



**49<sup>th</sup>  
Annual Report  
2018-2019**

**SWADESHI POLYTEX LIMITED**

# SWADESHI POLYTEX LIMITED

## BOARD OF DIRECTORS

<b>Mr. Gaurav Swarup</b>	Chairman
<b>Mr. Hartaj Sewa Singh</b>	Vice Chairman
<b>Dr. Anil Gupta</b>	Director
<b>Mr. A. Sukumar</b>	Director
<b>Mr. Pankaj Agarwal</b>	Director
<b>Mr. S. B. Singh</b>	Director
<b>Mr. B. Mehrotra</b>	Director
<b>Mr. S. S. Madan</b>	Independent Director
<b>Mr. N. K. Gupta</b>	Independent Director
<b>Mr. Naveen Aggarwal</b>	Independent Director
<b>Mr. Y. J. Dastoor</b>	Independent Director
<b>Ms. Purti Marwaha</b>	Independent Director

## KEY MANAGERIAL PERSONNELS

Mr. Bhuwan Chaturvedi	Chief Executive Officer
Ms. Stuti Thukral	Company Secretary
Mr. Promod Pandey	Chief Financial Officer

## REGISTERED OFFICE

**CIN:** L25209UP1970PLC003320

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

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

## REGISTRAR AND SHARE TRANSFER AGENT

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

B-25/1, Okhla Industrial Area,

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

Phone : 011-26387320/21/23

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**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 49<sup>th</sup> Annual General Meeting of the Members of Swadeshi Polytex Limited will be held on Monday, 16<sup>th</sup> September, 2019 at 03:00 P.M. at the Registered Office of the Company at A-1, Sector 17, New Kavi Nagar Industrial Area, Ghaziabad - 201002 (Uttar Pradesh) to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2019 together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Hartaj Sewa Singh having Director's Identification Number 00173286, 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 Shri Shamsheer Bahadur Singh having Director's Identification Number 03225016, 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 Shri Sukumar Arunachalam having Director's Identification Number 06624132, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re- appointment.

**SPECIAL BUSINESS**

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

“**RESOLVED THAT** pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and based on the recommendation of Nomination and Remuneration Committee, Mrs. Purti Marwaha (Director Identification Number: 07090475), Independent Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for re-appointment for the second term of five years, be and is hereby re-appointed as Independent Director of the Company to hold office for a term of five consecutive years, from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the year 2024 and whose office shall not be liable to retire by rotation.”

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, Mr. Sukumar Arunachalam (DIN- 06624132) who was appointed as a Nominee Director of the Company with effect from 18<sup>th</sup> January, 2019, by the Board of Directors in terms of Section 161(3) of the Act and whose term of office expires at the conclusion of the Annual General Meeting, be and is hereby appointed as Director of the Company.”

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

## SWADESHI POLYTEX LIMITED

“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 a Nominee Director of the Company with effect from 30<sup>th</sup> May, 2019, by the Board of Directors in terms of Section 161(3) of the Act and whose term of office expires at the conclusion of the Annual General Meeting, be and is hereby appointed as Director of the Company.”

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

**Sd/-**  
**(Shamsher Bahadur Singh)**

Director  
(DIN: 03225016)

**Sd/-**  
**(Bipin Behari Mehrotra)**

Director  
(DIN: 03279399)

Place : New Delhi  
Dated : 5th August, 2019

### NOTES: -

1. Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Secretarial Standard on General Meetings (SS-2) in respect of the Directors seeking appointment / re-appointment at the ensuing annual general meeting, viz. brief resume detailing age, qualifications, nature of expertise in specific functional areas, directorships and membership of committees held in other companies, shareholding interest in the Company and inter-se relationship amongst directors / key managerial personnel is appended and should be construed as a part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The Admission Slip cum E-voting Advice is appended to the Annual Report 2018-19. The Proxy Form is also annexed towards the end of the Annual Report.

3. Pursuant to the provisions of section 105 of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. Members holding more than 10% of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing the proxy, as per the format included in the Annual Report, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less/after than FORTY-EIGHT HOURS before the commencement of the meeting.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. The Register of Members and Transfer Books of the Company will be closed from 10<sup>th</sup> September, 2019 till 16<sup>th</sup> September, 2019 (both days inclusive).
7. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address,

contact numbers etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically recorded in the Company's records, which will help the Company and the Company's Registrars and Transfer Agent M/s RCMC Share Registry Private Limited (RCMC), B-25/1, Okhla Industrial Area, Phase-2, Near Rana Motors, New Delhi-110020, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RCMC directly.

9. Members holding shares in physical form are requested to convert their holding to dematerialized form because as per the notification of Securities and Exchange Board of India, dated 8th June, 2018, except in case of transmission or transposition of securities, request for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f. 5th December, 2018. Members can contact the Company or RCMC for assistance in this regard.
10. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or M/s RCMC Share Registry Private Limited, B-25/1, Okhla Industrial Area, Phase-2, Near Rana Motors, New Delhi-110020, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
11. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
12. The Notice of the AGM along with the Annual Report 2018-19 and instructions for e-voting, Attendance slip and Proxy form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that the Notice of the AGM and the Annual Report 2018-19 will be available on the Company's website [www.splindia.co.in](http://www.splindia.co.in)
13. Regulation 44(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, provides for the mandatory electronic voting facility to all the members of the Company to exercise their right to vote at the general meeting through electronic means. The Company in compliance of the provisions is providing the electronic voting facility to all the members at the cut-off date for transacting the businesses at the Annual General Meeting by electronic means by following the e-voting process. The Complete details of the instructions for e-voting are annexed to this notice as additional attachment.

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

**Sd/-**  
**(Shamsher Bahadur Singh)**

Director  
(DIN: 03225016)

**Sd/-**  
**(Bipin Behari Mehrotra)**

Director  
(DIN: 03279399)

Place : New Delhi  
Dated : 5th August, 2019

# SWADESHI POLYTEX LIMITED

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

### ITEM NO. 2, 3, 4, 5, 6 & 7: BRIEF PROFILE OF DIRECTORS

Details of Directors seeking re-appointment at the Annual General Meeting scheduled to be held on 16<sup>th</sup> September, 2019 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and disclosure requirements) Regulations 2015:

Name of the Director	Shri Hartaj Sewa Singh	Shri Shamsher Bahadur Singh	Shri Sukumar Arunachalam	Smt. Purti Marwaha	Shri Pankaj Agarwal
DIN	00173286	03225016	06624132	07090475	08467347
Age	58	57	55	42	53
Date of appointment	26/09/2003	26/08/2010	18/01/2019	12/02/2015	05/08/2019
Qualification	M.B.A. (Finance)	Company Secretary; Cost and Management Accountant	B. Tech (Textiles)	LLB	Company Secretary
Expertise in Specific Area	Management Consultancy	Costing, MIS, Finance & Strategic Management	Yarn/Fabric Manufacturing	Legal	Company Law matter
Shareholding in Swadeshi Polytex Limited	250 shares	NIL	NIL	NIL	NIL
Directorship held in other companies (excluding foreign and private Companies)	NIL	<ol style="list-style-type: none"> <li>1) Apollo Design Apparel Parks Ltd.</li> <li>2) Goldmohur Design &amp; Apparel Parks Ltd.</li> <li>3) India United Textile Mills Ltd.</li> <li>4) New City of Bombay Manufacturing Company Ltd.</li> <li>5) Aurangabad Textiles and Apparel Parks Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1) Apollo Design Apparel Parks Ltd.</li> <li>2) Goldmohur Design &amp; Apparel Parks Ltd.</li> <li>3) India United Textile Mills Ltd.</li> <li>4) New City of Bombay Manufacturing Company Ltd.</li> <li>5) Aurangabad Textiles and Apparel Parks Ltd.</li> </ol>	NIL	NIL
Membership/Chairmanship of Audit and stake holders relationship committees	NIL	<b>Member Audit Committee Meeting</b> <ol style="list-style-type: none"> <li>1) Apollo Design Apparel Parks Ltd.</li> <li>2) Goldmohur Design &amp; Apparel Parks Ltd.</li> <li>3) India United Textile Mills Ltd.</li> <li>4) New City of Bombay Manufacturing Company Ltd.</li> <li>5) Aurangabad Textiles and Apparel Parks Ltd.</li> </ol>	<b>Member Audit Committee Meeting</b> <ol style="list-style-type: none"> <li>1) Apollo Design Apparel Parks Ltd.</li> <li>2) Goldmohur Design &amp; Apparel Parks Ltd.</li> <li>3) India United Textile Mills Ltd.</li> <li>4) New City of Bombay Manufacturing Company Ltd.</li> <li>5) Aurangabad Textiles and Apparel Parks Ltd.</li> </ol>	NIL	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO. 5**

The members of the Company, at the Annual General Meeting held on June 30<sup>th</sup>, 2015 had approved the appointment of Mrs. Purti Marwaha as Independent Director of the Company, whose term is due to expire on ensuing AGM.

As per the provisions of Section 149 (10) of the Act and the Rules framed there under and also the SEBI (LODR) Regulations, 2015 ('Listing Regulations'), an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment for another term of up to five consecutive years on passing a special resolution by the Company and disclosure of such re-appointment in the Board's report.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of professional skill, knowledge, experience, continued valuable guidance to the management and also on the basis of the performance evaluation of the Directors by the Board of Directors of the Company, on the recommendations of the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, it is proposed to re-appoint Mrs. Purti Marwaha for the second term as Independent Directors on the Board of Swadeshi Polytex Limited for a period of five years commencing from the ensuing Annual General Meeting till the Conclusion of Annual General Meeting to be held in the year 2024, whose period of office shall not be liable to retire by rotation.

The Board recommends the passing of Resolution as set out at Item No. 5 of the Notice as Special Resolution.

Save and except Mrs. Purti Marwaha, 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 special resolutions set out at Item No. 5 of the Notice.

**ITEM No. 6**

Mr. Sukumar Arunachalam (DIN- 06624132) was appointed on the Board of Director of the Company on 18th January, 2019 as Nominee/ Additional Director. Shareholder's consent of the Company is required to confirm and approve his appointment as Director of the Company.

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

Save and except Mr. Sukumar Arunachalam 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**

Mr. Pankaj Agarwal (DIN- 08467347) was appointed on the Board of Director of the Company on 30<sup>th</sup> May, 2019 as Nominee/ Additional Director. Shareholder consent of the Company is required to confirm and approve his appointment as 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 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.

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

**Sd/-**  
**(Shamsher Bahadur Singh)**  
Director  
(DIN: 03225016)

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

Place : New Delhi  
Dated : 5th August, 2019

# SWADESHI POLYTEX LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 49<sup>th</sup> Annual Report on the Business and operations of the Company together with the audited results for the financial year ended March 31, 2019.

### FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Particulars	Year Ended on 31.03.2019	Year Ended on 31.03.2018
Total Income	<b>1327.81</b>	<b>596.77</b>
Total Expenditure	<b>570.41</b>	<b>602.39</b>
Profit /(Loss) before exceptional items and tax from Continued operations	757.40	(5.62)
Tax Expenses from Continued operations	108.75	44.60
Profit (Loss) from continuing operation.	<b>648.65</b>	<b>(50.22)</b>
Profit /(Loss) before exceptional items and tax from discontinued operations	189.13	20.21
Tax Expenses from discontinued operations	38.94	3.75
Profit/(Loss) from discontinuing operations	<b>150.19</b>	<b>16.46</b>
Profit (Loss) after tax	<b>798.84</b>	<b>(33.76)</b>

In view of the huge carry forward losses and constrained liquidity position of the Company, your Directors have considered it appropriate not to recommend any dividend in the financial year 2018-19.

### RESULTS OF OPERATION

The Company has entered into the Real Estate sector in the earlier years and has earned revenue of Rs. 1315.71 lakh from selling of lease hold plot rights of the Company during the year. Your directors are hopeful of achieving better results in the current financial year.

### STATE OF COMPANY'S AFFAIRS

Gross revenues increased to Rs. 1327.81 lakh against Rs. 596.77 lakh in the previous year. Profit from continuing operations was Rs. 648.65 lakh against loss of Rs. 50.22 lakh in the previous year. Profit from discontinuing operations was Rs. 150.19 lakhs against profit of Rs. 16.46 lakhs in the previous year. The profit of the Company for the year under review after tax was Rs. 798.84 lakh as against loss of Rs. 33.76 lakh in the previous year.

### EXTRACT OF ANNUAL RETURN

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

### MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

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



**NUMBER OF MEETINGS OF THE BOARD**

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

<b>Sl. No.</b>	<b>Type of Meeting</b>	<b>No. of Meetings</b>	<b>Date of Meeting</b>	<b>Directors attended the meeting</b>
1.	Board Meeting	2/2018	15.05.2018	1. Shri Hartaj Sewa Singh 2. Shri Naveen Aggarwal 3. Shri Niranjan Kumar Gupta 4. Shri Shyam Sunder Madan 5. Shri Bipin Behari Mehrotra 6. Ms. Perti Marwaha 7. Shri Yezdezard Jehangir Dastoor
2.	Board Meeting	3/2018	13.08.2018	1. Shri Gaurav Swarup 2. Shri Hartaj Sewa Singh 3. Dr. Anil Gupta 4. Shri Rakesh Kumar Sinha 5. Shri Shamsheer Bahadur Singh 6. Shri Naveen Aggarwal 7. Shri Niranjan Kumar Gupta 8. Shri Shyam Sunder Madan 9. Ms. Perti Marwaha 10. Shri Yezdezard Jehangir Dastoor 11. Shri Bipin Behari Mehrotra
3.	Board Meeting	4/2018	02.11.2018	1. Shri Hartaj Sewa Singh 2. Dr. Anil Gupta 3. Shri Shamsheer Bahadur Singh 4. Shri Rakesh Kumar Sinha 5. Shri Niranjan Kumar Gupta 6. Shri Naveen Aggarwal 7. Shri Shyam Sunder Madan 8. Ms. Perti Marwaha 9. Shri Bipin Behari Mehrotra
4.	Board Meeting	1/2019	11.02.2019	1. Shri Hartaj Sewa Singh 2. Dr. Anil Gupta 3. Shri Rakesh Kumar Sinha 4. Shri Shamsheer Bahadur Singh 5. Shri Naveen Aggarwal 6. Shri Niranjan Kumar Gupta 7. Shri Shyam Sunder Madan 8. Ms. Perti Marwaha 9. Shri Bipin Behari Mehrotra

## SWADESHI POLYTEX LIMITED

5.	Board Meeting	2/2019	11.03.2019	<ol style="list-style-type: none"> <li>1. Shri Hartaj Sewa Singh</li> <li>2. Shri Rakesh Kumar Sinha</li> <li>3. Dr. Anil Gupta</li> <li>4. Shri Shamsher Bahadur Singh</li> <li>5. Shri Naveen Aggarwal</li> <li>6. Shri Niranjana Kumar Gupta</li> <li>7. Shri Shyam Sunder Madan</li> <li>8. Shri Rakesh Kumar Sinha</li> <li>9. Ms. Purni Marwaha</li> <li>10. Shri Sukumar Arunachalam</li> </ol>
6.	Annual General Meeting for the FY 2017-18	48 <sup>th</sup>	25.09.2018	<ol style="list-style-type: none"> <li>1. Shri Naveen Aggarwal</li> <li>2. Shri Bipin Behari Mehrotra</li> <li>3. Shri Niranjana Kumar Gupta</li> <li>4. Shri Shyam Sunder Madan</li> </ol>

### COMPOSITION OF AUDIT COMMITTEE

The Company has formed the Audit Committee pursuant to the provisions of Section 177 of the Act, read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 consisting of the following members:

1. Mr. Naveen Agarwal : Chairman
2. Dr. Anil Gupta : Committee Member
3. Mr. N.K. Gupta : Committee Member

During the year Six (06) meetings of the Audit Committee were convened and held.

### DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134 (3) (c) and Section 134 (5) of the Act, in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019 and state that:

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

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

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

**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. Shri Hartaj Sewa Singh having Director's Identification Number **00173286**;
2. Shri Shamsheer Bahadur Singh having Director's Identification Number **03225016**;
3. Shri Sukumar Arunachalam having Director's Identification Number **06624132**;

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

**BOARD EVALUATION**

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

**CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the Financial Year 2018-2019, following changes took place in the Board of Directors and Key Managerial Personnel of the company:

- i) Ms. Stuti Thukral appointed as Company Secretary w.e.f 15<sup>th</sup> May, 2018 by the Board of Directors.
- ii) Nomination of Mr. Srinivas Sarvepalli withdrawn from the Board of Directors w.e.f 31<sup>st</sup> May, 2018.
- iii) Mr. A Sukumar appointed as Nominee Director w.e.f. 18<sup>th</sup> January, 2019 by the Board of Directors.
- iv) Mr. Bipin Behari Mehrotra reappointed as Non Executive Director by the members of the Company.
- v) Ms. Shyam Sunder Madan reappointed as independent director by the members of the Company.
- vi) Mr. Yezdezard Jehangir Dastoor reappointed as independent director by the members of the Company.
- vii) Mr. Niranjana Kumar Gupta reappointed as independent director by the members of the Company.
- viii) Mr. Naveen Aggarwal reappointed as independent director by the members of the Company.

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

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

## AUDITORS:

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

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

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

There were no instances of fraud in the Company during the year ended 31<sup>st</sup> March, 2019. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the year ended 31<sup>st</sup> March, 2019 under section 143 (12) of the Act.

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

Pursuant to the provisions of section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has re-appointed Mr. Baldev Singh Kashtwal, Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2019. The Secretarial Audit Report is annexed herewith as "**Annexure B**". The Board has duly reviewed the Auditor's Report and noted that there was no adverse remark given by the Auditor in their report.

### c. INTERNAL AUDITORS

The Board of Directors of the Company has re-appointed M/s. NSBP & Co. as Internal Auditors, pursuant to the provisions of Section 138 of the Act for the financial year ended 31<sup>st</sup> March, 2019.

## SECRETARIAL STANDARDS

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

## DETAILS OF LOAN/ GUARANTEES / INVESTMENTS MADE

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

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

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

## DEPOSITS

The Company has not accepted any deposits during the financial year under review in terms of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, and also no amount was outstanding on account of principal or interest thereon, as on the date of the Balance Sheet.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY

During the financial year under review there are no material changes and commitments noticed by the Board.

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

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

## **BUSINESS RISK MANAGEMENT:**

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

## **POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE**

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 your Company has complied with provisions relating to constitution of Internal Complaints Committee.

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has formed the Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Companies Act, 2013, consisting of the following members:

1. Mr. Shyam Sunder Madan : Chairman
2. Mr. S.B. Singh : Committee Member
3. Mr. B. Mehrotra : Committee Member

## **SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES**

The Company does not have any subsidiary, Joint venture or Associate Company.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established Vigil Mechanism in the form of whistle blower policy in line with the Act and the Listing Regulations to deal with instances of unethical and/or improper conduct and taking suitable steps to investigate and correct the same.

## **CORPORATE GOVERNANCE REPORT**

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

## **INTERNAL FINANCIAL CONTROL SYSTEM**

Internal financial controls are integral part of the risk management process addressing amongst other financial and non-financial risks. The internal financial controls have been documented and augmented in the day to day business processes. 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.

The Company's Internal Control System is commensurate with its size, scale and complexities of the operations.

## **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

## SWADESHI POLYTEX LIMITED

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

### **PARTICULARS OF EMPLOYEES**

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

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

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

### **ACKNOWLEDGEMENTS**

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

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

**Sd/-**  
**(Shamsher Bahadur Singh)**  
Director  
(DIN: 03225016)

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

Place : New Delhi  
Dated : 5th August, 2019

**Form No. MGT-9**

**Extract of Annual Return as on the financial year ended on 31st March, 2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Real Estate activities	7010	100%

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

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category -Wise- Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters(1) Indian</b>									
(a) Individual/ HUF	Nil	5250	5250	0.13	Nil	5250	5250	0.13	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	2459403	500	2459903	63.07	2459403	500	2459903	63.07	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total (A)(1)</b>	<b>2459403</b>	<b>5750</b>	<b>2465153</b>	<b>63.20</b>	<b>2459403</b>	<b>5750</b>	<b>2465153</b>	<b>63.20</b>	<b>Nil</b>
<b>(2) Foreign</b>									
NRI Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

# SWADESHI POLYTEX LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total (A) (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Shareholding of Promoter(A)= [A(1)+A(2)]</b>	<b>2459403</b>	<b>5750</b>	<b>2465153</b>	<b>63.20</b>	<b>2459403</b>	<b>5750</b>	<b>2465153</b>	<b>63.20</b>	<b>Nil</b>
<b>(B)Public Shareholding</b>									
<b>(1) Institutions</b>									
Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Central Govt	Nil	250	250	0.01	Nil	250	250	0.01	Nil
State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance Companies	950	300	1250	0.03	950	300	1250	0.03	Nil
Financial Institutions/ Banks	Nil	2125	2125	0.05	Nil	2125	2125	0.05	Nil
Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub Total B(1)</b>	<b>950</b>	<b>2675</b>	<b>3625</b>	<b>0.09</b>	<b>950</b>	<b>2675</b>	<b>3625</b>	<b>0.09</b>	<b>Nil</b>
<b>(2)Non- Institutions</b>									
a)Bodies Corporate	90455	503147	593602	15.22	90571	503147	593718	15.22	<b>Nil</b>
i)Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	82166	732180	814346	20.88	105630	708350	813980	20.87	(0.01)
ii)Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	14864	Nil	14864	0.38	14864	Nil	14864	0.38	Nil
c) Other Specify									
i) Clearing Members	Nil	Nil	Nil	0	Nil	Nil	Nil	0	Nil
ii)Non Residents	2300	4710	7010	0.18	2550	4710	7260	0.19	0.01
NBFC Registered with RBI	1400	Nil	1400	0.04	1400	Nil	1400	0.04	Nil
<b>Sub Total (B) (2)</b>	<b>191185</b>	<b>1240037</b>	<b>1431222</b>	<b>36.70</b>	<b>215015</b>	<b>1216207</b>	<b>1431222</b>	<b>36.7</b>	<b>Nil</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>192135</b>	<b>1242712</b>	<b>1434847</b>	<b>36.79</b>	<b>215965</b>	<b>1218882</b>	<b>1434847</b>	<b>36.79</b>	<b>Nil</b>
<b>(C)Share heldby Custodianfor GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>2651538</b>	<b>1248462</b>	<b>3900000</b>	<b>100</b>	<b>2675368</b>	<b>1224632</b>	<b>3900000</b>	<b>100</b>	<b>Nil</b>



**(ii) Shareholding of Promoters**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year	Additions, if any	Shareholding at the end of the year	% of total shareholding
1	M/s National Textile Corporation Limited	1311000	Nil	1311000	33.62
2	M/s Paharpur Cooling Towers Ltd.	528153	Nil	528153	13.54
3	M/s Selecto Pac Pvt Ltd	343250	Nil	343250	8.8
4	M/s Doypack Systems Pvt Ltd	277500	Nil	277500	7.12
5	Mr. Mahendra Swarup	5250	Nil	5250	0.13

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
Nil					

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year	Additions, if any	Shareholding at the end of the year	% of total shareholding
1	M/s M K J Enterprises Ltd	487525	Nil	487525	12.5
2	Melvin Powel Vanaspati & Engg. Industries Ltd.	82425	Nil	82425	2.11
3	Prashant Kumar Bothra	14864	Nil	14864	0.38
4	Indra Kumar Bagri	8491	50	8541	0.22
5	V D Maniar Share And Stock Brokers Pvt. Ltd.	8005	Nil	8005	0.21
6	Yatin S Shah	5725	Nil	5725	0.15
7	Chirayush Pravin Vakil	5650	1201	6851	0.18
8	Rajesh Chhabildas Kansara	5300	Nil	5300	0.14
9	Mr Dwarkadas Shrinivas Morarka	5000	Nil	5000	0.13
10	Mrs Jamuna Devi Jaipuria	5000	Nil	5000	0.13
	<b>TOTAL</b>	<b>627985</b>	<b>1251</b>	<b>629236</b>	<b>16.15</b>

# SWADESHI POLYTEX LIMITED

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

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

## V. INDEBTEDNESS

(Rs. In Lakhs)

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

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2363.21	179.15	NIL	2542.36
ii) Interest due but not paid	798.97	-	NIL	798.97
iii) Interest accrued but not due	5.61	-	NIL	5.61
<b>Total (i+ii+iii)</b>	<b>3167.79</b>	<b>179.15</b>	<b>NIL</b>	<b>3346.94</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	257.29	-	NIL	257.29
Reduction	1928.00	-	NIL	1928.00
<b>Net Change Indebtedness</b>	<b>-1670.71</b>	<b>-</b>	<b>NIL</b>	<b>-1670.71</b>
<b>At the end of the financial year</b>				
i) Principal Amount	1451.08	179.15	NIL	1630.23
ii) Interest due but not paid	43.31	-	NIL	43.31
iii) Interest accrued but not due	2.68	-	NIL	5.21
<b>Total (i+ii+iii)</b>	<b>1497.07</b>	<b>179.15</b>	<b>NIL</b>	<b>1676.22</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

**B. Remuneration to other directors:**

*(Amount in Rs.)*

Sl. No.	Particulars of Remuneration	Name	Designation	Amount
1	Sitting Fees	Naveen Agarwal	Independent Director	2,75,000
2	Sitting Fees	N.K. Gupta	Independent Director	2,40,000
3	Sitting Fees	S.S. Madan	Independent Director	1,70,000
4	Sitting Fees	Y.J. Dastoor	Independent Director	50,000
5	Sitting Fees	Purti Marwaha	Independent Director	1,55,000
6	Retainership Charges	Bipin Behari Mehrotra	Non – Executive Director	8,40,000

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

Sl. No.	Name	Designation	Amount
1	Promod Pandey	CFO	6,00,000
2	Stuti Thukral	Company Secretary	2,10,000

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

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

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

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

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

Based on my verification of the Swadeshi Polytex Limited’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 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, 2019 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 2018-2019;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Financial Year 2018-2019);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Financial Year 2018-2019);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Financial Year 2018-2019);**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year 2018-2019);**

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable to the Company during the Financial Year 2018-2019**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (**Not applicable to the Company during the Financial Year 2018-2019**); and
- (vi) Indian Contract Act, 1872;
- (vii) Indian Stamp Act, 1999;
- (viii) Contract Labour (Regulation and Abolition) Act, 1970;
- (ix) Industrial Employment (Standing Orders) Act, 1946 and other applicable labour laws.
- (x) Water (Prevention and Control of Pollution) Act, 1974 and Rules;

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

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

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

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

**I further report that:-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a woman Director. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act;
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

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

Place : Delhi

Dated : July 17, 2019

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

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

**My Secretarial Audit Report for the financial year ended 31st March, 2019 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 and to ensure that the systems are adequate and operate effectively. My responsibility is to express an opinion on these secretarial records based on my audit.
- 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 was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that audit evidence and information obtained from the Company's management and the processes and practices, I followed, provide a reasonable basis for my opinion.
- 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, happening of events, etc. 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.

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

Place : Delhi  
Dated : July 17, 2019

**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 arms length transaction under third proviso thereto.

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

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

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### **ECONOMIC AND INDUSTRIAL REVIEW/ INDUSTRY STRUCTURE AND DEVELOPMENTS**

The real estate sector is one of the most globally recognized sectors. Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces.

### **REAL ESTATE**

Real estate is a key sector of the Indian economy, contributing 6-7 per cent to India's GDP. In addition, the sector employs a 52 million strong workforce and is expected to generate over 15 million jobs over the next five years. According to the survey conducted by KPMG in association with National Real Estate Development Council (NAREDCO) and Asia Pacific Real Estate Association (APREA), the Indian real estate sector is estimated to grow to USD 650 billion by 2025 and surpass USD 850 billion by 2028 to touch USD 1 trillion by 2030, becoming the third largest globally. Regulatory reforms, steady demand generated through rapid urbanization, rising household income, effective implementation of RERA and the emergence of affordable housing are expected to be key drivers of growth for the real estate sector. In March 2019, GST council approved lower GST rates for real estate developers subject to certain terms and conditions.

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

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to plan/construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector. Driven by long term vision for real estate, we have always been optimistic on the promising future outlook of this industry and the advent of RERA is being heralded as a game-changer and a great enabler in the long run, though it may cause inconvenience in the short term. Also GST will ensure that developers only use organized vendors and suppliers, in order to get the input tax credit, which will also improve the efficiency in delivering projects.

With these change the real estate's etc or have realized that it is time now to revamp their existing business models if they want to remain in business at all.

As expected, with these initiatives, the loop holes will be addressed and sales would boost the real estate sector.

### **BUSINESS OUTLOOK AND OVERVIEW**

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

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

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

The Company has an internal financial control system commensurate with the size, scale and complexity of its operations. The internal controls over financial reporting have been identified by the management and are checked for effectiveness by the management and tested by the Auditors on sample basis. The controls are reviewed by the management periodically and deviations, if any, are reported to the Audit Committee periodically. The internal control system is supplemented by an extensive internal audit, which is conducted by independent firm of Chartered Accountants. The framework is reviewed regularly by the management and tested by internal audit team and presented to the Audit Committee and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems.

### **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 for the year increased to Rs.13.16 Crore for the financial year 2018-19, as compared to Rs. 3.19 crore in the previous year. The Company continued its focus on core business activity in the Industrial land. The key revenue streams for the Company include sale of lease hold plot rights. The Company continues to maintain its conservative financial profile and funds its requirements largely through internal cash generation.



**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Swadeshi Polytex Limited

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

**Opinion**

We have audited the accompanying standalone financial statements of **Swadeshi Polytex Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date..

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 thereunder, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

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

S.No	Key Audit Matter	Auditor's Response
1	<p>Income from Litigative Refunds and Recovery of bad Debts.</p> <p>The Company has various litigative refunds claims and bad debts which have significant financial impact.</p>	<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 claims filed.</li> <li>■ We obtained list of claims filed by the Company with various forums and understood the process of recognition of income arising out of the said claims.</li> <li>■ We have read the Orders passed by the Judicial Authorities and appeals filed by the concerned Departments and understood the process of determination of point of time for identification and recognition of income.</li> <li>■ We have read the minutes of meetings of the Audit Committee and Board of Directors of the company related to noting of status of outstanding claims.</li> </ul>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report particularly with respect to 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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 report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 Board of Directors 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements for the financial year ended 31<sup>st</sup> March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone Financial Statements.

## SWADESHI POLYTEX LIMITED

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- 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 books of account.
- d) In our opinion, the aforesaid standalone 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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".
- 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 directors 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 31 to the standalone financial statements.
  - ii. We are explained that the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. We are explained that there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-  
**M S LADHA**  
Partner

Membership No.: 088221

Place : Faridabad  
Date : 11-05-2019  
Camp: Shimla

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

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

We report that:

- i) In respect of the Company’s fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) We are explained that the management has carried out the year end physical verification of majority of fixed assets. In our opinion, the frequency of physical verification is reasonable having regard to the size and nature of operations of the Company, According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the title deed of immovable property owned by the Company are stated to be misplaced and the management is in the process of obtaining duplicate copy thereof from the concerned Authorities. Further, the provisions of this clause are not applicable in respect of leasehold land owned by the Company and held as Stock in Trade.
- ii) The only inventory in hand is in the form of lease hold plot rights, for which management has conducted physical verification in the form of measurement, frequency of which in our opinion is reasonable and no material discrepancies were noticed on the physical verification of the same as compared to book records.
- iii) According to the information and explanations given to us, the Company has granted unsecured loan to a party covered in the register maintained under Section 189 of the Companies Act, 2013 (“the Act”) in respect of which:
  - a) In our opinion, the rate of interest and other terms and conditions on which such loan had been granted, were not, prima facie, prejudicial to the Company’s interest.
  - b) We are explained that the said loan is repayable on demand and no demand has been made during the year about repayment of principal. Further, repayment of interest is regular in terms of demand made.
  - c) In our opinion and in view of our comments in (a) and (b) above, no amount is overdue for recovery as at the year-end.
- iv) In our opinion and according to the information and explanations given to us, the Company had complied with the provisions of Section 186 of the Act in respect of grant of loan to a party in earlier year.
- v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) We are informed that the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities and there were no arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.

## SWADESHI POLYTEX LIMITED

- 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, 2019 on account of any dispute:

Name of Statute	Nature of Dues	Amount (In lacs)	Period	Forum at which dispute is pending
The Customs Act, 1962	Custom Duty	8.50	Various	D. C. Customs Mumbai

- viii) According to the information and explanation given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix) The Company has neither raised money by way of initial public offer or further public offer (including debt instruments) and term loans nor applied the previously raised loans, if any, during the year under report. Accordingly, provisions of clause 3 (ix) of the Order are not applicable to the Company.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and accordingly para 3 (xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-  
**M S LADHA**  
Partner

Membership No.: 088221

Place : Faridabad  
Date : 11-05-2019  
Camp: Shimla

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

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

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

We have audited the internal financial controls over financial reporting of **Swadeshi Polytex Limited** (“the Company”) as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

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

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

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

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

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and;

## SWADESHI POLYTEX LIMITED

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- 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.

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-  
**M S LADHA**  
Partner

Membership No.: 088221

Place : Faridabad  
Date : 11-05-2019  
Camp: Shimla



# SWADESHI POLYTEX LIMITED

## BALANCE SHEET AS AT 31st MARCH, 2019

(Rs. In '000)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
<b>I ASSETS</b>			
<b>(1) Non-current asset</b>			
(a) Property, Plant and Equipment	5	410	491
(b) Financial Assets:			
(i) Other bank balances	6	-	2,000
(c) Deferred Tax Assets (Net)	7	43,197	37,826
(d) Other non-current assets	8	1,340	5,090
<b>Total non-current assets</b>		<b>44,947</b>	<b>45,407</b>
<b>(2) Current Asset</b>			
(a) Inventories	9	65,341	68,212
(b) Financial Assets:			
(i) Cash and cash equivalents	10	12,589	8,337
(ii) Other bank balances	11	-	5,909
(iii) Loans	12	5,121	5,121
(iv) Others	13	77	110
(c) Other Current Assets	14	5,000	417
<b>Total current assets</b>		<b>88,128</b>	<b>88,106</b>
<b>Total Assets</b>		<b>133,075</b>	<b>133,513</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	15	39,000	39,000
(b) Other equity	16	(480,895)	(560,779)
<b>Total Equity</b>		<b>(441,895)</b>	<b>(521,779)</b>
<b>LIABILITIES</b>			
<b>(1) Non current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Other financial liabilities	17	24,983	24,983
<b>Total non-current liabilities</b>		<b>24,983</b>	<b>24,983</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities:</b>			
(i) Borrowings	18	163,023	254,236
(ii) Trade payables	19	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		9,372	7,449
(iii) Other Financial Liabilities	20	4,599	80,458
(b) Other current liabilities	21	372,131	288,166
(c) Provisions	22	862	-
<b>Total current liabilities</b>		<b>549,987</b>	<b>630,309</b>
<b>Total Equity and Liabilities</b>		<b>133,075</b>	<b>133,513</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

For and on behalf of the Board of Directors

Sd/-

**(M.S. Ladha)**

Partner

FRN : 007578N, M.No. : 088221

Sd/-

**(S.B. Singh)**

Director

(DIN 03225016)

Sd/-

**(B. Mehrotra)**

Director

(DIN 03279399)

Place : Faridabad

Camp : Shimla

Date : 11.05.2019

Sd/-

**(Bhuvan Chaturvedi)**

Chief Executive Officer

Sd/-

**(Promod Pandey)**

Chief Financial Officer

Sd/

**(Stuti Thukral)**

Company Secretary

# SWADESHI POLYTEX LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(Rs. In '000)

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>INCOME</b>			
Revenue from operations	23	131,571	31,948
Other Income	24	1,210	27,729
<b>Total Income</b>		<b>132,781</b>	59,677
<b>EXPENSES</b>			
Land Development Expenses		2,168	497
Changes in inventories	25	2,871	1,071
Finance Costs	26	28,587	36,434
Depreciation and amortization expense	5	81	92
Other expenses	27	23,334	22,145
<b>Total Expenses</b>		<b>57,041</b>	60,239
<b>Profit / (Loss) before tax</b>		<b>75,740</b>	(562)
Less : Tax Expenses			
- Current tax		16,246	(95)
- Deferred tax		(5,371)	4,555
<b>Total Tax Expenses</b>		<b>10,875</b>	4,460
<b>Profit / (Loss) from continuing operations</b>		<b>64,865</b>	(5,022)
Profit / (Loss) from discontinued operations	28	18,913	2,021
Tax expenses of discontinued operations		3,894	375
<b>Profit / (Loss) from discontinuing operations after tax</b>		<b>15,019</b>	1,646
<b>Total Comprehensive Income for the year</b>		<b>79,884</b>	(3,376)
<b>Earnings per equity share of face value of Rs. 10/- each</b>			
<b>-Continued Business</b>			
(i) Basic (in Rs.)	29	16.63	(1.29)
(ii) Diluted (in Rs.)	29	16.63	(1.29)
<b>Earnings per equity share of face value of Rs. 10/- each</b>			
<b>- Discontinued Business</b>			
(i) Basic (in Rs.)	29.1	3.85	0.42
(ii) Diluted (in Rs.)	29.1	3.85	0.42

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

For and on behalf of the Board of Directors

Sd/-

(M.S. Ladha)

Partner

FRN : 007578N, M.No. : 088221

Sd/-

(S.B. Singh)

Director

(DIN 03225016)

Sd/-

(B. Mehrotra)

Director

(DIN 03279399)

Place : Faridabad

Camp : Shimla

Date : 11.05.2019

Sd/-

(Bhuvan Chaturvedi)

Chief Executive Officer

Sd/-

(Promod Pandey)

Chief Financial Officer

Sd/

(Stuti Thukral)

Company Secretary

# SWADESHI POLYTEX LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(Rs. In '000)

	Year Ended 31-03-2019 Amount (Rs)	Year Ended 31-03-2018 Amount (Rs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year before Tax	94,653	1,459
<u>Adjustments for :</u>		
Depreciation and amortization expenses	81	92
Finance Costs	28,587	36,434
Interest received	(1,210)	(27,729)
<b>Operating Profit before working capital changes</b>	<b>122,111</b>	<b>10,256</b>
<u>Net Change in :</u>		
Other non-current assets	3,750	945
Inventories	2,871	1,071
Financial-Non-current assets	2,000	(2,000)
Other current assets	(4,583)	(394)
Trade payables	1,923	2,969
Other-current Liabilities	83,965	(19,149)
Provisions	862	(1,164)
<b>Cash generated from Operations</b>	<b>212,899</b>	<b>(7,466)</b>
Direct Taxes Paid	(20,140)	(280)
<b>Net Cash flow from Operating activities</b>	<b>(A) 192,759</b>	<b>(7,746)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(16)
Interest received on Loans and Fixed Deposits with Banks	1,243	27,624
<b>Net cash used in Investing activities</b>	<b>(B) 1,243</b>	<b>27,608</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment) of Borrowings	(91,213)	-
Finance Costs Paid	(104,446)	(13,643)
Net cash from / (used in) financing activities	<b>(C) (195,659)</b>	<b>(13,643)</b>
<b>Net increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(1,657)</b>	<b>6,219</b>
Cash and Cash Equivalents at the beginning of the year (Refer Note 10 and 11)	14,246	8,027
Cash and Cash Equivalents at the end of the year (Refer Note 10 and 11)	12,589	14,246

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/-  
**(S.B. Singh)**  
Director  
(DIN 03225016)

Sd/-  
**(B. Mehrotra)**  
Director  
(DIN 03279399)

Place : Faridabad  
Camp : Shimla  
Date : 11.05.2019

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

Sd/-  
**(Promod Pandey)**  
Chief Financial Officer

Sd/  
**(Stuti Thukral)**  
Company Secretary

# SWADESHI POLYTEX LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

### A. EQUITY SHARE CAPITAL

(Rs. In '000)

Particulars	Amount
Balance as at 1st April, 2017	39,000
Changes in equity share capital during the year 2017-18	-
Balance as at 31st March, 2018	39,000
Changes in equity share capital during the year 2018-19	-
Balance as at 31st March, 2019	39,000

### B. OTHER EQUITY

#### AS ON 31st MARCH, 2018

(Rs. In '000)

Particulars	Reserve and Surplus			
	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2017	167,070	10,975	(735,448)	(557,403)
Total Comprehensive Income for the year	-	-	(3,376)	(3,376)
Balance as at 31st March, 2018	167,070	10,975	(738,824)	(560,779)

#### AS ON 31st MARCH, 2019

(Rs. In '000)

Particulars	Reserve and Surplus			
	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at 1st April, 2018	167,070	10,975	(738,824)	(560,779)
Total Comprehensive Income for the year	-	-	79,884	79,884
Balance as at 31st March, 2019	167,070	10,975	(658,940)	(480,895)

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

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

Place : Faridabad  
Camp : Shimla  
Date : 11.05.2019

For and on behalf of the Board of Directors

Sd/-  
**(S.B. Singh)**  
Director  
(DIN 03225016)

Sd/-  
**(B. Mehrotra)**  
Director  
(DIN 03279399)

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

Sd/-  
**(Promod Pandey)**  
Chief Financial Officer

Sd/  
**(Stuti Thukral)**  
Company Secretary

**1 COMPANY OVERVIEW**

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

The financial statements were approved for issue by the Board of Directors in their meeting held on 11th May, 2019.

**2 BASIS OF PREPARATION AND PRESENTATION**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, 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). The Ind AS are prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the generally accepted accounting principles in India including accounting standards read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 (hereinafter referred as 'Indian GAAP' or 'Previous GAAP').

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principals generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**3 USE OF ESTIMATES**

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

**4 SIGNIFICANT ACCOUNTING POLICIES****4.1 Property, Plant & Equipment and Depreciation**

- (a) The company has elected the option to continue the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed

cost as at the date of transition as per Ind AS 101. Property, plant and equipment are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any.

- (b) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs to the item can be measured reliably.
- (c) Depreciation on Building, Plant & Machinery and Computer is being provided on Straight Line Method.

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

- (d) Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.
- (e) Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' or 'Other Expenses' as the case may be.
- (f) Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

## 4.2 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.

## 4.3 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 recognise 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: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised 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.

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

**4.4 Inventories**

Valuation of stocks is done as mentioned below:

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

- (a) Cost of Leasehold Land is determined after including the proportionate expenditure incurred on the development thereof.

**4.5 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.

## 4.6 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.

## 4.7 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.

## 4.8 Financial Instruments

### A Financial Assets

#### (a) Initial recognition and measurement

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

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

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

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

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

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

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

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

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

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



**(d) Other Equity Investments**

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

**(e) Reclassification of financial assets**

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

**B Financial liabilities****(a) Initial recognition and measurement**

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

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

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

**(c) Offsetting of Financial Liabilities**

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

**C Derecognition of financial instruments**

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

**4.9 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.

## 4.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

## 4.11 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.

## 4.12 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.

## 4.13 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.

## 4.14 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.

## 4.15 Standards issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs notified the Ind AS 116 to be effective for annual period beginning on or after April 01, 2019.

The notification sets out the principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

**5. Property, Plant and Equipment**

**(Rs. In '000)**

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

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

The changes in the carrying value of property, plant and equipment for the year ended 31st March, 2018 are as follows:

**(Rs. In '000)**

Particulars	Building - Pushpak Bhawan	Plant & Machinery	Furniture & Fixtures	Computer	Total
Gross carrying value as at April 1, 2017	93	617	2,438	298	3,446
Additions	-	-	-	16	16
Deletions	-	-	-	-	-
<b>Gross carrying value as at March 31, 2018</b>	<b>93</b>	<b>617</b>	<b>2,438</b>	<b>314</b>	<b>3,462</b>
Accumulated depreciation as at April 1, 2017	12	273	2,320	274	2,879
Depreciation for the year	2	75	-	15	92
Accumulated depreciation on deletions	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2018</b>	<b>14</b>	<b>348</b>	<b>2,320</b>	<b>289</b>	<b>2,971</b>
<b>Net Carrying value as at March 31, 2018</b>	<b>79</b>	<b>269</b>	<b>118</b>	<b>25</b>	<b>491</b>

**6. Other bank balances-Non-Current**

**(Rs. In '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity more than 12 months	-	2,000
<b>Total</b>	<b>-</b>	<b>2,000</b>

# SWADESHI POLYTEX LIMITED

## 7. Deferred Tax Assets (Net)

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Assets due to</b>		
Unabsorbed Depreciation & Carried forward losses	34,447	37,762
	<b>34,447</b>	37,762
<b>Deferred Tax Liability due to</b>		
Depreciation	60	(64)
	<b>60</b>	(64)
<b>MAT Credit</b>	<b>8,810</b>	-
<b>Deferred Tax Assets (Net)</b>	<b>43,197</b>	37,826

### 7.1. The movement on the deferred tax account is as follows:

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
At the start of the year	37,826	42,381
Credit/(Charge) during the year	(3,439)	(4,555)
MAT Credit	8,810	-
<b>Total Credit/(Charge) to Statement of Profit and Loss</b>	<b>5,371</b>	(4,555)
At the end of the year	<b>43,197</b>	37,826

### 7.2. Amounts recognised in Profit or Loss

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current tax - Continued Operations</b>		
Current year	16,246	(95)
Deferred Tax	(5,371)	4,555
	<b>10,875</b>	4,460
<b>Current tax - Discontinued Operations</b>		
Current year	3,894	375
	<b>3,894</b>	375
<b>Total</b>	<b>14,769</b>	4,835

### 7.3. Reconciliation of effective tax rate:

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before tax	94,653	1,459
At India statutory income tax rate (at applicable tax rates)	20.59%	20.39%
Income tax amount	19,486	297
Other Temporary difference	(5,371)	4,555
Other Permanent Differences	673	(17)
Tax effect of items deductible for tax	(19)	-
<b>Effective Income tax expense</b>	<b>14,769</b>	4,835

**8. Other Non-Current Assets (Rs. In '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(Unsecured and Considered Good)</b>		
Income tax receivable (net of provisions)	-	3,750
Security deposit	15	15
Statutory dues deposited under Protest (Refer Note 30.2)	1,325	1,325
<b>Total</b>	<b>1,340</b>	<b>5,090</b>

**9. Inventories (Rs. In '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Leasehold Plot Rights*	65,341	68,212
<b>Total</b>	<b>65,341</b>	<b>68,212</b>

\* Refer Note 4.4

**10. Cash & Cash Equivalents (Rs. In '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	4	14
Balances with schedule banks:		
In Current Accounts	2,350	1,084
In Fixed Deposit Accounts having maturity less than 3 months	10,235	7,239
<b>Total</b>	<b>12,589</b>	<b>8,337</b>

**11. Other bank balances-Current (Rs. In '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity more than 3 months but less than 12 months	-	5,909
<b>Total</b>	<b>-</b>	<b>5,909</b>

**12. Loans (Rs. In '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(Unsecured and Considered Good)</b>		
Loan due by an officer of the Company*	5,121	5,121
<b>Total</b>	<b>5,121</b>	<b>5,121</b>

\*Refer Note 38.3.1 for details of Loan.

# SWADESHI POLYTEX LIMITED

## 13. Other financial assets-Current (Rs. In '000)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>(Unsecured and Considered Good)</b>		
Interest accrued	77	110
<b>Total</b>	<b>77</b>	<b>110</b>

## 14. Other Current Assets (Rs. In '000)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>(Unsecured and Considered Good)</b>		
<b>Others</b>		
Recoverable from a Party	4,568	-
Sales tax refund receivable	394	394
Prepaid Expenses	38	23
<b>Total</b>	<b>5,000</b>	<b>417</b>

## 15. Equity Share Capital (Rs. In '000)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
<b><u>Authorized</u></b>				
Equity Share of Rs. 10/- each	22500000	225,000	22500000	225,000
9.5% Redeemable cumulative Preference Shares of Rs100/-each	250000	25,000	250000	25,000
		2,50,000		2,50,000
<b><u>Issued, Subscribed &amp; Fully Paid up</u></b>				
Equity Shares of Rs 10/- each fully paid up	3900000	39,000	3900000	39,000
<b>Total</b>		<b>39,000</b>		<b>39,000</b>

## 15.1 Reconciliation of share capital: (Rs. In '000)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Amount	Number	Amount
Equity Shares at the beginning of the year	3900000	39,000	3900000	39,000
Add / (Less): Shares issued / (forfeited / buyback) during the year	-	-	-	-
Equity Shares at the end of the year	<b>3900000</b>	<b>39,000</b>	3900000	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 the par value of Rs 10/- per share. Each shareholder is entitled to one vote per share.

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

Name of the Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of holding	No. of Shares held	% of holding
National Textile Corporation Ltd	<b>1311000</b>	<b>33.61 %</b>	1311000	33.61%
MKJ Enterprises Ltd	<b>487525</b>	<b>12.50 %</b>	487525	12.50%
Selecto Pac Private Ltd.	<b>343250</b>	<b>8.80 %</b>	343250	8.80%
Paharpur Cooling Towers Ltd.	<b>528153</b>	<b>13.54 %</b>	528153	13.54%
Doypack Systems Pvt Ltd.	<b>277500</b>	<b>7.12 %</b>	277500	7.12%

**16. Other Equity**

**(Rs. In '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>General Reserve</b>		
Opening Balance	<b>167,070</b>	167,070
(+) Additions during the year	-	-
(-) Utilized / transferred during the year	-	-
	<b>167,070</b>	167,070
<b>Capital Redemption Reserve</b>		
Opening Balance	<b>10,975</b>	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	<b>(738,824)</b>	(735,448)
Add: Profit / (Loss) for the year	<b>79,884</b>	(3,376)
	<b>(658,940)</b>	(738,824)
<b>Total</b>	<b>(480,895)</b>	(560,779)

**17. Other financial liabilities-Non current**

**(Rs. In '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Other Payable*	<b>24,983</b>	24,983
<b>Total</b>	<b>24,983</b>	24,983

\*Refer Note No. 34

# SWADESHI POLYTEX LIMITED

## 18. Borrowings-Current

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured*</b>		
Loans from Related Parties	145,108	236,321
<b>Unsecured**</b>		
Loans from Related Parties	17,915	17,915
<b>Total</b>	<b>163,023</b>	<b>254,236</b>

\*Company has taken secured loan from Paharpur Cooling Towers Ltd on December 01, 2007 initially for a period of three years which was extended to be repayable by December 31, 2019 at an Interest of 12.00% p.a. payable quarterly. The said loan is secured by way of negative lien on the land situated at Kavi Nagar, Ghaziabad.

Details of the default amount is as follow :

Principal Nil (Previous Year Rs. Nil), Interest Rs. Nil (Previous Year 79,897/-)

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

## 19. Trade Payables

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Outstanding dues of micro and small enterprises	-	-
Total Outstanding dues of other than micro and small enterprises	9,372	7,449
<b>Total</b>	<b>9,372</b>	<b>7,449</b>

Refer Note 32

## 20. Other Financial Liabilities-Current

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on Borrowings	4,599	80,458
<b>Total</b>	<b>4,599</b>	<b>80,458</b>

## 21. Other Current liabilities

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Retention Money Payable	540	540
Amount received for customers	370,886	286,529
Statutory dues Payable	705	1,097
<b>Total</b>	<b>372,131</b>	<b>288,166</b>

## 22. Provisions

(Rs. In '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Others</b>		
Provision for Income Tax (Net of Advance tax / TDS)	862	-
<b>Total</b>	<b>862</b>	<b>-</b>



**23. Revenue from Operations (Rs. In '000)**

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Revenue from sale of leasehold plot rights	131,571	31,948
<b>Total</b>	<b>131,571</b>	<b>31,948</b>

**24. Other Income (Rs. In '000)**

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Interest Income	1,210	27,729
<b>Total</b>	<b>1,210</b>	<b>27,729</b>

**25. Changes in inventories (Rs. In '000)**

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>Opening Stock</b>		
Leasehold Plot Rights	68,212	69,283
	<b>68,212</b>	69,283
<b>Closing Stock</b>		
Leasehold Plot Rights	65,341	68,212
	<b>65,341</b>	68,212
<b>(Increase) / Decrease in inventories</b>	<b>2,871</b>	1,071

**26. Finance Costs (Rs. In '000)**

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Interest on borrowings (Net)	28,587	36,434
<b>Total</b>	<b>28,587</b>	36,434

**27. Other Expenses (Rs. In '000)**

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Legal & Professional Expenses	12,878	12,341
Conveyance & Travelling Expense	5,365	4,278
Fees to Stock Exchange	295	288
Security Expenses	-	865
Power & Fuel	415	359
Repair Others	64	79
Business Promotion	949	1,272
Rates & Taxes	915	409
Directors' Sitting Fees	890	840
Payment To Auditors (Refer Note 27.1)	437	313
Communication Expenses	129	273
Advertisement	20	32
Printing & Stationary	325	184
Other Expenses	652	612
<b>Total</b>	<b>23,334</b>	22,145

# SWADESHI POLYTEX LIMITED

## 27.1 Payment to Auditors

(Rs. In '000)

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Audit Fee	295	195
Tax Audit Fee	118	89
Reimbursement of Expenses	24	29
<b>Total</b>	<b>437</b>	<b>313</b>

## 28 Profit / (Loss) from discontinued operations

(Rs. In '000)

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Income from discontinued operations*	19135	2558
Less: Expenses related to discontinued Operations**	222	537
<b>Total</b>	<b>18,913</b>	<b>2,021</b>

\*Income from discontinued operations includes recovery of earlier year bad debts as of March, 2019 Rs. 4,568 (March, 2018 : NIL) and refunds received from Excise & Sales Tax Authorities as of March, 2019 Rs. 14,567 (March, 2018: Rs 2,558) .

\*\*Expenses related to discontinued operations represents the professional fee incurred in connection with Income from discontinued Operations.

## 29 Earning per Share - Continued Business

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Profit / (Loss) attributable to Equity Shareholders	64,865	(5,022)
Weighted average number of Equity Shares of Rs. 10/- Each (No. of Shares)	3,900,000	3,900,000
Earning per Shares - Basic & Diluted (In Rs.)	16.63	(1.29)

## 29.1 Earning per Share - Discontinued Business

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Profit / (Loss) attributable to Equity Shareholders	15,019	1,646
Weighted average number of Equity Shares of Rs. 10/- Each (No. of Shares)	3,900,000	3,900,000
Earning per Shares - Basic & Diluted (In Rs.)	3.85	0.42

## 30. Discontinuing Operations

In view of the Economic/Financial non-viability and on-going labor problems etc., the Company had discontinued its operations of manufacturing of Polyester Fibers and Chips in 1998. In previous years, company had entered into a sale agreement for disposal of its entire Plant & Machinery and Building related to the discontinued operations and sold the entire part thereof.

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

**(Rs. In '000)**

30.2	Particulars	As at March 31, 2019	As at March 31, 2018
	Total Assets		
	<b>Non-current asset</b>		
	Statutory dues deposited under Protest (Refer Note 8)	1,325	1,325
	Total Liabilities	-	-
	<b>Net Assets</b>	-	-

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

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

**(Rs. In '000)**

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
(a) PF Cases pending at various forums	5,895	5,895
(b) Labor Matters relating settlement pending at various forums	5,025	4,890
(c) Sales Tax cases under litigation	-	1,574
(d) Custom Matters	1,786	1,786
(e) Other Matters	6,046	5,507

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

- 32.** Based on the confirmations from the parties, who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), received so far with the company, no balance is due to Micro and Small Enterprises as defined under the MSMED Act, 2006 as at 31st March 2019 & 31st March 2018. Hence no further details as required by Notification dated 04-09-2015 issued by the Ministry of Corporate Affairs are applicable.
- 33.** Balances appearing for Trade Payables, and loans & borrowings are subject to confirmation, reconciliation and adjustments, if any.
- 34.** Other payable, Note 17, includes alleged dues being contested before the Honorable High Court at Rs. 22,584/- (out of total Rs. 24,983/-). Hence it has not been fair valued.
- 35.** Company has started developing the Plots as per the approved plan of UPSIDC and accordingly has incurred an expenditure of Rs. 2,168/- (Previous year Rs 497/-), is allocated proportionately on the saleable area and unallocated portion made a part of stock in Trade and balance was charged to PVPL, giving affect to fourth addendum.
- 36.** During the year, the Company has entered into Addendum to the Memorandum of Understanding between the Company, Pranjal Vyapar Private Limited and secured lender Paharpur Cooling Towers Limited, revising and extending the terms of One Time Settlement with respect to levy of penalty on unsold inventory recoverable on actual sales and recovering the reasonable maintenance and other expenses incurred for unsold land. Accordingly, accounting impact of the same has been considered in the books.
- 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.

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## 38. Related Party Disclosure

### 38.1 List of Related Party

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

Name	Designation
Mr. Bhuwan Chaturvedi	Chief Executive Officer
Mr. Promod Pandey	Chief Financial Officer
Ms. Sunita Gujjar from 11 Feb, 2016 to 20 Nov, 2017	Company Secretary
Ms. Lovely Kumari from 20 Nov, 2017 to 15 March, 18	Company Secretary
Ms. Stuti Thukral	Company Secretary
Mr. Hartaj Sewa Singh	Director
Mr. Gaurav Swarup	Director
Mr. Y. J. Dastoor	Director
Mr. N.K. Gupta	Director
Mr. Naveen Aggarwal	Director
Mr. S.S. Madan	Director
Mr. Shamsheer Bahadur Singh	Director
Mr. Bipin Behari Mehrotra	Director
Mr. Rakesh Kumar Sinha	Director
Mr. Sukumar Arunachalam	Director
Ms. Purti Marwaha	Director
Mr. Anil Gupta	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, 2019 with related parties in the ordinary course of business:

#### 38.2.1 Transactions with Key Management Personnel:

(Rs. in '000)

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
Remuneration paid to Ms. Sunita Gujjar	-	154
Remuneration paid to Ms. Lovely Kumari	-	47
Remuneration paid to Ms. Stuti Thukral	210	-
Remuneration paid to Mr. Pramod Pandey	600	600
Remuneration paid to Mr. Bhuwan Chaturvedi*	-	-
Interest charged from Mr. Bhuwan Chaturvedi	500	500
Sitting Fees paid to Mr. Naveen Aggarwal	275	250
Sitting Fees paid to Mr. N.K. Gupta	240	160
Sitting Fees paid to Mr. S.S. Madan	170	160
Sitting Fees paid to Mr. Y.J. Dastoor	50	140
Retainership Charges Paid to Mr. Bipin Behari Mehrotra	840	280
Sitting Fees paid to Ms. Purti Marwaha	155	130

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

**38.2.2 Transactions with Associates: (Rs. in '000)**

Nature of Transactions	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>Transactions with Paharpur Cooling Towers Ltd.</b>		
Reimbursement for various expenses	5,312	4,189
Interest Paid	28,587	36,434
Secured Loan repaid	192,800	10,000

**38.3 Following were the balance outstanding at March 31, 2019 with related parties:**

**38.3.1 Balance outstanding from Key Management Personnel: (Rs. in '000)**

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>In respect of Mr. Bhuwan Chaturvedi</b>		
Closing balance of loan given*	5,121	5,121

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

**38.3.2 Balance outstanding with Associates: (Rs. in '000)**

Particulars	Year Ended 31-03-2019	Year Ended 31-03-2018
<b>In respect of National Textile Corporation Ltd.</b>		
Unsecured Loan taken and outstanding	17,915	17,915
<b>In respect of Paharpur Cooling Towers Ltd.</b>		
Outstanding Balance of Secured Loan taken	145,108	236,321
Outstanding Balance of Interest Accrued & Due	4,331	79,897
Outstanding Balance of Interest Accrued & Not Due	268	561

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

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

**42. Information regarding Goods Traded**

**42.1 Description : Leasehold Plot Rights (Rs. in '000)**

Particulars	Year Ended 31-03-2019		Year Ended 31-03-2018	
	Qty (in Sqm)	Amount	Qty (in Sqm)	Amount
Opening Balance*	173,912	68,212	177,686	69,283
Purchase	-	-	-	-
Sales	13,742	131,571	3,774	31,948
Closing Balance*	160,170	65,341	173,912	68,212

\* 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, fixed deposits, interest accrued on fixed deposits and loan advanced that derive directly from its operations.

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

### 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 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 summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments. **(Rs. in '000)**

Particular	Less than 1 Year	1 to 5 Years	More than 5 years	Total
<b>March 31, 2019</b>				
Borrowings	163,023	-	-	<b>163,023</b>
Trade payables	9,372	-	-	<b>9,372</b>
Other financial liabilities	4,599	24,983	-	<b>29,582</b>
	<b>176,994</b>	<b>24,983</b>	-	<b>201,977</b>
<b>March 31, 2018</b>				-
Borrowings	254,236	-	-	<b>254,236</b>
Trade payables	7,449	-	-	<b>7,449</b>
Other financial liabilities	80,458	24,983	-	<b>105,441</b>
	<b>342,143</b>	<b>24,983</b>	-	<b>367,126</b>

**44.4 Market Risk**

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

**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's exposure to the risk due to changes in interest rates relates primarily to the Company's short-term borrowings. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost. During March 31, 2019 borrowings at fixed rate denominated in INR.

(Rs. in '000)

Particulars	As At March 31, 2019		As At March 31, 2018	
	Fixed Rate Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Floating Rate Borrowings
Inter Corporate Deposits	145,108	-	236,321	-
<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 Credit risk**

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

**44.7 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 maximise the shareholder value.

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

(Rs. in '000)

Particular	As at March 31, 2019	As at March 31, 2018
Short term Borrowings	163,023	254,236
<b>Net debts</b>	<b>163,023</b>	254,236
<b>Capital components</b>		
Share capital	39,000	39,000
Reserves and surplus	(480,895)	(560,779)
<b>Total capital</b>	<b>(441,895)</b>	(521,779)
<b>Capital and net debt</b>	<b>(278,872)</b>	(267,543)
<b>Gearing ratio (%)</b>	<b>-58%</b>	-95%

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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.

### 45. Fair value measurement

#### 45.1 Valuation Principles

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

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

#### 45.2 Fair value hierarchy

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

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

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

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

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

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

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

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

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

Particulars	March 31, 2019		March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A. Financial Assets - Measured at Amortised Cost</b>				
Cash and cash equivalents	12,589	12,589	8,337	8,337
Bank Balance other than cash and cash equivalents	-	-	7,909	7,909
Loans	5,121	5,121	5,121	5,121



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Particulars	March 31, 2019		March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Other Financial assets	77	77	110	110
<b>Total</b>	<b>17,787</b>	<b>17,787</b>	21,477	21,477
<b>B. Financial Liabilities- Measured at Amortised Cost</b>				
Trade Payables	9,372	9,372	7,449	7,449
Borrowings	163,023	163,023	254,236	254,236
Other financial liabilities	29,582	29,582	105,441	105,441
<b>Total</b>	<b>201,977</b>	<b>201,977</b>	367,126	367,126

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 amortised cost is not significant in each of the year presented.

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

(Rs. in '000)

Particulars	Total (Carrying Value)	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
<b>A. Financial Assets -Measured at Amortised Cost</b>				
Cash and cash equivalents	12,589	-	-	12,589
Bank Balance other than cash and cash equivalents	-	-	-	-
Loans	5,121	-	-	5,121
Other Financial assets	77	-	-	77
<b>Total</b>	<b>17,787</b>	-	-	<b>17,787</b>
<b>B. Financial Liabilities- Measured at Amortised Cost</b>				
Trade Payables	9,372	-	-	9,372
Borrowings	163,023	-	-	163,023
Other financial liabilities	29,582	-	-	29,582
<b>Total</b>	<b>201,977</b>	-	-	<b>201,977</b>

## SWADESHI POLYTEX LIMITED

45.5 The Quantative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March, 2018

(Rs. in '000)

Particulars	Total (Carrying Value)	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
A. Financial Assets - Measured at Amortised Cost				
Cash and cash equivalents	8,337	-	-	8,337
Bank Balance other than cash and cash equivalents	7,909	-	-	7,909
Loans	5,121	-	-	5,121
Other Financial assets	110	-	-	110
<b>Total</b>	<b>21,477</b>	<b>-</b>	<b>-</b>	<b>21,477</b>
B. Financial Liabilities - Measured at Amortised Cost				
Trade Payables	7,449	-	-	7,449
Borrowings	254,236	-	-	254,236
Other financial liabilities	105,441	-	-	105,441
<b>Total</b>	<b>367,126</b>	<b>-</b>	<b>-</b>	<b>367,126</b>

# SWADESHI POLYTEX LIMITED

## PROXY FORM Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

### Swadeshi Polytex Limited

CIN: L25209UP1970PLC003320  
Registered Office: New Kavi Nagar Industrial Area,  
Ghaziabad - 201 002 (UP)

Name of the member(s)			
Registered address			
E-mail id			
Folio no./Client Id		DP Id	

I/We, being the member (s) of..... shares of Swadeshi Polytex Limited, hereby appoint:

1 Name: ..... E-mail Id: .....

Address: .....

..... Signature: ....., or failing him

2 Name: ..... E-mail Id: .....

Address: .....

..... Signature: ....., or failing him

3 Name: ..... E-mail Id: .....

Address: .....

..... Signature: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 49<sup>th</sup> Annual General Meeting of the Company, to be held on **Monday 16<sup>th</sup> September, 2019** at the Registered Office of the Company at A-1, Sector 17, New Kavi Nagar Industrial Area, Ghaziabad - 201002 (Uttar Pradesh) and at any adjournment thereof in respect of such resolutions as are indicated below:

# SWADESHI POLYTEX LIMITED

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

S. No	Resolution	For	Against
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2019 together with the reports of Directors and Auditors thereon.		
2	To appoint a Director in place of Shri Hartaj Sewa Singh having Director's Identification Number 00173286, 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 Shri Shamsher Bahadur Singh having Director's Identification Number 03225016, 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 Shri Sukumar Arunachalam having Director's Identification Number 06624132, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re- appointment.		
5	To re-appoint Mrs. Purti Marwaha as an Independent Director of the Company for the second term of 5 years.		
6	To regularise the appointment of Mr. Sukumar Arunachalam as a Director of the Company.		
7	To regularise the appointment Mr. Pankaj Agarwal as a Director of the Company.		

Affix  
Re. 1/-  
revenue  
stamp

Signed this..... day of.....2019

Signature of shareholder..... Signature of Proxy holder(s).....

## Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

**Swadeshi Polytex Limited**

CIN: L25209UP1970PLC003320

Registered Office: New Kavi Nagar Industrial Area,  
Ghaziabad - 201 002 (UP)**ADMISSION SLIP/RECORDS UPDATION FORM**

Folio No./ DPID & Client ID	
Name of First Registered Holder	
Name of Joint Holder(s)	
Registered Address	
E-mail ID (to be registered)	

Please register/updated my/our e-mail id for sending all future companies correspondence

I HEREBY RECORD MY PRESENCE AT THE 49<sup>TH</sup> ANNUAL GENERAL MEETING OF SWADESHI POLYTEX LIMITED ON **MONDAY 16<sup>TH</sup> SEPTEMBER, 2019** AT A-1, SECTOR 17, NEW KAVI NAGAR INDUSTRIAL AREA, GHAZIABAD - 201002 (UTTAR PRADESH)

Date:

First Holder Signature

**Notes:**

1. Shareholders/Proxies who come to attend the meeting are requested to bring their copies of the Annual Report and Admission Slip with them.
2. Shareholders having queries are requested to send them 10 days in advance of the date of Annual General Meeting of the Company to enable it to collect the relevant information.
3. This Admission slip is valid only in case shares are held on the date of this AGM.

# SWADESHI POLYTEX LIMITED

## Swadeshi Polytex Limited

CIN: L25209UP1970PLC003320  
Registered Office: New Kavi Nagar Industrial Area,  
Ghaziabad - 201 002 (UP)

Sl. No.....

### BALLOT PAPER

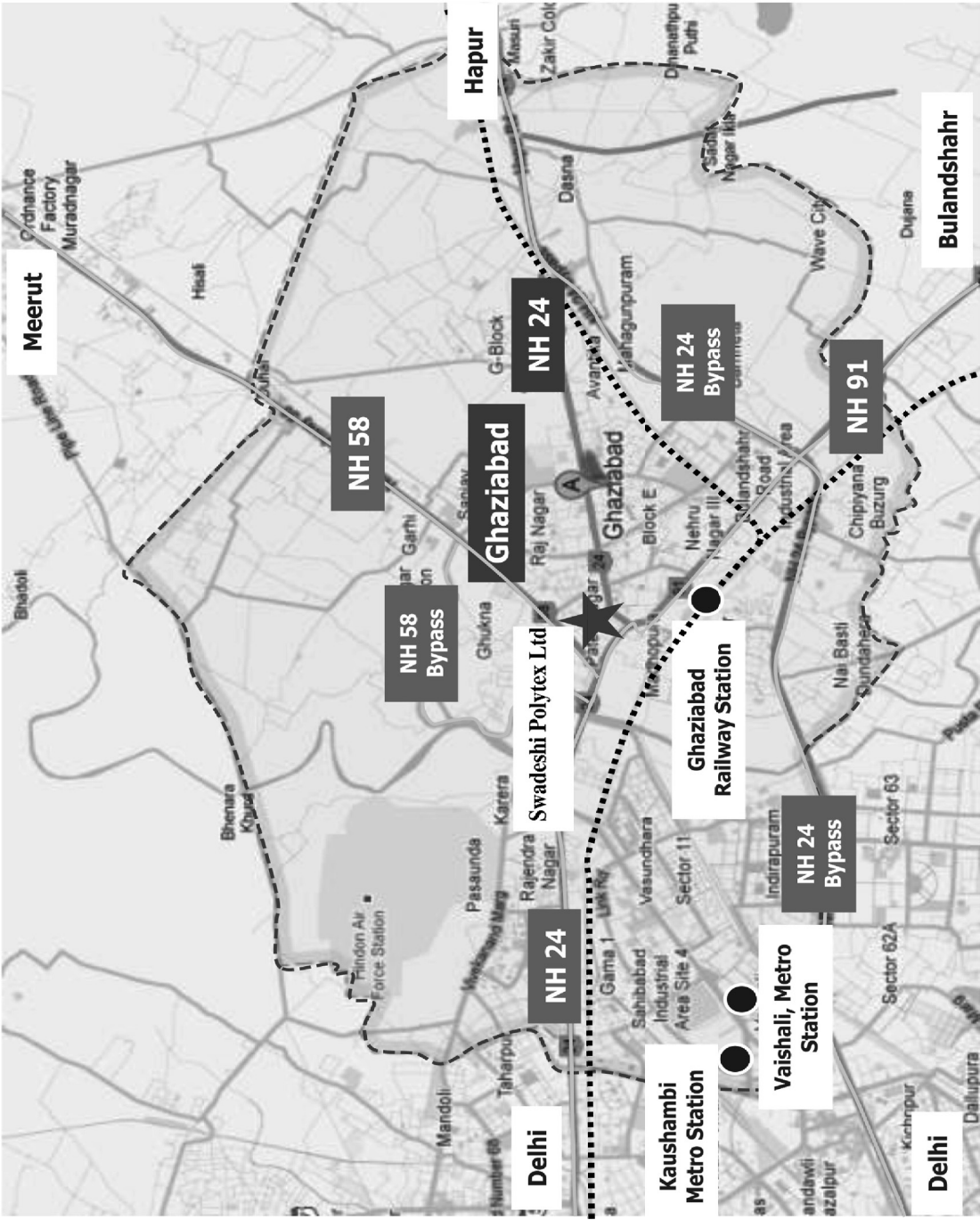
**49<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of the Company to be held at Registered office of the company at A-1, Sector 17, New Kavi Nagar Industrial Area, Ghaziabad - 201002 (Uttar Pradesh) on Monday, 16<sup>th</sup> September, 2019 at 03.00 pm.

Folio No./ DPID & Client ID	
No. of Share(s) Held	
Name of the Shareholder or Name of the Proxy	

S. No	Resolution	For	Against
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2019 together with the reports of Directors and Auditors thereon.		
2	To appoint a Director in place of Shri Hartaj Sewa Singh having Director's Identification Number 00173286, 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 Shri Shamsher Bahadur Singh having Director's Identification Number 03225016, 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 Shri Sukumar Arunachalam having Director's Identification Number 06624132, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re- appointment.		
5	To re-appoint Mrs. Purti Marwaha as an Independent Director of the Company for the second term of 5 years.		
6	To regularise the appointment of Mr. Sukumar Arunachalam as a Director of the Company.		
7	To regularise the appointment Mr. Pankaj Agarwal as a Director of the Company.		

.....  
Signature of Member(s)/proxy

\* Please tick in the appropriate column



Meerut

Hapur

Bulandshahr

NH 58

NH 24

NH 24 Bypass

NH 91

Ghaziabad

NH 58 Bypass

Swadeshi Polytext Ltd

Ghaziabad Railway Station

NH 24

NH 24 Bypass

Vaishali, Metro Station

Delhi

Kaushambi Metro Station

Delhi

*if undelivered, please return to:*  
**SWADESHI POLYTEX LIMITED**  
**CIN:** L25209UP1970PLC003320  
**Regd. Office :** New Kavi Nagar  
Industrial Area Ghaziabad - 201002 (UP)