

SWADESHI POLYTEX LIMITED
BALANCE SHEET AS AT 31st MARCH, 2016

| PARTICULARS | NOTE NO. | As At 31-03-2016 Amount (Rs) | As At 31-03-2015 Amount (Rs) |
|--|----------|---------------------------------|---------------------------------|
| A EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2.1 | 39,000,000 | 39,000,000 |
| (b) Reserves & surplus | 2.2 | -567,574,290 | -499,092,129 |
| | | -528,574,290 | -460,092,129 |
| (2) Non-Current Liabilities | | | |
| (a) Other Long-term Liabilities | 2.3 | 25,638,764 | 25,638,764 |
| (b) Long-term provisions | 2.4 | 3,200,000 | 3,200,000 |
| | | 28,838,764 | 28,838,764 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 2.5 | 259,342,496 | 259,342,496 |
| (b) Trade Payables | 2.6 | | |
| i) Total outstanding dues of micro and small enterprises | | - | - |
| ii) Total outstanding dues of creditors other than micro and small enterprises | | 3,636,325 | 2,883,940 |
| (c) Other Current liabilities | 2.7 | 391,908,140 | 363,918,204 |
| (d) Short-term provisions | 2.8 | 1,500,000 | 1,500,000 |
| | | 656,386,961 | 627,644,640 |
| TOTAL | | 156,651,435 | 196,391,275 |
| B ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed Assets - Tangible assets | 2.9 | 525,070 | 561,388 |
| (b) Deferred tax assets (net) | 2.10 | 52,449,634 | 103,376,756 |
| (c) Long Term Loans and Advances | 2.11 | 6,638,081 | 6,255,443 |
| | | 59,612,785 | 110,193,587 |
| (2) Current Assets | | | |
| (a) Inventories | 2.12 | 68,282,497 | 65,430,672 |
| (b) Trade Receivables | 2.13 | 5,106,805 | 5,106,805 |
| (c) Cash and cash equivalents | 2.14 | 17,179,585 | 9,642,599 |
| (d) Short-term loans and advances | 2.15 | 5,422,065 | 5,025,000 |
| (e) Other current assets | 2.16 | 1,047,698 | 992,612 |
| | | 97,038,650 | 86,197,688 |
| TOTAL | | 156,651,435 | 196,391,275 |

Significant Accounting Policies

1.0

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

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

For and on behalf of the Board of Directors

(S.K. Bansal)
Partner

FRN : 003343N, M.No. : 082242

(S.B. Singh)
Director

(DIN 03225016)

(B. Mehrotra)
Director

(DIN 03279399)

Place : Faridabad
Camp: Ghaziabad
Date : 27-05-2016



(Promod Panday)
Chief Financial Officer

(Sunita Gujjar)
Company Secretary

SWADESHI POLYTEX LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

| PARTICULARS | NOTE NO. | Year Ended 31-03-2016 Amount (Rs) | Year Ended 31-03-2015 Amount (Rs) |
|---|----------|--------------------------------------|--------------------------------------|
| A CONTINUING OPERATIONS | | | |
| 1 INCOME | | | |
| Revenue from operations | 2.17 | 17,600,972 | 72,750,564 |
| Other Income | 2.18 | 21,821,423 | 15,857,604 |
| Total Revenue | | 39,422,395 | 88,608,168 |
| 2 EXPENSES | | | |
| Land Development Expenses | | 4,659,023 | 2,764,194 |
| Changes in inventories | | -2,851,825 | 419,885 |
| Finance Costs | 2.19 | 31,770,674 | 53,027,347 |
| Depreciation and amortization expense | 2.9 | 107,736 | 105,337 |
| Other expenses | 2.20 | 23,291,826 | 19,851,290 |
| Total Expenses | | 56,977,434 | 76,168,053 |
| 3 Profit / (Loss) before tax | | -17,555,039 | 12,440,115 |
| 4 Less : Tax Expenses - Current tax | | - | 3,187,213 |
| - Deferred tax | | 50,927,122 | -892,001 |
| | | 50,927,122 | 2,295,212 |
| 5 Profit / (Loss) from continuing operations | | -68,482,161 | 10,144,903 |
| B DISCONTINUING OPERATIONS | | | |
| 6(i) Profit / (Loss) from discontinuing operations (before tax) | 2.21 | - | -11,032,053 |
| 6(ii) Tax expense of Discontinuing operations | | - | -1,687,213 |
| 7 Profit / (Loss) from discontinuing operations | | - | -9,344,840 |
| 8 Profit / (Loss) for the year | | (68,482,161) | 800,063 |
| 9 Earnings per share (of Rs 10/- each): | | | |
| Basic & Diluted | | | |
| (i) Continuing operations | | -17.56 | 2.60 |
| (ii) Total operations | | -17.56 | 0.21 |

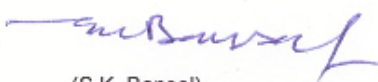
Significant Accounting Policies

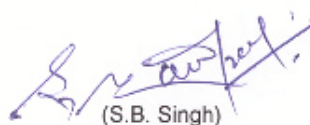
1.0

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

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

For and on behalf of the Board of Directors


(S.K. Bansal)
Partner


(S.B. Singh)
Director


(B. Mehrotra)
Director

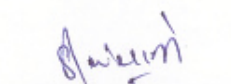
FRN : 003343N, M.No. : 082242


(DIN 03225016)

(DIN 03279399)

Place : Faridabad
Camp: Ghaziabad
Date : 27-05-2016




(Promod Panday)
Chief Financial Officer


(Suhita Gujjar)
Company Secretary

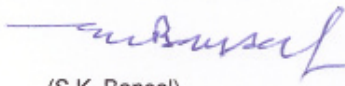
SWADESHI POLYTEX LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

| | Year Ended 31-03-2016 Amount (Rs) | Year Ended 31-03-2015 Amount (Rs) |
|---|---|---|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax | -17,555,039 | 1,408,062 |
| <u>Adjustments for :</u> | | |
| Depreciation and amortization expenses | 107,736 | 105,337 |
| Finance Costs | 31,770,071 | 52,613,007 |
| Interest received | -21,821,423 | -15,813,217 |
| Liabilities/Provisions no longer required written back | - | -44,387 |
| Operating Profit before working capital changes | -7,498,655 | 38,268,802 |
| <u>Adjustments for working capital changes :</u> | | |
| (Increase)/Decrease in long term loans & advances | - | 5,369,028 |
| (Increase)/Decrease in Short term loans & advances | -397,065 | 76,640 |
| Increase/(Decrease) in Other Long-term Liabilities | - | 1,568 |
| Increase/(Decrease) in Other current liabilities | 14,396,872 | 207,799,369 |
| (Increase)/Decrease in Other current assets | -55,086 | 79,154 |
| (Increase)/Decrease in inventories | -2,851,825 | 419,885 |
| Increase/(Decrease) in Trade payables | 752,385 | -37,512 |
| (Increase)/Decrease in trade receivables | - | 4,146,700 |
| Cash generated from Operations | 4,346,626 | 256,123,634 |
| Direct Taxes Paid | -382,638 | -1,595,850 |
| Net Cash flow from Operating activities | (A) 3,963,988 | 254,527,784 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets including Intangible assets & CWIP | -71,418 | -89,218 |
| Interest received | 21,821,423 | 15,813,217 |
| Liabilities/Provisions no longer required written back | - | 44,387 |
| Net cash used in Investing activities | (B) 21,750,005 | 15,768,386 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds / (repayment) of Borrowings | 13,593,064 | -242,122,541 |
| Finance Costs | -31,770,071 | -52,613,007 |
| Net cash from / (used in) financing activities | (C) -18,177,007 | -294,735,548 |
| Net increase / (Decrease) in Cash and Cash Equivalents (A + B + C) | 7,536,986 | -24,439,378 |
| Cash and Cash Equivalents at the beginning of the year (Refer Note 2.14) | 9,642,599 | 34,081,977 |
| Cash and Cash Equivalents at the end of the year (Refer Note 2.14) | 17,179,585 | 9,642,599 |

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

For and on behalf of the Board of Directors

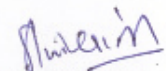

(S.K. Bansal)
Partner
FRN : 003343N, M.No. : 082242


(S.B. Singh)
Director
(DIN 03225016)


(B. Mehrotra)
Director
(DIN 03279399)

Place : Faridabad
Camp: Ghaziabad
Date : 27-05-2016




(Promod Panday)
Chief Financial Officer


(Sunita Gujjar)
Company Secretary

SWADESHI POLYTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

1 SIGNIFICANT ACCOUNTING POLICIES & PRACTICES

1.1 BASIS OF PREPARATION

(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 specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable and the relevant provisions, rules and disclosure requirements of the Companies Act, 2013.

(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 recognized 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 less accumulated depreciation. MODVAT/CENVAT availed, if any, are being deducted from the cost of respective asset.

(b) 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.

(c) The Company has provided depreciation on its Fixed Assets in accordance with the provisions contained in Schedule II of the Companies Act, 2013 with reference to the useful life of various assets as prescribed in Part C of the said Schedule on straight line method.

1.3 IMPAIRMENT OF ASSETS

(a) 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.

(b) 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.

(c) 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

(a) Revenue on transfer of rights in leasehold land is recognized on the basis of transfer or relinquishment of rights along with the related risk and rewards to the buyer.

(b) 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.

(c) Interest on receivables are accounted only on the receipt or settlement of the same, which ever is earlier. Other interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest



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

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

1.6 TAXATION

(a) 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 Statement of Profit & Loss of the relevant year.

(b) 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 | As at 31st March 2016 | | As at 31st March 2015 | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| Authorized | | | | |
| Equity Share of Rs. 10/- each | 22,500,000 | 225,000,000 | 22,500,000 | 225,000,000 |
| 9.5% Redeemable cumulative Preference Shares of Rs100/-each | 250,000 | 25,000,000 | 250,000 | 25,000,000 |
| | | 250,000,000 | | 250,000,000 |
| Issued, Subscribed & Paid up | | | | |
| Equity Shares of Rs 10/- each fully paid up | 3,900,000 | 39,000,000 | 3,900,000 | 39,000,000 |
| | | 39,000,000 | | 39,000,000 |

2.1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting years

| Particulars | As at 31st March 2016 | | As at 31st March 2015 | |
|---|-----------------------|-------------------|-----------------------|-------------------|
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| Outstanding at the beginning of the year | 3,900,000 | 39,000,000 | 3,900,000 | 39,000,000 |
| Add / (Less): Shares issued / (forfeited / buyback) during the year | - | - | - | - |
| Outstanding at the end of the year | 3,900,000 | 39,000,000 | 3,900,000 | 39,000,000 |

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

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

2.1.3 The following holds more than 5% in equity shares of the company:

| Name of the Shareholder | As at 31st March 2016 | | As at 31st March 2015 | |
|----------------------------------|-----------------------|--------------|-----------------------|--------------|
| | No. of Shares held | % of holding | No. of Shares held | % of holding |
| National Textile Corporation Ltd | 1311000 | 33.61 % | 1311000 | 33.61% |
| M.K.J Enterprises Ltd | 487525 | 12.50 % | 487525 | 12.50% |
| Selecto Pac Private Ltd. | 343250 | 8.80 % | 343250 | 8.80% |
| Paharpur Cooling Towers Pvt Ltd. | 452929 | 11.61 % | 452929 | 11.61% |
| Doy Pac Systems Pvt Ltd. | 277500 | 7.12 % | 277500 | 7.12% |

2.2 Reserve and Surplus

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|--|---------------------------------|---------------------------------|
| Capital Reserve | | |
| Opening Balance | 506,250 | 506,250 |
| (+) Additions during the year | - | - |
| (-) Utilized / transferred during the year | - | - |
| | 506,250 | 506,250 |
| Capital Redemption Reserve | | |
| Opening Balance | 10,975,000 | 10,975,000 |
| (+) Additions during the year | - | - |
| (-) Utilized / transferred during the year | - | - |
| | 10,975,000 | 10,975,000 |
| Revaluation Reserve | | |
| Opening Balance | 622,835 | 622,835 |
| (+) Additions during the year | - | - |
| (-) Deletions in respect of sale of revalued assets | - | - |
| | 622,835 | 622,835 |
| General Reserve | | |
| Opening Balance | 167,069,581 | 167,069,581 |
| (+) Additions during the year | - | - |
| (-) Utilized / transferred during the year | - | - |
| | 167,069,581 | 167,069,581 |
| Surplus in Statement of Profit & Loss | | |
| Opening Balance | -678,265,795 | -679,065,858 |
| Add: Net Profit / (Loss) after tax trfdd from Statement of Profit & Loss | -68,482,161 | 800,063 |
| | (746,747,956) | (678,265,795) |
| | (567,574,290) | (499,092,129) |



SWADESHI POLYTEX LIMITED

2.3 Other Long Term Liabilities

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|----------------------------|---------------------------------|---------------------------------|
| Other Payables | | |
| Due to erstwhile personnel | 25,638,764 | 25,638,764 |
| | 25,638,764 | 25,638,764 |

2.4 Long-term provisions

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|-----------------------------|---------------------------------|---------------------------------|
| Other | | |
| Provision for Contingencies | 3,200,000 | 3,200,000 |
| | 3,200,000 | 3,200,000 |

2.5 Short term borrowings

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|--|---------------------------------|---------------------------------|
| From Bodies Corporate | | |
| Secured* | | |
| Loan from a related party | 236,320,999 | 236,320,999 |
| Unsecured | | |
| Demand Loan from a related party (Interest free) | 23,021,497 | 23,021,497 |
| | 259,342,496 | 259,342,496 |

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

2.5.2 Details of the default amount is as follow : Loan from related Party - Principal NIL (Previous Year Rs. 9,22,26,422/-), Interest NIL (Previous Year Rs. 1,97,96,456/-)

2.6 Trade Payables

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|--|---------------------------------|---------------------------------|
| Trade Payables agst Goods & Services | | |
| Total outstanding dues of micro and small enterprises | - | - |
| Total outstanding dues of creditors other than micro and small enterprises | 3,636,325 | 2,883,940 |
| | 3,636,325 | 2,883,940 |

2.7 Other Current Liabilities

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|--|---------------------------------|---------------------------------|
| Interest accrued but not due on borrowings | 478,709 | 454,696 |
| Interest accrued & due on borrowings | 33,365,507 | 19,796,456 |
| Amount received for transfer of Plots | 356,339,354 | 341,830,271 |
| Other Payables | | |
| Statutory Dues | 934,570 | 1,046,781 |
| Retention Money Payable | 790,000 | 790,000 |
| | 391,908,140 | 363,918,204 |

2.8 Short-term provisions

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|--------------------------|---------------------------------|---------------------------------|
| Provision for Income Tax | 1,500,000 | 1,500,000 |
| | 1,500,000 | 1,500,000 |



SWADESHI POLYTEX LIMITED

NOTE 2.9 Fixed Assets- Tangible Assets

| PARTICULARS | GROSS BLOCK | | DEPRECIATION | | NET BLOCK | | | | |
|----------------------|---------------------|---|---------------------|---------------------|-----------------|----------------------------|---------------------|---------------------|---------------------|
| | As at 31.03.2015 | Additions / (Adjustment) during the year | As at 31.03.2016 | Up to 31.03.2015 | For the year | Adjustment for the year | Up to 31.03.2016 | As at 31.03.2016 | As at 31.03.2015 |
| Plant and Machinery | 477,364 | 76,720 | 554,084 | 132,205 | 65,155 | - | 197,360 | 356,724 | 345,159 |
| Furniture & Fixtures | 2,437,610 | - | 2,437,610 | 2,320,623 | - | - | 2,320,623 | 116,987 | 116,987 |
| Computers | 297,999 | - | 297,999 | 204,059 | 42,581 | - | 246,640 | 51,359 | 93,940 |
| Vehicles | 106,058 | (106,058) | - | 100,756 | - | 100,756 | - | - | 5,302 |
| Total | 3,319,031 | (29,338) | 3,289,693 | 2,757,643 | 107,736 | 100,756 | 2,764,623 | 525,070 | 561,388 |
| Previous year | 3,229,813 | 89,218 | 3,319,031 | 2,652,306 | 105,337 | - | 2,757,643 | 561,388 | 577,507 |



SWADESHI POLYTEX LIMITED

2.10 Deferred Tax Assets (Net)

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|--|---------------------------------|---------------------------------|
| Deferred Tax Assets due to | | |
| Provision for doubtful debts and advances | 2,555,515 | 2,555,515 |
| Provision for Contingencies | 1,038,240 | 1,038,240 |
| Unabsorbed Depreciation & Carried forward losses | 48,955,574 | 99,898,747 |
| | 52,549,329 | 103,492,502 |
| Deferred Tax Liability due to | | |
| Depreciation | 99,695 | 115,746 |
| | 99,695 | 115,746 |
| Deferred Tax Assets (Net) | 52,449,634 | 103,376,756 |

2.11 Long-Term Loans and Advances

| Particulars | As at 31-03-2014 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|--|---------------------------------|---------------------------------|
| Other Loans & Advances (Unsecured , considered good) | | |
| Advance Tax / TDS | 5,313,568 | 4,930,930 |
| | 5,313,568 | 4,930,930 |
| (Unsecured , considered doubtful) | | |
| Balance with excise authorities | 2,212,645 | 2,212,645 |
| Claims Recoverable | 2,843,621 | 2,843,621 |
| Less: - Provision for doubtful advances | -5,056,266 | -5,056,266 |
| | - | - |
| Statutory dues deposited under Protest | | |
| Unsecured - considered good | 1,324,513 | 1,324,513 |
| Unsecured - considered doubtful | 3,023,195 | 3,023,195 |
| Less:- Provision for doubtful Statutory dues | -3,023,195 | -3,023,195 |
| | 1,324,513 | 1,324,513 |
| | 6,638,081 | 6,255,443 |

2.12 Inventories

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|---|---------------------------------|---------------------------------|
| (As verified, Valued and Certified by the Management) | | |
| Leasehold Plot Rights | 68,282,497 | 65,430,672 |
| | 68,282,497 | 65,430,672 |

2.13 Trade Receivables

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|--|---------------------------------|---------------------------------|
| (Unsecured, Considered Good) | | |
| Debts outstanding for a period exceeding six months from the date they are due for payment | 5,106,805 | 5,106,805 |
| | 5,106,805 | 5,106,805 |



SWADESHI POLYTEX LIMITED

2.14 Cash and Cash Equivalents

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|---|---------------------------------|---------------------------------|
| Cash on Hand | 199,978 | 239,178 |
| Balances with schedule banks : | | |
| In Current Accounts | 234,629 | 2,934,421 |
| In Fixed Deposit having original maturity of less than 3 months | 16,744,978 | 6,469,000 |
| | 17,179,585 | 9,642,599 |

2.15 Short-Term Loans & Advances

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|---|---------------------------------|---------------------------------|
| (Unsecured, considered good) | | |
| Other Loans & Advances | | |
| Security Deposits | 15,000 | 15,000 |
| Loan to officers of the Company (Recoverable on demand) | 5,000,000 | 5,000,000 |
| Advance recoverable from others | 407,065 | 10,000 |
| | 5,422,065 | 5,025,000 |

2.16 Other Current Assets

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|------------------------------|---------------------------------|---------------------------------|
| (Unsecured, considered good) | | |
| Interest accrued | 211,654 | 156,568 |
| Building held for Disposal | 815,711 | 815,711 |
| Recoverable from SPL trust | 20,333 | 20,333 |
| | 1,047,698 | 992,612 |



SWADESHI POLYTEX LIMITED

2.17 Revenue from Operations

| Particulars | Year Ended 31-03-2016 Amount (Rs) | Year Ended 31-03-2015 Amount (Rs) |
|--|---|---|
| Revenue from sale of lease plot rights | 17,600,972 | 72,750,564 |
| | 17,600,972 | 72,750,564 |

2.18 Other Income

| Particulars | Year Ended 31-03-2016 Amount (Rs) | Year Ended 31-03-2015 Amount (Rs) |
|---|---|---|
| Interest Income | | |
| On deposits with Banks (TDS Rs 87,724/- P.Y. Rs 59,960/-) | 877,822 | 656,733 |
| Others | 20,943,601 | 15,156,484 |
| Liabilities/Provisions no longer required written back | - | 44,387 |
| | 21,821,423 | 15,857,604 |

2.19 Finance Costs

| Particulars | Year Ended 31-03-2016 Amount (Rs) | Year Ended 31-03-2015 Amount (Rs) |
|---|---|---|
| Interest On borrowings (Net) (Refer note no. 2.26) | 31,770,071 | 52,613,007 |
| Interest Others | 603 | 414,340 |
| | 31,770,674 | 53,027,347 |

2.20 Other Expenses

| Particulars | Year Ended 31-03-2016 Amount (Rs) | Year Ended 31-03-2015 Amount (Rs) |
|---------------------------------|---|---|
| Legal & Professional Expenses | 10,682,791 | 9,327,477 |
| Conveyance & Travelling Expense | 4,199,913 | 3,422,481 |
| Fees to Stock Exchange | 254,310 | 130,898 |
| Security Expenses | 3,116,082 | 3,110,723 |
| Power & Fuel | 490,718 | 581,208 |
| Repair Others | 66,317 | 111,874 |
| Business Promotion | 1,719,284 | 1,081,246 |
| Rates & Taxes | 586,513 | 395,132 |
| Directors' Sitting Fees | 820,000 | 300,000 |
| Payment To Auditors | 370,808 | 360,065 |
| Communication Expenses | 331,498 | 326,718 |
| Advertisement | 50,893 | 53,613 |
| Printing & Stationary | 206,440 | 219,999 |
| Other Expenses | 396,259 | 430,056 |
| | 23,291,826 | 19,851,290 |

2.20.1 Payment to Auditors

| Particulars | Year Ended 31-03-2016 Amount (Rs) | Year Ended 31-03-2015 Amount (Rs) |
|---------------------------|---|---|
| Audit Remuneration | 274,500 | 230,338 |
| Tax Audit fee | 68,700 | 101,124 |
| Reimbursement of expenses | 27,608 | 28,603 |
| | 370,808 | 360,065 |



SWADESHI POLYTEX LIMITED

2.21 Profit/(Loss) from discontinuing operations

2.21.1 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. 2.16.

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

| Particulars | Year Ended 31-03-2016 Amount (Rs) | Year Ended 31-03-2015 Amount (Rs) |
|--|---|---|
| Revenue | | |
| Liabilities/Provisions no longer required written back | - | - |
| Expenses | | |
| Provision for Bad Debts and advances | - | 2,841,699 |
| Interest Paid on PF Payments | - | 8,190,354 |
| | - | 11,032,053 |
| Profit/(Loss) from discontinuing operations | - | -11,032,053 |

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

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|-------------------|---------------------------------|---------------------------------|
| Total Assets | 7,267,362 | 7,267,362 |
| Total Liabilities | 3,200,000 | 3,200,000 |
| Net Assets | 4,067,362 | 4,067,362 |

2.21.4 Total assets includes fixed assets for which binding sale agreements have been entered into and are likely to be settled by 31st March 2017.

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

| Particulars | As at 31-03-2016 Amount (Rs) | As at 31-03-2015 Amount (Rs) |
|------------------------------------|---------------------------------|---------------------------------|
| Operating activities | - | 5,497,048 |
| Investing activities | - | - |
| Financing activities | - | - |
| Net Cash inflows/(outflows) | - | 5,497,048 |



SWADESHI POLYTEX LIMITED

2.22 Contingent Liabilities

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

Claims against the Company not acknowledged as debts including excise, sales tax, Income Tax, Labour Disputes, Legal and other Disputes Rs. 4,62,07,430/- Previous year Rs. 9,73,06,619/-).

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| (a) PF Cases pending at various forums | 5,895,381 | 5,895,381 |
| (b) Labour Matters relating settlement pending at various forums | 3,898,476 | 3,898,476 |
| (c) Sales Tax cases under litigation | 14,937,402 | 14,937,402 |
| (d) Excise matters under litigation | 16,417,659 | 19,021,748 |
| (e) Extension Fee payable to UPSIDC pending with Hon'ble High Court | - | 48,495,100 |
| (f) Other Matters | 5,058,512 | 5,058,512 |

2.23 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 | 3,200,000 | - | - | 3,200,000 |
| Total | 3,200,000 | - | - | 3,200,000 |

(a) Provisions are made herein for medium risk oriented issues including old assets as a measure of abundant precaution.

(b) Company presumes remote risk possibility of further cash outflow pertaining to contingent liabilities listed in note 2.22 above

2.24 Based on the confirmations from the parties, who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), received so far with the company, no balance is due to Micro and Small Enterprises as defined under the MSMED Act, 2006 as at 31st March 2016 & 31st March 2015. Hence no further details as required by Notification dated 04-09-2015 issued by the Ministry of Corporate Affairs are applicable.

2.25 Balances appearing for Trade Receivable and Payables, loans & advances are subject to confirmation, reconciliation and adjustments, if any.

2.26 During the year, the company has agreed for revised one time settlement terms with Pranjal Vyapar Pvt. Ltd. (PVPL) and secured lender, PCTL, considering the factors beyond the controls of the parties to the settlement and signed the Addendum to MOU. Accordingly interest income of Rs. 1,29,43,115/- booked in previous year got reversed.

2.27 Company has started developing the Plots as per the approved plan of UPSIDC and accordingly has incurred an expenditure of Rs. 36,08,319/- (Previous year Rs. 27,64,194/-), which is allocated proportionately on the saleable area and unallocated portion made a part of stock in Trade.



SWADESHI POLYTEX LIMITED

2.28 Related Party Disclosure

As per Accounting Standard (AS) - 18 "Related Party Disclosures" the Company's related parties and transactions are disclosed below:

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

| Nature of Transactions | Year Ended 31-03-2016 Amount (Rs.) | Year Ended 31-03-2015 Amount (Rs.) |
|--------------------------------------|--|--|
| Unsecured Loan taken and outstanding | 2,30,21,497 | 2,30,21,497 |

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

| Nature of Transactions | Year Ended 31-03-2016 Amount (Rs.) | Year Ended 31-03-2015 Amount (Rs.) |
|---|--|--|
| Reimbursement for various expenses | 3,388,668 | 3,589,680 |
| Interest net off reversal on MOU, if any | 31,770,071 | 29,375,349 |
| Secured Loan repaid | 15,000,000 | 19,395,744 |
| Outstanding Balance of Secured Loan taken | 236,320,999 | 236,320,999 |
| Outstanding Balance of Interest Accrued & Due | 33,365,507 | 19,796,456 |
| Outstanding Balance of Interest Accrued & Not Due | 478,709 | 454,696 |

2.29 Considering the binding Sales 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 recognized Deferred Tax assets (DTA) based on the principle of virtual certainty.

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. 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

2.30 Segment Information

| Particulars | Current year ended (31/03/2016) | | | Previous year ended (31/03/2015) | | |
|---|---------------------------------|--------------------------|---------------------|----------------------------------|--------------------------|---------------------|
| | Real Estate | Discontinuing Operations | Total | Real Estate | Discontinuing Operations | Total |
| Segment Revenue | | | | | | |
| Real Estate | 17,600,972 | - | 17,600,972 | 72,750,564 | - | 72,750,564 |
| Total | 17,600,972 | - | 17,600,972 | 72,750,564 | - | 72,750,564 |
| Less: Inter Segment revenue | - | - | - | - | - | - |
| Net Sales/Income from Operations | 17,600,972 | - | 17,600,972 | 72,750,564 | - | 72,750,564 |
| Segment Results Profit / (Loss) before tax and interest | 15,793,774 | - | 15,793,774 | 69,566,485 | -11,032,053 | 58,534,432 |
| Less: | | | | | | |
| Finance Cost | 31,770,071 | | 31,770,071 | - | | 52,613,007 |
| Unallocable expenditure (including exceptional items) | - | - | 23,400,165 | - | - | 20,370,967 |
| Unallocable income (including exceptional items) | - | - | 21,821,423 | - | - | 15,857,604 |
| Total Profit/(Loss) before Tax | -17,555,039 | - | -17,555,039 | - | - | 1,408,062 |
| Capital Employed (Segment Assets less Segment Liabilities) | | | | | | |
| Total Capital Employed in segments | -266,280,810 | 4,067,362 | -262,213,448 | -262,318,835 | 4,067,362 | -258,251,473 |
| Add: unallocable corporate assets less liabilities | | | -318,810,476 | | | -305,217,412 |
| Total Capital Employed in the company | | | -581,023,924 | | | -563,468,885 |



SWADESHI POLYTEX LIMITED

2.31 The figures reported in financial statements have been rounded off to the nearest rupee.

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

2.33 Information regarding Goods Traded

2.33.1 Description Lease Plots rights

| 2.33.2 Particulars | Current Year | | Previous Year | |
|--------------------|-------------------|--------------|-------------------|--------------|
| | Quantity (in Sqm) | Amount (Rs.) | Quantity (in Sqm) | Amount (Rs.) |
| Opening Balance* | 182312.38 | 65,430,672 | 191184.40 | 65,850,557 |
| Purchase | - | - | - | - |
| Sales | 2146.46 | 17,600,972 | 8872.02 | 72,750,564 |
| Closing Balance* | 180165.92 | 68,282,497 | 182312.38 | 65,430,672 |

* Excluding utility area of 13,577.53 Sqm.

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

For and on behalf of the Board of Directors

(S.K. Bansal)
Partner

FRN : 003343N, M.No. : 082242

(S.B. Singh)
Director
(DIN 03225016)

(B. Mehrotra)
Director
(DIN 03279399)

Place : Faridabad
Camp: Ghaziabad
Date : 27-05-2016



(Pranod Panday)
Chief Financial Officer

(Sunita Gujjar)
Company Secretary