	1327.81
Total Expenditure	434.34	570.41
<b>Profit /(Loss) before exceptional items and tax from Continued operations</b>	<b>1187.08</b>	<b>757.40</b>
Tax Expenses from Continued operations	203.08	108.75
<b>Profit (Loss) from continuing operations</b>	<b>984.00</b>	<b>648.65</b>
Profit /(Loss) before exceptional items and tax from discontinued operations	243.41	189.13
Tax Expenses from discontinued operations	42.53	38.94
<b>Profit/(Loss) from discontinuing operations</b>	<b>200.88</b>	<b>150.19</b>
<b>Profit (Loss) after tax</b>	<b>1184.88</b>	<b>798.84</b>

**DIVIDEND**

In view of the huge carry forward losses and constrained liquidity position of the Company, your Directors have considered it appropriate not to recommend any dividend in the financial year 2019-20.

**TRANSFER TO RESERVES**

The whole amount of profit of Rs. 1184.88 lacs for the financial year is proposed to be transferred to Reserve and Surplus.

**CHANGE IN THE NATURE OF BUSINESS**

During the financial year under review, no changes have occurred in the nature of the Company's business.

**STATE OF COMPANY'S AFFAIRS**

The Company has earned revenue of Rs. 1598.67 lakhs from selling of lease hold plot rights of the Company during the year.

Total income increased to Rs. 1621.42 lakhs against Rs. 1327.81 lakhs in the previous year. Profit from continuing operations was Rs. 984.00 lakhs against Rs. 648.65 lakhs in the previous year. Profit from discontinuing operations was Rs. 200.88 lakhs against profit of Rs. 150.19 lakhs in the previous year. The profit of the Company for the year under review after tax was Rs. 1184.88 lakhs as against Rs. 798.84 lakhs in the previous year.

# SWADESHI POLYTEX LIMITED

## SHARE CAPITAL

The Equity Share Capital of the Company was sub-divided, 1 (One) Equity Share of the nominal value of Rs. 10/- each (Rupees Ten) into 10 (Ten) Equity Shares of Re.1/- each (Rupee One) thereby 39,00,000 (Thirty-Nine Lakhs) paid up Equity Shares of Rs. 10/- (Rupees Ten) each were sub-divided into 3,90,00,000 (Three Crores Ninety lakhs) Equity Shares of Re. 1/-(Rupee One) each w.e.f. 10<sup>th</sup> January, 2020.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure A”.

## MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

Management discussion and analysis, for the year, as stipulated under Regulation 34 (2) (e) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) is presented in a separate section, which forms a part of the Annual Report.

## NUMBER OF MEETINGS OF THE BOARD

During the financial year Five (05) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 (“the Act”).

SI. No.	Type of Meeting	No. of meetings	Date of Meeting	Directors attended the meeting
1.	Board Meeting	3/2019	10.04.2019	1. Mr. Hartaj Sewa Singh 2. Mr. Naveen Aggarwal 3. Mr. Niranjana Kumar Gupta 4. Mr. Shyam Sunder Madan 5. Mr. Bipin Behari Mehrotra 6. Ms. Purti Marwaha 7. Dr. Anil Gupta 8. Mr. Shamsher Bahadur Singh 9. Mr. A Sukumar
2.	Board Meeting	4/2019	11.05.2019	1. Mr. Hartaj Sewa Singh 2. Mr. Naveen Aggarwal 3. Mr. Niranjana Kumar Gupta 4. Mr. Shyam Sunder Madan 5. Mr. Bipin Behari Mehrotra 6. Ms. Purti Marwaha 7. Dr. Anil Gupta 8. Mr. Shamsher Bahadur Singh 9. Mr. A Sukumar 10. Mr. Rakesh Kumar Sinha

## SWADESHI POLYTEX LIMITED

Sl. No.	Type of Meeting	No. of meetings	Date of Meeting	Directors attended the meeting
3.	Board Meeting	5/2019	05.08.2019	1. Mr. Gaurav Swarup 2. Mr. Hartaj Sewa Singh 3. Mr. Naveen Aggarwal 4. Mr. Niranjn Kumar Gupta 5. Mr. Shyam Sunder Madan 6. Mr. Bipin Behari Mehrotra 7. Ms. Perti Marwaha 8. Dr. Anil Gupta 9. Mr. Shamshe Bahadur Singh 10. Mr. A Sukumar 11. Mr. Pankaj Agarwal 12. Mr. Yezdezard Jehangir Dastoor
4.	Board Meeting	6/2019	14.11.2019	1. Mr. Hartaj Sewa Singh 2. Mr. Naveen Aggarwal 3. Mr. Niranjn Kumar Gupta 4. Mr. Shyam Sunder Madan 5. Mr. Bipin Behari Mehrotra 6. Ms. Perti Marwaha 7. Dr. Anil Gupta 8. Mr. Shamshe Bahadur Singh 9. Mr. A Sukumar 10. Mr. Pankaj Agarwal 11. Mr. Yezdezard Jehangir Dastoor
5.	Board Meeting	1/2020	13.02.2020	1. Mr. Hartaj Sewa Singh 2. Mr. Naveen Aggarwal 3. Mr. Niranjn Kumar Gupta 4. Mr. Shyam Sunder Madan 5. Mr. Bipin Behari Mehrotra 6. Ms. Perti Marwaha 7. Mr. Manoj Kumar K.G 8. Mr. A Sukumar 9. Mr. Yezdezard Jehangir Dastoor
6.	Annual General Meeting for the FY 2018-19	49 <sup>th</sup>	16.09.2019	1. Mr. Hartaj Sewa Singh 2. Dr. Anil Gupta 3. Mr. S.B. Singh 4. Mr. Pankaj Agarwal 5. Mr. Y. J. Dastoor 6. Mr. Naveen Aggarwal 7. Mr. Shyam Sunder Madan

# SWADESHI POLYTEX LIMITED

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## COMPOSITION OF AUDIT COMMITTEE

The Company has formed the Audit Committee pursuant to the provisions of Section 177 of the Act consisting of the following members:

1. Mr. Naveen Agarwal : Chairman
2. Mr. N.K. Gupta : Committee Member
3. Mr. Bipin Behari Mehrotra : Committee Member

During the year Five (05) meetings of the Audit Committee were convened and held.

## COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

The Company has formed the Nomination & Remuneration Committee pursuant to the provisions of Section 178 of the Act consisting of the following members:

1. Mr. Hartaj Sewa Singh : Chairman
2. Mr. Naveen Agarwal : Committee Member
3. Mr. Shyam Sunder Madan : Committee Member

During the year Two (02) meetings of the Nomination & Remuneration Committee were convened and held.

## DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134 (3) (c) and Section 134 (5) of the Act, in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020 and state that:

- (a) In the preparation of the financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the financial statements on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013

Your Company has received annual declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under section 149(6) of the Act and regulation 16(1)(b) of Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Directors during the year.



The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The said online proficiency self-assessment test will be undertaken by the Independent Directors of the Company, as applicable, within the prescribed timelines.

### RETIREMENT BY ROTATION

In terms of section 152 of Act, following Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment.

1. Mr. Gaurav Swarup having Director's Identification Number 00374298;
2. Mr. Bipin Behari Mehrotra having Director's Identification Number 03279399;

Further, as required under the Listing Regulations and Secretarial Standard on General Meetings, the brief resume of the above directors is furnished in the explanatory statement to the Notice convening the ensuing Annual General Meeting of the Company.

### BOARD EVALUATION

Pursuant to the provisions of the Act and Rules made there under and as provided under Schedule IV of the Act and Regulation 17 and 25 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its committees and individual Directors. The evaluation process focused on various aspects of the Board and committees functioning such as their composition, experience and competencies, performance of specific duties and obligations, corporate governance and compliance management. A separate meeting of the Independent Directors was held, inter-alia, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and to assess the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

### CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the Financial Year 2019-2020, following changes took place in the Board of Directors and Key Managerial Personnel of the company:

- i) Mr. Rakesh Kumar Sinha has ceased to be Director due to nomination withdrawn by National Textile Corporation Limited w.e.f 24<sup>th</sup> May, 2019.
- ii) Mr. Pankaj Agarwal was appointed as Nominee Additional Director w.e.f. 30<sup>th</sup> May, 2019 by the Board of Directors and as Nominee Director by the members of the Company in the last Annual General Meeting held on 16<sup>th</sup> September, 2019.
- iii) Mr. Hartaj Sewa Singh was reappointed as Non-Executive Director by the members of the Company in the last Annual General Meeting held on 16<sup>th</sup> September, 2019.
- iv) Mr. Shamsher Bahadur Singh was appointed as Nominee Director by the members of the Company in the last Annual General Meeting held on 16<sup>th</sup> September, 2019.
- v) Mr. Sukumar Arunachalam was reappointed as Non-Executive Director by the members of the Company in the last Annual General Meeting held on 16<sup>th</sup> September, 2019.

## SWADESHI POLYTEX LIMITED

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- vi) Mrs. Purni Marwaha was reappointed as Independent Director by the members of the Company in the last Annual General Meeting held on 16<sup>th</sup> September, 2019.
- vii) Mr. Anil Gupta has ceased to be Director due to nomination withdrawn by National Textile Corporation Limited w.e.f 19<sup>th</sup> December, 2019.
- viii) Mr. Manoj Kumar Kanjirakkattu Gopalan was appointed as an Additional Director (Nominee) w.e.f. 19<sup>th</sup> December, 2019 by the Board of Directors.
- ix) Resignation of Mr. Shamsheer Bahadur Singh w.e.f. 31<sup>st</sup> January, 2020 due to superannuation from National Textile Corporation Limited.
- x) Ms. Surbhi Basantani was appointed as Company Secretary w.e.f 13<sup>th</sup> February, 2020.
- xi) Ms. Stuti Thukral has resigned from the post of Company Secretary w.e.f 13<sup>th</sup> February, 2020.

### **STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

In the opinion of the Board, Ms. Purni Marwaha who was re-appointed as an Independent Director during the year possess the integrity, requisite expertise and experience (including the proficiency) as required for appointment/re-appointment of an Independent Director in the Company.

### **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Functions and Terms of Reference of the Nomination and Remuneration Committee of the Company are as per the Act and Listing Regulations. As on date there are no executive director appointed in the Company.

### **AUDITORS:**

#### **a. STATUTORY AUDITORS & STATUTORY AUDITORS REPORT:**

M/s SPMR & Associates, Chartered Accountants (Firm Registration No. 007578N) has been appointed as Statutory Auditors of the Company from the conclusion of 47<sup>th</sup> Annual General Meeting for a term of five consecutive years till the conclusion of 52<sup>nd</sup> Annual General Meeting.

The Auditors' Report issued by the Statutory Auditors read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

There were no instances of fraud in the Company during the year ended 31<sup>st</sup> March, 2020. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the year ended 31<sup>st</sup> March, 2020 under section 143 (12) of the Act.

#### **b. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has re-appointed Mr. Baldev Singh Kashtwal, Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2020. The Secretarial Audit Report is annexed herewith as "**Annexure B**". The Board has duly reviewed the Auditor's Report and noted that there was no adverse remark given by the Auditor in their report.

**c. INTERNAL AUDITORS**

The Board of Directors of the Company has re-appointed M/s. NSBP & Co. as Internal Auditors, pursuant to the provisions of Section 138 of the Act.

**d. COST AUDITORS**

The Cost audit of the Company has not been conducted for the financial year 2019-2020 as provisions of Section 148 of the Companies Act, 2013 are not applicable on the Company.

**SECRETARIAL STANDARDS**

The Secretarial Standards i.e. SS-1 and SS-2 relating to meetings of the Board of Directors and General Meetings, respectively have been duly followed by the Company.

**DETAILS OF LOAN/ GUARANTEES / INVESTMENTS MADE**

The Company has not given any loans or guarantees and has not made any investments under section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, during the year.

**DETAILS OF RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013.**

During the year, the Company had entered into related party transactions as mentioned in the balance sheet. The details of transactions in form AOC-2 is annexed herewith as “**Annexure-C**”.

**PUBLIC DEPOSITS**

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL PERIOD OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes or any commitments occurred which affects the financial position of the Company between the end of the financial period of the company to which the financial statements relate and the date of the report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT-GO:**

In pursuance to section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014, Company has taken all steps for conservation of energy. However, Technology Absorption is not applicable to the Company as the Company is not using any technology as per the business of the Company. Further, there were no foreign exchange earnings and outgo during the year under review.

**BUSINESS RISK MANAGEMENT:**

A well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place, both in respect of internal and external risks. The objective is to minimize the impact of risks identified and taking advance actions to mitigate them. Risk management forms an integral part of the management policy and is an ongoing process integrated with operations as required under section 134(3)(n) of the Companies Act, 2013. At present the Company has not identified any element of risk, which may threaten the existence of the company.

# SWADESHI POLYTEX LIMITED

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## CONSTITUTION OF COMMITTEE-SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. During the year, the Company has not received any complaint.

## CORPORATE SOCIAL RESPONSIBILITY POLICY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy. The details of the CSR activities are given as “Annexure-D” forming part of this Report.

## SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

The Company does not have any subsidiary, Joint venture or Associate Company as on 31<sup>st</sup> March, 2020.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy to provide vigil mechanism for Directors/Employees to voice their concerns in a responsible and effective manner regarding unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct and Insider Trading Regulations. It also provides adequate safeguards against victimization of Directors/Employees who avail the mechanism. The Company affirms that during FY 2019-20, no personnel have been denied access to the Audit Committee.

## CORPORATE GOVERNANCE REPORT

Report on Corporate Governance is not applicable to the Company as per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 since the paid up share capital of the Company does not exceed 10 Crore and net worth does not exceed Rs. 25 Crore. Hence, the same is not part of the Board’s report.

## INTERNAL FINANCIAL CONTROL SYSTEM

Your Company’s Internal Control Systems are commensurate with the nature, size and complexity of its business.

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Assurance on the effectiveness of internal financial controls is obtained through management reviews, self-assessment, continuous monitoring by functional experts as well as testing by the Statutory/Internal Auditors during the course of their audits. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. The observations and comments of the Audit Committee are placed before the Board.

## CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct, which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings / behaviors of any form

and the Board has laid down the directives to counter such acts. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

### **PARTICULARS OF EMPLOYEES**

None of the employees were in receipt of remuneration of more than that as prescribed under the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS.**

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their sincere appreciation to all the consultants for their dedication and commitment and also extend their sincerest thanks to the Members of the Company for their co-operation. Further the Directors would like to express their sincere appreciation towards all associates, vendors and stakeholders including Banks, Central and State Government authorities, Suppliers and other business associates who have reposed their confidence in the Company at all levels for their continuous co-operation and support. It will be the Company's endeavor to build and nurture these strong links with its stakeholders.

By order of the Board  
For **Swadeshi Polytex Limited**

Place : Ghaziabad  
Dated : 17th August, 2020

**Sd/-**  
**(Bipin Behari Mehrotra)**  
Director  
(DIN: 03279399)

**Sd/-**  
**(Shyam Sunder Madan)**  
Director  
(DIN: 02427885)

**Form No. MGT-9**
**Extract of Annual Return as on the financial year ended on 31st March, 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	<b>CIN:</b>	L25209UP1970PLC003320
ii)	<b>Registration Date:</b>	21.03.1970
iii)	<b>Name of the Company:</b>	Swadeshi Polytex Limited
iv)	<b>Category / Sub-Category of the Company:</b>	Company Limited by Shares
v)	<b>Address of the Registered office and contact details:</b>	New Kavi Nagar Industrial Area, Ghaziabad-201002, U.P. e-mail: <a href="mailto:ceo@splindia.co.in">ceo@splindia.co.in</a>
vi)	<b>Whether listed company:</b>	Yes
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent:</b>	RCMC Share Registry Private Limited, B-25/1, Okhla Industrial Area, Phase-2, Near Rana Motors, New Delhi-110020 Ph.:011-26387320

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Real Estate activities	68100	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary Associate	% of shares held	Applicable Section
—NIL—					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category -Wise- Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters(1) Indian</b>									
(a) Individual/ HUF	Nil	5250	5250	0.13	Nil	52500	52500	0.13	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	2459403	500	2459903	63.08	24594030	5000	24599030	63.08	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total (A)(1)</b>	<b>2459403</b>	<b>5750</b>	<b>2465153</b>	<b>63.21</b>	<b>24594030</b>	<b>57500</b>	<b>24651530</b>	<b>63.21</b>	<b>Nil</b>
<b>(2) Foreign</b>									
NRI Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

# SWADESHI POLYTEX LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total (A) (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Shareholding of Promoter(A)= [A(1)+A(2)]</b>	<b>2459403</b>	<b>5750</b>	<b>2465153</b>	<b>63.21</b>	<b>24594030</b>	<b>57500</b>	<b>24651530</b>	<b>63.21</b>	<b>Nil</b>
<b>(B)Public Shareholding</b>									
<b>(1) Institutions</b>									
Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Govt	Nil	250	250	0.01	750	2500	3250	0.01	Nil
State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance Companies	950	300	1250	0.03	9500	Nil	9500	0.02	(0,01)
Financial Institutions/ Banks	Nil	2125	2125	0.05	Nil	24250	24250	0.06	0.01
Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total B(1)</b>	<b>950</b>	<b>2675</b>	<b>3625</b>	<b>0.09</b>	<b>10250</b>	<b>26750</b>	<b>37000</b>	<b>0.09</b>	<b>Nil</b>
<b>(2)Non- Institutions</b>									
a)Bodies Corporate	90571	503147	593718	15.22	919708	5030720	5950428	15.26	<b>0.04</b>
i)Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	105630	708350	813980	20.87	1222602	6902690	8125292	20.83	(0.04)
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	14864	Nil	14864	0.38	148640	Nil	148640	0.38	Nil
c) Other Specify									
i) Clearing Members	Nil	Nil	Nil	0	2880	Nil	2880	0.01	0.01
ii)Non Residents	2550	4710	7260	0.19	23130	47100	70230	0.18	(0.01)
NBFC Registered with RBI	1400	Nil	1400	0.04	14000	Nil	14000	0.04	Nil
<b>Sub Total (B) (2)</b>	<b>215015</b>	<b>1216207</b>	<b>1431222</b>	<b>36.7</b>	<b>2330960</b>	<b>11980510</b>	<b>14311470</b>	<b>36.7</b>	<b>Nil</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>215965</b>	<b>1218882</b>	<b>1434847</b>	<b>36.79</b>	<b>2341210</b>	<b>12007260</b>	<b>14348470</b>	<b>36.79</b>	<b>Nil</b>
<b>(C)Share heldby Custodianfor GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>2675368</b>	<b>1224632</b>	<b>3900000</b>	<b>100</b>	<b>26935240</b>	<b>12064760</b>	<b>39000000</b>	<b>100</b>	<b>Nil</b>

\* The equity shares of the Company have been increased due to sub-division of 1 equity share of Face Value of Rs. 10/- each into 10 equity shares of Face Value of Re. 1/- each as approved by the Shareholders of the Company via postal ballot held on 25<sup>th</sup> December, 2019 with Record date for the Subdivision being 10<sup>th</sup> January, 2020.

# SWADESHI POLYTEX LIMITED

## (ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	M/s National Textile Corporation Limited	1311000	33.62%	-	13110000*	33.62%	-	Nil
2.	M/s Paharpur Cooling Towers Ltd.	528153	13.54%	-	5281530*	13.54%	-	Nil
3.	M/s Selecto Pac Pvt Ltd	343250	8.8%	-	3432500*	8.8%	-	Nil
4.	M/s Doypack Systems Pvt Ltd	277500	7.12%	-	2775000*	7.12%	-	Nil
5.	Mr. Mahendra Swarup	5250	0.13%	-	52500*	0.13%	-	Nil
	<b>Total</b>	<b>2465153</b>	<b>63.21%</b>	<b>-</b>	<b>24651530</b>	<b>63.21%</b>	<b>-</b>	<b>Nil</b>

\* The equity shares of the Company have been increased due to sub-division of 1 equity share of Face Value of Rs. 10/- each into 10 equity shares of Face Value of Re. 1/- each as approved by the Shareholders of the Company via postal ballot held on 25<sup>th</sup> December, 2019 with Record date for the Subdivision being 10<sup>th</sup> January, 2020.

## (iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	2465153	63.21%	24651530	63.21%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Note : Change is due to sub-division ; Face Value change from Rs. 10/- to Re. 1/- per share				
	At the End of the year	24651530	63.21%	24651530	63.21%

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year	Additions, if any	Shareholding at the end of the year	% of total shareholding
1	M/s M K J Enterprises Ltd	487525	4387725*	4875250	12.5
2	Melvin Powel Vanaspati & Engg. Industries Ltd	82425	741825*	824250	2.11
3	Prashant Kumar Bothra	14864	133776*	148640	0.38
4	Indra Kumar Bagri	8541	76869*	85410	0.22
5	V D Maniar Share and Stock Brokers Pvt. Ltd.	8005	72045*	80050	0.21
6	Chirayush Pravin Vakil	6851	(6851)	Nil	Nil
7	Yatin S Shah	5725	51525*	57250	0.15
8	Rajesh Chhabildas Kansara	5300	47700*	53000	0.14
9	Dwarkadas Shrinivas Morarka	5000	45000*	50000	0.13



## SWADESHI POLYTEX LIMITED

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year	Additions, if any	Shareholding at the end of the year	% of total shareholding
10	Jamuna Devi Jaipuria	5000	45000*	50000	0.13
11	M/s Liberty Silk Mills Pvt Ltd	5000	45000*	50000	0.13

\* The equity shares of the Company have been increased due to sub-division of 1 equity share of Face Value of Rs. 10/- each into 10 equity shares of Face Value of Re. 1/- each as approved by the Shareholders of the Company via postal ballot held on 25<sup>th</sup> December, 2019 with Record date for the Subdivision being 10<sup>th</sup> January, 2020.

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year	Additions, if any	Shareholding at the end of the year
1	Mr. Gaurav Swarup	350	3150*	3500
2	Mr. Hartaj Sewa Singh	250	2250*	2500
3	Mr. S S Madan	250	2250*	2500
4	Mr. N.K. Gupta	250	2250*	2500
5	Mr. Naveen Aggarwal	250	2250*	2500

\* The equity shares of the Company have been increased due to sub-division of 1 equity share of Face Value of Rs. 10/- each into 10 equity shares of Face Value of Re. 1/- each as approved by the Shareholders of the Company via postal ballot held on 25<sup>th</sup> December, 2019 with Record date for the Subdivision being 10<sup>th</sup> January, 2020.

## V. INDEBTEDNESS

(Rs. In Lakhs)

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

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1451.08	179.15	NIL	1630.23
ii) Interest due but not paid	43.31	NIL	NIL	43.31
iii) Interest accrued but not due	2.68	NIL	NIL	2.68
<b>Total (i+ii+iii)</b>	<b>1497.07</b>	<b>179.15</b>	<b>NIL</b>	<b>1676.22</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	63.03	NIL	NIL	63.03
Reduction	1560.10	NIL	NIL	1560.10
<b>Net Change Indebtedness</b>	<b>-1497.07</b>	<b>NIL</b>	<b>NIL</b>	<b>-1497.07</b>
<b>At the end of the financial year</b>				
i) Principal Amount	NIL	179.15	NIL	179.15
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>179.15</b>	<b>NIL</b>	<b>179.15</b>

# SWADESHI POLYTEX LIMITED

## VI . REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs In Lakhs)

Sl. No.	Particulars of Remuneration	Name	Designation	Amount
-----NIL-----				

### B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name	Designation	Amount
1	Sitting Fees	Naveen Agarwal	Independent Director	2,60,000
2	Sitting Fees	N.K. Gupta	Independent Director	1,95,000
3	Sitting Fees	S.S. Madan	Independent Director	1,80,000
4	Sitting Fees	Y.J. Dastoor	Independent Director	1,00,000
5	Sitting Fees	Purti Marwaha	Independent Director	1,45,000
6	Retainership Charges	Bipin Behari Mehrotra	Non – Executive Director	8,40,000

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

Sl. No.	Name	Designation	Amount (in Rs.)
1	Promod Pandey*	CFO	6,00,000
2	Stuti Thukral**	Company Secretary	1,80,000
3	Surbhi Basantani**	Company Secretary	56,000

\*Mr. Promod Pandey has resigned from the post of CFO w.e.f. 15<sup>th</sup> August, 2020.

\*\*Ms. Surbhi Basantani was appointed as Company Secretary in place Ms. Stuti Thukral w.e.f 13<sup>th</sup> February, 2020.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

By order of the Board  
For Swadeshi Polytex Limited

**Sd/-**  
**(Bipin Behari Mehrotra)**  
Director  
(DIN: 03279399)

**Sd/-**  
**(Shyam Sunder Madan)**  
Director  
(DIN: 02427885)

Place : Ghaziabad  
Dated : 17th August, 2020

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020**

*[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

The Members  
Swadeshi Polytex Limited  
(CIN: L25209UP1970PLC003320)  
A-1, Sector-17, New Kavi Nagar,  
Industrial Area,  
**Ghaziabad – 201002 (U. P.)**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Swadeshi Polytex Limited (hereinafter called “**the Company**”). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my verification of the Swadeshi Polytex Limited’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the company has proper Board - Processes and Compliance – Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Swadeshi Polytex Limited (“**the Company**”) for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of :-

- (i) The Companies Act, 2013 (“the Act”) and rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye - laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings; **the provisions of the Overseas Direct Investment, and External Commercial Borrowings are not applicable to the Company during the Financial Year 2019-2020;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Financial Year 2019-2020);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Financial Year 2019-2020);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Financial Year 2019-2020);**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year 2019-2020);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Financial Year 2019-2020);** and

## SWADESHI POLYTEX LIMITED

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable to the Company during the Financial Year 2019-2020)**; and
- (vi) Indian Contract Act, 1872;
- (vii) Indian Stamp Act, 1999;
- (viii) Contract Labour (Regulation and Abolition) Act, 1970;
- (ix) Industrial Employment (Standing Orders) Act, 1946 and other applicable labour laws.
- (x) Water (Prevention and Control of Pollution) Act, 1974 and Rules;

I have also examined the compliance with respect to the applicable clauses of the following:-

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;;
- (ii) The Listing Agreement entered into by the Company with the BSE Limited, Mumbai.
- (iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards etc. mentioned above.

**I FURTHER REPORT THAT** the compliance by the Company of applicable fiscal laws, such as direct and indirect laws, has not been reviewed in this audit since the same have been subject to review by the statutory auditors.

### **I FURTHER REPORT THAT:-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a woman Director. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- During the financial year under review, the shareholders of the Company approved sub-division of each equity share of the face value of Rs.10/- (Rupees Ten) each fully paid-up into 10 (Ten) equity shares of the face value of Rs.1/- (Rupees One) each fully paid-up by passing an ordinary resolution through the process of postal ballot on 25th December, 2019 and the record date for the Sub-division was fixed as 10<sup>th</sup> January, 2020.

**I FURTHER REPORT THAT** there are adequate compliance systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of :-

- (i) Public / Rights / Preferential Issue of Shares / Debenture / Sweat Equity;
- (ii) Redemption / Buy-back of Securities;
- (iii) Major decisions taken by the members in pursuant to section 180 of the Companies Act, 2013;
- (iv) Merger / Amalgamation / Reconstruction etc.;
- (v) Foreign Technical Collaborations.

**CS BALDEV SINGH KASHTWAL**  
**PRACTISING COMPANY SECRETARY**  
**FCS NO. 3616, C. P. NO. 3169**

Place : Delhi

Dated : July 21, 2020

**ICSI-UDIN: F00361600B000483502**

*Note : This report is to be read with my letter of even date which is annexed as an "Annexure-A" and forms an integral part of this report.*

To

**The Members**

**Swadeshi Polytex Limited**

**(CIN: L25209UP1970PLC003320)**

**A-1, Sector-17, New Kavi Nagar, Industrial Area,**

**Ghaziabad – 201002 (U. P.)**

**My Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020 of even date is to be read along with this letter**

I report that:-

Maintenance of secretarial records is the responsibility of the management of the Company and to ensure that the systems are adequate and operate effectively. My responsibility is to express an opinion on these secretarial records based on my audit.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification of the scanned copies was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that audit evidence and information obtained from the Company's management and the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness and appropriateness of the financial statements of the Company.

I have obtained the management representation about the compliance of laws, rules and regulations, happening of events, etc. wherever required.

The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on a random test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Due to seriousness of COVID-19 Pandemic and lockdown in the country, the physical verification of the original documents could not be done.

**CS BALDEV SINGH KASHTWAL  
PRACTISING COMPANY SECRETARY  
FCS NO. 3616, C. P. NO. 3169**

Place : Delhi

Dated : July 21, 2020

**ICSI-UDIN: F00361600B000483502**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

- 1. Details of contracts or arrangements or transactions not at Arm's length basis – NIL**
- 2. Details of contracts or arrangements or transactions at Arm's length basis.: 1 (One)**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name (s) of the related party & nature of relationship	Mr. Bipin Mehrotra, Director
2	Nature of contracts/arrangements/transaction	Human Resource and Legal Retainer
3	Duration of the contracts/arrangements/transaction	Till the company decides otherwise.
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Appointment as labour consultant at a monthly fee of Rs. 70,000/-.
5	Date of approval by the Board	14-11-2017
6	Amount paid as advances, if any	NIL

By order of the Board  
For **Swadeshi Polytex Limited**

**Sd/-**  
**(Bipin Behari Mehrotra)**  
Director  
(DIN: 03279399)

**Sd/-**  
**(Shyam Sunder Madan)**  
Director  
(DIN: 02427885)

Place : Ghaziabad  
Dated : 17th August, 2020

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR Policy including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The Corporate Social Responsibility Committee had formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") which was subsequently adopted by it and is being implemented by the Company. The CSR Policy including a brief overview of the projects or programs proposed to be undertaken can be accessed at the Company's website through the Web-link: [https://www.splindia.co.in/corporate\\_governance.htm](https://www.splindia.co.in/corporate_governance.htm).

2. **Composition of CSR Committee:** The Corporate Social Responsibility committee consists of 3 members i.e. Mr. Shyam Sunder Madan, Mr. Bipin Behari Mehrotra and Ms. Purti Marwaha, Directors of the Company.
3. **Average Net Profit of the Company for last three Financial Year:**

S. NO.	YEAR	AMOUNT(INR)
1	2018-19	9,46,53,000
2	2017-18	14,59,000
3	2016-17	2,08,91,000
<b>Total Profit</b>		<b>11,70,03,000</b>
<b>Average Profit</b>		<b>3,90,01,000</b>

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

2% of Rs. 3,90,01,000/- = **Rs. 7,80,000/-**

5. **Details of CSR Spend during the Financial Year:**

- (a) Total amount to be spent for the financial Year: Rs. 7,80,000/-
- (b) Amount unspent, if any: Not applicable
- (c) Manner in which the amount spent during the Financial Year is detailed below:

## SWADESHI POLYTEX LIMITED

S. No	CSR Projects or activities identified	Sector in which the project is covered	Projects or programs 1)Local area or other 2)Specify the State and district where projects or programs was taken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: 1)Direct expenditure on projects or programs 2)Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct through implementing agency
1	Contribution to Prime Minister's National Relief Fund	Prime Minister's National Relief Fund	1) Other 2) All India	7,80,000	Direct Expenditure: 8,00,000 Overheads: 0	8,00,000	Direct

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount:** Not Applicable
7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy , is in compliance with CSR Policy, is in compliance with CSR objective and Policy of the Company:** The Company recognizes its obligations to act responsibly, ethically and with integrity in its dealings with employees, community, customers and the environment as a whole. At SPL, we know that corporate responsibility is essential to our current and future success as a business. The Company believes it has the greatest opportunity to drive values through CSR initiatives in areas pertaining to Health, Education and has committed to improving the quality of life in communities in many years.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

By order of the Board  
For **Swadeshi Polytex Limited**

Sd/-  
**(Bipin Behari Mehrotra)**  
Director  
(DIN: 03279399)

Sd/-  
**(Shyam Sunder Madan)**  
Chairman of CSR Committee  
(DIN: 02427885)

Place : Ghaziabad  
Dated : 17th August, 2020



**MANAGEMENT DISCUSSION & ANALYSIS REPORT****ECONOMIC AND INDUSTRIAL REVIEW/ INDUSTRY STRUCTURE AND DEVELOPMENTS**

Indian real estate sector, which was already struggling to re-emerge from the past turbulence of structural changes, policy reforms, and the liquidity crisis, is now set to witness another major fallout. The Coronavirus outbreak, which originated in China, has infected lakhs of people worldwide. Simultaneously, it has disrupted industries, trade, and business cycles, thus halting global economic activity significantly. Unfortunately, 2020 seems to be different. Country-wide lockdown until mid-May has halted all activities. As evident, project sites are shut, site visits have stopped, and construction activity has come to a grinding halt, eventually impacting housing sales. Also, developers have deferred their new project launches for an unknown period.

Besides residential segment, commercial real estate is also not immune to the Covid-19 fallout. Corporate occupiers are seen delaying their leasing decisions and still several MNCs and businesses are testing new waters of the work from home option. If proved successful, it could impact leasing activities in the future.

**REAL ESTATE**

The Indian real estate sector needs to exhibit immense resilience to overcome the current situation imposed by the novel coronavirus. The sector has been successful in overcoming many challenges in the past and has stood up in the most turbulent times. Unfortunately, the testing period and the trials keep coming back at regular intervals and it is surely going to hurt the sector but may also fortify for the years to come. Industry estimates of the Indian real estate market, prior to COVID-19 outbreak, was projected to be USD 650 Bn by 2025 and USD 1,000 Bn by 2030. This certainly seems tough amidst the current circumstances.

**OPPORTUNITIES, THREATS, RISK AND CONCERNS**

COVID-19 has severely hit real estate business and the sector has come to a standstill. With a screeching halt to site visits, discussions, documentation and closures, the early indicators depict that we are likely to face a tough time for the next few quarters and the sector's recovery has been pushed further away by at least a couple of years.

Amidst the current COVID-19 outbreak, consumer sentiments have been severely shattered not only due to the possibility of construction delays and decline in new launches but also due to rising uncertainty on overall economic growth. This is also visible in the stock market indices as fear of pandemic grapples the institutional and retail investors alike. In our opinion, consumer sentiments are likely to remain weak for the rest of the year 2020 unless there is some amount of sector-specific economic revival package announced by the government.

India's improved rank on Ease of Doing Business and the courage to implement reforms such as DeMo, RERA, and IBC are indeed creditworthy. These are expected to yield fruitful results in the future and help establish Indian real estate as a preferred destination for global investors, occupiers and homebuyers.

**BUSINESS OUTLOOK AND OVERVIEW**

The Company had entered into Real Estate in the year 2011. Your Company is selling its real estates and it is the intention of your Company to use the funds so generated to explore opportunities in growth areas and industries and try to keep a focus on the real estate sector.

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT**

The Human Resources (HR) function is instrumental in creating and developing human capital in

## **SWADESHI POLYTEX LIMITED**

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alignment with the Company Objectives. Your Company currently has to build its human resources based on the finalization of the opportunities it will focus on in the near future. Industrial relations are been cordial as your Company does not have any work force with the cessation of production activities. The challenge will be to build a team of all employees, managers and workmen with the value of teamwork and belongingness. All the employees of the Company will be expected to work as one cohesive team devoted to a common goal of the Company.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguard and protected against any loss and that all the transactions are properly authorized and recorded. Information provided to management is reliable and timely. Company ensures adherence to all statues.

### **INTERNAL FINANCIAL CONTROL**

Your Company's Internal Control Systems are commensurate with the nature, size and complexity of its business.

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Assurance on the effectiveness of internal financial controls is obtained through management reviews, self-assessment, continuous monitoring by functional experts as well as testing by the Statutory/Internal Auditors during the course of their audits. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. The observations and comments of the Audit Committee are placed before the Board.

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company has only one segment i.e. Real Estate. The Company's revenue from operations increased to Rs. 15.99 Crore for the financial year 2019-20, as compared to Rs.13.16 Crore in the previous year. The Company continued its focus on core business activity in the Industrial land. The key revenue streams for the Company include sale of lease plot land. The Company continues to maintain its conservative financial profile and funds its requirements largely through internal cash generation.

### **CAUTIONARY STATEMENT**

Statements in the Management's Discussion and analysis report describing the Company's objectives, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand supply conditions, change in Government regulations, tax regimes, economic developments within the country and other statutes incidental factors.

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Swadeshi Polytex Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Swadeshi Polytex Limited** ('the Company') which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income, if any), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## SWADESHI POLYTEX LIMITED

S. No	Key Audit Matter	Auditor's Response
1	The Company has Interest Income from Litigative Refunds and writes back of old liabilities which have significant financial impact.	Our Principal Audit Procedures included : <ul style="list-style-type: none"> <li>❖ We read and evaluated the accounting policies and disclosures made in the financial statements with respect to claims filed.</li> <li>❖ We obtained list of claims filed by the Company with various forums and understood the process of recognition of income arising out of the said claims.</li> <li>❖ We have read the Orders passed by the Judicial Authorities and appeals filed by the concerned Departments and understood the process of determination of point of time for identification and recognition of income.</li> <li>❖ We have read the minutes of meetings of the Audit Committee and Board of Directors of the company related to noting of status of outstanding claims.</li> </ul>
2	Procedures for Revenue Recognition.	Our Principal Audit Procedures included : <ul style="list-style-type: none"> <li>❖ We have studied the Agreement to Sell along with Addendums thereto with respect to recognition of revenue. We have also examined the communications received by the Company from its customers.</li> <li>❖ We have studied the relinquishment letters issued by the Company to the customers in respect of leasehold plots and applied cut off procedures for revenue recognition.</li> </ul>

### Emphasis of Matter on COVID 19

We draw attention to Note 31 in the accompanying financial statements, which describes the management's assessment of the impact of uncertainties related to outbreak of COVID-19 and its consequential effects on the business operations of the Company.

Our opinion is not modified in respect of this matter.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting

principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial

## SWADESHI POLYTEX LIMITED

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statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended 31<sup>st</sup> March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Financial Statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its director during the current year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements.
  - ii. We are explained that the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. We are explained that there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SPMR & ASSOCIATES  
Chartered Accountants  
Firm's Regn. No. 007578N

Sd/-  
**M S LADHA**  
Partner

Place : Faridabad  
Date : 26-06-2020

Membership No.: 088221  
UDIN: 20088221AAAABD3308

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Swadeshi Polytex Limited of even date)

We report that:

- i) In respect of the Company's fixed assets comprised in property, plant and equipment :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b) We are explained that the Company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were physically verified during the year and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the title deed of immovable property in Ahmedabad of the Company are not in the possession of the management are stated to be misplaced. Further, the provisions of this clause are not applicable in respect of leasehold land owned by the Company and held as Stock in Trade.
- ii) The only inventory in hand is in the form of lease hold plot rights, for which management has conducted physical verification in the form of measurement, frequency of which in our opinion is reasonable and no material discrepancies were noticed on the physical verification of the same as compared to book records.
- iii) According to the information and explanations given to us, the Company has granted unsecured loan to a party covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act") in respect of which:
  - a) In our opinion, the rate of interest and other terms and conditions on which such loan had been granted, were not, prima facie, prejudicial to the Company's interest.

## SWADESHI POLYTEX LIMITED

- b) We are explained that the said loan is repayable on demand and no demand has been made during the year about repayment of principal. Further, repayment of interest is regular in terms of demand made.
- c) In our opinion and in view of our comments in (a) and (b) above, no amount is overdue for recovery as at the year-end.
- iv) In our opinion and according to the information and explanations given to us, the Company had complied with the provisions of Section 185 and 186 of the Act in respect of grant of loan to a party in earlier year.
- v) According to the information and explanations given to us and on the basis of examination of records of the company and opinion obtained by the management, we report that the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) We are informed that the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii) According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has been regular in depositing undisputed statutory dues, including Income Tax, Customs Duty, Cess, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities. As explained to us, provisions of Employees Provident Fund and Employees' State Insurance Act are not applicable to the Company for the year under report as it had no employees.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, duty of Customs, Cess, Goods and Service tax including any other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.
- c) According to information and explanation given to us and on the basis of our examination of the books of accounts of the company, following are the details of sales tax/income tax/custom duty/service Tax/excise duty, which have not been deposited as at March 31, 2020 on account of any dispute:

Name of Statute	Nature of Dues	Amount (In lacs)	Period	Forum at which dispute is pending
The Customs Act, 1962	Custom Duty & other dues.	17.11	Various	Various
The Central Excise Act, 1944	Refund of the Central Excise Duty and interest thereon	323.60	2019-20	CESAT
The Income Tax Act, 1961	Demand for assessment year 2012-13	22.17	2012-13	I.T.A.T.

- viii) According to the information and explanation given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix) The Company has neither raised money by way of initial public offer or further public offer (including debt instruments) and term loans nor applied the previously raised loans, if any, during the year under report. Accordingly, provisions of clause 3 (ix) of the Order are not applicable to the Company.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud



by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- x) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and accordingly para 3 (xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SPMR & ASSOCIATES  
Chartered Accountants  
Firm's Regn. No. 007578N

Sd/-  
**M S LADHA**  
Partner

Place : Faridabad  
Date : 26-06-2020

Membership No.: 088221  
UDIN: 20088221AAAAABD3308

### **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Swadeshi Polytex Limited of even date)**

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Swadeshi Polytex Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of

## SWADESHI POLYTEX LIMITED

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its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and;
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020,

## SWADESHI POLYTEX LIMITED

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based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SPMR & ASSOCIATES  
Chartered Accountants  
Firm's Regn. No. 007578N

Sd/-  
**M S LADHA**  
Partner

Membership No.: 088221  
UDIN: 20088221AAAABD3308

Place : Faridabad  
Date : 26-06-2020

# SWADESHI POLYTEX LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2020

(Rs. in '000)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
<b>I ASSETS</b>			
<b>(1) Non-current asset</b>			
(a) Property, Plant and Equipment	5	547	410
(b) Intangible Assets	6	333	-
(c) Deferred Tax Assets (Net)	7	43,634	43,197
(d) Other non-current assets	8	29,977	1,340
<b>Total non-current assets</b>		<b>74,491</b>	<b>44,947</b>
<b>(2) Current Asset</b>			
(a) Inventories	9	60,054	65,341
(b) Financial Assets:			
(i) Cash and cash equivalents	10	29,902	12,589
(ii) Loans	11	5,121	5,121
(iii) Others	12	114	77
(c) Other Current Assets	13	1,000	5,000
<b>Total current assets</b>		<b>96,191</b>	<b>88,128</b>
<b>Total Assets</b>		<b>1,70,682</b>	<b>1,33,075</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	14	39,000	39,000
(b) Other equity	15	(3,62,407)	(4,80,895)
<b>Total Equity</b>		<b>(3,23,407)</b>	<b>(4,41,895)</b>
<b>LIABILITIES</b>			
<b>(1) Non current liabilities</b>			
(a) <b>Financial liabilities</b>			
(i) Other financial liabilities	16	21,642	24,983
<b>Total non-current liabilities</b>		<b>21,642</b>	<b>24,983</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	17	17,915	1,63,023
(ii) Trade payables	18	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,652	9,372
(iii) Other Financial Liabilities	19	-	4,599
(b) Other current liabilities	20	4,46,880	3,72,131
(c) Provisions	21	-	862
<b>Total current liabilities</b>		<b>4,72,447</b>	<b>5,49,987</b>
<b>Total Equity and Liabilities</b>		<b>1,70,682</b>	<b>1,33,075</b>

Significant Accounting Policies

4

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

As per our Report of even date attached

For SPMR & ASSOCIATES

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS

Sd/-

(M.S. Ladha)

Partner

FRN : 007578N, M.No. : 088221

Sd/-

(Naveen Agarwal)

Director

(DIN 00936395)

Sd/-

(B. Mehrotra)

Director

(DIN 03279399)

Place : Faridabad

Date : 26.06.2020

Sd/-

(Bhuvan Chaturvedi)

Chief Executive Officer

Sd/-

(Promod Pandey)

Chief Financial Officer

Sd/

(Surbhi Basantani)

Company Secretary

# SWADESHI POLYTEX LIMITED

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

(Rs. in '000)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>INCOME</b>			
Revenue from operations	22	1,59,867	1,31,571
Other Income	23	2,275	1,210
<b>Total Income</b>		<b>1,62,142</b>	<b>1,32,781</b>
<b>EXPENSES</b>			
Land Development Expenses		423	2,168
Changes in inventories	24	5,287	2,871
Finance Costs	25	7,004	28,587
Depreciation and amortization expense	26	114	81
Other expenses	27	30,606	23,334
<b>Total Expenses</b>		<b>43,434</b>	<b>57,041</b>
<b>Profit / (Loss) before tax</b>		<b>1,18,708</b>	<b>75,740</b>
Less : Tax Expenses			
- Current tax		20,747	16,246
- Deferred tax		(437)	(5,371)
- Earlier Years		(2)	-
<b>Total Tax Expenses</b>		<b>20,308</b>	<b>10,875</b>
<b>Profit / (Loss) from continuing operations</b>		<b>98,400</b>	<b>64,865</b>
Profit / (Loss) from discontinued operations	28	24,341	18,913
Tax expenses of discontinued operations		4,253	3,894
<b>Profit / (Loss) from discontinuing operations after tax</b>		<b>20,088</b>	<b>15,019</b>
<b>Total Comprehensive Income for the year</b>		<b>1,18,488</b>	<b>79,884</b>
<b>Earnings per equity share of face value of Rs. 1/- each (P.Y. Rs. 10/- each)</b>			
<b>-Continued Business</b>			
(i) Basic (in Rs.)	29	2.52	16.63
(ii) Diluted (in Rs.)	29	2.52	16.63
<b>Earnings per equity share of face value of Rs. 1/- each (P.Y. Rs. 10/- each)</b>			
<b>- Discontinued Business</b>			
(i) Basic (in Rs.)	29.1	0.52	3.85
(ii) Diluted (in Rs.)	29.1	0.52	3.85

Significant Accounting Policies

4

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

As per our Report of even date attached

For SPMR & ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-

**(M.S. Ladha)**

Partner

FRN : 007578N, M.No. : 088221

For and on behalf of the Board of Directors

Sd/-

**(Naveen Agarwal)**

Director

(DIN 00936395)

Sd/-

**(B. Mehrotra)**

Director

(DIN 03279399)

Place : Faridabad

Date : 26.06.2020

Sd/-

**(Bhuwan Chaturvedi)**

Chief Executive Officer

Sd/-

**(Promod Pandey)**

Chief Financial Officer

Sd/

**(Surbhi Basantani)**

Company Secretary

# SWADESHI POLYTEX LIMITED

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

(Rs. in '000)

		Year Ended 31-03-2020 Amount (Rs)	Year Ended 31-03-2019 Amount (Rs)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit for the year before Tax from continuing operations	1,18,708	75,740
	Profit for the year before Tax from discontinuing operations	24,341	18,913
	Adjustments for :		
	Depreciation and amortization expenses	114	81
	Finance Costs	7,004	28,587
	Interest received	(2,250)	(1,210)
	<b>Operating Profit before working capital changes</b>	<b>147,917</b>	<b>1,22,111</b>
	Net Change in :		
	Other non-current assets	(28,637)	3,750
	Inventories	5,287	2,871
	Financial-Non-current assets	-	2,000
	Other current assets	4,000	(4,583)
	Other Financial Liabilities	(3,341)	-
	Trade payables	(1,720)	1,923
	Other-current Liabilities	74,749	83,965
	Provisions	(862)	862
	<b>Cash generated from Operations</b>	<b>1,97,393</b>	<b>2,12,899</b>
	Direct Taxes Paid	(24,998)	(20,140)
	<b>Net Cash flow from Operating activities</b>	<b>(A) 1,72,395</b>	<b>1,92,759</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(584)	-
	Interest received on Loans and Fixed Deposits with Banks	2,213	1,243
	<b>Net cash used in Investing activities</b>	<b>(B) 1,629</b>	<b>1,243</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(Repayment) of Borrowings	(1,45,108)	(91,213)
	Finance Costs Paid	(11,603)	(1,04,446)
	Net cash from / (used in) financing activities	<b>(C) (1,56,711)</b>	<b>(1,95,659)</b>
	<b>Net increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>17,313</b>	<b>(1,657)</b>
	Add: Cash and Cash Equivalents at the beginning of the year	12,589	14,246
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>29,902</b>	<b>12,589</b>
	Cash on Hand	33	4
	Balances with Banks in Current Accounts	525	2,350
	Balances with Banks in Fixed Deposit Accounts	29,344	10,235
	<b>Total Cash and cash equivalents as per Financial Statements</b>	<b>29,902</b>	<b>12,589</b>

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

Sd/-

**(M.S. Ladha)**

Partner

FRN : 007578N, M.No. : 088221

Place : Faridabad

Date : 26.06.2020

For and on behalf of the Board of Directors

Sd/-

**(Naveen Agarwal)**

Director

(DIN 00936395)

Sd/-

**(B. Mehrotra)**

Director

(DIN 03279399)

Sd/-

**(Bhuwan Chaturvedi)**

Chief Executive Officer

Sd/-

**(Promod Pandey)**

Chief Financial Officer

Sd/

**(Surbhi Basantani)**

Company Secretary

# SWADESHI POLYTEX LIMITED

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

### A. EQUITY SHARE CAPITAL

(Rs. in '000)

Particulars	Amount
Balance as at 1st April, 2018	39,000
Changes in equity share capital during the year 2018-19	-
Balance as at 31st March, 2019	39,000
Changes in equity share capital during the year 2019-20	-
Balance as at 31st March, 2020	39,000

### B. OTHER EQUITY

AS ON 31ST MARCH, 2019

(Rs. in '000)

Particulars	Reserve and Surplus			
	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2018	1,67,070	10,975	(7,38,824)	(5,60,779)
Total Comprehensive Income for the year	-	-	79,884	79,884
Balance as at 31st March, 2019	1,67,070	10,975	(6,58,940)	(4,80,895)

AS ON 31ST MARCH, 2020

(Rs. in '000)

Particulars	Reserve and Surplus			
	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2019	1,67,070	10,975	(6,58,940)	(4,80,895)
Total Comprehensive Income for the year	-	-	118,488	118,488
Balance as at 31st March, 2020	1,67,070	10,975	(5,40,452)	(3,62,407)

As per our Report of even date attached

For SPMR & ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-

**(M.S. Ladha)**

Partner

FRN : 007578N, M.No. : 088221

Place : Faridabad

Date : 26.06.2020

For and on behalf of the Board of Directors

Sd/-

**(Naveen Agarwal)**

Director

(DIN 00936395)

Sd/-

**(B. Mehrotra)**

Director

(DIN 03279399)

Sd/-

**(Bhuwan Chaturvedi)**

Chief Executive Officer

Sd/-

**(Promod Pandey)**

Chief Financial Officer

Sd/

**(Surbhi Basantani)**

Company Secretary

### 1 COMPANY OVERVIEW

Swadeshi polytex Limited is a listed company 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 26th June, 2020.

### 2 BASIS OF PREPARATION AND PRESENTATION

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) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

These standalone 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 as amended from time to time.

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.

### 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

#### 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 Building, Plant & Machinery and Computer is being provided on Straight Line Method.

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

- (d) Based on the technical experts assessment of useful life, certain items of property plant and equipment 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.
- (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.

#### 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 alongwith penalty is recognized when the company receives full payment from buyer and there is relinquishment of right in favor 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.
- (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
-----------------------	--

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.

#### **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 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.

**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 Liabilities**

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.

**4.12 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and 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 consist of cash and short-term deposits.

**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 recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised 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.

**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, 2020 are as follows:

Particulars	Building - Pushpak Bhawan	Plant & Machinery	Furniture & Fixtures	Computer	Total
Gross carrying value as at April 1, 2019	93	617	2,434	314	3,458
Additions	-	50	-	180	230
Deletions	-	-	1,918	-	1,918
<b>Gross carrying value as at March 31, 2020</b>	<b>93</b>	<b>667</b>	<b>516</b>	<b>494</b>	<b>1,770</b>
Accumulated depreciation as at April 1, 2019	16	422	2,316	294	3,048
Depreciation for the year	1	70	-	22	93
Accumulated depreciation on deletions	-	-	1,918	-	1,918
<b>Accumulated depreciation as at March 31, 2020</b>	<b>17</b>	<b>492</b>	<b>398</b>	<b>316</b>	<b>1,223</b>
<b>Net Carrying value as at March 31, 2020</b>	<b>76</b>	<b>175</b>	<b>118</b>	<b>178</b>	<b>547</b>

The changes in the carrying value of property, plant and equipment for the year ended 31st March, 2019 are as follows:

(Rs. in '000)

Particulars	Building - Pushpak Bhawan	Plant & Machinery	Furniture & Fixtures	Computer	Total
Gross carrying value as at April 1, 2018	93	617	2,438	314	3,462
Additions	-	-	-	-	-
Deletions	-	-	4	-	4
<b>Gross carrying value as at March 31, 2019</b>	<b>93</b>	<b>617</b>	<b>2,434</b>	<b>314</b>	<b>3,458</b>
Accumulated depreciation as at April 1, 2018	14	348	2,320	289	2,971
Depreciation for the year	2	74	-	5	81
Accumulated depreciation on deletions	-	-	4	-	4
<b>Accumulated depreciation as at March 31, 2019</b>	<b>16</b>	<b>422</b>	<b>2,316</b>	<b>294</b>	<b>3,048</b>
<b>Net Carrying value as at March 31, 2019</b>	<b>77</b>	<b>195</b>	<b>118</b>	<b>20</b>	<b>410</b>

## SWADESHI POLYTEX LIMITED

### 6. Intangible Assets

(Rs. in '000)

The changes in the carrying value of Intangible Assets for the year ended 31st March, 2020 are as follows:

Particulars	Softwares	Total
Gross carrying value as at April 1, 2019	-	-
Additions	354	354
Deletions	-	-
<b>Gross carrying value as at March 31, 2020</b>	<b>354</b>	<b>354</b>
Accumulated depreciation as at April 1, 2019	-	-
Depreciation for the year	21	21
Accumulated depreciation on deletions	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>21</b>	<b>21</b>
<b>Net Carrying value as at March 31, 2020</b>	<b>333</b>	<b>333</b>

The changes in the carrying value of Intangible Assets for the year ended 31st March, 2019 are as follows:

Particulars	Softwares	Total
Gross carrying value as at April 1, 2018	-	-
Additions	-	-
Deletions	-	-
<b>Gross carrying value as at March 31, 2019</b>	<b>-</b>	<b>-</b>
Accumulated depreciation as at April 1, 2018	-	-
Depreciation for the year	-	-
Accumulated depreciation on deletions	-	-
<b>Accumulated depreciation as at March 31, 2019</b>	<b>-</b>	<b>-</b>
<b>Net Carrying value as at March 31, 2019</b>	<b>-</b>	<b>-</b>

### 7. Deferred Tax Assets (Net)

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Assets due to</b>		
Carried forward losses	34,636	34,447
	<b>34,636</b>	<b>34,447</b>
<b>Deferred Tax Liability due to</b>		
Depreciation	64	60
	<b>64</b>	<b>60</b>
<b>MAT Credit</b>	<b>9,062</b>	<b>8,810</b>
<b>Deferred Tax Assets (Net)</b>	<b>43,634</b>	<b>43,197</b>



## SWADESHI POLYTEX LIMITED

### 7.1. The movement on the deferred tax account is as follows: (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
At the start of the year	43,197	37,826
Credit/(Charge) during the year	185	(3,439)
MAT Credit	252	8,810
<b>Total Credit/(Charge) to Statement of Profit and Loss</b>	<b>437</b>	<b>5,371</b>
At the end of the year	43,634	43,197

### 7.2. Amounts recognised in Profit or Loss (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current tax - Continued Operations</b>		
Current year	20,747	16,246
Deferred Tax	(437)	(5,371)
Earlier Years	(2)	-
	<b>20,308</b>	<b>10,875</b>
<b>Current tax - Discontinued Operations</b>		
Current year	4,253	3,894
	<b>4,253</b>	<b>3,894</b>
<b>Total</b>	<b>24,561</b>	<b>14,769</b>

### 7.3. Reconciliation of effective tax rate: (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Profit before tax	1,43,049	94,653
Applicable Tax Rate (U/s 115JB)	17.472%	20.590%
Income tax amount	24,994	19,486
Other Temporary difference	(437)	(5,371)
Other Permanent Differences	4	673
Tax effect of items deductible for tax	-	(19)
<b>Effective Income tax expense</b>	<b>24,561</b>	<b>14,769</b>

### 8. Other Non-Current Assets (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured and Considered Good)</b>		
Income tax receivable (net of provisions)*	28,633	-
Security deposit**	20	15
Statutory dues deposited under Protest	1,324	1,325
<b>Total</b>	<b>29,977</b>	<b>1,340</b>

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

\*\*At amortized cost.

# SWADESHI POLYTEX LIMITED

## 9. Inventories

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Leasehold Plot Rights*	60,054	65,341
<b>Total</b>	<b>60,054</b>	<b>65,341</b>

\* Refer Note 4.5

## 10. Cash & Cash Equivalents

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	33	4
Balances with schedule banks:		
In Current Accounts	525	2,350
In Fixed Deposit Accounts having maturity less than 3 months	29,344	10,235
<b>Total</b>	<b>29,902</b>	<b>12,589</b>

## 11. Loans

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured and Considered Good)</b>		
Loan due by an officer of the Company*	5,121	5,121
<b>Total</b>	<b>5,121</b>	<b>5,121</b>

\*Refer Note 40.3.1 for details of Loan.

## 12. Other financial assets-Current

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured and Considered Good)</b>		
Interest accrued	114	77
<b>Total</b>	<b>114</b>	<b>77</b>

## 13. Other Current Assets

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(Unsecured and Considered Good)</b>		
<b>Others</b>		
Recoverable from Parties	567	4,568
Sales tax refund receivable	394	394
Prepaid Expenses	39	38
<b>Total</b>	<b>1,000</b>	<b>5,000</b>

**14. Equity Share Capital**

**(Rs. in '000)**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
<b><u>Authorized</u></b>				
Equity Share of Rs. 1/- (P.Y. Rs. 10/-) each	225000000	225,000	225000000	225,000
9.5% Redeemable cumulative				
Preference Shares of Rs. 100/- each	250000	25,000	250000	25,000
		2,50,000		2,50,000
<b><u>Issued, Subscribed &amp; Fully Paid up</u></b>				
Equity Shares of Rs 1/- (P.Y. Rs. 10/-) each fully paid up	390000000	39,000	390000000	39,000
<b>Total</b>		<b>39,000</b>		<b>39,000</b>

**14.1 Reconciliation of share capital:**

**(Rs. in '000)**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Equity Shares at the beginning of the year	390000000	39,000	390000000	39,000
Add / (Less): Shares issued / (forfeited / buyback) during the year	-	-	-	-
Equity Shares at the end of the year	390000000	39,000	390000000	39,000

During the year Equity Share of the Company of Rs. 10/- each was Subdivided into Rupee 1/- each as approved by the Shareholders of the Company via postal ballot held on 25th December, 2019 with Record date for the Subdivision being 10th January, 2020.

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

The company has issued only one class of Equity Shares having the par value of Rs 1/- (P. Y. Rs. 10/-) per share. Each shareholder is entitled to one vote per share.

**14.3 The details of shareholders holding more than 5% shares:**

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of holding	No. of Shares held	% of holding
National Textile Corporation Ltd	13110000	33.61 %	1311000	33.61 %
MKJ Enterprises Ltd	4875250	12.50 %	487525	12.50 %
Selecto Pac Private Ltd.	3432500	8.80 %	343250	8.80 %
Paharpur Cooling Towers Ltd.	5281530	13.54 %	528153	13.54 %
Doypack Systems Pvt Ltd.	2775000	7.12 %	277500	7.12 %

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## 15. Other Equity

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>General Reserve</b>		
Opening Balance	1,67,070	1,67,070
(+) Additions during the year	-	-
(-) Utilized / transferred during the year	-	-
	<b>1,67,070</b>	1,67,070
<b>Capital Redemption Reserve</b>		
Opening Balance	10,975	10,975
(+) Additions during the year	-	-
(-) Utilized / transferred during the year	-	-
	<b>10,975</b>	10,975
<b>Retained Earnings</b>		
As per last Balance Sheet	(6,58,940)	(7,38,824)
Add: Profit / (Loss) for the year	1,18,488	79,884
	<b>(5,40,452)</b>	(6,58,940)
<b>Total</b>	<b>(3,62,407)</b>	(4,80,895)

## 16. Other financial liabilities-Non current

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Payable*	21,642	24,983
<b>Total</b>	<b>21,642</b>	24,983

\*Refer Note No. 36

## 17. Borrowings-Current

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured*</b>		
Loans from Related Parties	-	1,45,108
<b>Unsecured**</b>		
Loans from Related Parties	17,915	17,915
<b>Total</b>	<b>17,915</b>	1,63,023

\*Secured loan taken by the company from Paharpur Cooling Towers Ltd on December 1, 2007 carrying interest @ 12% P.A. payable quarterly has since been repaid in full during current year and accordingly negative lien created upon the land of the Company situated at Kavi Nagar, Ghaziabad has been vacated.

\*\*Company has taken interest free unsecured loan from National Textile Corporation Ltd which is repayable on demand.

## SWADESHI POLYTEX LIMITED

### 18. Trade Payables (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Outstanding dues of micro and small enterprises	-	-
Total Outstanding dues of other than micro and small enterprises	7,652	9,372
<b>Total</b>	<b>7,652</b>	<b>9,372</b>

Refer Note 34

### 19. Other Financial Liabilities-Current (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on Borrowings	-	4,599
<b>Total</b>	<b>-</b>	<b>4,599</b>

### 20. Other Current liabilities (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liabilities (Amount received from customers)*	4,45,851	3,70,886
Retention Money Payable	10	540
Statutory dues Payable	1,019	705
<b>Total</b>	<b>4,46,880</b>	<b>3,72,131</b>

\*Refer Note 4.13

### 21. Provisions (Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Others</b>		
Provision for Income Tax (Net of Advance tax / TDS)	-	862
<b>Total</b>	<b>-</b>	<b>862</b>

### 22. Revenue from Operations (Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from sale of leasehold plot rights	1,59,867	1,31,571
<b>Total</b>	<b>1,59,867</b>	<b>1,31,571</b>

### 23. Other Income (Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income	2,250	1,210
Other Misc Income	25	-
<b>Total</b>	<b>2,275</b>	<b>1,210</b>

# SWADESHI POLYTEX LIMITED

## 24. Changes in inventories

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Opening Stock</b>		
Leasehold Plot Rights	65,341	68,212
	65,341	68,212
<b>Closing Stock</b>		
Leasehold Plot Rights	60,054	65,341
	60,054	65,341
<b>(Increase) / Decrease in inventories</b>	<b>5,287</b>	<b>2,871</b>

## 25. Finance Costs

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on borrowings (Net)	7,004	28,587
<b>Total</b>	<b>7,004</b>	<b>28,587</b>

## 26. Depreciation and Amortisation Expenses

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation of property, plant and equipment	93	81
Amortisation of intangible assets	21	-
<b>Total</b>	<b>114</b>	<b>81</b>

## 27. Other Expenses

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Legal & Professional Expenses	14,964	12,878
Conveyance & Travelling Expense	5,112	5,365
CSR Expenditure	800	-
Fees to Stock Exchange	413	295
Power & Fuel	444	415
Repair Others	105	64
Business Promotion	2,071	949
Rates & Taxes	1,186	915
Directors' Sitting Fees	880	890
Payment To Auditors (Refer Note 27.1)	437	437
Communication Expenses	395	129
Advertisement	43	20
Printing & Stationary	607	325
Other Expenses	3,149	652
<b>Total</b>	<b>30,606</b>	<b>23,334</b>

## 27.1 Payment to Auditors

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit Fee	295	295
Tax Audit Fee	118	118
Reimbursement of Expenses	24	24
<b>Total</b>	<b>437</b>	<b>437</b>

**28 Profit / (Loss) from discontinued operations (Rs. in '000)**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Income from discontinued operations*</b>		
Interest on Excise and Custom Refund	21,248	-
Liabilities no longer required written back	3,164	-
Refund from Excise and Customs	-	14,567
Bad Debts Recovered	-	4,568
	<b>24,412</b>	<b>19,135</b>
<b>Expenses related to discontinued Operations</b>		
Professional Fee Paid	71	222
	<b>71</b>	<b>222</b>
<b>Total</b>	<b>24,341</b>	<b>18,913</b>

**28.1 Cash flows from discontinued operations (Rs. in '000)**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Net Cash inflow / (outflow) from Operating activities	21,177	18,913
Net Cash inflow / (outflow) from Investing activities	-	-
Net Cash inflow / (outflow) from Financing activities	-	-
Net Cash inflow from discontinued operations	<b>21,177</b>	<b>18,913</b>

**29 Earning per Share - Continued Business**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit / (Loss) attributable to Equity Shareholders	98,400	64,865
Weighted average number of Equity Shares of Rs. 1/- (P.Y Rs10/-)Each (No. of Shares)	3,90,00,000	39,00,000
Earning per Shares - Basic & Diluted (In Rs.)	2.52	16.63

**29.1 Earning per Share - Discontinued Business**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit / (Loss) attributable to Equity Shareholders	20,088	15,019
Weighted average number of Equity Shares of Rs. 1/- Each (No. of Shares)	3,90,00,000	39,00,000
Earning per Shares - Basic & Diluted (In Rs.)	0.52	3.85

**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 previous years, company had entered into a sale agreement for disposal of its entire Plant & Machinery and Building related to the discontinued operations and sold the entire part thereof .

## SWADESHI POLYTEX LIMITED

- 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:

(Rs. in '000)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Assets		
<b>Non-current asset</b>		
Statutory dues deposited under Protest	1,325	1,325
Total Liabilities		
<b>Other financial liabilities-Non current</b>		
Other financial liabilities	21,642	24,983
<b>Net Assets / (Liabilities)</b>	<b>(20,317)</b>	<b>(23,658)</b>

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

Pursuant to outbreak of corona virus disease (Covid 19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led to the temporary disruption of operations of the Company and has impacted the overall business activities of the Company. On account of this, management has prepared future cash flow projections and also assessed the recoverability of its assets and factored assumptions used in the annual impairment assessment of its cash generating units, using various internal and external information up-to the date of approval of these financial results. Based on this assessment there is no material impact on non-current assets of the Company.

Further on the basis of this evaluation and current indicators of future economic conditions, the Company expects to recover the remaining carrying amounts of these assets and does not anticipate any reduction of its financial and non-financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions viz a viz its business operations.

- 32 Permission to transfer the leasehold rights in land of the Company was effective upto 31st December, 2019 and the Company had made a representation before the concerned Authorities for extension of the same, which is pending for disposal and for which the management is hopeful for the positive outcome.

### 33 Contingent Liabilities & Commitments (To the extent not provided for)

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

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) PF Cases pending at various forums	5,895	5,895
(b) Labor Matters relating settlement pending at various forums	4,742	5,025
(c) Custom Matters	1,711	1,786
(d) Excise Matters being refund claim of Interest	32,360	-
(e) Income Tax Matters	2,217	-
(f) Other Matters	9,246	6,046

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



- 34** Based on the confirmations from the parties, who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), received so far with the company, no balance is due to Micro and Small Enterprises as defined under the MSMED Act, 2006 as at 31st March 2020 & 31st March 2019. Hence no further details as required by Notification dated 04-09-2015 issued by the Ministry of Corporate Affairs are applicable.
- 35** Balances appearing for Trade Payables & Corporation Bank are subject to confirmation, reconciliation and adjustments, if any.
- 36** Other payable, Note 16, includes alleged dues being contested before the Honorable High Court at Rs. 21,642/- (P.Y. 24,983/-). Hence it has not been fair valued.
- 37** Company has started developing the Plots as per the approved plan of UPSIDC and accordingly has incurred a net expenditure of Rs. 423/- (Previous year Rs 2,168/-), which is allocated proportionately on the saleable area and unallocated portion made a part of Stock in Trade and balance was charged to PVPL, giving affect to fourth addendum.
- 38** During the year, the Company has entered into Addendum to the Memorandum of Understanding between the Company, Pranjali Vyapar Private Limited and secured lender Paharpur Cooling Towers Limited, revising and extending the terms of One Time Settlement with respect to levy of penalty on unsold inventory recoverable on actual sales and recovering the reasonable maintenance and other expenses incurred for unsold land. Accordingly, accounting impact of the same has been considered in the books.
- 39** In the opinion of the Board and to the best of their knowledge and belief the value on realization of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in Balance Sheet and provision for all known liabilities has been made.

**40 Related Party Disclosure**

**40.1 List of Related Parties**

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

<b>Name</b>	<b>Designation</b>
Mr. Bhuwan Chaturvedi	Chief Executive Officer
Mr. Promod Pandey	Chief Financial Officer
Ms. Stuti Thukral from 15.05.2018 to 13.02.2020	Company Secretary
Ms. Surbhi Basantani from 13.02.2020	Company Secretary
Mr. Hartaj Sewa Singh	Director
Mr. Gaurav Swarup	Director
Mr. Y. J. Dastoor	Director
Mr. N.K. Gupta	Director
Mr. Naveen Aggarwal	Director
Mr. S.S. Madan	Director
Mr. Shamsheer Bahadur Singh upto 31.01.2020	Director
Mr. Bipin Behari Mehrotra	Director
Mr. Rakesh Kumar Sinha upto 24.05.2019	Director
Mr. Sukumar Arunachalam	Director
Ms. Purni Marwaha	Director
Mr. Pankaj Agarwal from 30.05.2019	Director
Mr. Anil Gupta upto 19.12.2019	Director
Mr. Manoj Kumar KG from 19.12.2019	Director

## SWADESHI POLYTEX LIMITED

### 40.1.2 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.)

### 40.2 Following transactions were carried out during the year ended March 31, 2020 with related parties in the ordinary course of business:

#### 40.2.1 Transactions with Key Management Personnel:

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Remuneration paid to Ms. Stuti Thukral	180	210
Remuneration paid to Ms. Surbhi Basantani	56	-
Remuneration paid to Mr. Pramod Pandey	600	600
Remuneration paid to Mr. Bhuwan Chaturvedi*	-	-
Interest charged from Mr. Bhuwan Chaturvedi	500	500
Sitting Fees paid to Mr. Naveen Aggarwal	260	275
Sitting Fees paid to Mr. N.K. Gupta	195	240
Sitting Fees paid to Mr. S.S. Madan	180	170
Sitting Fees paid to Mr. Y.J. Dastoor	100	50
Retainership Charges Paid to Mr. Bipin Behari Mehrotra**	840	840
Sitting Fees paid to Ms. Puri Marwaha	145	155

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

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

#### 40.2.2 Transactions with Associates:

(Rs. in '000)

Nature of Transactions	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Transactions with Paharpur Cooling Towers Ltd.</b>		
Reimbursement for various expenses	5,312	5,312
Interest Paid	7,004	28,587
Secured Loan repaid	1,56,011	1,92,800

### 40.3 Following were the balance outstanding at March 31, 2020 with related parties:

#### 40.3.1 Balance outstanding from Key Management Personnel:

(Rs. in '000)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>In respect of Mr. Bhuwan Chaturvedi</b>		
Closing balance of loan given*	5,121	5,121

\*Loan had been given on interest @ 10% p.a. which is recoverable on quarterly basis and principal amount is recoverable on demand

**40.3.2 Balance outstanding with Associates:**

**(Rs. in '000)**

<b>Particulars</b>	<b>Year Ended 31-03-2019</b>	<b>Year Ended 31-03-2018</b>
<b>In respect of National Textile Corporation Ltd.</b>		
Unsecured Loan taken and outstanding	<b>17,915</b>	17,915
<b>In respect of Paharpur Cooling Towers Ltd.</b>		
Outstanding Balance of Secured Loan taken	-	145,108
Outstanding Balance of Interest Accrued & Due	-	4,331
Outstanding Balance of Interest Accrued & Not Due	-	268

**41** 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.

**42** The figures reported in financial statements have been rounded off to the nearest thousand of rupees.

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

**44 Information regarding Goods Traded**

**44.1 Description : Leasehold Plot Rights**

**(Rs. in '000)**

<b>44.2 Particulars</b>	<b>Year Ended 31-03-2020</b>		<b>Year Ended 31-03-2019</b>	
	<b>Qty (in Sqm)</b>	<b>Amount</b>	<b>Qty (in Sqm)</b>	<b>Amount</b>
Opening Balance*	<b>1,60,170</b>	<b>65,341</b>	1,73,912	68,212
Purchase	-	-	-	-
Sales	<b>15,182</b>	<b>159,867</b>	13,742	1,31,571
Closing Balance*	<b>1,44,988</b>	<b>60,054</b>	1,60,170	65,341

\* Excluding utility area of 13,577.53 Sqm.

**45 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.

**46 Risk Management Framework**

The Company’s business is subject to various risk and uncertainties including financial risks. The Company’s documented risk management policies 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.

# SWADESHI POLYTEX LIMITED

## 46.1 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, 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, which are summarized below.

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

## 46.3 Maturity profile of financial Liabilities

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

(Rs. in '000)

Particular	Less than 1 Year	1 to 5 Years	More than 5 years	Total
<b>March 31, 2020</b>				
Borrowings	17,915	-	-	17,915
Trade payables	7,652	-	-	7,652
Other financial liabilities	-	21,642	-	21,642
	<b>25,567</b>	<b>21,642</b>	-	<b>47,209</b>
<b>March 31, 2019</b>				-
Borrowings	1,63,023	-	-	1,63,023
Trade payables	9,372	-	-	9,372
Other financial liabilities	4,599	24,983	-	29,582
	<b>1,76,994</b>	<b>24,983</b>	-	<b>2,01,977</b>

## 46.4 Market Risk

The Management does not envisage any major risks associated with pricing of its goods, since the same has already been fixed.

## 46.5 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 interest bearing borrowing at the year end. 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, 2020		As At March 31, 2019	
	Fixed Rate Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings
Inter Corporate Deposits	-	-	1,45,108	-
<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.				

#### 46.6 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.

#### 46.7 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.

#### 46.8 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to any credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

#### 46.9 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. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents.

(Rs. in '000)

46.9.1	Particular	As at March 31, 2020	As at March 31, 2019
	Short term Borrowings	17,915	1,63,023
	<b>Net debts</b>	<b>17,915</b>	<b>1,63,023</b>
	<b>Capital components</b>		
	Share capital	39,000	39,000
	Reserves and surplus	(3,62,407)	(4,80,895)
	<b>Total capital</b>	<b>(3,23,407)</b>	<b>(4,41,895)</b>
	<b>Capital and net debt</b>	<b>(3,05,492)</b>	<b>(2,78,872)</b>
	<b>Gearing ratio (%)</b>	<b>-6%</b>	<b>-58%</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.

#### 47 Fair value measurement

##### 47.1 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.

## SWADESHI POLYTEX LIMITED

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

### 47.2 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.

### 47.3 Categories of financial instruments and fair value thereof:

(Rs. in '000)

Particulars	March 31, 2020		March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A. Financial Assets - Measured at Amortised Cost</b>				
Cash and cash equivalents	29,902	29,902	12,589	12,589
Loans	5,121	5,121	5,121	5,121
Other Financial assets	114	114	77	77
<b>Total</b>	<b>35,137</b>	<b>35,137</b>	17,787	17,787
<b>B. Financial Liabilities- Measured at Amortised Cost</b>				
Trade Payables	7,652	7,652	9,372	9,372
Borrowings	17,915	17,915	1,63,023	1,63,023
Other financial liabilities	21,642	21,642	29,582	29,582
<b>Total</b>	<b>47,209</b>	<b>47,209</b>	2,01,977	2,01,977

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.

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47.4 The Quantities disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March, 2020

(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)
A. Financial Assets - Measured at Amortised Cost				
Cash and cash equivalents	29,902	-	-	29,902
Loans	5,121	-	-	5,121
Other Financial assets	114	-	-	114
<b>Total</b>	<b>35,137</b>	<b>-</b>	<b>-</b>	<b>35,137</b>
B. Financial Liabilities- Measured at Amortised Cost				
Trade Payables	7,652	-	-	7,652
Borrowings	17,915	-	-	17,915
Other financial liabilities	21,642	-	-	21,642
<b>Total</b>	<b>47,209</b>	<b>-</b>	<b>-</b>	<b>47,209</b>

47.5 The Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March, 2019

(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)
A. Financial Assets - Measured at Amortised Cost				
Cash and cash equivalents	12,589	-	-	12,589
Loans	5,121	-	-	5,121
Other Financial assets	77	-	-	77
<b>Total</b>	<b>17,787</b>	<b>-</b>	<b>-</b>	<b>17,787</b>
B. Financial Liabilities - Measured at Amortised Cost				
Trade Payables	9,372	-	-	9,372
Borrowings	1,63,023	-	-	1,63,023
Other financial liabilities	29,582	-	-	29,582
<b>Total</b>	<b>2,01,977</b>	<b>-</b>	<b>-</b>	<b>2,01,977</b>

*if undelivered, please return to:*  
**SWADESHI POLYTEX LIMITED**  
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