

Swadeshi Polytex Limited



Regd. Office : Kavi Nagar, Industrial Area, Ghaziabad-201002 (U.P.)
Tele/Fax : +91-120-2701472, Website : www.splindia.co.in

CIN:L25209UP1970PLC003320

info@splindia.co.in

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	SWADESHI POLYTEX LIMITED
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	In respect of the secured loan, "in our opinion the interest of Rs 127.18 lac is overdue for payment." Management reply on above observation: The management had made adequate provision in the Balance Sheet for the interest accrued and due of Rs. 127.18 lac on secured loan and <i>the same now has been paid by the Company.</i>
4.	Frequency of observation	Appeared Second time
5.	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	Chief Executive Officer Bhuwan Chaturvedi

For Swadeshi Polytex Limited

Authorised Signatory



The Fibre for Superior Fabrics

Notice

Notice is hereby given that 44th Annual General Meeting of **Swadeshi Polytex Limited** will be held on Thursday, 25th September, 2014 at 11:00 A.M at the Registered Office of the Company at New Kavi Nagar, Industrial Area, Ghaziabad - 201002 (Uttar Pradesh) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account of the Company ended as on that date together with Report of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Gaurav Swarup (DIN 00374298), who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mr. Shamsher Bahadur Singh Kathpal (DIN 03225016), who retires by rotation and being eligible, offers himself for re- appointment.
4. **Appointment of Auditors**
To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution:
"RESOLVED THAT M/s SANMARKS & ASSOCIATES, Chartered Accountants (Firm Registration No. 003343N), be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Audit Committee/ Board of Directors of the Company."

SPECIAL BUSINESS:

5. **Appointment of Mr. Atul Seksaria as an Independent Director of the Company**
To consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Atul Seksaria (holding DIN 00028099), a non executive Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation."
6. **Appointment of Mr. Yezdeard Jehangir Dastoor as an Independent Director of the Company**
To consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Yezdeard Jehangir Dastoor (holding DIN 00788485), a non executive Director of the Company be and is hereby appointed as an independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation."
7. **Appointment of Mr. Niranjan Kumar Gupta as an Independent Director of the Company**
To consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Niranjan Kumar Gupta (holding DIN 00923080), a non executive Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation."

Swadeshi Polytex Limited

8. Appointment of Mr. Naveen Aggarwal as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:

“**RESOLVED that** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Naveen Aggarwal (holding DIN 00936395), a non executive Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation.”

9. Appointment of Mr. Shyam Sunder Madan as an Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as Ordinary Resolution:

“**RESOLVED that** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shyam Sunder Madan (holding DIN 02427885), a non executive Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation.”

10. Amendment of Articles of Association

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

“**RESOLVED THAT** approval be and is hereby given pursuant to the provisions of Section 14 and other relevant provisions, if any, of the Companies Act, 2013, the existing Clause 97 in the Articles of Association of the Company be and is hereby replaced as follows:

97. “Unless otherwise determined by the Company in General Meeting and subject to Section 149 of the Companies Act, 2013 the number of directors shall not be less than three and not more than fifteen.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

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

Place : New Delhi
Dated : 5th August, 2014

Sd/-
(P. C. Vaish)
Director
(DIN No. 03440470)

Sd/-
(B. Mehrotra)
Director
(DIN No. 03279399)

Swadeshi Polytex Limited

Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 10 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item No. 2, 3 and Item Nos. 5 to 9 of the Notice, are also annexed.
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 and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Thursday 18th September, 2014 to Thursday, 25th September, 2014, both days inclusive.
4. 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 reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents RCMC Share Registry Private Limited (RCMC) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RCMC directly.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RCMC for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RCMC Share Registry Private Limited (RCMC) having its office at B- 25/1, First Floor, Okhla Industrial Area, Phase 2, Delhi, 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.
7. 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.
8. The Notice of the AGM along with the Annual Report 2013-14 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 2013-14 will be available on the Company's website www.splindia.co.in
9. The Notice of the AGM along with the Annual Report 2013-14 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.
10. Clause 35 B of the Listing Agreement 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

Swadeshi Polytex Limited

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 is annexed to this notice.

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

Place : New Delhi
Dated : 5th August, 2014

Sd/-
(P. C. Vaish)
Director
(DIN No. 03440470)

Sd/-
(B. Mehrotra)
Director
(DIN No. 03279399)

Explanatory Statement **(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 10 of the accompanying Notice:

Item No. 5 to 9:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges appointed Mr. Atul Seksaria, Mr. Yezdezard Jehangir Dastoor, Mr. Niranjana Kumar Gupta, Mr. Naveen Aggarwal, and Mr. Shyam Sunder Madan as Independent Directors, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board Proposed the appointment of these directors as Independent Directors from 31st March, 2014 up to 31st March, 2019.

Mr. Atul Seksaria, Mr. Yezdezard Jehangir Dastoor, Mr. Niranjana Kumar Gupta, Mr. Naveen Aggarwal and Mr. Shyam Sunder Madan non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval. The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Independent Directors whose appointment is proposed at Item Nos. 5 to 9 of the accompanying Notice, have been given in the annexure attached.

Except Mr. Atul Seksaria, Mr. Yezdezard Jehangir Dastoor, Mr. Niranjana Kumar Gupta, Mr. Naveen Aggarwal and Mr. Shyam Sunder Madan, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

Item No. 10

The present Articles allow the maximum number of Directors to be twelve.

The Companies Act, 2013 vide Section 149 allows the maximum number of Directors in a Company upto fifteen (15). Therefore to make the Articles in conformity with the Companies Act, 2013 and to broad base the Board

Swadeshi Polytex Limited

by inducting new members it is required to amend Clause 97 of the existing Articles of Association of the Company.

The directors recommend the resolution set forth above in this relation for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Profile of Directors Mentioned in point no. 2 and 3

Particulars	Mr. Gaurav Swarup	Mr. Shamsheer Bahadur Singh Kathpal
Date of Birth	21/11/1956	11/01/1962
Date of Appointment	30/05/1988	26/08/2010
Qualifications	Master of Business Administration, Harvard University, USA (1980) Bachelor of Engineering (Mech.), Jadavpur University, Calcutta (1978)	FCS
Expertise in specific functional areas	General Management	Legal, Secretarial
Directorship held in Other Public Companies (Excluding Foreign Companies)	Industrial and Prudential Investment Company Limited Paharpur Cooling Towers Ltd Paharpur Industries Limited Chemical and Metallurgical Design Company Limited K S B Pumps Limited Upper Ganges Sugar and Industries Limited TIL Limited New Holding and Trading Company Limited	Nil
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	AUDIT COMMITTEE: 1. KSB Pumps Ltd.-Member 2. TIL Ltd.-Member 3. Paharpur Pragnya Tech. Park Pvt. Ltd.-Member 4. Paharpur Pragnya Realty Pvt. Ltd.-Member SHAREHOLDER'S GRIEVANCE COMMITTEE: 1. KSB Pumps Ltd.-Member	Nil
Number of shares held in the Company	350	Nil
Relationship with other Directors	None	None

Swadeshi Polytex Limited

Profile of Directors Mentioned in point no. 5 to 9

Particulars	Mr. Atul Seksaria	Mr. Yezdezard Jehangir Dastoor	Mr. Niranjana Kumar Gupta	Mr. Naveen Aggarwal	Mr. Shyam Sunder Madan
Date of Birth	27/06/1962	22/09/1955	10/08/1954	30/03/1975	01/05/1943
Date of Appointment	23/11/2006	30/05/2011	23/11/2006	23/11/2006	23/11/2006
Qualifications	Chartered Accountant	LLB	LLB	Chartered Accountant	B.A. CAIIB(I)
Expertise in specific functional areas	Possesses rich and wide post qualification experience of 27 years in the areas of assurance, business and risk advisory, due diligence reviews, advising & structuring of entrepreneurial growth companies etc.	Legal	Sales tax, Service tax	Possesses rich and wide post qualification experience of 17 years in the areas of Audit assurance, business and risk advisory, due diligence reviews, advising & structuring of entrepreneurial growth companies etc.	Subsequent to retirement from Indian Overseas Bank as General Manager in 2003 functioning as independent financial Advisor.
Directorship held in other Public Companies (excluding foreign companies)	Amar Ujala Publication Ltd. Skipper Electricals (India) Ltd.	Supreme Paper Mills Ltd.	Skipper Electricals (India) Ltd.	Nil	Nil
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Audit Committee: Amar Ujala Publication Limited Skipper Electricals (India) Ltd.	Nil	Nil	Nil	Nil
Number of shares held in the Company	250	Nil	250	250	250
Relationship with other Directors	None	None	None	None	None

Swadeshi Polytex Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 44th Annual Report along with Audited Accounts and annexure attached thereto for the year ended 31st March, 2014.

HIGHLIGHTS

The factory of the Company located at Ghaziabad is closed since 1998. Since there were no production activities during the year, the Company has not made any manufacturing profit during the year. The Company had also not made any trading of products during the last financial year.

The Company has entered into the Real Estate sector in the earlier year. The Company has earned a revenue of ₹ 649.75 Lacs from selling of lease plot rights of the Company during the year. Your directors are hopeful of achieving better results in the current financial year.

FINANCIAL REPORT

The Financial Results of the Company for the year 2013-2014 are summarized below:

Particulars	Year Ended on 31.03.2014 (in Lakhs)	Year Ended on 31.03.2013 (in Lakhs)
Total Income	733.71	1429.45
Total Expenditure	584.04	1446.72
Profit /Loss before exceptional items and tax	149.67	(17.26)
Deferred Tax Assets /current tax/income tax provision	171.66	152.54
Profit from continuing operation	321.34	135.27
Profit after tax	321.34	135.27
Balance in Profit & Loss Account brought forward from last Year	(7112.00)	(7247.27)
Balances Carried forward to Balance Sheet	(6790.65)	(7112.00)

DIVIDEND

Your Directors do not recommend any dividend for the year under review due to accumulated loss in the Company.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT.

As per clause 49 of the Listing Agreements entered into with the Stock Exchanges, Corporate Governance Report with auditors' certificate thereon and Management Discussion and Analysis report are attached and form part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of section 217(2AA) of the Companies Act, 1956, and based on the representations received from the management, the directors hereby confirm that:

- (i) in the preparation of the annual accounts for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;

Swadeshi Polytex Limited

- (ii) they have 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 of the Company for the financial year;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

DIRECTORS

In terms of the provisions of Section 149 and other applicable provisions of the “Companies Act, 2013” an independent director shall hold office up to a term of five consecutive years on the Board of the Company and shall not be liable to retire by rotation. In accordance with the provisions Mr. Atul Seksaria, Mr. Yezdeard Jehangir Dastoor, Mr. Niranjana Kumar Gupta, Mr. Naveen Aggarwal and Mr. Shyam Sunder Madan Directors are being appointed as Independent Directors for a period of five consecutive years up to March 31, 2019.

The Company has received declarations from all the independent directors confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the “Companies Act, 2013” and Clause 49 of the Listing Agreement. The details of the proposal for appointment of independent directors are mentioned in the statement under Section 102 of the Companies Act” 2013” annexed to the Notice of the Annual General Meeting of the Company.

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Gaurav Swarup (DIN 00374298) Directors and Mr. Shamsher Bahadur Singh Kathpal (DIN 03225016), retire by rotation and being eligible have offered themselves for re-appointment.

AUDITORS

M/s SANMARKS & Associates, Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment.

AUDITORS REPORT

The observations made by the Auditors in the Annexure to the Auditors’ Report in point no. iii(g) are :

“In respect of the secured loan, in our opinion the interest of Rs 127.18 lac is overdue for payment.”

Management reply on the above observation:

The management had made adequate provision in the Balance Sheet for the interest accrued and due of Rs. 127.18 lac on secured loan and the same now has been paid by the Company.

PARTICULARS OF EMPLOYEES

There are no employees who are in receipt of remuneration for which particulars are required to be disclosed as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

In the absence of any manufacturing activities during the year under review, no steps were required to be taken for conservation of energy, technology absorption and research & development and as such the information relating thereto may be taken as nil. There were no foreign exchange earnings and outgo during the year under review.

Swadeshi Polytex Limited

PUBLIC DEPOSITS:

During the year under review, Your Company has not accepted any deposits in terms of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975, and also no amount was outstanding on account of principal or interest thereon, as on the date of the Balance Sheet.

ACKNOWLEDGEMENT

Your Directors wish to convey their sincere thanks to all the shareholders for the trust they have reposed in the Company and its board.

For and on behalf of the Board
FOR SWADESHI POLYTEX LIMITED

Place: New Delhi
Date : 5th August, 2014

Sd/-
(P. C. Vaish)
Director
DIN No. 03440470

Sd/-
(B. Mehrotra)
Director
DIN No.03279399

COMPLIANCE CERTIFICATE

Registration No. of the Company: L25209UP1970PLC003320

Nominal Capital: ₹ 250, 000,000/-(₹ Twenty Five Crores only)

To,

The Members

M/s Swadeshi Polytex Limited

New Kavi Nagar, Industrial Area

Ghaziabad

We have examined the registers, records, books and papers of M/s Swadeshi Polytex Limited as required to be maintained under the Companies Act, 1956 (The Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate ,as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being Public Limited Company has the minimum prescribed paid-up capital and comments with reference to maximum no. of members are not required.
4. The Board of Directors duly met 5 (Five) times on 30th May, 2013, 5th August 2013, 19th September, 2013, 25th October 2013, and 13th February 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 16th September, 2013 to 19th September, 2013 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.3.2013 was held on 19th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Governments.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - (i) Not allotted any securities during the year and the Company delivered all the certificates on lodgment for transfer /transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) Not deposited any amount of dividend in a separate bank account as no dividend was declared during the financial year.
 - (iii) Not required to post warrants to any members of the Company as no dividend was declared during the financial year.

Swadeshi Polytex Limited

- (iv) There was no unpaid dividend account, application money due for refund etc. that have remained unclaimed or unpaid for a period of seven years.
- (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of directors, additional directors, alternate directors and directors to fill casual vacancy have been duly made.
15. The Company has not appointed any Managing Director/ Whole time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company law Board, Regional Director, Registrar and / or such other authorities as prescribed under the various provision of the Act during the year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited /accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loan or advances or given guarantees or provide securities to other bodies corporate and consequently no entries have been made in the registers kept for this purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year for offences under the act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employee or class of its employees as contemplated under Section 418 of the Act.

SIGNATURE : Sd/-
NAME OF THE COMPANY SECRETARY : NAVEEN KUMAR RASTOGI
C.P. NO. : 3785

Place : DELHI
Dated : 5th August, 2014

Swadeshi Polytex Limited

ANNEXURE -A

S.No.	Name of the Register as Maintained by Company	Section under which register is maintained
1.	Minutes of Board And General Meeting	U/S 193 of the Companies Act, 1956
2.	Member Register	U/S 150 of the Companies Act, 1956
3.	Share Transfer Register	U/S 108 of the Companies Act, 1956
4.	Register of Particulars of Directors	U/S 303 of the Companies Act, 1956
5.	Directors Shareholdings	U/S 307 of the Companies Act, 1956
6.	Register of Charges	U/S 143 of the Companies Act, 1956
7.	Register and Return	U/S 163 of the Companies Act, 1956
8.	Book of Accounts	U/S 209 of the Companies Act, 1956
9.	Register of Contract	U/S 301 of the Companies Act, 1956

ANNEXURE –B

Forms and returns as filed by the Company with the Register of Companies, Regional Directors, Central Government or other authorities during the financial year 2013-2014 :

FORM NO./RETURN	FILED U/S	DATE OF FILING	PARTICULARS	WHETHER FILED WITHIN TIME (YES/NO)
Balance Sheet & Profit & Loss Account (Form 23 AC & 23 ACA)	220	14.10.2013	Year ended on 31.03.2013	YES
Annual Return (Form 20 B)	159(1)	13.11.2013	For AGM held on 19.09.2013.	YES
Compliance Certificate (Form 66)	383 A	23.09.2013	Year ended on 31.03.2013	YES
Form 32	303(2)	21.09.2013	For Appointment & Cessation of Directors.	YES
Form 32	303(2)	14.10.2013	Regularization of Directors.	YES
Form 23	192	24.09.2013	For registration of Special Resolution.	YES
Form 32	303(2)	25.03.2014	For Appointment & Cessation of Directors.	NO

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance in all its activities and processes. The Directors endeavor is to create an environment of fairness, equity and transparency with the underlying objective of securing long-term shareholder value, while, at the same time, respecting the rights of all stakeholders.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

II . BOARD OF DIRECTORS

The Board of Directors (The Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and had been vested with the requisite powers, authorities and duties.

A. Composition, Category and Attendance of the Board of Directors

i. Composition of the Board

The composition of Board of Directors as detailed below is in conformity with clause 49 of the Listing Agreement and Companies Act, 2013.

Sl. No.	Name	DIN	Category
1.	Mr. Gaurav Swarup	00374298	Chairman and Non Executive Director
2.	Mr. Hartaj Sewa Singh	00173286	Vice Chairman and Non Executive Director
3.	Mr. K. Ramachandran Pillai*	00227784	Non Executive Director
4.	Mr. R. K. Sharma*	01882634	Non Executive Director
5.	Mr. Atul Seksaria	00028099	Non Executive, Independent Director
6.	Mr. S. S. Madan	02427885	Non Executive, Independent Director
7.	Mr. N. K. Gupta	00923080	Non Executive, Independent Director
8.	Mr. Naveen Aggarwal	00936395	Non Executive, Independent Director
9.	Mr. S.B Singh Kathpal	03225016	Non Executive Director
10.	Mr. Bipin Behari Mehrotra	03279399	Non Executive Director
11.	Mr. Yezdezard Jehangir Dastoor	00788485	Non Executive, Independent Director
12.	Mr. P.C. Vaish	03440470	Non Executive Director
13.	Mr. Rakesh Kumar Sinha *	03391787	Non Executive Director
14.	Mr. Alokendra Banerjee *	02749748	Non Executive Director

* Mr. K. Ramachandran Pillai ceased to be a Director on the Board w.e.f. 5th August, 2013.

* Mr. R.K. Sharma ceased to be a Director on the Board w.e.f. 13th February, 2014.

* Mr. Rakesh Kumar Sinha was appointed as a nominee Director w.e.f. 5th August, 2013.

* Mr. Alokendra Banerjee was appointed as a nominee Director w.e.f. 13th February, 2014

As on March 31, 2014, the Company has twelve Directors with a Non-Executive Chairman and a Non-Executive Vice Chairman, out of the twelve Directors all are Non-Executive Directors and five are Independent Directors (i.e. 41.67%). The composition of the Board is in partial conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. None of the Non-Executive Directors are responsible for the day to day affairs of the Company.

- ii. None of the Directors on the Board, is Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2014, have been made by the Directors.

Swadeshi Polytex Limited

- iii. The names of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2014, are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India.
- iv. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013 and its rules thereto.

Name	Number of Board Meetings during the year 2013-14		Number of Directorships in other public companies		Number of committee positions held in other public companies		Whether attended last AGM held on 19th Sep. 2013
	Held	Attended	Chairman	Member	Chairman	Member	
Mr. Gaurav Swarup	5	NIL	1	7	NIL	5	No
Mr. Hartaj Sewa Singh	5	5	NIL	NIL	NIL	NIL	Yes
Mr. K. Rama Chandran Pillai	5	NIL	NIL	NIL	NIL	NIL	No
Mr. R. K. Sharma	5	3	NIL	NIL	NIL	NIL	No
Mr. Atul Seksaria	5	4	NIL	2	NIL	2	No
Mr. S. S. Madan	5	5	NIL	NIL	NIL	NIL	Yes
Mr. N. K. Gupta	5	5	NIL	NIL	NIL	NIL	Yes
Mr. Naveen Aggarwal	5	5	NIL	NIL	NIL	NIL	Yes
Mr. S. B. Singh Kathpal	5	5	NIL	NIL	NIL	NIL	Yes
Mr. Bipin Behari Mehrotra	5	5	NIL	NIL	NIL	NIL	Yes
Mr. Yezdezard Jehangir Dastoor	5	3	NIL	1	NIL	NIL	Yes
Mr. P. C. Vaish	5	5	NIL	7	NIL	5	Yes
Mr. Rakesh Kumar Sinha	5	3	6	1	NIL	NIL	Yes
Mr. Alokendra Banerjee	1	NIL	NIL	6	NIL	5	No

* Mr. K. Ramachandran Pillai ceased to be a Director on the Board w.e.f. 5th August, 2013.

* Mr. R. K. Sharma ceased to be a Director on the Board w.e.f. 13th February, 2014.

* Mr. Rakesh Kumar Sinha was appointed as a nominee Director w.e.f. 5th August, 2013.

* Mr. Alokendra Banerjee was appointed as a nominee Director w.e.f. 13th February, 2014

- v. During the period, the Board of Directors of your Company met 5 (Five) times. The dates on which the meetings were held are 30th May 2013, 5th August 2013, 19th September, 2013, 25th

October, 2013 and 13th February, 2014 and the gap requirement of four months between two meetings has been complied with. The necessary quorum was present for all the meetings.

- vi. During the year 2013-14, all relevant information, as per clause 49 of the listing Agreement was placed before the Board from time to time.

B. Code of Conduct

The Board has approved the code of conduct for all the board members and senior management personnel of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the CEO forms a part of this report.

C. Non Executive Directors Compensation and Disclosures

The Company does not have any pecuniary relationship with any Non-Executive Directors.

No remuneration was given to any of the Director during the financial year 2013-14.

III. COMMITTEES OF THE BOARD

A. Audit Committee

- i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292 A of the Companies Act, 1956.
- ii. The terms of reference of the Audit Committee are broadly as under:
 - Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - Reviewing, with the management, the annual financial statements before submission to the board for approval, focusing primarily on:
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit;
 - the going concern assumption;
 - compliance with accounting standards;
 - compliance with stock exchange and legal requirements concerning financial statements;
 - any related party transactions as per Accounting Standard 18.
 - Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

Swadeshi Polytex Limited

- Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.
- iv. The previous Annual General Meeting (AGM) of the Company was held on 19th September, 2013 and was attended by Mr. Naveen Aggarwal, Chairman of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below

Sl. No.	Name of the Member	Category	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Naveen Aggarwal (Chairman)	Non Executive, Independent Director	5	5
2.	Mr. B. Mehrotra	Non Executive Director	5	5
3.	Mr. N. K. Gupta	Non Executive Independent Director	5	5
4.	Mr. P. C. Vaish	Non Executive Director	5	5

- vi. Five Audit Committee meetings were held during the year 2013-14 on 17th May, 2013, 1st August, 2013, 23rd October, 2013, 3rd February, 2014 and 13th February, 2014. The necessary quorum was present for all the meetings.

B. Stakeholders Relationship Committee (Formerly known as Shareholders Grievance Committee)

The Stakeholders Relationship Committee of the Board Comprises of Mr. N. K. Gupta (Chairman), Mr. S. S. Madan (Member), Mr. Bhuwan Chaturvedi (Member) and Mr. D. K. Agarwal (Member).

Functions and Terms of Reference

The functioning and broad terms of reference of the Stakeholders Relationship Committee of the Company are as under:

- i. To consider and resolve the grievance of security holders of the Company.
 - ii. To review important circulars issued by SEBI/Stock Exchanges
 - iii. To take note of compliance of Corporate Governance during the quarter/year.
 - iv. To approve request for share transfer and transmissions.
 - v. To approve request pertaining to remat of shares/sub-division/consolidation/issue of renewed/duplicate share certificate etc.
- No meeting of the Committee was held during the year.

vi. Name, designation and address of Compliance Officer:

Mr. Bhuwan Chaturvedi (CEO)
Swadeshi Polytex Limited
New Kavi Nagar, Industrial Area, Ghaziabad - 201002 (Uttar Pradesh)

Swadeshi Polytex Limited

vii. Details of investor complaints received and redressed during the year 2013-14 are as follows:

Opening balance	Received	Resolved during the year	Closing balance during the year
Nil	Nil	Nil	Nil

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board and it comprises of the following Independent Directors:

Chairman: Mr. Atul Seksaria

Members: Mr. Naveen Aggarwal, Mr. H.S. Singh and Mr. P.C. Vaish.

Functions and Terms of Reference of the Nomination and Remuneration Committee of the Company are as follows:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To recommend to the Board, the remuneration including any modification therein payable to the Managing Director or Whole-time Director or Manager of the Company.
- Such other functions/area/term as desired/referred by the Board from time to time or required under applicable law /listing agreement, for time being in force.

No meeting of the Committee was held during the year.

Remuneration Policy

Company's Remuneration policy is market led and takes into account the competitive circumstance of the business so as to attract and retain quality talent and leverage performance significantly.

Share Transfer Committee

- The Company has a Share Transfer Committee of Directors to look into the transfer of shares.
- Share Transfer Committee comprises of Mr. Naveen Aggarwal (Chairman), Mr. Bhuwan Chaturvedi, Mr. B. Mehrotra & Mr. P.C. Vaish.

IV. DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE NON EXECUTIVE DIRECTORS AS ON MARCH 31, 2014 ARE GIVEN BELOW:

Sl. No.	Name	No. of shares held
1.	Mr. Gaurav Swarup	350
2.	Mr. Hartaj Sewa Singh	250
3.	Mr. Atul Seksaria	250
4.	Mr. S.S.Madan	250
5.	Mr. N.K.Gupta	250
6.	Mr. Naveen Aggarwal	250
7.	Mr. S.B Singh Kathpal	NIL
8.	Mr. Bipin Behari Mehrotra	NIL

Swadeshi Polytex Limited

Sl. No.	Name	No. of shares held
9.	Mr. Yezdezard Jehangir Dastoor	NIL
10.	Mr. P.C. Vaish	NIL
11.	Mr. Rakesh Kumar Sinha	NIL
12.	Mr. Alokendra Banerjee	NIL

The Company has not issued any convertible debentures.

V. GENERAL BODY MEETING

a. Annual General Meeting

The details of last three Annual General Meetings (AGM) of shareholders held were as under:

Year	Date	Location	Time	Whether Special Resolution Passed
43 rd AGM	19/09/2013	New Kavi Nagar Industrial Area, Ghaziabad, U.P	12.30 P.M.	Yes
42 nd AGM	21/09/2012	New Kavi Nagar Industrial Area, Ghaziabad, U.P	12.00 NOON	Yes
41 st AGM	21/09/2011	New Kavi Nagar Industrial Area, Ghaziabad, U.P	12.00 NOON	Yes

Special Resolution passed at the last three Annual General Meetings.

AGM	Description of Special Resolution
43 rd AGM	Appointment of Auditors and fixation of their remuneration.
42 nd AGM	Appointment of Auditors and fixation of their remuneration and Dematerialization of shares of the Company.
41 st AGM	Appointment of Auditors and fixation of their remuneration.

- b. No Extraordinary General Meeting of the Members was held during the year 2013-14.
- c. No Postal Ballot was conducted during the year 2013-14.

VI DISCLOSURES

- i. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years 2011-12, 2012-13 and 2013-14 respectively: NIL
- iii. There was no fresh public issue/right issue/ preferential issues etc. during the financial year 2013-14.
- iv. The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- v. Management Discussion & Analysis Report is a part of the Company's Annual Report.

VII SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

Swadeshi Polytex Limited

VIII MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results of the Company are published in leading national English and Hindi newspapers .The results are also displayed on the Company's website www.splindia.co.in.

IX GENERAL SHAREHOLDER INFORMATION

S No. Information

- i. Annual General Meeting
- Date and Time 25th September, 2014 at 11.00 A.M.
- Venue New Kavi Nagar, Industrial Area, Ghaziabad.
- ii. Financial Year Ending 31st March, 2014
- iii. Book Closure Date 18th September, 2014 to 25th September, 2014
(Both days inclusive)
- iv. Listing on Stock Exchange The Stock Exchange, Mumbai
Phiroze Jee Bhoy Tower,
25th Floor, Dalal Street, Mumbai – 400001
- v. Dividend payment date Dividends are not recommended by the board
during 2013-14

Listing Fee of The Bombay Stock Exchange Limited upto the year 2014-15 has been paid and the confirmations of delisting from regional and other Stock Exchange (other than Bangalore Stock Exchange) is still awaited

- vi. Stock Code
The Bombay Stock Exchange Limited : 503816
- vii. Market Price Data (BSE): High, Low during few month in last financial year at BSE:

Month	High	Low	No. of shares traded
Apr 13	39.00	39.00	100
Nov 13	40.50	40.50	20
Jan 14	38.50	38.50	1
Feb 14	36.60	34.80	25
Mar 14	33.10	25.70	91,540

- viii. Outstanding DRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity As on date there are no outstanding warrants /bonds/ other instruments
- ix. Registrar and Transfer Agent The Company has appointed RCMC Share Registry Pvt. Ltd. as Registrar and Share Transfer Agent.
- x. Share Transfer System The Share Transfer Committee meets regularly to approve the transfer/ transmission etc.

Swadeshi Polytex Limited

xi. Distribution of Shareholdings as on March 31, 2014

Share Holding of Nominal Value of ₹ 10/-	No. of Shareholders	% of Shareholders	No of Shares held	Amount	% to total
1 to 5000	9690	98.51	670261	6702610	17.19
5001 to 10000	89	0.90	68780	687800	1.76
10001 to 20000	31	0.32	48025	480250	1.23
20001 to 30000	9	0.09	21225	212250	0.54
30001 to 40000	5	0.05	16555	165550	0.42
40001 to 50000	3	0.03	15000	150000	0.38
50001 to 100000	2	0.02	10550	105500	0.27
100001 to Above	8	0.08	3049604	30496040	78.19
Grand Total	9837	100	3900000	39000000	100

Categories of Equity shareholder as on March 31, 2014

	Category	No. of Shares	% of Holding
1.	Promoters Holding		
	i. Promoters – Indian Promoters	2338929	59.97
	– Foreign Promoters	0	0
	ii. Persons acting in concert	0	0
	Sub Total	2338929	59.97
2.	Non Promoters Holding		
	i. Institutional Investors		
	ii. Mutual Fund and UTI	0	0
	iii. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	3325	0.08
	iv. FII's		
	Sub Total	3325	0.08
3.	Others		
	i. Private Corporate Bodies	684066	17.55
	ii. Indian Public	817859	20.97
	iii. NRI's/OCB's	4710	0.12
	iv. Any Others(HUF/Firm/Foreign Companies) Clearing Member	51111	1.31
	Sub Total	1557746	39.94
	Grand Total	3900000	100

Swadeshi Polytex Limited

xii.	Dematerialization of Shares	The Company has also obtained the permission from NSDL vide letter dated 22 nd April, 2013 for dematerialization of its shares. Thus, the Equity shares of the Company are available for demat under both the depositories i.e. NSDL & CDSL.
	Demat ISIN Number	INE243N01011
xiii.	Delisting of shares	The Equity shares of the Company have been delisted from the Bangalore Stock Exchange with effect from Friday, 8 th February, 2013.
xiv.	Registered Office	New Kavi Nagar Industrial Area, Ghaziabad 201002
xv.	Plant Location	NA
xvi.	Address for communication	Shareholders correspondence should be addressed to the Company at the Registered Office of the Company or to the Registrar at their corporate office at B-25/1, 1 st Floor, Okhla Industrial Area, Phase-II, New Delhi - 110 020. Phone : 011-26387320/21/23
xvii.	Certificate of Corporate Governance	As stipulated in clause 49 of the Listing Agreement, the certificate from Auditor regarding compliance of condition of Corporate Governance is annexed here with.

Swadeshi Polytex Limited

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Swadeshi Polytex Limited

We have examined the compliance of conditions of Corporate Governance by **Swadeshi Polytex Limited** ('the Company'), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the Company entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with majority of the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to future viability of the company nor of the effectiveness with which the management has conducted the affairs of the Company.

For **N.K. RASTOGI & ASSOCIATES**
Company Secretaries

Sd/-
(NAVEEN K. RASTOGI)
Proprietor
C.P. No.: 3785

Place : New Delhi
Date : 5th August, 2014

CEO CERTIFICATE

To,
The Members
Swadeshi Polytex Limited

Declaration by Chief Executive Officer on Code of Conduct under clause 49 of the Listing Agreement

This is to certify that as per Clause 49 of the Listing Agreement:

1. The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The Code of Conduct has been posted on the website of the Company.
3. The Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year 2013-14.

Place : New Delhi
Date : 5th August, 2014

Sd/-
(Bhuwan Chaturvedi)
CEO

Certificate by Chief Executive Officer and Chief Financial Officer on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,
The Board of Directors,
Swadeshi Polytex Limited

We hereby certify that for the financial year 2013-14:

1. We have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - These Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - significant changes, if any, in internal control over financial reporting during the year under reference;
 - significant changes, if any, in accounting policies during the year requiring disclosure in the notes to the financial statement; and
 - instances of significant fraud of which we are aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Date : 5th August, 2014

Sd/-
(Bhuwan Chaturvedi)
CEO

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Global Economy

During the year under review, emerging and developing economies are in the process of a recovery. However, weak external demand and domestic bottlenecks continue to restrain investment in some of the major emerging economies. Inflation risks in emerging and developing economies appear contained, reflecting negative output gaps and the recent softening of international crude and food prices the world faces several economic and political challenges. A few large emerging economies, including China and India, managed to backstop the deceleration they experienced in the past two years and veered upwards moderately. These factors point to increasing global growth. Inflation will remain tame worldwide, but the employment situation will continue to be challenging.

Indian Economy

The Indian economy had its own sets of challenges during the year. It dealt with issues like high inflation, tightening monetary policy, weakening industrial growth and investments, lack of direction in government policies, depreciating rupee and high crude oil prices. This led to a slowdown in the overall growth of the economy. However, India is expected to gain back its growth momentum in the medium term owing to higher savings and easing inflationary pressures which would lead to capital formation and fresh investments.

Real Estate

In 2011, the Company has entered into real estate sector. As we all are aware that real estate is one of the three primary needs of mankind with food and clothing being the other two. The demand for Real Estate though unquestionable is driven by many factors including affordability, cyclical, market sentiment, availability of loans etc. The supply side is influenced by regulatory policies, liquidity, and availability of skilled and unskilled resources.

Owing to the impact of the challenging macro economic factors, this financial year 2013-14 was quite challenging for the sector. It faced difficulties in terms of funding, rising costs, labor shortages and regulatory issues, hampering project execution. The real estate scenario in India has undergone a sea change in the last two years. The affordable housing segment has seen renewed interest from buyers, however, factors like sky-high property prices, rising inflation, tight monetary policies and increasing costs has pulled down the overall growth.

The last two years have witnessed a cascade of issues and challenges in the realty domain.

Finance minister Arun Jaitley while presenting the 2014-15 Budget made some encouraging proposals that will give the much needed lift to the real estate sector.

1. **Foreign Direct Investment in Real Estate Projects** In order to encourage foreign investment, particularly for the development of Smart Cities, the government will liberalise FDI norms for real estate projects. The requirement of minimum built up area and capital conditions for FDI is being reduced from 50,000 square metres to 20,000 square metres and from USD 10 million to USD 5 million respectively. This will draw more foreign capital and provide liquidity to the real estate sector.
2. **Affordable Housing**
The allocation of Rs. 4,000 crore for NHB will increase the flow of cheaper credit for affordable housing for the urban poor. With slum development being made a part of CSR activities, the government seems to have taken steps in the right direction.
3. **Smart Cities**
The finance minister has allocated Rs. 7,060 crore for developing 100 new smart cities in the country. The move will boost investor sentiment in the real estate segment in the proposed areas of these cities and neighbouring towns. With a large number of offices and IT/ITeS segment growth apart from residential

Swadeshi Polytex Limited

growth coming from Tier II and Tier III centres, smart cities can bring opportunities for real estate developers, investors, end users and also the home loan sector.

4. Introduction of REITs

To give a major boost to commercial realty, the finance minister announced tax sops for Real Estate Investment Trusts (REITs). Necessary incentives have been provided for REITs, which will have to pass through for the purpose of taxation. A pass-through entity does not have to pay corporate tax. REITs can be listed on stock exchanges like shares of any company and allow retail and institutional investors to buy or sell these securities.

5. Increase in deduction limit on interest payment for housing loans

As part of tax management and tax structuring, the finance minister has increased the home loan rebate on self-occupied property from ₹ 1,50,000 to ₹ 2,00,000. Income tax deduction limits under 80C on repayment of principal amount on housing loan has also been increased from ₹ 1 lakh to ₹ 1.5 lakh, which will lead to improved sentiment in the housing market. The Finance minister also proposed major initiatives in the areas of urbanisation, transportation and other infrastructure development that will give a tremendous boost to the real estate sector in the days to come. Some of these are:

- a. Allocation of ₹ 100 crore for Metro Projects in Ahmedabad and Lucknow
- b. Allocation to Urban Renewal (infra development) increased from ₹ 5,000 crore to ₹ 50,000 crore
- c. Investment of ₹ 37,880 crore in NHAI for constructing national and state highways of which 8500 km are to be completed this year
- d. Expressways to be set up along new industrial corridors – ₹ 500 crore for project preparation
- e. Setting up new airports, inland navigation system, SEZs etc. through Public Private Participation

Outlook on opportunities, threats, risks and concerns

Driven by long term vision for real estate, we have always been optimistic on the promising future outlook of this industry. The global economy is recovering and is reflecting in improved performance of some companies in the IT and export oriented industries. It is expected that in the coming time, the loopholes will be addressed by policymakers, home finance sector which in turn would boost the real estate sector. The affordable category has the potential to grow further if these issues are resolved.

Your Company is selling its real estate 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.

While the management of Your Company will continue to leverage the opportunities, it also foresees the challenges, like the availability of skilled resources and retention of highly talented workforce, frequent amendments in regulations, Inflationary pressures which would increase raw material/labor cost, lack of supporting infrastructure such as roads, highways, electricity, etc. that can hamper the growth of real estate as it thrives on availability of good infrastructure.

Financial and Operational Review

The Company's revenue from operations for the year decreased to ₹ 6.49 crore for the financial year 2013-14, as compared to ₹ 14.18 crore in the previous year. The Company continued its focus on core business activity in the infrastructure sector. The key revenue streams for the Company include sale/transfer of lease hold plots/lands. The Company's net profit for the year was higher at ₹ 3.21 crore as compared to ₹ 1.35 crore in the previous year.

Earnings per share was ₹ 8.24 as compared to ₹ 3.47 in the previous year.

Swadeshi Polytex Limited

Resources and Liquidity

The Company's net worth as on 31st March, 2014 was negative due to accumulated loss carried from previous years. The Company continues to maintain its conservative financial profile and funds its requirements largely through internal cash generation.

Human Resources / industrial relations

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 and dismantling of its old plant and machinery.

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

The Company has adequate internal control systems for each and every business processes. The internal control system is supplemented by an extensive internal audit, which is conducted by independent firm of Chartered Accountants i.e. Messer's KSMN & Co., Chartered Accountants, Delhi in our case.

Internal audits are undertaken on a continuous basis. These internal controls ensure efficiency in operations, compliance with internal policies of the Company, applicable laws and regulations, protection of resources and accurate reporting of financial transactions. The Management and Audit Committee regularly review reports of the internal auditors, and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems.

Cautionary Statement

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

INDEPENDENT AUDITORS' REPORT

To,
The Members of Swadeshi Polytex Limited
Ghaziabad

Report on the Financial Statements

We have audited the accompanying financial statements of **Swadeshi Polytex Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risk of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India :

- a) in the case of balance sheet, of the state of affairs of the Company as at 31st March 2014,
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Swadeshi Polytex Limited

2. As required by section 227 (3) of the Act, we report that:
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 (which continues to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - e) On the basis of written representation received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **SANMARKS & ASSOCIATES**

Chartered Accountants
Firm's Regn. No. 003343N

Sd/-

S. K. BANSAL

Partner

Membership No.: 082242

Place: Faridabad
Date : 29th April, 2014
Camp: Ghaziabad

Annexure to the Independent Auditors' Report

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report to the members of Swadeshi Polytex Limited for the year ended 31st March, 2014. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) We are explained that the Company has carried out the year end physical verification of majority of fixed assets. In our opinion, the frequency of the physical verification is reasonable having regard to the size and nature of operations of the company. We are explained that no material discrepancies were noticed on such physical verification.
 - (c) The Company has not sold any part of fixed assets during the year, therefore the provision of the clause (i)(c) is not applicable.
- (ii) (a) The only inventory in hand at the year end 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;
 - (b) In our opinion and in view of nature of inventory, the action taken and procedures followed by the management for physical verification of inventory were found reasonable and adequate.
 - (c) In respect of the trading activities, the company has identified and maintained records in respect of various plots of land and no material discrepancies were noticed on the physical verification of the same as compared to book records.

Swadeshi Polytex Limited

- (iii) (a) We are explained that the Company has not granted any loans secured or unsecured to any Company, firm or other party required to be listed in the register maintained under Section 301 of the Companies Act 1956.
- In view of clause (iii) (a) above, the clauses (iii)(b), (iii)(c) and (iii)(d) of the Order are not applicable.
- (e) The company had taken secured loan from a body corporate and unsecured loan from another body corporate listed in the register maintained under Section 301 of the Companies Act 1956. The maximum amount involved for the said loans was ₹ 2495.30 lac for Secured Loan and ₹ 230.21 Lac for unsecured loans.
- (f) In our opinion, the rate of interest and other terms and conditions of the aforesaid loans taken by the company, considering various factors, are prima facie not prejudicial to the interest of the company;
- (g) In respect of the aforesaid secured loan, *in our opinion the interest of ₹ 127.18 lac is overdue for payment*. In respect of unsecured loan, it is informed that the same is repayable on demand. We are also informed that no such demand was raised for repayment of aforesaid unsecured loan during the year and therefore there was no overdue amount at the year end.
- (iv) In our opinion and according to the information and explanations give to us, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchase of fixed assets and Trading activities. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control procedures.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the company has not entered into any transactions exceeding the aggregate amount of Rs. five lacs in respect of aforesaid parties during the year except the transactions under loan and interest thereon and reimbursement accounts.
- (vi) The company has not, during the year, accepted any fixed deposit from the public to which provisions of section 58A & 58AA of the Companies Act, 1956 and relevant rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We are informed that the maintenance of the cost records has not been prescribed u/s 209 (1) (d) of the Companies Act 1956 for the company since no manufacturing activities were carried out by the company during the year under report.
- (ix) (a) According to the information and explanation given to us and on the basis of our examination of the books of account, the company has been *generally* regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other material statutory dues applicable to it with the appropriate authorities.
- (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/wealth tax/service Tax/excise duty/cess, which have not been deposited on account of any dispute.

Swadeshi Polytex Limited

Name of Statute	Nature of Dues	Amount (in lacs)	Period	Forum at which dispute is pending
Various Sales Tax Acts	Sales Tax Demand	149.37	Various Years	Various Forum
The Central Excise Act, 1944	Excise Duty on unauthorised removal of goods	165.22	Various Years	Commissioner Central Excise and CESAT
The Central Excise Act, 1944	Penalty on Excise Duty	25.00	2012	CESAT
The Central Excise Act, 1944	Custom Duty	0.19	Old	D. C. Customs Mumbai

- (x) At the end of the current financial year, company's accumulated losses were more than 50% of its net worth. Further, the company had not incurred cash loss during the current financial year. However, such loss was incurred in the immediately preceding financial year.
- (xi) According to the information and explanation given to us, we are informed that the company had not borrowed any money from any bank or financial institution and had not issued debentures during the year under report.
- (xii) We are informed that the company had not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to it.
- (xiv) On the basis of examination of books of accounts and according to information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other Investments.
- (xv) According to the information and explanation given to us by the Management, the Company had not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) We are informed that the Company had not obtained any term loans during the current financial year.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that the company had not used the short term funds for long term investment during the year under report.
- (xviii) According to the information and explanation given to us, the company had not made any preferential allotment of shares to parties or companies covered in register maintained under Section 301 of the Act.
- (xix) The company had not issued any debentures, consequently the provisions of clause 4(xix) of the Order are not applicable to it.
- (xx) The company had not raised any money by means of public issue.
- (xxi) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the Management.

For **SANMARKS & ASSOCIATES**
Chartered Accountants
Firm's Regn. No. 003343N

Sd/-

S. K. BANSAL

Partner

Membership No.: 082242

Place: Faridabad
Date : 29th April, 2014
Camp: Ghaziabad

Swadeshi Polytex Limited

BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No.	Amount as at 31-March-2014	Amount as at 31-March-2013
I. EQUITY & LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	3,90,00,000	3,90,00,000
(b) Reserves & Surplus	2.2	-49,98,92,192	-53,20,26,486
		-46,08,92,192	-49,30,26,486
(2) Non-current liabilities			
(a) Other Long Term Liabilities	2.3	2,56,37,196	2,67,50,552
(b) Long-term provisions	2.4	32,00,000	32,00,000
		2,88,37,196	2,99,50,552
(3) Current liabilities			
(a) Short-term borrowings	2.5	50,80,62,321	61,00,96,745
(b) Trade payables	2.6	29,21,452	1,42,44,103
(c) Other current liabilities	2.7	14,95,21,551	13,92,79,821
		66,05,05,324	76,36,20,669
	TOTAL	22,84,50,328	30,05,44,735
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	2.8	13,93,218	13,59,025
		13,93,218	13,59,025
(b) Deferred Tax Assets(Net)	2.9	10,24,84,755	8,53,18,036
(c) Long-term loans and advances	2.10	1,50,28,621	88,89,967
		11,75,13,376	9,42,08,003
(2) Current assets			
(a) Inventories	2.11	6,58,50,557	6,97,47,239
(b) Trade receivables	2.12	92,53,505	12,86,00,957
(c) Cash and cash equivalents	2.13	3,40,81,977	62,99,555
(d) Short-term loans and advances	2.14	1,01,640	23,311
(e) Other current assets	2.15	2,56,055	3,06,646
		10,95,43,734	20,49,77,708
	TOTAL	22,84,50,328	30,05,44,735

Significant Accounting Policies

1.0

The Notes No. 1 to 2.32 are integral part of these financial statements

As per our report of even date attached

For **Sanmarks & Associates**

Chartered Accountants

Firm Regn. No. 003343N

S.K.Bansal

Partner

M No. - 082242

Place : Faridabad

Camp: Ghaziabad

Date : 29th April, 2014

Sd/-
(P. C. Vaish)
Director

(DIN No. 03440470)

Sd/-
(B. Mehrotra)
Director

(DIN No. 03279399)

Swadeshi Polytex Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Note No.	For the year ended 31-March-2014	For the year ended 31-March-2013
I. Revenue from operations	2.16	6,49,75,980	14,18,50,821
II. Other Income	2.17	83,95,797	10,95,025
III. Total Revenue (I + II)		7,33,71,777	14,29,45,846
IV. Expenses:			
Purchase of Stock-in-Trade		-	25,30,895
Land Development Expenses		-	57,44,738
Changes in inventories of Stock-in-Trade		38,96,682	(1,39,394)
Financial costs	2.18	3,52,28,789	12,09,08,387
Depreciation and amortization expense	2.8	64,307	38,203
Other expenses	2.19	1,92,14,424	1,55,89,487
Total Expenses		5,84,04,202	14,46,72,316
V. Profit/(Loss) before tax	(III-IV)	1,49,67,575	(17,26,470)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(1,71,66,719)	(1,52,54,213)
VII. Profit/(Loss) from the period from continuing operations	(V-VI)	3,21,34,294	1,35,27,743
VIII. Profit/(Loss) from Discontinuing operations	2.20	-	-
IX. Tax expense of Discontinuing operations		-	-
X. Profit/(Loss) from Discontinuing operations	(VIII-IX)	-	-
XI. Profit/(Loss) for the period	(VII+X)	3,21,34,294	1,35,27,743
XII. Earning per equity share: (nominal value of ₹ 10 each (previous year ₹ 10 each))			
Basic & Diluted			
Computed on the basis of profits from continuing operations		8.24	3.47
Computed on the basis of the total profits of the period		8.24	3.47

Significant Accounting Policies

1.0

The Notes No. 1 to 2.32 are integral part of these financial statements

As per our report of even date attached

For **Sanmarks & Associates**

Chartered Accountants

Firm Regn. No. 003343N

S.K.Bansal

Partner

M No. - 082242

Place : Faridabad

Camp: Ghaziabad

Date : 29th April, 2014

Sd/-

(P. C. Vaish)

Director

(DIN No. 03440470)

Sd/-

(B. Mehrotra)

Director

(DIN No. 03279399)

Swadeshi Polytex Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	For the year ended 31-March-2014	For the year ended 31-March-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	1,49,67,575	(17,26,470)
Adjustment for :		
Provisions no longer required written back		
Interest Expenses	3,46,15,864	11,99,37,660
Credit Balances written back	(13,69,418)	(5,79,855)
Interest Income	(47,34,754)	(4,85,871)
Depreciation	64,307	38,203
Operating Cash before working capital changes	4,35,43,574	11,71,83,667
Adjustment for :		
(Increase)/Decrease in Long Term Loans & Advances	(30,66,089)	(9,916)
(Increase)/Decrease in Short Term Loans & Advances	(78,329)	65,077
Increase/(Decrease) in Other Long Term Liabilities	(11,13,356)	(3,63,720)
Increase/(Decrease) in Other Current Liabilities	12,13,87,367	(1,87,34,837)
(Increase)/Decrease in Other Current Assets	50,591	(1,07,170)
(Increase)/Decrease in Inventory	50,64,056	(1,39,394)
Increase/(Decrease) in Trade Payables	(1,13,22,651)	(1,02,13,452)
(Increase)/Decrease in Trade Receivables	11,93,47,452	(9,28,59,831)
Cash Generated from Operation	27,38,12,616	(51,79,576)
Direct Tax Paid/(Refund)	30,72,564	(41,497)
Net Cash Flow from Operating Activities	27,07,40,052	(51,38,079)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	98,500	73,747
Sale of Fixed Assets	-	-
Interest Received	(47,34,754)	(4,85,871)
Net Cash used in Investing Activities	(46,36,254)	(4,12,124)

Swadeshi Polytex Limited

Particulars	For the year ended 31-March-2014	For the year ended 31-March-2013
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Payment of Short Term Borrowings	10,20,34,424	-
Payment of Long Term Borrowings	-	-
Proceeds from Short Term Borrowings	-	-
Interest Paid	14,55,59,460	1,19,93,765
Net Cash used in Financing Activities	24,75,93,884	1,19,93,765
Net Increase/(Decrease) in Cash and Cash Equivalents (A-B-C)	2,77,82,421	(1,67,19,720)
Cash and Cash Equivalent at the Beginning of the Year	62,99,556	2,30,19,276
Cash and Cash Equivalent at the end of the Year	3,40,81,977	62,99,556
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	24,48,856	14,78,401
Cheque/Draft in Hand	-	-
Balance with Banks		
- Current Accounts	54,36,457	37,67,686
- Deposit Accounts	2,61,96,664	10,53,468
Total Cash and Cash Equivalents (Note 2.13)	3,40,81,977	62,99,556

As per our report of even date attached

For **Sanmarks & Associates**

Chartered Accountants

Firm Regn. No. 003343N

S.K.Bansal

Partner

M No. - 082242

Place : Faridabad

Camp: Ghaziabad

Date : 29th April, 2014

Sd/-
(P. C. Vaish)
Director
(DIN No. 03440470)

Sd/-
(B. Mehrotra)
Director
(DIN No. 03279399)

SIGNIFICANT ACCOUNTING POLICIES & PRACTICES AND NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

1.1 ACCOUNTING CONCEPTS

a) The financial statements are prepared under the historical cost convention on accrual basis of accounting as going concern and in accordance with the generally accepted accounting principles, accounting standards as prescribed under companies Accounting Rules, 2006, as applicable and the relevant provisions, rules and disclosure requirements of the Companies Act, 1956.

b) USE OF ESTIMATES

In preparing the financial statements in conformity with the generally accepted accounting principles management is required to make estimates and assumptions that may affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

1.2 FIXED ASSETS, REVALUATION OF ASSETS AND DEPRECIATION

(a) Fixed assets are stated at their original cost of acquisition including cost of installation. MODVAT/CENVAT availed are being deducted from the cost of respective asset.

(b) Projects under Commissioning and other Capital Works-in-Progress are carried at cost, comprising direct cost and related incidental expenses.

(c) In case of Revaluation of Fixed Assets, the concerned asset is stated at revalued amount with the creation of Revaluation Reserve. Consequent depreciation on revalued portion of fixed assets based on the remaining useful life is being withdrawn from Revaluation reserve crediting the Profit & Loss Account.

(d) Depreciation on Plant & Machinery and Buildings is being provided on Straight Line Method, other assets except leasehold land is provided on written down value method at the rates specified in Schedule XIV (as amended) to the Companies Act, 1956.

1.3 IMPAIRMENT OF ASSETS

(i) The carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal /external factors.

(ii) An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount and the same is recognized as an expense in the statement of Profit & Loss and Carrying amount of the asset is reduced to recoverable amount.

(iii) 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.

1.4 REVENUE

Revenue on transfer of leasehold land is recognised on the basis of transfer of rights along with the related risk and rewards to the buyer.

Sales is recognized on dispatch of goods and includes excise duty but excludes sales tax, rebate & discount allowed, as applicable and is net of return/rejections.

Similarly Interest on receivables are accounted only on the receipt or settlement of the same, which ever is earlier.

Swadeshi Polytex Limited

1.5 INVENTORIES

Valuation of stocks is done as mentioned below:

Raw Material and Stores & Spares	At lower of cost or Net realisable value
Work-in-Process	At cost of material included therein or net realisable value whichever is lower.
Finished Goods	At lower of cost or net realisable value
Leasehold Land held for sale	At lower of book value or net realisable value
Saleable Waste, Inventory Held for Disposal and by products	At Net estimated relisable value

- (a) Cost is arrived at using monthly weighted average method.
- (b) Cost of Finished Goods is inclusive of Excise Duty.
- (c) Cost of Leasehold land is determined after including the expenditure incurred on the development thereof

1.6 TAXATION

i) Current Tax

Provision for Taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961. However, where the tax is computed in accordance with the provision of Section 115 JB of the Income Tax Act, 1961, as Minimum Alternate Tax (MAT), it is charged off to the Profit & Loss Account of the relevant year.

ii) Deferred Tax

Deferred Income Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.

Deferred Tax assets are recognized and carried forward to the extent there is reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent of deferred tax liabilities or there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.7 Refunds of Taxes and Duties

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

1.8 Contingent Liabilities

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise etc.) except frivolous claims for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

Swadeshi Polytex Limited

2.1 SHARE CAPITAL

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
AUTHORISED		
22500000 Equity Shares of ₹ 10/- each	22,50,00,000	22,50,00,000
250000 9.5% Redeemable cumulative Preference Shares of ₹ 100/- each	2,50,00,000	2,50,00,000
TOTAL	25,00,00,000	25,00,00,000
ISSUED, SUBSCRIBED & PAID UP		
3900000 Equity Shares of ₹ 10/- each fully paid up	3,90,00,000	3,90,00,000
TOTAL	3,90,00,000	3,90,00,000

Reconciliation of the no. of shares outstanding as at 31-March-2014 & 31-March-2013 is set out below:

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
No. of shares at the beginning	39,00,000	39,00,000
Add/(Less) - Shares issued/(Shares forfeited/Buy Back)	-	-
No. of shares at the end	39,00,000	39,00,000

Shares in the company held by each shareholder holding more than 5% shares

National Textile Corporation Ltd	- 33.61%
M.K.J Enterprises Ltd	- 12.47%
Selecto Pac Private Ltd.	- 8.80%
Paharpur Cooling Towers Pvt Ltd.	- 7.50%
Doy Pac Systems Pvt Ltd.	- 7.11%

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 ₹ 10/- per share. Each shareholder is entitled to one vote per share.

Swadeshi Polytex Limited

2.2 RESERVES & SURPLUS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Capital Reserve		
Opening Balance	5,06,250	5,06,250
Add - Additions/(deletions) made	-	-
Closing Balance	5,06,250	5,06,250
Revaluation Reserve		
Opening Balance	6,22,835	6,22,835
Add - Additions made	-	-
Less - Deletions in respect of sale of revalued assets	-	-
Closing Balance	6,22,835	6,22,835
Capital Redemption Reserve		
Opening Balance	1,09,75,000	1,09,75,000
Add - Additions/(deletions) made	-	-
Closing Balance	1,09,75,000	1,09,75,000
Surplus		
Opening Balance	-71,12,00,152	-72,47,27,895
Add - Profit/(Loss) during the year	3,21,34,294	1,35,27,743
Closing Balance	-67,90,65,858	-71,12,00,152
General Reserve		
Opening Balance	16,70,69,581	16,70,69,581
Add - Additions/(deletions) made	-	-
Closing Balance	16,70,69,581	16,70,69,581
TOTAL	-49,98,92,192	-53,20,26,486

2.3 OTHER LONG TERM LIABILITIES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Other Payables :		
- due to personnel	2,56,37,196	2,67,50,552
TOTAL	2,56,37,196	2,67,50,552

2.4 LONG TERM PROVISIONS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Others :		
- Provision for Contingencies	32,00,000	32,00,000
TOTAL	32,00,000	32,00,000

Swadeshi Polytex Limited

2.5 SHORT TERM BORROWINGS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
(a) Loan From Other Parties :-		
* - Secured Loan from a Body Corporate	24,87,19,825	35,07,54,249
	24,87,19,825	35,07,54,249
(b) Loans from related parties :		
* - Secured Term Loan from a Body Corporate	23,63,20,999	23,63,20,999
- Unsecured Demand Loan (Interest free) from a Body Corporate	2,30,21,497	230,21,497
	25,93,42,496	25,93,42,496
TOTAL	50,80,62,321	61,00,96,745

* Rupee term loans are secured by way of pari-passu negative lien on the land & building situated at Kavi Nagar, Ghaziabad, UP.

Details of the default amount is as follow :

- (i) Loan from related Party - Principal ₹ Nil (Previous Year ₹ 23,63,20,999), Interest ₹ 1,27,17,827 (Previous Year ₹ 82,99,483)

2.6 TRADE PAYABLES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Short Term	-	-
Other Creditors	29,21,452	1,42,44,103
TOTAL	29,21,452	1,42,44,103

2.7 OTHER CURRENT LIABILITIES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Interest accrued but not due on borrowings	9,36,041	-
Interest accrued & due on borrowings	1,27,17,827	12,47,99,505
Amount received against transfer of Plots leasehold rights	12,60,79,700	-
Other Payables :		
- Statutory Dues	89,97,983	1,09,18,532
- Retention Money Payable	7,90,000	35,61,784
TOTAL	14,95,21,551	13,92,79,821

(All Figures in ₹)

2.8 FIXED ASSETS

P A R T I C U L A R S	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.2013	Additions during the Year	As at 31.03.2014	Up to 31.03.2013	For the Year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
Plant and Machinery	430,149	14,000	4,44,149	48,150	24,378	72,528	3,71,621	3,81,999
Furniture & Fixtures	24,37,610	-	24,37,610	23,15,530	5,093	23,20,623	1,16,987	1,22,080
Computers	1,57,496	84,500	2,41,996	1,23,563	34,836	1,58,399	83,597	33,933
Vehicles	1,06,058	-	1,06,058	1,00,756	-	1,00,756	5,302	5,302
Total(A)	31,31,313	98,500	32,29,813	25,87,999	64,307	26,52,306	5,77,507	5,43,314
Building Held for Disposal (B)	8,15,711	-	8,15,711	-	-	-	8,15,711	8,15,711
Assets Held for Disposal (C)	8,15,711	-	8,15,711	-	-	-	8,15,711	8,15,711
Grand Total (A+C)	39,47,024	98,500	40,45,524	25,87,999	64,307	26,52,306	13,93,218	13,59,025
Previous year	38,73,277	73,747	39,47,024	25,49,796	38,203	25,87,999	13,59,025	13,23,481

Swadeshi Polytex Limited

2.9 DEFERRED TAX ASSETS (NET)

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Deferred tax asset due to:		
a) Provision for doubtful debts and advances	16,33,526	1,57,91,199
b) Provision for Contingencies	10,38,240	10,38,240
c) Expenditure allowable u/s 40(a)(ia)	-	1,37,408
d) Unabsorbed Depreciation & Carried forward losses	10,01,94,111	6,87,43,947
Deferred tax liability due to:		
a) Depreciation	3,81,122	3,92,758
TOTAL	10,24,84,755	8,53,18,036

2.10 LONG TERM LOANS & ADVANCES

(Unsecured, considered good unless otherwise stated)

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Other Loans & Advances :		
- Tax deducted at Source	33,35,080	2,62,515
- Balance with excise authorities	21,512	21,512
- Loan to officers of the Company	50,00,000	25,00,000
- Statutory dues deposited under Protest	68,75,037	63,08,948
Less : Excise duty provision	-2,03,008	-2,03,008
	1,50,28,621	88,89,967
- Doubtful Loans & Advances		
- Balance with excise authorities	21,91,133	21,91,133
- Claims Recoverable	28,43,621	28,43,621
Less - Provision for doubtful advances	-50,34,754	-50,34,754
	-	-
TOTAL	1,50,28,621	88,89,967

2.11 INVENTORIES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Leasehold Plot Rights	6,58,50,557	6,97,47,239
TOTAL	6,58,50,557	6,97,47,239

Swadeshi Polytex Limited

2.12 TRADE RECEIVABLES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Short Term trade Receivables (Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	92,53,505	2,38,64,235
- Considered Doubtful	-	4,36,35,916
	92,53,505	6,75,00,151
Less : Provision for doubtful debts	-	4,36,35,916
	92,53,505	2,38,64,235
Others Receivables	-	10,47,36,722
	-	10,47,36,722
TOTAL	92,53,505	12,86,00,957

2.13 CASH & BANK BALANCES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Cash & Cash Equivalents		
Balances with Banks		
- On Current accounts	54,36,457	37,67,686
- Deposit with original maturity of less than three months	2,61,96,664	-
Cash on hand	24,48,856	14,78,401
Other Bank Balances		
- Deposit with original maturity of more than three months	-	10,53,468
TOTAL	3,40,81,977	62,99,555

2.14 SHORT TERM LOANS & ADVANCES

(Unsecured, considered good unless otherwise stated)

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Security Deposits	15,000	15,000
Advance recoverable from others	86,640	8,311
TOTAL	1,01,640	23,311

Swadeshi Polytex Limited

2.15 OTHER CURRENT ASSETS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
- Prepaid expenses	-	6,000
- Interest accrued	1,07,702	1,52,293
- Recoverable from SPL trust	1,48,353	1,48,353
TOTAL	2,56,055	3,06,646

2.16 REVENUE FROM OPERATIONS

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Revenue from sale of lease plot rights	6,49,75,980	13,92,12,220
Trading Sale	-	26,38,601
TOTAL	6,49,75,980	14,18,50,821

2.17 OTHER INCOME

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Interest Income		
On deposits with Banks (TDS ₹ 4,09,320) (Previous Year ₹ 87,889/-)	40,47,461	4,72,336
Others	6,87,293	13,534
Liabilities/Provisions no longer required written back	13,69,418	5,79,855
Miscellaneous Income	22,91,625	29,300
TOTAL	83,95,797	10,95,025

2.18 FINANCIAL COST

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Interest on borrowings (Net) (Refer note no. 2.25)	3,46,15,864	11,99,37,660
Interest Others	6,12,925	9,70,727
TOTAL	3,52,28,789	12,09,08,387

Swadeshi Polytex Limited

2.19 OTHER EXPENSES

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Legal & Professional Expenses	87,02,799	72,80,664
Conveyance & Travelling Expense	40,81,339	33,77,913
Fees to Stock Exchange	30,337	34,153
Security Expenses	27,19,655	25,14,049
Power & Fuel	4,60,465	3,71,801
Repair Others	1,15,539	78,878
Busniess Promotion	9,28,977	-
Rates & Taxes (excluding tax on income)	3,67,691	1,69,447
Directors' Sitting Fees	3,70,000	2,74,944
Payment To Auditors as:	-	-
Audit Remuneration	1,96,630	2,23,484
Tax Matters	44,944	33,708
Reimbursement of expenses	32,221	23,570
Communication Expenses	2,30,349	2,23,592
Advertisement	2,42,919	89,853
Printing & Stationary	1,73,931	1,61,464
Other Expenses	5,16,628	7,31,967
TOTAL	1,92,14,424	1,55,89,487

2.20 PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS

In view of the Economic/Financial non-viability and on-going labour problems etc., the Company had discontinued its operations of manufacturing of Polyester Fibres and Chips in the earlier year. 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 significant part thereof. The unsold part has been shown as Building held for disposal in note no. 2.8.

The following statement shows the revenue and expenses of the discontinuing operations:

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Revenue		
Liabilities/Provisions no longer required written back	4,36,35,916	-
	4,36,35,916	-
Expenses		
Bad Debts Written Off	4,36,35,916	-
	4,36,35,916	-
Profit/(Loss) from discontinuing operations	-	-

The carrying amount of total assets and liabilities to be disposed off at 31st March are as follows. Comparative information for the discontinuing operations is included in accordance with AS-24, Discontinuing Operations:

Swadeshi Polytex Limited

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Total Assets	1,29,67,417	3,00,10,405
Total Liabilities	32,00,000	34,03,008
Net Assets	97,67,417	2,66,07,397

Total assets includes fixed assets for which binding sale agreements have been entered into as of 31st March 2014 and are likely to be settled by 31st March 2015.

The net cash flows attributable to the discontinuing operations are as below:

Particulars	Year Ending	
	31-Mar-14	31-Mar-13
Operating activities	-	-1,87,67,346
Investing activities		
Net Cash inflows/(outflows)	-	-1,87,67,346

2.21 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 ₹ 8,42,21,964 Previous year ₹ 8,72,25,982).

	Current Year	Previous Year
(a) PF Cases pending at various forums	2,00,02,286	2,00,02,286
(b) Labour Matters relating settlement pending at various forums	16,46,109	56,12,277
(c) Revenue collection charges by Tehsil & other authorities pending at Hon'able High Court	2,09,46,436	1,99,84,286
(d) Sales tax demand pending at various forums	1,49,37,402	1,49,37,402
(e) Excise demand for unauthorised removal of goods pending with CESTAT	1,65,21,748	1,65,21,748
(f) Other Matters	1,01,67,983	1,01,67,983

2.22 Information pursuant to AS 29, " Provisions, Contingent Liabilities and Contingent Assets issued by ICAI:

Brief particulars of provisions on disputed liabilities and old assets :-

Particular of Provisions	Opening	Made during the year	used/ Reversed during the year	Closing
Provision for Contingencies	32,00,000	-	-	32,00,000
	(32,00,000)	-	-	(32,00,000)

- Provisions are made herein for medium risk oriented issues including old assets as a measure of abundant precaution.
- Company presumes remote risk possibility of further cash outflow pertaining to contingent liabilities listed in note 2.21 above

2.23 Based on the confirmations from the suppliers, who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006, received so far with the company, no balance is due to

Swadeshi Polytex Limited

Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March 2014. Further during the year no interest has been paid or payable under the terms of the said Act.

- 2.24** Balances appearing for few inoperative bank accounts, Trade Receivable and Payables, loans & advances and Short term unsecured borrowing are subject to confirmation, reconciliation and adjustments, if any.
- 2.25** During the year company has signed a Memorandum of Understanding concluding the renegotiation proceedings with both the secured lenders and necessary accounting effect arising out of the same has been shown under the Interest on borrowings in the note 2.18 of financial cost. Independent year end confirmations are awaited from the lenders.
- 2.26** Company has started developing the Plots as per the approved plan of UPSIDC and accordingly has incurred an expenditure of ₹ 19,70,444 (excluding write back of ₹ 31,37,718) (Previous year ₹ 57,44,738), which is allocated proportionately on the saleable area and unallocated portion made a part of stock in Trade.
- 2.27** Related Party disclosure in accordance with the Accounting Standard-18, issued by the Institute of Chartered Accountants of India is given below:

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

Nature of Transactions :

Unsecured Loan taken and outstanding : ₹ 2,30,21,497 (Previous Year ₹ 2,30,21,497)
as on 31.03.2014

(2) Associates : Paharpur Cooling Towers Ltd. (Holding indirectly more than 20% shareholding in the company)

Nature of Transactions :

Reimbursement for various expenses : ₹ 33,34,098 (Previous Year ₹ 17,98,646/-)
Unsecured Loan repaid : ₹ Nil (Previous Year ₹ NIL)
Interest net off reversal on MOU : (₹ 5,40,62,485) (Previous Year ₹ 11,72,28,528/-)
Secured Loan repaid : ₹ Nil (Previous Year ₹ NIL)

Outstanding Balance as on 31.03.2014

Secured Loan Taken : ₹ 23,63,20,999 (Previous Year ₹ 23,63,20,999/-)
Interest Accrued & Due on 31.03.2014 : ₹ 1,27,17,827 (Previous Year ₹ 11,43,33,929/-)
Interest Accrued & Not Due on 31.03.2014 : ₹ 4,91,255 (Previous Year ₹ NIL)

- 2.28** Considering the development agreement and the provisions as specified in the Accounting Standard-22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the company has recognised Deferred Tax assets (DTA) based on the principle of virtual certainty.
- 2.29** The Company has claimed losses in the return filed for subsequent years till Assessment years 2013 – 2014 and is of the view that the same will be available for set off against future profits. In view of the losses and unabsorbed depreciation and based on the legal opinion obtained by the company, no provision for tax has been considered necessary in the accounts.

2.30 Segment Information

The primary segment reporting format is determined to be the business segment as the company's risks and rate of return are affected predominantly by difference in business line. Based on these lines, company has identified Trading of fabric, Sale of leasehold plots rights and discontinued business as business segments. The details of the segment revenue, expenses, assets, liabilities and capital employed are given here under:

Swadeshi Polytex Limited

Particulars	Current year ended (31/03/2014)				Previous year ended (31/03/2013)			
	Real Estate	Trading	Discontinuing Operations	Total	Real Estate	Trading	Discontinuing Operations	Total
Segment Revenue								
Real Estate	6,49,75,980	-	-	6,49,75,980	13,92,12,220	26,38,601	-	14,18,50,821
Total	6,49,75,980	-	-	6,49,75,980	13,92,12,220	26,38,601	-	14,18,50,821
Less: Inter Segment revenue	-	-	-	-	-	-	-	-
Net Sales/Income from Operations	6,49,75,980	-	-	6,49,75,980	13,92,12,220	26,38,601	-	14,18,50,821
Segment Results Profit/(Loss) before tax and interest	6,10,79,298	-	-	6,10,79,298	13,36,06,876	1,07,707	-	13,37,14,583
Less:								
Finance Cost	-	-	-	-3,46,15,864	-	-	-	-11,99,37,660
Unallocable expenditure (including exceptional items)	-	-	-	-1,98,91,656	-	-	-	-1,65,98,417
Unallocable income (including exceptional items)	-	-	-	83,95,797	-	-	-	10,95,025
Total Profit/(Loss) before Tax				1,49,67,575				-17,26,469
Capital Employed (Segment Assets less Segment Liabilities)								
Total Capital Employed in segments	-2,98,36,312	-	-	-2,98,36,312	16,42,30,101	26,38,601	2,66,07,397	19,34,76,100
Add: unallocable corporate assets less liabilities				-53,35,40,635				-77,18,20,621
Total Capital Employed in the company				-56,33,76,947				-57,83,44,521

2.31 The figures reported in financial statements have been rounded off to the nearest rupee and have been regrouped and rearranged where ever necessary.

2.32 Information regarding Goods Traded

Particulars	OPENING		PURCHASE		SALE		CLOSING	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Lease Plots rights (Qty in SQM)	1,99,108.30	6,97,47,239	-	-	7923.9	6,49,75,980	1,91,184.40	6,58,50,557
	(2,16,084.8)	(6,96,07,845)	(-)	(-)	(16,976.5)	(13,92,12,220)	1,99,108.3)	(6,97,47,239)
Fabric	-	-	-	-	-	-	-	-
	(-)	(-)	(41724 Mtr)	(25,30,895)	(41724 Mtr)	(26,38,601)	(-)	(-)

Note: Figures in brackets represent previous year figures

As per our report of even date attached

For **Sanmarks & Associates**

Chartered Accountants

Firm Regn. No. 003343N

S.K. Bansal

Partner

M No. - 082242

Sd/-
(P. C. Vaish)
Director
(DIN No. 03440470)

Sd/-
(B. Mehrotra)
Director
(DIN No. 03279399)

Place : Faridabad

Camp: Ghaziabad

Date : 29th April, 2014

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:

- Name : E-mail Id :

Address :

..... Signature :, or failing him
- Name : E-mail Id :

Address :

..... Signature :, or failing him
- 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 44th Annual general meeting of the company, to be held on Thursday, the 25th day of September, 2014 at 11.00 a.m. at the Registered Office New Kavi Nagar, Industrial Area, Ghaziabad - 201 002 (UP) 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 Balance Sheet as at 31 st March, 2014 and the Statement of Profit and Loss Account of the Company ended as on that date together with Report of Board of Directors' and Auditors' thereon.		
2.	To appoint a Director in place of Mr. Gaurav Swarup (DIN 00374298), who retires by rotation and being eligible, offers himself for re- appointment.		
3.	To appoint a Director in place of Mr. Shamsher Bahadur Singh Kathpal (DIN 03225016), who retires by rotation and being eligible, offers himself for re- appointment.		
4.	To Appoint Auditors of the Company		
5.	Appointment of Mr. Atul Seksaria (DIN 00028099) as an Independent Director of the Company		
6.	Appointment of Mr. Yezdezard Jehangir Dastoor (DIN 00788485) as an Independent Director of the Company		
7.	Appointment of Mr. Niranjan Kumar Gupta (DIN 00923080) as an Independent Director of the Company		
8.	Appointment of Mr. Naveen Aggarwal (DIN 00936395) as an Independent Director of the Company		
9.	Appointment of Mr. Shyam Sunder Madan (DIN 02427885) as an Independent Director of the Company		
10.	Amendment of Articles of Association		

Signed this.....day of..... 2014.

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 44TH ANNUAL GENERAL MEETING OF SWADESHI POLYTEX LIMITED ON THURSDAY, 25TH SEPTEMBER, 2014 AT 11.00 A.M. AT 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.