

**52<sup>nd</sup>**  
**Annual Report**  
**2021-2022**

**SWADESHI POLYTEX LIMITED**

**SWADESHI POLYTEX LIMITED****BOARD OF DIRECTORS AS ON DATE**

1. Mr. Gaurav Swarup	Chairman
2. Mr. Hartaj Sewa Singh	Vice Chairman
3. Mr. Arun Kumar Singhania	Director
4. Mr. Sanjay Garg	Nominee Director
5. Mr. Manoj Kumar K. G.	Nominee Director
6. Mr. Ashutosh Gupta	Nominee Director
7. Ms. Amisha Srivastava Gupt	Nominee Director
8. Mr. Pankaj Agarwal	Nominee Director
9. Mr. Niranjana Kumar Gupta	Independent Director
10. Mr. Naveen Aggarwal	Independent Director
11. Mr. Shyam Sunder Madan	Independent Director
12. Ms. Purti Gupta	Independent Director

**KEY MANAGERIAL PERSONNELS**

1. Mr. Bhuwan Chaturvedi	Chief Executive Officer
2. Mr. Ankit Garg	Chief Financial Officer
3. Ms. Anuradha Sharma	Company Secretary

**REGISTERED OFFICE****CIN: L25209UP1970PLC003320**

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

**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 : 011-26387320/21/23

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 52<sup>nd</sup> Annual General Meeting of the Members of Swadeshi Polytex Limited will be held on Wednesday, 21<sup>st</sup> September, 2022 at 11 a.m. 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, 2022 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. Arun Kumar Singhania having Director’s Identification Number 00160194, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Mr. Ashutosh Gupta having Director’s Identification Number 09043439, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re- appointment.
5. To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, **M/s. SANMARK & Associates**, Chartered Accountants (**Firm Registration No.003343N**), be and are hereby appointed as the Statutory Auditors of the Company for term of five consecutive years, who shall hold office from the conclusion of this 52<sup>nd</sup> Annual General Meeting till the conclusion of the 57<sup>th</sup> Annual General Meeting to be held in the year 2027 on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

### **SPECIAL BUSINESS**

6. 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, Ms. Amisha Srivastava Gupt (DIN- 09384308) who was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> January, 2022, by the Board of Directors in terms of Section 161(3) of the Act and whose term of office expires at the conclusion of this 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.”

7. 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. Pankaj Agarwal (DIN- 08467347) who was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> May, 2022 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.”

8. 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. Sanjay Garg (DIN- 09539286) who was appointed as an Additional Director of the Company with effect from 19<sup>th</sup> May, 2022 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/-

**Anuradha Sharma**  
**Company Secretary**

**Membership No: A51838**

**Place: Ghaziabad**

**Date: 09.08.2022**

**NOTES: -**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its General Circular No. 2/2022 dated May 5, 2022 in continuation of al circular nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively and general circular no. 02/2021 dated January 13, 2021, 21/2021 dated 14<sup>th</sup> December, 2021 and the Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to “Circulars”) permitted the holding of Annual General Meeting (“AGM”) through Video Conference (VC) or Other Audio Visual Means (OVAM), without the physical presence of the Members at a common venue. MCA Circular No. 2/2022 dated May 5, 2022 extended the time line for holding of Annual General Meetings through VC/OAVM till December 31, 2022. In compliance with the provisions of the Companies Act, 2013, the Rules made thereunder (Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and aforesaid Circulars, the 52<sup>nd</sup> AGM of the Company will be held through VC / OAVM. Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is given below.
2. Since this AGM is being held pursuant to the aforesaid Circulars through VC / OAVM, physical attendance of members has been dispensed with and no proxies would be accepted by the Company pursuant to the relevant MCA Circulars and SEBI Circular dated May 13, 2022. Hence no Proxy Form, Attendance Slip and Route map are annexed to this Notice.

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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 the Scrutinizer through e-mail to [shrutisinghal116@gmail.com](mailto:shrutisinghal116@gmail.com).
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (as amended), and the Circulars issued by the Ministry of Corporate Affairs the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 15<sup>th</sup> September, 2022 to Wednesday, 21<sup>st</sup> September, 2022 (both days inclusive) for the purpose of AGM.
6. The information required to be provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings, regarding the Directors who are proposed to be appointed/re-appointed and the relative explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items 6 to 8 set out above are annexed hereto.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Members may note that the VC / OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis and facility of joining the AGM shall open 15 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. will not be restricted on first come first serve basis.

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

9. In line with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 this notice along with the integrated Annual Report for FY 2021-22 is being sent in electronic mode to those Members whose e-mail address is registered with the Company or the Depository Participant(s).
10. 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/updation of email address.
11. Members holding shares in dematerialised mode are requested to register /update their email addresses with their Depository Participants.



12. The Notice of AGM along with the Integrated Annual Report for FY 2021-22, 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 TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

13. 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 Wednesday, 14<sup>th</sup> September, 2022 on the aforementioned e-mail id shall only be considered and responded during the AGM.
14. 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 Wednesday, 14<sup>th</sup> September, 2022. 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.
15. 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.

### **DETAILS FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM**

16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended upto date and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated 5<sup>th</sup> May, 2022, dated January 13, 2021, May 05, 2020, April 13, 2020 and dated April 08, 2020, and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, the Company is pleased to provide facility of voting through electronic means i.e. remote e-voting in respect of the business(es) to be transacted at the 52<sup>nd</sup> Annual General Meeting (AGM) as well as e-voting system on the date of the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
17. 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. Wednesday, 14<sup>th</sup> September, 2022 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.
18. The remote e-voting period commences on Sunday, 18<sup>th</sup> September, 2022 (9:00 A.M.) and ends on Tuesday, 20<sup>th</sup> September, 2022 (5:00 P.M.). 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., Wednesday, 14<sup>th</sup> September, 2022, 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

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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.

19. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date/record date i.e. Wednesday, 14<sup>th</sup> September, 2022. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
20. The company has engaged NIVIS CORP SERVE LLP for providing video conferencing system through cisco webex and e-voting services through NSDL. In case, any member required any assistance in respect of e-voting or joining of Meeting through VC/OAVM can contact at following:-  
Mr. Shrinav at [info@nivis.co.in](mailto:info@nivis.co.in),  
Nivis Corpserve LLP,  
Contact No. 011-45201005.
21. 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. 14<sup>th</sup> September, 2022, 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.
22. The Company has appointed Ms. Shruti Garg (CP No.: 22138) Practising Company Secretary, Address: C-285, Lohia Nagar, Ghaziabad-201001 as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
23. 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.
24. 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.

### **PROCESS AND MANNER OF REMOTE E-VOTING AND EVOTING DURING THE AGM**





25. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/Depository Participants(DPs) in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication

but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under “Login” which is available under <b>“IDeAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System My easi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30 or NIVIS CORP SERVE LLP AT <a href="mailto:info@nivis.co.in">info@nivis.co.in</a> or at 01145201005</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43 or NIVIS CORP SERVE LLP <a href="mailto:info@nivis.co.in">info@nivis.co.in</a> or at 011-45201005</p>

In case of any queries, please visit Help and Frequently Asked Questions (FAQs) section available at e-voting website at <https://evoting.nsdl.com>.

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- 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.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services 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:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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 Forexample 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 Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders 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. 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 email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .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 number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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 number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick 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.

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### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **(How to Cast your vote electronically and join General Meeting on NSDL e-Voting system)**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page open.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [shrutisinghal116@gmail.com](mailto:shrutisinghal116@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. 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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories / Company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

Shareholders/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing below mentioned documents.

- i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in).
- ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- iii. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

- iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### PROCEDURE FOR INSPECTION OF DOCUMENTS:

1. 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).
2. 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/>.

### THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### OTHER INFORMATION:

5. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.
6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Shrinav at NIVIS CORP SERVE LLP at [info@nivis.co.in](mailto:info@nivis.co.in).
7. 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.
8. 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.

## SWADESHI POLYTEX LIMITED

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9. 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.

10. 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.

11. 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.

12. 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 Participant for recording the nomination in respect of their holdings.

13. 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:

14. 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)

15. Pursuant to provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has designated an exclusive E-mail Id: [investor.grievances@splindia.co.in](mailto:investor.grievances@splindia.co.in) for quick redressal of members/investors grievances or to register their complaints, if any.

16. 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<sup>st</sup> 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 Anuradha Sharma, 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/-

**Anuradha Sharma**  
Company Secretary

Membership No: A51838

Place: Ghaziabad

Date: 09.08.2022



## SWADESHI POLYTEX LIMITED

### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING.

**[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]**

#### ITEM NO. 2, 3, 4,6, 7& 8: BRIEF PROFILE OF DIRECTORS

Name of the Director	Gaurav Swarup	Arun Kumar Singhania	Ashutosh Gupta	Amisha Srivastava Gupta	Pankaj Agarwal	Sanjay Garg
DIN	00374298	00160194	09043439	09384308	08467347	09539286
Age	65 years	57 years	50 years	50 years	57 years	50 years
Date of first Appointment on the Board of the Company	30/05/1988	24/09/2020	27/01/2021	28/01/2022	19/05/2022	19/05/2022
Qualification	Master of Business Administration, Harvard University, USA (1980), Bachelor of Engineering (Mech),Jadavpur University, Calcutta (1978)	Company Secretary	B. Tech	MBA & LLB	Company Secretary	B.E., MBA
Expertise in Specific Area	Finance and General Administration	Legal, Finance & Management	IT, ERP, Telecommunication, Administration, Restructuring, Training & IR	Accounts & Finance	Legal, Finance& Management	Manufacturing Operation
Shareholding in Swadeshi Polytex Limited	3500 shares	Nil	Nil	Nil	Nil	Nil
Directorship held in other companies	<ol style="list-style-type: none"> <li>1. Graphite India Limited</li> <li>2. Avadh Sugar &amp; Energy Limited</li> <li>3. Ksb Limited</li> <li>4. Industrial And Prudential Investment Company Limited</li> <li>5. Til Limited</li> <li>6. Paharpur Cooling Towers Ltd</li> <li>7. Paharpur 3p Private Limited</li> <li>8. Medica Synergie Private Limited</li> <li>9. Garima Pvt Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. Paharpur Cooling Technologies Private Limited</li> <li>2. Paharpur Corpn Ltd</li> <li>3. Paharpur-Pragnya Tech Park Private Limited</li> <li>4. Paharpur 3p Private Limited</li> <li>5. Hastera Credit Pvt Ltd</li> <li>6. Paharpur Builders Private Limited</li> <li>7. Paharpur Realty Private Limited</li> <li>8. Hatishala Properties Private Limited</li> <li>9. Paharpur Asansol Properties Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. National Textile Corporation Limited</li> <li>2. Apollo Design Apparel Parks Limited</li> <li>3. Goldmohur Design and Apparel Park Limited</li> <li>4. Aurangabad Textiles and Apparel Parks Limited</li> <li>5. India United Textile Mill Limited</li> <li>6. New City of Bombay Mfg. Mills Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Apollo Design Apparel Parks Limited</li> <li>2. Goldmohur Design And Apparel Park Limited</li> <li>3. India United Textile Mill Limited</li> <li>3. India United Textile Mill Limited</li> <li>4. National Textile Corporation Limited</li> <li>5. NIFT Foundation For Design Innovation</li> </ol>	<ol style="list-style-type: none"> <li>1. Apollo Design Apparel Parks Limited</li> <li>2. Goldmohur Design And Apparel Park Limited</li> <li>3. India United Textile Mill Limited</li> </ol>	Nil

# SWADESHI POLYTEX LIMITED

Name of the Director	Gaurav Swarup	Arun Kumar Singhania	Ashutosh Gupta	Amisha Srivastava Gupta	Pankaj Agarwal	Sanjay Garg
<b>Membership/ Chairmanship of Audit and Stakeholders Relationship Committees</b>	1. Member of Audit Committee in - KSB Limited - Graphite India Limited  2. Member of Stakeholders Relationship Committee - KSB Limited - Graphite India Limited - Avadh Sugar & Energy Limited  3. Chairman of Audit Committee in TIL Limited	Nil	Nil	Nil	Nil	Nil
<b>Relationship with other Directors and KMPs of the Company</b>	No relation	No relation	No relation	No relation	No relation	No relation
<b>No. of Board Meetings attended during the financial year</b>	Four	Four	One	NA	NA	NA

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

### ITEM NO. 6

The Company has received a written communication from National Textile Corporation Limited (NTC Limited) for nominating Ms. Amisha Srivastava Gupta (DIN- 09384308) as a Nominee Director to represent on the Board of the Company on behalf of NTC Limited.

Ms. Amisha Srivastava Gupta (DIN- 09384308) was appointed on the Board of Director of the Company on 28<sup>th</sup> January, 2022 as an Additional Director (Nominee) of the Company. Shareholder consent of the Company is required to confirm and approve her appointment as Nominee Director of the Company.

The directors recommend the resolution at Item no. 6 of the accompanying Notice for the approval of the Members of the Company as an Ordinary Resolution.

Save and except Ms. Amisha Srivastava Gupta (DIN- 09384308) 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. 6 of the Notice.

### ITEM NO. 7

The Company has received a written communication from National Textile Corporation Limited (NTC Limited) for nominating Mr. Pankaj Agarwal (DIN- 08467347) as a Nominee Director to represent on the Board of the Company on behalf of NTC Limited.

Mr. Pankaj Agarwal (DIN- 08467347) was appointed on the Board of Director of the Company on 19<sup>th</sup>

May, 2022 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. 7 of the accompanying Notice for the approval of the Members of the Company as an Ordinary Resolution.

Save and except Mr. Pankaj Agarwal (DIN- 08467347) 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. 7 of the Notice.

### **ITEM NO. 8**

The Company has received a written communication from the Paharpur Cooling Towers Limited (PCTL) for nominating Mr. Sanjay Garg (DIN: 09539286) as a Nominee Director to represent on the Board of the Company on behalf of PCTL.

Mr. Sanjay Garg (DIN: 09539286) was appointed on the Board of Director of the Company on 19<sup>th</sup> May, 2022 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. 8 of the accompanying Notice for the approval of the Members of the Company as an Ordinary Resolution.

Save and except Mr. Sanjay Garg (DIN: 09539286) 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. 8 of the Notice.

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

**Sd/-**  
**Anuradha Sharma**  
**Company Secretary**  
**Membership No: A51838**

**Place: Ghaziabad**  
**Date: 09.08.2022**

# SWADESHI POLYTEX LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

### DEAR SHAREHOLDERS

Your Directors have pleasure in presenting their 52<sup>nd</sup> Annual Report along with the Audited Financial Statements on the Business and operations of the Company for the financial year ended March 31, 2022.

### FINANCIAL HIGHLIGHTS

The highlights of your Company's financial results for the Financial Year April 1, 2021 to March 31, 2022 are summarized below:

(Rs. in Lakhs)

Particulars	Year Ended on 31.03.2022	Year Ended on 31.03.2021
Revenue from Operations	3622.80	-
Other Income	47.10	15.64
Total Income	3669.90	15.64
Total Expenditure	289.26	215.01
<b>Profit /(Loss) before tax from Continued operations</b>	<b>3380.64</b>	<b>(199.37)</b>
Tax Expenses from Continued operations	835.44	(36.87)
<b>Profit (Loss) from continuing operations</b>	<b>2545.20</b>	<b>(162.50)</b>
Profit /(Loss) before tax from discontinued operations	9.80	(1.17)
Tax Expenses from discontinued operations	2.47	-
<b>Profit/(Loss) from discontinuing operations</b>	<b>7.33</b>	<b>(1.17)</b>
<b>Profit (Loss) after tax</b>	<b>2552.53</b>	<b>(163.67)</b>

### DIVIDEND

Due to the brought forward losses of Rs 1235.21 Lakhs, no dividend on equity shares has been recommended by the Board for the year ended 31<sup>st</sup> March, 2022.

### AMOUNT TO BE CARRIES TO GENERAL RESERVE

The Company has not transferred any amount to general reserve during the current financial year. Company earned profit of Rs. 2552.53 lakhs during the Financial Year 2021-22.

### 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 profit of Rs. 2552.53 lakhs during the Financial Year 2021-22.

The total income for the financial year under review increased to Rs. 3669.90 lakhs as against Rs. 15.64 lakhs for the previous financial year. Income from continuing operations was Rs. 2545.20 lakhs for the financial year under review as against the loss of Rs. 162.50 lakhs for the previous financial year. Profit from discontinued operations was Rs. 7.33 lakhs for the financial year under review as against the loss of Rs. 1.17 lakhs in the previous financial year. The profit of the Company for the financial year under review after tax was Rs. 2552.53 lakhs as against loss of Rs. 163.67 lakhs in the previous financial year.

**SHARE CAPITAL**

There was no change in Authorized Capital, Issued Capital, Subscribed Capital and Paid up Share Capital of the Company during the Financial Year 2021-22.

**ANNUAL RETURN**

The draft of the Annual Return pursuant to the provisions of Section 134 (3) and 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year ended 31<sup>st</sup> March, 2022 is available on the website of the Company at <https://www.splindia.co.in>

**MANAGEMENT DISCUSSION AND ANALYSIS (MDA):**

Management discussion and analysis report highlighting the performance and prospects of the Company's business 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 an integral part of the Annual Report.

**NUMBER OF MEETINGS OF THE BOARD**

During the financial year Four (04) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 ("the Act").

Sl. No.	Type of Meeting	No. of meetings	Date of Meeting	Directors attended the meeting
1.	Board Meeting	2/2021	24.06.2021	1. Mr. Gaurav Swarup 2. Mr.Hartaj Sewa Singh 3. Mr. A.Sukumar 4. Mr. Bipin Behari Mehrotra 5. Mr. Manoj Kumar K.G 6. Mr. Naveen Aggarwal 7. Mr.Niranjan Kumar Gupta 8. Mr. Shyam Sunder Madan 9. Ms. Perti Marwaha 10. Mr. Arun Kumar Singhania
2.	Board Meeting	3/2021	11.08.2021	1. Mr. Gaurav Swarup 2. Mr. Hartaj Sewa Singh 3. Mr. Bipin Behari Mehrotra 4. Mr. Naveen Aggarwal 5. Mr. Niranjan Kumar Gupta 6. Mr. Shyam Sunder Madan 7. Ms. Perti Marwaha 8. Mr. A. Sukumar 9. Mr. Arun Kumar Singhania 10. Mr. Manoj Kumar K.G



## SWADESHI POLYTEX LIMITED

Sl. No.	Type of Meeting	No. of meetings	Date of Meeting	Directors attended the meeting
3.	Board Meeting	4/2021	12.11.2021	1. Mr. Gaurav Swarup 2. Mr. Hartaj Sewa Singh 3. Mr. Bipin Behari Mehrotra 4. Mr. Arun Kumar Singhanian 5. Mr. Naveen Aggarwal 6. Mr. Niranjana Kumar Gupta 7. Mr. Shyam Sunder Madan 8. Ms. Perti Gupta 9. Mr. A. Sukumar 10. Mr. Ashutosh Gupta 11. Mr. Manoj Kumar K.G 12. Ms. Deepika Sharma
4.	Board Meeting	1/2022	11.02.2022	1. Mr. Gaurav Swarup 2. Mr. Hartaj Sewa Singh 3. Mr. Arun Kumar Singhanian 4. Mr. Naveen Aggarwal 5. Mr. Niranjana Kumar Gupta 6. Mr. Shyam Sunder Madan 7. Ms. Perti Gupta 8. Mr. A. Sukumar 9. Mr. Manoj Kumar K.G
5.	Annual General Meeting for the FY 2020-21	51 <sup>st</sup>	22.09.2021	1. Mr. Gaurav Swarup 2. Mr. Hartaj Sewa Singh 3. Mr. A. Sukumar 4. Mr. Manoj Kumar K.G 5. Mr. Bipin Behari Mehrotra 6. Mr. Arun Kumar Singhanian 7. Mr. Shyam Sunder Madan 8. Mr. Niranjana Kumar Gupta 9. Mr. Naveen Aggarwal 10. Ms. Perti Gupta

### 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 Aggarwal : Chairman
2. Mr. N.K. Gupta : Committee Member

3. Mr. Bipin Behari Mehrotra : Committee Member  
 4. Mr. Arun Kumar Singhanian : Committee Member

During the year Four (04) meetings of the Audit Committee were convened and held on:

- 24<sup>th</sup> June, 2021
- 11<sup>th</sup> August, 2021
- 12<sup>th</sup> November, 2021
- 11<sup>th</sup> February, 2022

Mr. Bipin Bihari Mehrotra ceased to be a member of the committee w.e.f. 20<sup>th</sup> February, 2022 due to sudden demise and consequently the committee was reconstituted in Board Meeting held on 19<sup>th</sup> May, 2022. Now the Company has reconstituted Audit Committee pursuant to the provisions of Section 177 of the Act consisting of the following members:

1. Mr. Naveen Aggarwal : Chairman  
 2. Mr. N.K. Gupta : Committee Member  
 3. Mr. Sanjay Garg : Committee Member  
 4. Mr. Arun Kumar Singhanian : Committee Member

Majority of the members of the Audit Committee are financially literate and have accounting or related financial management expertise.

Attendance of the Members at the Meeting was as follows:

Name	Designation/Status	No. of Meetings entitled to attend	No. of Meetings attended
Naveen Aggarwal	Chairman	4	4
N.K. Gupta	Member	4	4
Bipin Behari Mehrotra	Member(Ceased from 20.02.2022)	4	2
Arun Kumar Singhanian	Member	4	2
Sanjay Garg	Member	NA	NA

**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 Aggarwal : Committee Member  
 3. Mr. Shyam Sunder Madan : Committee Member  
 4. Mr. Arun Kumar Singhanian : Committee Member

During the year Three (03) meetings of the Nomination & Remuneration Committee were convened and held on:

- 11<sup>th</sup> August, 2021
- 12<sup>th</sup> November, 2021
- 11<sup>th</sup> February, 2022

## SWADESHI POLYTEX LIMITED

Attendance of the Members at the Meeting was as follows:

Name	Designation/Status	No. of Meetings entitled to attend	No. of Meetings attended
Hartaj Sewa Singh	Chairman	3	2
Naveen Aggarwal	Member	3	3
Shyam Sunder Madan	Member	3	3
Arun Kumar Singhania	Member	3	2

### COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has formed the Stakeholders Relationship Committee pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Regulations") consisting of the following members:

Mr. Niranjana Kumar Gupta	: Chairman
Mr. S. S. Madan	: Member
Mr. Bhuwan Chaturvedi	: Member
Mr. D.K. Agarwal	: Member

During the year only one meeting of the Stakeholders Relationship Committee was convened and held on 11<sup>th</sup> February, 2022.

Attendance of the Members at the Meeting was as follows:

Name	Designation/Status	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Niranjana Kumar Gupta	Chairman	1	1
Mr. Shyam Sunder Madan	Member	1	1
Mr. Bhuwan Chaturvedi	Member	1	1
Mr. Dinesh Kumar Agarwal	Member	1	1

### DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility that to the best of their knowledge and belief, 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, 2022 and state that:

- In the preparation of the financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the financial statements on a going concern basis;
- 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.
- 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 (7) OF THE COMPANIES ACT, 2013**

Your Company has received Declarations of Independence as stipulated under section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Independent Directors confirming that he/she is not disqualified from being appointed/re-appointed/continue as an Independent Director as per the criteria laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

In the opinion of the Board, all the independent directors are persons of integrity and possess the relevant expertise and experience (including proficiency) as required under the Act and the Rules made there under.

**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. Arun Kumar Singhanian having Director's Identification Number 00160194;
3. Mr. Ashutosh Gupta having Director's Identification Number 09043439;

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.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Act and Rules made there under The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performances of the Board, and that of its committees and individual Directors, CEO and Chairman has to be made. 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 2021-2022, following changes took place in the Board of Directors and Key Managerial Personnel of the company:

S. No.	DIN/PAN	Director's Name	Date of Re-Appointment/Regularization/Resignation	Status
1	00173286	Mr. Hartaj Sewa Singh	22 <sup>nd</sup> September, 2021	Retire by Rotation
2	06624132	Mr.Sukumar Arunachalam	22 <sup>nd</sup> September, 2021	Retire by Rotation

## SWADESHI POLYTEX LIMITED

S. No.	DIN/PAN	Director's Name	Date of Re-Appointment/Regularization/Resignation	Status
3	08497328	Mr. Manoj Kumar Kanjirakkattu Gopalan	22 <sup>nd</sup> September, 2021	Retire by Rotation
4	08660759	Mr. Inderpal Singh Sandhu	22 <sup>nd</sup> September, 2021	Appointment
			12 <sup>th</sup> November, 2021	Resigned
5	09043439	Mr. Ashutosh Gupta	22 <sup>nd</sup> September, 2021	Regularized
6	08873691	Ms. Deepika Sharma	12 <sup>th</sup> November, 2021	Appointment
			28 <sup>th</sup> January, 2022	Resigned
7	09384308	Ms. Amisha Srivastava Gupta	28 <sup>th</sup> January, 2022	Appointment
8	03279399	Bipin Bihari Mehrotra	20 <sup>th</sup> February, 2022	Ceased
9	AHLPB1875G	Surbhi Basantani	31 <sup>st</sup> March, 2022	Resigned

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

No Independent Director was appointed or re-appointed during the Financial Year 2021-22.

### 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. As on date there is no executive director appointed in the Company.

### AUDITORS:

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

Pursuant to provisions of Section 139, 141, 142 and other applicable provisions of the Act, M/s SPMR & Associates, Chartered Accountants (Firm Registration No. 007578N) were appointed as Statutory Auditors of the Company in 47<sup>th</sup> Annual General Meeting (AGM) until the conclusion of 52<sup>nd</sup> Annual General Meeting. The term of Statutory Auditor shall expire at the conclusion of 52<sup>nd</sup> AGM of the Company.

Statutory Auditors M/s. SANMARK & Associates, Chartered Accountants (Firm Registration No.003343N), as proposed to be appointed for a term of Five consecutive years in the forthcoming Annual General Meeting.

The company has also received necessary certificate u/s 141 of the companies Act, 2013 confirming their eligibility.

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

The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### REPORTING OF FRAUDS BY AUDITORS:

During the year under review, Statutory Auditors, Secretarial Auditors did not report any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Act. Hence, no detail is required to be disclosed under Section 134 (3)(ca) 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 Board had appointed Mr. Baldev Singh Kashtwal, (Practicing Company Secretary) Partner of RSM & Co., Company Secretaries as Secretarial Auditor to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2022. The Secretarial Audit Report in form MR-3 received from Secretarial Auditor is annexed herewith as “**Annexure A**” forming part of this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**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**

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 the Company is not required to appoint Cost auditor.

**SECRETARIAL STANDARDS**

The Directors state that the applicable mandatory Secretarial Standards i.e. SS-1: Secretarial Standard on Meetings of the Board of Directors and SS-2: Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India have been duly followed by the Company.

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

During the year, 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.

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

The Board of Directors of the Company has on the recommendation of the Audit Committee, adopted a Related Party Transactions Policy for identifying, reviewing, and approving transactions between the Company and the Related Parties, in compliance with the applicable provisions of the Listing Regulations, the Act and the Rules there under. All Related Party Transactions entered into by the Company during the year were in the ordinary course of business and on an arm's length basis. All Related Party Transactions were approved by the Audit Committee and were also placed in the Board meetings as a good Corporate Governance practice. The details of Related Party Transactions pursuant to Section 134(h) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, in the prescribed Form No. AOC-2 is given in “**Annexure-B**”, forming part of this Report.”

**PUBLIC DEPOSITS**

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year. There are no outstanding deposits as on March 31, 2022.

**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**

There have been no material changes and commitments affecting 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 this report other than those explained herein.

# SWADESHI POLYTEX LIMITED

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## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There was no amount required to be transferred to Investor Education and Protection Fund (IEPF) as per Section 124 of the Act read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”).

## 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 out go during they are 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.

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

The Company has in place a policy on preservation of Sexual Harassment and has constituted 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. There were no outstanding complaints on March 31, 2022.

## 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, the Company has a Corporate Social Responsibility (CSR) Committee. Your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy. The brief outline of the CSR policy of the Company, the CSR initiatives/ activities undertaken by the Company details of the Composition of CSR Committee are given as “Annexure-C” forming part of this Report in the format prescribed in Companies (Corporate Social Responsibility Rules) 2014. The said policy is available on the Company’s website at [https://www.splindia.co.in/corporate\\_governance.html](https://www.splindia.co.in/corporate_governance.html)

## SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

The Company does not have any subsidiary, Joint venture or Associate Company as on 31<sup>st</sup> March, 2022.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Sections 177(9) & (10) of the Act, 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 behavior, 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 2021-22, no personnel have been denied access to the Audit Committee.

The Whistle Blower Policy established by the Board is available on the Company’s website.

**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.

**BUSINESS RESPONSIBILITY REPORT**

Report on Business Responsibility report is not applicable to the Company as per Regulation 34(2) (f) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**INTERNAL FINANCIAL CONTROL SYSTEM**

The Company has designed and implemented a process-driven framework for internal financial controls within the meaning of explanation to section 134(5)(e) of the Act. For FY 2021-22, the Board is of the opinion that the Company has sound Internal Financial controls commensurate with the nature and size of its business operations, wherein controls are in place and operating effectively.

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 AND REMUNERATION**

The statement containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), is given in "Annexure D" forming part of this Report.

**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.

**DETAILS OF APPLICATION MADE BY THE COMPANY OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 of 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

## **SWADESHI POLYTEX LIMITED**

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### **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

This particular clause is not applicable on the Company as the Company has not taken any loan from Banks or Financial Institutions.

### **ACKNOWLEDGEMENTS**

The Financial year 2021-22 continued to be a tough period for the business and the industry due to the disruptions caused by the Covid-19 pandemic. The Directors wish to thank the Company's customers, business partners, vendors, bankers & financial institutions, all government & non-governmental agencies, and other business associates for their continued support. The Directors would like to take this opportunity to place on record their appreciation for the committed services and contributions made by the employees of the Company during the year at all levels despite continuing challenges posed by the pandemic and the changed working norms. The Directors also acknowledge and appreciate the support and confidence reposed by the Company's shareholders. The Directors remain committed to enable the Company to achieve its long-term growth objectives in the coming years.

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

**Place: Ghaziabad**  
**Date: 09.08.2022**

**Sd/-**  
**(Sanjay Garg)**  
**Director**  
**(DIN:09539286)**

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022**

*[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 me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my 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, 2022 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, 2022 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 under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the audit period) ;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (Not applicable during the Audit Period);

**ICSI - Unique Identification Number : I1999DE144000**

## SWADESHI POLYTEX LIMITED

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- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12<sup>th</sup> August, 2021) and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (w.e.f. 13<sup>th</sup> August, 2021) (Not applicable during the audit period) ;
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 8<sup>th</sup> August, 2021) and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (w.e.f. 9<sup>th</sup> August, 2021); (Not applicable during the Audit Period);
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (up to 8<sup>th</sup> August, 2021) and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (w.e.f. 9<sup>th</sup> August, 2021); (Not applicable during the Audit Period);
  - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ('Delisting Regulations') (Not applicable during the Audit Period);
  - (j) Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client to the extent of securities issued (Not applicable during the Audit Period);
  - (k) Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2018 (Not applicable during the Audit Period);
  - (l) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (to the extent applicable);
  - (m) The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 ; 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 Uniform Listing Agreement entered into by the Company with the BSE Limited, Mumbai.

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

**WE 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.

**ICSI - Unique Identification Number : I1999DE144000**

### WE 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.

**WE 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.

We 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.

Sd/-

Name: CS BALDEV SINGH KASHTWAL

FCS No.: 3616

C P No. : 3169

ICSI – UDIN : F003616D000707737

ICSI - Peer Review Certificate Number: 1205/2021

ICSI - Unique Identification Number : I1999DE144000

Date: July 29, 2022

Place: Delhi

**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.)**

**Re: Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2022 of even date is to be read along with this letter**

I report that:-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. my responsibility is to express an opinion on these secretarial records based on my audit.
- b) 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 of the records was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- c) I have not verified the correctness and appropriateness of the financial statements of the Company.
- d) I have obtained the management representation about the compliance of laws, rules and regulations, wherever required.
- e) 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.
- f) 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.

**Sd/-**

**Name : CS BALDEV SINGH KASHTWAL**

**FCS No.: 3616**

**C P No. : 3169**

**ICSI – UDIN :F003616D000707737**

**ICSI - Peer Review Certificate Number: 1205/2021**

**ICSI - Unique Identification Code: I1999DE144000**

**Date: July 29, 2022**

**Place: Delhi**

**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)**

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Mr. Bipin Behari 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**

Place: Ghaziabad  
Date: 09.08.2022

Sd/-  
(Sanjay Garg)  
Director  
(DIN:09539286)

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

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

**1. Brief outline on CSR Policy of the Company:**

It is pertinent that business enterprises are economic organs of society and draw on societal resources; we at the company believe that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability.

Swadeshi Polytex aims to carry out charitable objects and purposes wide enough for the extension of benefit thereof to all, irrespective of class, creed and relief of poor, education, medical relief and advancement of any object of general and/or public utility. Such Corporate Social Responsibility (CSR) projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and working for a cause of humanity.

**2. Composition of CSR Committee:**

S. No.	Name of Director	Designation	Number of meetings of CSR Committee held during FY 2021-22	Number of meetings attended
1	Mr. Shyam Sunder Madan	Chairman	2	2
2	Mr. Bipin Behari Mehrotra	Member	2	1
3	Ms. Purni Marwaha	Member	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

[https://www.splindia.co.in/corporate\\_governance.html](https://www.splindia.co.in/corporate_governance.html)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not Applicable

**6. Average net profit of the company as per section 135(5):** Rs. 7,25,50,000/-

**7. (a) Two percent of average net profit of the company as per section 135(5):** Rs. 14,51,000/-

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

**(c) Amount required to be set off for the financial year, if any:** Nil

**(d) Total CSR obligation for the Financial year (7a+7b-7c):** Rs. 14,51,000/-

**8. (a) CSR amount spent or unspent for the Financial Year:**

Total amount spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	14,51,000/-				

- (b) Details of CSR amount spent against ongoing projects for FY 2022: Nil
- (c) Details of CSR amount spent against other than ongoing projects for FY 2022: NA
- (d) Amount spent in Administrative Overheads: Nil
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. NIL
- (g) Excess amount for set off, if any:

S. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	14,51,000/-
(ii)	Total amount spent for the Financial Year	NIL
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	NA

- 9. (a) Details of Unspent CSR amount for the preceding three financial years: Rs.14,51,000/-
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):Not Applicable
- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Due to financial Crisis

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

Place: Ghaziabad  
Date: 09.08.2022

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

Sd/-  
(Sanjay Garg)  
Director  
(DIN: 09539286)

### INFORMATION PURSUANT TO SECTION 197 OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

- 1. Ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:** The Company is not paying remuneration to any Director; therefore, the same is not applicable on the Company.
- 2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:** No increase in the remuneration during the Financial Year 2021-22.
- 3. The percentage increase in the median remuneration of employees in the financial year:** Not applicable as the Company does not have employees.
- 4. Number of permanent employees on the rolls of the Company:** Nil
- 5. Average percentile increase already made in the salaries of employees' other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Not Applicable
- 6. Key parameters for any variable component of remuneration availed by the directors:** Not applicable
- 7. Affirmation that the remuneration is as per the remuneration policy of the company:** It is hereby affirmed that the remuneration paid to Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company.
- 8. Statement pursuant to Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:** Not applicable as the Company does not have employees.

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

Place: Ghaziabad  
Date: 09.08.2022

Sd/-  
(Sanjay Garg)  
Director  
(DIN:09539286)

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

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Pursuant to Regulation 34(3) and Para B of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments thereof, details of the Management discussion and analysis are given below:

**ECONOMIC REVIEW****Global economy**

The global economy witnessed swift recovery amidst continued progress with vaccination efforts, supportive macro-economic policies in the major economies and favourable financial conditions. However, the global environment significantly worsened in the latter half of the financial year with the unfavourable geopolitical situation, adversely impacting food and energy prices, and supply chain disruption. There are no easy policy choices in current times. Governments and Central Banks across the world continue to grapple with the prospect of stagflation, as low economic output and supply-side led inflation continues to linger. This is getting further aggravated with the resurgence of COVID-19 infections in some major economies, leading to lockdown and thereby delaying the resumption of normalcy. In this scenario, the themes to watch out for in the medium term would be a possible re-arrangement of the global supply chain, consequent shift in export hubs, establishment of a new world order and the gradual shift from globalization to localization.

**Indian economy**

The Financial year 2021-22 was expected to be a year of recovery on the back of normalized resumption of economic activity and improved mobility, post the first COVID-19 wave.

On the contrary, the year commenced with the onset of a more virulent second wave, resulting in a record number of infections and high mortality rate. The country witnessed partial lockdowns across different states, as opposed to complete lockdowns during the first wave. With improved vaccination efforts, the economy bounced back faster than anticipated. However, the recovery momentum was once more disrupted due to the emergence of the Omicron variant towards the end of Q3, which fortunately lasted only for a brief period. The emergence of geopolitical tensions towards the end of the year has however now created new challenges with a sharp rise in commodity prices, leading to a record high inflation and rising interest rates.

Despite these turbulences, India's GDP is expected to grow by 8.7% in FY 2021-22, compared to a 6.6% contraction registered in the previous year.

It is expected that the ongoing geopolitical conflict could impact supply chain dynamics and keep commodity prices elevated for a longer period. Rising interest rates across the world could also impact capital flows into the country. However, India, due to its structural reforms and thoughtful fiscal stimulus and monetary support from Government & RBI respectively, is in a better position to withstand the challenges, as in the past.

**Industry Review**

The Indian real estate industry has faced multiple challenges over the past few years in light of the multitude of regulatory changes brought in by demonetization, RERA, GST, IBC, NBFC crises and the subvention scheme ban. The government has been responding positively to the concerns and demands of the industry. This is evident in the relief measures announced which include those for the sector as well. These have facilitated organized players in the listed space to consolidate and improve their performance parameters in the years to come. The measures have been instrumental to bring transparency, accountability and fiscal discipline over the last few years. Prior to COVID-19, the real estate sector was expected to grow to \$ 650 billion and contribute around 13% of India's GDP by 2025, according to ANAROCK research.

## **SWADESHI POLYTEX LIMITED**

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According to industry estimates, 90% of the work force employed in real estate and construction sector is engaged in the core construction activities, while the remaining 10% is involved in other ancillary activities. Since majority of the workers are immigrants, labor shortage could possibly pose a major challenge for the sector post the lockdown.

### **OPPORTUNITIES, THREATS, RISK AND CONCERNS**

As India awaits policy reforms to pick up speed, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term.

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.

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.

### **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.

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

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

### **INTERNAL FINANCIAL CONTROL**

Your Company has adequate system of Internal Controls commensurate with the nature, size and complexity of its business.

These systems are reviewed and improved on a regular basis. It has a budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. The Audit Committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time. 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.



### **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. 3622.80 Lakhs for the financial year 2021-22, as compared to nil 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 and 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 31<sup>st</sup> March, 2022, 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 ended on that date, 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, 2022 and its Profit, 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 matter described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter	Auditor's Response
1	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>

S. No	Key Audit Matter	Auditor's Response
	Refund claims related to discontinued operations	<p>Our Principal Audit Procedures included :</p> <ul style="list-style-type: none"> <li>❖ We read and evaluated the accounting policies and disclosures made in the financial statements with respect to refund claims.</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 the Company and understood the process of determination of point of time for identification and recognition of income.</li> </ul> <p>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.</p>

**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 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 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 management and Board of Directors are 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, as amended, 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 with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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, 2022 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, 2020 ("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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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 34 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 33.5 to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 33.6 to the Financial Statements, no funds have been received by the Company from any persons or entity including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v). The Company has neither declared nor paid any dividend during the year

**For SPMR & ASSOCIATES  
Chartered Accountants  
Firm’s Registration No. 007578N**

**Sd/-  
M S LADHA  
Partner  
Membership No.: 088221  
UDIN: 22088221AJSZJS8918**

**Place : Faridabad**

**Date : 19.05.2022**

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### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

Referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Report to the members of Swadeshi Polytex Limited for the year ended 31<sup>st</sup> March 2022. We report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) We are explained that the management has carried out the physical verification of its Property, Plant and Equipment at reasonable intervals during the year and no discrepancies were noticed on such verification as compared to book records.

- (c) On the basis of our examination of records of the Company and information and explanations given, the title deeds of the immovable property included in Property, Plant and Equipment are held by it in its own name. Further, the provisions of this clause are not applicable in respect of leasehold land owned by the Company and held as Stock in Trade.
- (d) The Company has not revalued any of its Property, Plant and Equipment or Intangible Assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) 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.
- (b) We are explained that the Company has not been sanctioned any working capital limits at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of records of the Company, during the year under report, the Company has neither made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships, or any other parties. Hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us and the records of the Company examined by us, it had complied with provisions of sections 185 and 186 of the Act in respect of loans granted by it to the parties in earlier years .
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and relevant rules framed thereunder . Accordingly reporting requirements under 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) (a) According to the information and explanations given to us and the records of the Company examined by us it has been regular in depositing undisputed statutory dues, including Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities. Further, there were no arrears of such undisputed dues as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they became payable. 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 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, 2022 on account of any dispute:



## SWADESHI POLYTEX LIMITED

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 information and explanation given to us and on the basis of our examination of the records of the company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to information and explanation given to us and on the basis of our examination of the records of the company, the Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) According to information and explanation given to us and on the basis of our examination of the records of the company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loan during the year under report. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to information and explanation given to us and on an overall examination of the financial statements of the Company, funds received on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to information and explanation given to us, the Company has neither any subsidiary company, associate company or joint ventures company nor it has taken any funds from any entity or person. Hence reporting on clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year, hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year under report, the Company has not made any preferential allotment or private placement of shares or convertible debentures (full, partially or optionally convertible), hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have been informed by the management that the Company has not received any whistle blower complaints during the year, hence reporting under clause 3(xi)(c) of the Order is not applicable.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly reporting under 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 transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explained given to us, in our opinion the Company has an internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports of the Company for the period under audit issued to the Company during the year and till date.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with them, hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities Accordingly reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no Core Investment Company as a part of the group. Accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit. However the company had incurred cash losses in the immediately preceding financial year amounting to Rs 162.32 lakh.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under paragraph 3(xviii) of the Order is not applicable to the Company
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are unspent amounts towards Corporate Social Responsibility (CSR) of Rs 14.51 lakh as at 31<sup>st</sup> March, 2022 relating to other than ongoing projects which is required to be deposited in a Fund specified in Schedule VII to the Act within a period of six months of the expiry of financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

## SWADESHI POLYTEX LIMITED

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- (b) We have been informed that there are no ongoing projects requiring transfer of unspent amounts towards Corporate Social Responsibility (CSR) to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

**Sd/-  
M S LADHA  
Partner  
Membership No.: 088221  
UDIN: 22088221AJSZJS8918**

**Place : Faridabad**

**Date : 19.05.2022**

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### **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 with reference to Ind AS financial Statements of **Swadeshi Polytex Limited** ("the Company") as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the Ind AS 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 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 with reference to these Ind AS financial Statements 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 Ind AS 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 with reference to financial statements.

### **Meaning of Internal Financial Controls With Reference to the IND AS Financial Statements.**

A company's internal financial control with reference to Ind AS Financial Statements 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 with reference to Ind AS Financial Statements 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 With Reference to the IND AS Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Ind AS Financial Statements, 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 with reference to Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Ind AS Financial Statements 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 with reference to Ind AS Financial Statements and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Ind AS Financial Statements 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 Registration No.**  
**007578N**

**Sd/-**  
**M S LADHA**  
**Partner**

**Membership No.: 088221**  
**UDIN: 22088221AJSZJS8918**

**Place : Faridabad**  
**Date : 19.05.2022**

# SWADESHI POLYTEX LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022

(Rs. in '000)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>(1) Non-current asset</b>			
(a) Property, Plant and Equipment	5	476	468
(b) Intangible Assets	6	220	277
(c) Financial Assets:			
(i) Loans	7	4,203	4,602
(d) Deferred Tax Assets (Net)	8	10,082	47,279
(e) Other non-current assets	9	20	1,344
<b>Total non-current assets</b>		<b>15,001</b>	<b>53,970</b>
<b>(2) Current Asset</b>			
(a) Inventories	10	50,039	60,054
(b) Financial Assets:			
(i) Cash and cash equivalents	11.1	27,785	9,441
(ii) Other bank balances	11.2	2,26,306	-
(iii) Loans	12	399	547
(iv) Others	13	509	4
(c) Other Current Assets	14	19,730	23,844
<b>Total current assets</b>		<b>3,24,768</b>	<b>93,890</b>
<b>Total Assets</b>		<b>3,39,769</b>	<b>1,47,860</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	15	39,000	39,000
(b) Other equity	16	(1,23,521)	(3,78,774)
<b>Total Equity</b>		<b>(84,521)</b>	<b>(3,39,774)</b>
<b>LIABILITIES</b>			
<b>(1) Non current liabilities</b>			
(a) <b>Financial liabilities</b>			
(i) Other financial liabilities	17	21,642	21,642
<b>Total non-current liabilities</b>		<b>21,642</b>	<b>21,642</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	18	-	17,915
(ii) Trade payables	19		
(a) total outstanding dues of micro enterprises and small enterprises		775	559
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,320	10,202
(iii) Other financial liabilities	20	10	10
(b) Other current liabilities	21	3,97,102	4,37,316
(c) Provisions	22	1,451	-
<b>Total current liabilities</b>		<b>4,02,648</b>	<b>4,65,992</b>
<b>Total Equity and Liabilities</b>		<b>3,39,769</b>	<b>1,47,860</b>

Significant Accounting Policies

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

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

Sd/-  
**(Sanjay Garg)**  
Director  
(DIN: 09539286)

Place : Faridabad  
Date : 19-05-2022  
UDIN : 22088221AJS2JS8918

Sd/-  
**(Ankit Garg)**  
Chief Financial Officer

Sd/  
**(Anuradha)**  
Company Secretary

Sd/-  
**(Bhuvan Chaturvedi)**  
Chief Executive Officer

# SWADESHI POLYTEX LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(Rs. in '000)

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

Significant Accounting Policies

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

Sd/-  
**(Sanjay Garg)**  
Director  
(DIN: 09539286)

Place : Faridabad  
Date : 19-05-2022

Sd/-  
**(Ankit Garg)**  
Chief Financial Officer

Sd/  
**(Anuradha)**  
Company Secretary

Sd/-  
**(Bhuvan Chaturvedi)**  
Chief Executive Officer

# SWADESHI POLYTEX LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(Rs. in '000)

		Year Ended 31-03-2022	Year Ended 31-03-2021
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) for the year before Tax from continuing operations	3,38,064	(19,937)
	Profit / (Loss) for the year before Tax from discontinuing operations	980	(117)
	Adjustments for :		
	Depreciation and amortization expenses	148	135
	Interest received	(4,710)	(1,225)
	<b>Operating Profit before working capital changes</b>	<b>3,34,482</b>	<b>(21,144)</b>
	Net Change in :		
	Other non-current assets	1,324	4,811
	Inventories	10,015	-
	Financial-assets-loans	547	(28)
	Other current assets	4,114	978
	Trade payables	(6,666)	3,109
	Other-current Liabilities	(40,214)	(9,564)
	Provisions-Current	1,451	-
	<b>Cash generated from Operations</b>	<b>3,05,053</b>	<b>(21,838)</b>
	Direct Taxes Paid	(46,594)	42
	<b>Net Cash flow from Operating activities</b>	<b>(A) 2,58,459</b>	<b>(21,796)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(99)	-
	Investment in fixed deposits with bank	(2,26,306)	-
	Interest received on Loans and Fixed Deposits with Banks	4,205	1,335
	<b>Net cash used in Investing activities</b>	<b>(B) (2,22,200)</b>	<b>1,335</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	(Repayment) of Borrowings	(17,915)	-
	Net cash from / (used in) financing activities	(C) (17,915)	-
	<b>Net increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>18,344</b>	<b>(20,461)</b>
	Add: Cash and Cash Equivalents at the beginning of the year	9,441	29,902
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>27,785</b>	<b>9,441</b>
	<b>Cash and Cash Equivalents Comprises;</b>		
	Cash on Hand	11.1 4	34
	Cheques on Hand	11.1 23,385	-
	Balances with Banks in Current Accounts	11.1 4,396	1,407
	Balances with Banks in Fixed Deposit Accounts	11.1 -	8,000
		27,785	9,441
	<b>Other bank balances:</b>		
	In Fixed Deposit Accounts with Bank*	11.2 2,26,306	-
		2,26,306	-

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

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

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

As per our Report of even date attached

For SPMR & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
**(M.S. Ladha)**  
Partner  
FRN : 007578N, M.No. : 088221

For and on behalf of the Board of Directors

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

Sd/-  
**(Sanjay Garg)**  
Director  
(DIN: 09539286)

Place : Faridabad  
Date : 19-05-2022

Sd/-  
**(Ankit Garg)**  
Chief Financial Officer

Sd/  
**(Anuradha)**  
Company Secretary

Sd/-  
**(Bhuwan Chaturvedi)**  
Chief Executive Officer



# SWADESHI POLYTEX LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### A. EQUITY SHARE CAPITAL

(Rs. in '000)

CURRENT REPORTING PERIOD (AS AT 31 <sup>ST</sup> MARCH, 2022)	
Particulars	Amount
Balance at the beginning of the current reporting period	39,000
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the current year	-
Balance at the end of the current reporting period	39,000

PREVIOUS REPORTING PERIOD (AS AT 31 <sup>ST</sup> MARCH, 2021)	
Particulars	Amount
Balance at the beginning of the previous reporting period	39,000
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the previous reporting period	-
Changes in equity share capital during the previous year	-
Balance at the end of the previous reporting period	39,000

### B. OTHER EQUITY

#### CURRENT REPORTING PERIOD (AS AT 31<sup>ST</sup> MARCH, 2022)

(Rs. in '000)

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

# SWADESHI POLYTEX LIMITED

PREVIOUS REPORTING PERIOD (AS AT 31<sup>ST</sup> MARCH, 2021)

(Rs. in '000)

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

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

For and on behalf of the Board of Directors

Sd/-  
**(M.S. Ladha)**  
Partner  
FRN : 007578N, M.No. : 088221

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

Sd/-  
**(Sanjay Garg)**  
Director  
(DIN: 09539286)

Place : Faridabad  
Date : 19-05-2022

Sd/-  
**(Ankit Garg)**  
Chief Financial Officer

Sd/  
**(Anuradha)**  
Company Secretary

Sd/-  
**(Bhuvan Chaturvedi)**  
Chief Executive Officer

**1 CORPORATE & GENERAL INFORMATION**

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

The financial statements were approved for issue by the Board of Directors in their meeting held on

**2 BASIS OF PREPARATION AND PRESENTATION****(a) Basis of Preparation**

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

**(b) Compliance with Ind AS**

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

**(c) Functional and presentation currency**

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

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

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

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

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

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

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
  - There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
  - All other liabilities are classified as non-current.
- (iii) Deferred tax assets/liabilities are classified as non-current.
- (iv) The Company recognizes twelve months period as its operating cycle.

### 3 USE OF ESTIMATES

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

### 4 SIGNIFICANT ACCOUNTING POLICIES

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

#### 4.1 Property, Plant & Equipment and Depreciation

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

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

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

#### **4.2 Intangible Assets and Amortization**

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

#### **4.3 Impairment of Assets**

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

#### **4.4 Revenue Recognition**

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

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

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

- (a) Revenue from transfer of rights in leasehold land is recognized when the company receives full payment from buyer and there is relinquishment of right in favour of the buyer by the company.
- (b) Interest on receivables is accounted only when no significant uncertainty as to measurability or collectability exists. Other interest income is recognized on the time

basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Interest on refund claims of Sales Tax, Excise Duty and Others is accounted for as and when determined by the Authorities concerned and the same is received by the Company.

- (c) Revenue is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. Revenue excludes Goods and Service Tax (GST) as applicable.

#### 4.5 Inventories

Valuation of stocks is done as mentioned below:

Leasehold Plot Rights	At lower of book value or net realizable value
-----------------------	--

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

##### **A Financial Assets**

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

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

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

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

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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



**(d) Other Equity Investments**

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

**(e) Reclassification of financial assets**

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

**B Financial liabilities**

**(a) Initial recognition and measurement**

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

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

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

**(c) Offsetting of Financial instruments**

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

**C Derecognition of financial instruments**

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

**4.10 Borrowing Costs**

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

**4.11 Leases**

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

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

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

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

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

**4.12 Cash and cash equivalents**

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

**4.13 Contract Liabilities**

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

**4.14 Cash Flow Statement**

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

### 4.15 Earning Per Share

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

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

### 4.16 Segment Reporting

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

### 4.17 Fair Value Measurement

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

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

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

**5. Property, Plant and Equipment**

**(Rs. in '000)**

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

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

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

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

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

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

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### 6. Intangible Assets

(Rs. in '000)

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

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

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

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

### 7. Loans (Non-Current)

(Rs. in '000)

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

\*Refer Note 38.3.1 for details of Loan.

**8. Deferred Tax Assets (Net) (Rs. in '000)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets due to</b>		
Carried forward losses	10,142	38,400
	10,142	38,400
<b>Deferred Tax Liability due to</b>		
Depreciation	60	73
	60	73
<b>MAT Credit</b>	-	8,952
<b>Deferred Tax Assets (Net)</b>	<b>10,082</b>	<b>47,279</b>

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

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

**8.2. Amount of Income Tax recognised in the Statement of Profit and Loss (Rs. in '000)**

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

# SWADESHI POLYTEX LIMITED

## 8.3. Reconciliation of effective tax rate:

(Rs. in '000)

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

## 9. Other Non-Current Assets

(Rs. in '000)

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

\*\*At amortized cost.

## 10. Inventories

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Leasehold Plot Rights*	50,039	60,054
<b>Total</b>	<b>50,039</b>	<b>60,054</b>

\* Refer Note 4.5

## 11. Cash and Bank Balances

(Rs. in '000)

### 11.1 Cash and Cash Equivalents

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



**11.2 Other bank balances**
**(Rs. in '000)**

Particulars	As at March 31, 2022	As at March 31, 2021
In Fixed Deposit Accounts with Bank*	2,26,306	-
<b>Total</b>	<b>2,26,306</b>	<b>-</b>

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

**12. Loans (Current)**
**(Rs. in '000)**

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

\*Refer Note 38.3.1 for details of Loan.

**13. Other financial assets-Current**
**(Rs. in '000)**

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

**14. Other Current Assets**
**(Rs. in '000)**

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

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

# SWADESHI POLYTEX LIMITED

## 15. Equity Share Capital

(Rs. in '000)

Particulars	As at 31 <sup>st</sup> March 2022		As at 31 <sup>st</sup> March 2021	
	Number	Amount	Number	Amount
<b>Authorized</b>				
Equity Share of Rs. 1/- (P.Y. Rs. 1/-) each	225000000	2,25,000	225000000	2,25,000
9.5% Redeemable cumulative				
Preference Shares of Rs. 100/- each	250000	25,000	250000	25,000
		2,50,000		2,50,000
<b>Issued, Subscribed &amp; Fully Paid up</b>				
Equity Shares of Rs 1/- (P.Y. Rs. 1/-) each	39000000	39,000	39000000	39,000
fully paid up		39,000		39,000

### 15.1 Reconciliation of share capital:

(Rs. in '000)

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

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

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

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

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

**15.4 Disclosure of Shareholding of Promoters:**

**15.4.1 As at 31<sup>st</sup> March 2022**

**Class of Shares - Equity Share**

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

**15.4.2 As at 31<sup>st</sup> March 2021**

**Class of Shares - Equity Share**

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

**16. Other Equity**

**(Rs. in '000)**

Particulars	As at March 31, 2022	As at March 31, 2021
<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	(5,56,819)	(5,40,452)
Add: Profit / (Loss) for the year	2,55,253	(16,367)
	<b>(3,01,566)</b>	(5,56,819)
	<b>(1,23,521)</b>	(3,78,774)

# SWADESHI POLYTEX LIMITED

## 17. Other financial liabilities-Non current

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Payable*	21,642	21,642
<b>Total</b>	<b>21,642</b>	<b>21,642</b>

\*Refer Note No. 30.2

## 18. Borrowings-Current

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured</b>		
Loan from Related Parties	-	17,915
<b>Total</b>	<b>-</b>	<b>17,915</b>

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

## 19. Trade Payables

(Rs. in '000)

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

19.1	Ageing Schedule of Trade Payable is as below					
19.1.1	As at 31 <sup>st</sup> March, 2022					(Rs. in '000)
	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Undisputed dues - MSME	775	-	-	-	775
	Undisputed dues - Others	2,634	150	-	536	3,320
	Disputed dues - MSME	-	-	-	-	-
	Disputed dues - Others	-	-	-	-	-

## SWADESHI POLYTEX LIMITED

19.1.2	As at 31st March, 2021					(Rs. in '000)
	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
	Undisputed dues - MSME	559	-	-	-	559
	Undisputed dues - Others	9,666	-	-	536	10,202
	Disputed dues - MSME	-	-	-	-	-
	Disputed dues - Others	-	-	-	-	-

### 20. Other Financial Liabilities (Rs. in '000)

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

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

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

\*Refer Note 4.13

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

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

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

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

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

# SWADESHI POLYTEX LIMITED

## 24. Other Income

(Rs. in '000)

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

## 25. Changes in inventories

(Rs. in '000)

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

## 26. Depreciation and Amortisation Expenses

(Rs. in '000)

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

## 27. Other Expenses

(Rs. in '000)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Legal & Professional Expenses	12,495	13,428
Conveyance & Travelling Expense	985	1,735
CSR Expenditure	1,451	1,600
Fees to Stock Exchange	354	354
Power & Fuel	391	381
Repair Others	107	113
Business Promotion	25	746
Rates & Taxes	529	590

## SWADESHI POLYTEX LIMITED

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Directors' Sitting Fees	730	725
Payment To Auditors (Refer Note 26.1)	649	484
Communication Expenses	287	111
Advertisement	48	94
Printing & Stationary	39	55
Other Expenses	673	950
	<b>18,763</b>	21,366

### 27.1 Payment to Auditors

(Rs. in '000)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Audit Fee	295	295
Tax Audit Fee	118	-
Other Matters	236	189
	<b>649</b>	484

### 28. Profit / (Loss) from discontinued operations

(Rs. in '000)

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

### 28.1 Cash flows from discontinued operations

(Rs. in '000)

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



# SWADESHI POLYTEX LIMITED

## 29. Earning per Share - Continued Business

(Rs. in '000)

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

## 29.1 Earning per Share - Discontinued Business

(Rs. in '000)

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

## 30. Discontinuing Operations

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

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

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

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

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

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

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

**(Rs. in '000)**

<b>Particulars</b>	<b>Year Ended 31-03-2022</b>	<b>Year Ended 31-03-2021</b>
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

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

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

<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Current Period</b>	<b>Previous Period</b>	<b>% Variance</b>	<b>Reasons for Variance / REMARKS</b>
Current Ratio (in times)	Current Assets	Current Liabilities	0.81	0.20	305.00%	Increased cash flow on account of sales in the current year as compared to no sale in proceeding year.

# SWADESHI POLYTEX LIMITED

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reasons for Variance / REMARKS
Debt-Equity Ratio (in times)	Total Debts	Share holders Equity	0	-0.05	-100.00%	Repayment of all debts during the year.
Debt-Service Coverage Ratio	Earning available for Debt Service	Debt Service	18.93	0	NA	Not applicable since there was loss in preceding year.
Return on Equity	Net Profit after tax (-) Preference Dividend, if any	Average Net Worth	-	-	-	Not applicable since Negative Net Worth in both years.
Inventory Turnover Ratio (in %)	Sales	Average Inventory	6.58	0	NA	Not applicable since no Sales in Preceding year.
Trade Receivable Turnover Ratio	Net Credit Sale	Average Accounts receivable	-	-	-	Not applicable since the Company has no trade receivable. Refer Policy for Revenue Recognition-Note No. 4.4.
Trade Payable Turnover Ratio	Net Credit Purchase	Average Trade Payable	-	-	-	Not applicable since the Company has no purchases of inventory items.
Net Capital Turnover Ratio	Net Sales	Working Capital [Current Assets - Current Liabilities]	-4.65	-	-	Not applicable since the Company has no positive working capital as well as no turnover in preceding year.
Net Profit Ratio (in %)	Net Profit after Tax	Net Sales	70.46%	-	NA	Not Applicable since Company has loss and Nil Turnover in preceding year.
Return on Capital Employed	Earning before Interest and Tax (EBIT)	Capital Employed [Tangible Net Worth + Total Debt + Deferred tax Liability]	-4.00	0.06	NA	Not Applicable since Company has Negative Capital Employed in both year as well as No EBIT in preceding year.
Return on Investment a. For Loans a. For Bank FD	Interest Income	Cost of Investment	9.29% 3.40%	9.31% 4.68%	-0.20% -27.37%	Due to Fluctuation in Period of deposit and applicable Interest rate.

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

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

(Rs. in '000)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
(a) PF Cases pending at various forums	5,895	5,895
(b) Labor Matters relating settlement pending at various forums	4,742	4,742

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
(c) Custom Matters	1,711	1,711
(d) Excise Matters being refund claim of Interest	32,360	32,360
(e) Income Tax Matters	2,217	2,217
(f) FEMA Matters	12,600	12,600
(g) Legal cases against company u/s 138 of Negotiable Instrument Act	9,246	9,246

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

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

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

### 36. Corporate Social Responsibilities (CSR) :

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

#### 36.1 Details of CSR Activities:

(Rs. in '000)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
Amount required to be spent by the company during the year	1,451	1,600
Amount of expenditure incurred,	-	1,600
Shortfall at the end of the year,	1,451	-
Total of previous years shortfall,	-	-
Reason for shortfall	Cash flow problems till Dec 2021. The Management decided to deposit the requisite money in funds specified in Schedule-VII	-

## SWADESHI POLYTEX LIMITED

Nature of CSR activities	<b>To deposit in funds specified in Schedule-VII of Companies Act, 2013</b>	Covid-19 relief materials & treatment.
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	<b>NA</b>	NA

37. 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.

### 38. Related Party Disclosure

#### 38.1 List of Related Parties

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

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

**38.1.2 Associates of Reporting Entity:**

National Textile Corporation Ltd. (Holding more than 20% shareholding in the company)

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

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

**38.2.1 Transactions with Key Management Personnel:**

**(Rs. in '000)**

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

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

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

**38.2.2 Transactions with Associates:**

**(Rs. in '000)**

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

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

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

**(Rs. in '000)**

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

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

### 38.3.2 Balance outstanding with Associates:

(Rs. in '000)

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

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

### 40. Going Concern

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

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

### 42. Information regarding Goods Traded

#### 42.1 Description : Leasehold Plot Rights

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

\* Excluding utility area of 13,577.53 Sqm.

### 43. Expected Credit Loss

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

### 44. 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.

#### **44.1 Financial Risk**

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

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

#### **44.2 Liquidity Risk**

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

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

#### **44.3 Maturity profile of financial Liabilities**

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

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

## 44.4 Market Risk

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

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

## 44.5 Interest rate risk

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

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

## 44.6 Foreign Exchange Risk

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

## 44.7 Equity Price Risk

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

## 44.8 Credit risk

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

Financial Assets are written off when there is no reasonable expectation of recovery, such as a

debtor failing to engage in a repayment plan with the Company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments in normal course of business. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.

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

#### 44.9 Capital Management

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

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

(Rs. in '000)

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

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

#### 45 Fair value measurement

##### 45.1 Valuation Principles

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

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

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## 45.2 Fair value hierarchy

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

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

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

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

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

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

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

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

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

(Rs. in '000)

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

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

### 45.4 The disclosures of fair value measurement hierarchy for assets and liabilities as at 31<sup>st</sup> March, 2022

(Rs. in '000)

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

### 45.5 The disclosures of fair value measurement hierarchy for assets and liabilities as at 31<sup>st</sup> March, 2021

(Rs. in '000)

Particulars	Total (Carrying Value)	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>A. Financial Assets -Measured at Amortized Cost</b>				
Cash and cash equivalents	9,441	-	-	9,441
Other bank balances	-	-	-	-
Loans	5,149	-	-	5,149
Other Financial assets	4	-	-	4

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Particulars	Total (Carrying Value)	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>Total</b>	<b>14,594</b>	-	-	<b>14,594</b>
<b>B. Financial Liabilities- Measured at Amortized Cost</b>				
Trade Payables	<b>10,761</b>	-	-	10,761
Borrowings	<b>17,915</b>	-	-	17,915
Other financial liabilities	<b>21,642</b>	-	-	21,642
<b>Borrowings</b>	<b>50,318</b>	-	-	<b>50,318</b>

### 46 Recent Pronouncements

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

#### 46.1 Ind AS-16 Property Plant & Equipments

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

#### 46.2 Ind AS-37 Provisions

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

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

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

#### 46.4 Ind AS-103- Business Combination

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

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

*if undelivered, please return to:*  
**SWADESHI POLYTEX LIMITED**  
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**Regd. Office :** New Kavi Nagar,  
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