



**46th ANNUAL
REPORT
2015-2016**

SWADESHI POLYTEX LIMITED

SWADESHI POLYTEX LIMITED

BOARD OF DIRECTORS AS ON DATE OF AGM

Mr. Gaurav Swarup	Chairman
Mr. Hartaj Sewa Singh	Vice Chairman
Mr. P. C. Vaish	Director
Mr. Rakesh Kumar Sinha	Director
Mr. Alokendra Banerjee	Director
Mr. B. Mehrotra	Director
Mr. S. B. Singh Khathpal	Director
Mr. S. S. Madan	Independent Director
Mr. N. K. Gupta	Independent Director
Mr. Naveen Aggrawal	Independent Director
Mr. Y. J. Dastoor	Independent Director
Ms. Purti Marwaha	Independent Director

KEY MANAGERIAL PERSONNELS

Mr. Bhuwan Chaturvedi	Chief Executive Officer
Ms. Sunita Gujjar	Company Secretary
Mr. Promod Pandey	Chief Financial Officer

REGISTERED OFFICE

CIN: L25209UP1970PLC003320
New Kavi Nagar, Industrial Area Ghaziabad - 201002 (U.P.)

REGISTRAR AND SHARE TRANSFER AGENT

M/s RCMC Share Registry Private Limited
B-25/1, Okhla Industrial Area,
Phase-II, Near Rana Motors, New Delhi - 110 020
Phone : 011-26387320/21/23

Contents	Page No.
Notice.....	1
Directors' Report.....	5
Auditors' Report.....	20
Balance Sheet.....	26
Statement of Profit & Loss Account.....	27
Cash Flow Statement.....	28
Note to the Accounts.....	29

Swadeshi Polytex Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 46th Annual General Meeting of the Members of Swadeshi Polytex Limited will be held on **Thursday 29th, September, 2016 at 11:30 am.** 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 Financial Statements for the financial year ended March 31, 2016 together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gaurav Swarup having Director's Identification Number 00374298, who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mr. Prem Chandra Vaish having Director's Identification Number 03440470, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Mr. Bipin Behari Mehrotra having Director's Identification Number 03279399, who retires by rotation and being eligible, offers himself for re- appointment.
5. To consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 Rules framed thereunder M/s SANMARKS & ASSOCIATES, Chartered Accountants (Firm Registration No. 003343N with the Institute of Chartered Accountants of India), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Audit committee/ Board of Directors.”

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

Place : New Delhi
Dated : 05th August, 2016

Sd/-
(S.B. Singh)
Director
(DIN No. 03225016)

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

NOTES: -

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to the provisions of section 105 of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. Members holding more than 10% of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing the proxy, as per the format included in the Annual Report, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less/after than **FORTY-EIGHT HOURS** before the commencement of the meeting.

- a) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

Swadeshi Polytex Limited

- b) 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.
- c) The Register of Members and Transfer Books of the Company will be closed from 22nd September, 2016 to 29th September, 2016 both days inclusive.
- d) Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
- e) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically recorded in the Company's records, which will help the Company and the Company's Registrars and Transfer Agents M/s RCMC Share Registry Private Limited (RCMC), B-25/1, Okhla Industrial Area, Phase-2, Near Rana Motors, New Delhi-110020, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RCMC directly.
- f) 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.
- g) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or M/s RCMC Share Registry Private Limited, B-25/1, Okhla Industrial Area, Phase-2, Near Rana Motors, New Delhi-110020, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- h) Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
- i) The Notice of the AGM along with the Annual Report 2015-16 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 2015-16 will be available on the Company's website www.splindia.co.in
- j) Regulation 44(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, provides for the mandatory electronic voting facility to all the members of the Company to exercise their right to vote at the general meeting through electronic means. The Company in compliance of the provisions is providing the electronic voting facility to all the members at the cutoff date for transacting the businesses at the Annual General Meeting by electronic means by following the e-voting process. The Complete details of the instructions for e-voting are annexed to this notice as Annexure 'A'.

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

Place : New Delhi
Dated : 05th August, 2016

Sd/-
(S.B. Singh)
Director
(DIN No. 03225016)

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

Swadeshi Polytex Limited

PROFILE OF DIRECTORS MENTIONED IN ITEM NO. 2, 3 & 4

Mr. Gaurav Swarup, Mr. Prem Chandra Vaish & Mr. Bipin Behari Mehrotra Directors retire by rotation and, being eligible, offer for re-appointment at the Annual General Meeting. A brief resume of the said Directors are given below:

Details of Directors seeking re-appointment at the Annual General Meeting scheduled to be held on 29th September, 2016 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and disclosure requirements) Regulations 2015.

Name	Gaurav Swarup	Prem Chandra Vaish	Bipin Behari Mehrotra
Directors Identification Number (DIN)	00374298	03440470	03279399
Age	59	56	82
Qualification	Master of Business Administration, Harvard University, USA (1980), Bachelor of Engineering (Mech), Jadavpur University, Calcutta (1978)	Chartered Accountant	-B.Com and M.S.W. Specialization in Industrial Relations & Personnel Management.
Expertise in Specific Area	Finance and General administration	Accounts/Finance/Tax and General administration	Human Resource/ Administration
Date of first Appointment on the Board of the Company	30/05/1988	01/07/2012	26/08/2010
Shareholding in Swadeshi Polytex Limited	350 shares	Nil	Nil
List of Directorship held in other companies (excluding foreign and private Companies)	1) Industrial And Prudential Investment Company Ltd; 2) Paharpur Cooling Towers Ltd; 3) K S B Pumps Limited; 4) Upper Ganges Sugar And Industries Limited; 5) TIL Limited; 6) Graphite India Limited;	1) National Textile Corpn Limited; 2) British India Corporation Limited 3) India United Textile Mill Limited; 4) New City of Bombay Mfg. Mills Limited; 5) Goldmohur Design and Apparel Park Limited; 6) Apollo Design Apparel Parks Limited 7) Aurangabad Textiles and Apparel Parks Limited	Nil

Swadeshi Polytex Limited

Membership/Chairmanship of Audit and stake holders relationship committees	Member of Audit Committee and stake holders relationship committee in KSB Pumps Limited, Chairman of Audit Committee in TIL Limited.	Member of Audit Committee 1) British India Corporation Limited (BIC Limited); 2) India United Textile Mill Limited; 3) New City of Bombay Mfg. Mills Limited; 4) Goldmohur Design and Apparel Park Limited; 5) Apollo Design Apparel Parks Limited; 6) Aurangabad Textiles and Apparel Parks Limited	Nil
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By order of the Board
For **Swadeshi Polytex Limited**

Place : New Delhi
Dated : 05th August, 2016

Sd/-
(S.B. Singh)
Director
(DIN No. 03225016)

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

Swadeshi Polytex Limited

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure to present 46th Annual Report and Financial Statements for the financial year ended March 31, 2016.

FINANCIAL RESULTS

Particulars	Year Ended on 31.03.2016 (in Lakh)	Year Ended on 31.03.2015 (in Lakh)
Total Income	394.22	886.08
Total Expenditure	569.78	761.68
Profit (Loss) before exceptional items and tax	(175.56)	124.40
Deferred Tax Assets /current tax/income tax provision	509.27	22.96
Profit (Loss) from continuing operation.	(684.82)	101.44
Profit/(Loss) from discontinuing operations	-	(93.45)
Profit (Loss) after tax	(684.82)	8.00

Due to accumulated losses in the company, no amount is being transferred to the General Reserves.

Further, the Company has not recommended any dividend in the financial year 2015-16 due to losses.

RESULTS OF OPERATION

There were no production activities during the year; the Company has not made any manufacturing profit during the year.

The Company has entered into the Real Estate sector in the earlier years. The Company has earned revenue of Rs. 176.00 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.

STATE OF COMPANY'S AFFAIRS

Gross revenues decreased to Rs. 394.22 lacs against Rs. 886.08 lacs in the previous year. Profit (Loss) before taxation was (Rs. 175.56 lacs) against Rs. 124.40 lacs in the previous year. The loss of the Company for the year under review after deferred tax was (Rs. 684.82 lacs) as against profit of Rs. 8.00 lacs in the previous year.

EXTRACT OF ANNUAL RETURN

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

MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

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

NUMBER OF MEETINGS OF THE BOARD

During the year Four (04) Board Meetings and Five (05) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Sl. No.	Type of Meeting	No of meetings	Date of Meeting	Directors attended the meeting
1	Board Meeting	1/2015	27.05.2015	1. Shri H.S. Singh 2. Shri R. K. Sinha

Swadeshi Polytex Limited

Sl. No.	Type of Meeting	No of meetings	Date of Meeting	Directors attended the meeting
				3. Shri Alokendra Banerjee 4. Shri P. C. Vaish 5. Shri S. S. Madan 6. Shri N. K. Gupta 7. Shri Naveen Aggarwal 8. Shri B. Mehrotra 9. Shri S. B. Singh 10. Ms. Purti Marwaha
2	Board Meeting	2/2015	08.08.2015	1. Shri H. S. Singh 2. Shri R. K. Sinha 3. Shri Alokendra Banerjee 4. Shri P. C. Vaish 5. Shri S. S. Madan 6. Shri N. K. Gupta 7. Shri Naveen Aggarwal 8. Shri B. Mehrotra 9. Shri S. B. Singh 10. Ms. Purti Marwaha 11. Shri Y.J. Dastoor
3	Board Meeting	3/2015	06.11.2015	1. Shri H. S. Singh 2. Shri R. K. Sinha 3. Shri Alokendra Banerjee 4. Shri P. C. Vaish 5. Shri S. S. Madan 6. Shri N. K. Gupta 7. Shri Naveen Aggarwal 8. Shri B. Mehrotra 9. Shri S. B. Singh 10. Ms. Purti Marwaha 11. Shri Y.J. Dastoor
4	Board Meeting	1/2016	11.02.2016	1. Shri Gaurav Swarup 2. Shri R. K. Sinha 3. Shri Alokendra Banerjee 4. Shri P. C. Vaish 5. Shri S. S. Madan 6. Shri N. K. Gupta 7. Shri Naveen Aggarwal 8. Shri B. Mehrotra 9. Shri S. B. Singh 10. Ms. Purti Marwaha 11. Shri Y. J. Dastoor
5	Annual General Meeting	2014-2015	30.06.2015	1. Shri R. K. Sinha 2. Shri Alokendra Banerjee 3. Shri S. S. Madan 4. Shri N. K. Gupta 5. Shri Naveen Aggarwal 6. Shri B. Mehrotra

Swadeshi Polytex Limited

Sl. No.	Type of Meeting	No of meetings	Date of Meeting	Directors attended the meeting
				7. Shri S. B. Singh 8. Ms. Purti Marwaha 9. Shri Y.J. Dastoor

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134 (5) (c) of the Companies Act, 2013, the directors would like to state that:

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

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

All independent directors have given declarations that they meet the criteria of independence as laid down under section 149 of the Companies Act, 2013 and regulations 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and were placed at the Board meeting held on 27th May, 2016.

Retirement by rotation

In terms of section 152 of the Companies Act, 2013, Mr. Gaurav Swarup, Mr. Prem Chandra Vaish & Mr. Bipin Behari Mehrotra Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Rules made there under and as provided under Schedule IV of the Act and the Listing Regulations, the Board has carried out the annual performance evaluation of itself, the Directors individually as well as the evaluation of the working of its Committees.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Functions and Terms of Reference of the Nomination and Remuneration Committee of the Company are as per the Companies Act 2013 and SEBI (LODR) Regulations, 2015. As on date there was no executive director appointed in the Company.

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

a. STATUTORY AUDITORS:

The Auditors M/s SANMARKS & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Swadeshi Polytex Limited

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

b. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. Naveen K. Rastogi of M/s. N.K. Rastogi & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2016. The Secretarial Audit Report is annexed herewith as "**Annexure B**". The Board has duly reviewed the Auditor's Report and noted that there was no adverse remark given by the Auditor in their report.

DETAILS OF LOAN/ GUARANTEES / INVESTMENTS MADE

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

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

All the transactions entered by the Company during the financial year with related parties were on arm's length basis and were in the ordinary course of the business. During the year, the Company had not entered into any transactions with related parties, which could be considered as material in accordance with the policy of the Company on materiality of related party transactions

DEPOSITS

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

MATERIAL CHANGES AND COMMITMENTS, IF ANY

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

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

In pursuance to section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014, Company has taken all steps for conservation of energy. However, Technology Absorption is not applicable to the Company as the Company is not using any technology as per the business of the Company.

Further, there were no foreign exchange earnings and outgo during the year under review.

BUSINESS RISK MANAGEMENT:

A well- defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective is to minimize the impact of risks identified and taking advance actions to mitigate them. The Company regularly maintains a proper check in normal course of its business regarding Risk Management as required under section 134 (3) (n) of the Companies Act, 2013.

At present the Company has not identified any element of risk, which may threaten the existence of the company.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In terms of Section 135 of Companies Act, 2013, the Company does not fulfill the criteria of net worth or turnover for Corporate Social Responsibility; hence the same is not applicable to the Company.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

Swadeshi Polytex Limited

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has established vigil Mechanism and framed whistle blower policy for Directors and employees to report concerns about the unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

CORPORATE GOVERNANCE REPORT

Reports on Corporate Governance is not applicable to the Company as per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the same is not part of the Board's report.

INTERNAL FINANCIAL CONTROL SYSTEM

According to section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conducts of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguard and protected and that the transactions are authorised, recorded and reported correctly.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. During the year internal auditors have also been engaged for providing assistance in improving IFC framework (including preparation of Risk & Control Matrics for various processes) and deployment of Self assessment tool.

CODE OF CONDUCT

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

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

PARTICULARS OF EMPLOYEES

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

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

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by the Banks. Your Directors also place on record sincere appreciation to the Members of the Company, State Government, Local Bodies, Customers, Suppliers, Executives at all levels for their continuous co-operation and support.

For and on behalf of the Board
For **Swadeshi Polytex Limited**

Sd/-
(S.B. Singh)

Director
(DIN No. 03225016)

Sd/-
(B. Mehrotra)

Director
(DIN No. 03279399)

Place : New Delhi
Dated : 05th August, 2016

Swadeshi Polytex Limited

Annexure A to Board Report Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
—NIL—					

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

(i) Category -Wise- Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	Nil	5250	5250	0.13	Nil	5250	5250	0.13	Nil
Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Swadeshi Polytex Limited

State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corp.	2384179	500	2384679	61.15	2459403	500	2459903	63.08	1.93
Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A)(1)	2384179	5750	2389929	61.28	2459403	5750	2465153	63.21	1.93
(2) Foreign									
NRI Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any Other.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter(A)= [A(1)+A(2)]	2384179	5750	2389929	61.28	2459403	5750	2465153	63.21	1.93
(B) Public Shareholding									
(1) Institutions									
Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Banks/FI Central Govt	Nil	250	250	0.01	Nil	250	250	0.01	Nil
State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Venture capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Insurance Companies	825	425	1250	0.03	525	425	950	0.02	(0.01)
Financial Institutions/ Banks	Nil	2125	2125	0.05	Nil	2125	2125	0.05	Nil
Foreign Venture Capital Funds									
Any Other(specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total B(1)	825	2800	3625	0.09	525	2800	3325	0.08	(0.01)
(2) Non- Institutions									
a) Bodies Corporate	92500	504547	597047	15.31	90730	504547	595277	15.26	(0.05)
i) Indian									
ii) Overseas									
b) Individuals									

Swadeshi Polytex Limited

i) Individual shareholders holding nominal share capital up to Rs.1Lakh	49570	767255	816825	20.95	62541	752630	815171	20.91	(0.04)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs.	87864	nil	87864	2.25	14864	nil	14864	0.38	(1.87)
c) Other Specify									
i) Clearing Members	Nil	Nil	Nil	Nil	100	Nil	100	0	Nil
ii) Non Residents	Nil	4710	4710	0.12	1400	4710	6110	0.16	0.04
Sub Total (B) (2)	229934	1276512	1506446	38.63	169635	1261887	1431522	36.71	(1.92)
Total Public Shareholding(B) = (B)(1)+(B)(2)	230759	1279312	1510071	38.72	170160	1264687	1434847	36.79	(1.93)
(C) Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	2614938	1285062	3900000	100	2629563	1270437	3900000	100	Nil

(ii) Shareholding of Promoters

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year	Additions, if any	Shareholding at the end of the year	% of total shareholding
1	M/s National Textile Corporation Ltd.	1311000	Nil	1311000	33.62
2	M/s Paharpur Cooling Towers Ltd.	452929	75224	528153	13.54
3	M/s Selecto Pac Pvt Ltd	343250	Nil	343250	8.8
4	M/s Doypack Systems Pvt Ltd	277500	Nil	277500	7.12
5	Mr. Mahendra Swarup	5250	Nil	5250	0.13

Swadeshi Polytex Limited

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	M/s Paharpur Cooling Towers Ltd.				
	At the beginning of the year	452929	11.61	452929	11.61
	Additions during the year	75224	1.93	75224	1.93
	At the end of the year	528153	13.54	528153	13.54

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year	Additions, if any	Shareholding at the end of the year	% of total shareholding
1	M/S M K J Enterprises Ltd	487525	Nil	487525	12.5
2	Melvin Powel Vanaspati & Engg. Industries Ltd.	82425	Nil	82425	2.11
3	Sk Mortazauddin Ahmed	53730	(46000)	7730	0.2
4	Vikas Barmecha	20000	(11000)	9000	0.23
5	Prashant Kumar Bothra	14134	730	14864	0.38
6	Monolith Investment Company Ltd.	10000	Nil	10000	0.26
7	Yatin S Shah	5725	Nil	5725	0.15
8	Rajesh Chhabildas Kansara	5300	Nil	5300	0.14
9	M/S Liberty Silk Mills Pvt Ltd	5000	Nil	5000	0.13
10	Mr Dwarkadas Shrinivas Morarka	5000	Nil	5000	0.13

(v) Shareholding of Directors and Key Managerial Personnel:

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

Swadeshi Polytex Limited

V. INDEBTEDNESS (Rs. In Lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,363.21	230.21	NIL	2,593.42
ii) Interest due but not paid	197.96	-	NIL	197.96
iii) Interest accrued but not due	4.55	-	NIL	4.55
Total (i+ii+iii)	2,565.72	230.21	NIL	2,795.93
Change in Indebtedness during the financial year				
Addition	303.29	-	NIL	303.29
Reduction	167.36	-	NIL	167.36
Net Change Indebtedness	135.93	-	NIL	135.93
At the end of the financial year				
i) Principal Amount	2,363.21	230.21	NIL	2,593.42
ii) Interest due but not paid	333.66	-	NIL	333.66
iii) Interest accrued but not due	4.79	-	NIL	4.79
Total (i+ii+iii)	2,701.66	230.21	NIL	2,931.87

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD PAID IN 2015/16

(Amount in Rs.)

Sl. No.	Name	Designation	Amount
1	Bhuvan Chaturvedi	CEO	33,88,668
2	Promod Pandey	CFO	6,00,000
3	Bhawna Gupta (upto September, 2015)	Company Secretary	87,000
4	Sunita Gujjar (from February, 2016)	Company Secretary	25,000

Swadeshi Polytex Limited

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment Compounding Fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL

Annexure B
FORM NO MR 3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2016

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

To,
The Members,
Swadeshi Polytex Limited
Ghaziabad-201009 (U.P.)

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

Based on our verification of the Swadeshi Polytex Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering **the financial year ended on 31st March, 2016, (AUDIT PERIOD)** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Swadeshi Polytex Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (The Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during the audit period)**
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the audit period)**;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the company during the Audit Period)**;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the company during the Audit Period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008 **(Not applicable to the company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the company during the Audit Period)**;

Swadeshi Polytex Limited

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the company during the Audit Period**): and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the company during the Audit Period**).

(vi) OTHER APPLICABLE ACTS,

- (a) Factories Act, 1948(**Not applicable to the company during the Audit Period as there is no employee in the company**),
- (b) Payment Of Wages Act, 1936, and rules made there under(**Not applicable to the company during the Audit Period as there is no employee in the company**),
- (c) The Minimum Wages Act, 1948, and rules made there under(**Not applicable to the company during the Audit Period as there is no employee in the company**),
- (d) Employees' State Insurance Act, 1948, and rules made there under
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under.
- (f) The Payment of Bonus Act, 1965, and rules made there under (**Not applicable to the company during the Audit Period as there is no employee in the company**),
- (g) Payment of Gratuity Act, 1972, and rules made there under(**Not applicable to the company during the Audit Period as there is no employee in the company**),
- (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,

(vi) We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-
(NAVEEN K. RASTOGI)
Practising Company Secretary
COP NO. 3785

Place: Delhi

Date : 05th August, 2016

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ECONOMIC AND INDUSTRIAL REVIEW/ INDUSTRY STRUCTURE AND DEVELOPMENTS

In addition to being the second major contributor to the GDP, the Real Estate sector is also amongst the fastest growing sectors in the Indian economy. Real Estate as a matter of fact has always been an attractive investment option and with the additional support of the new rules and regulations by the Government, it has resulted in significant growth in the Industrial, residential and commercial area.

REAL ESTATE

The Indian economy had its own sets of challenges during the year. The Real Estate (Regulation and Development) Act, 2016 is an Act of the Parliament of India, which seeks to protect home-buyers as well as help boost investments in the real estate industry. The bill was passed by the Rajya Sabha on 10 March 2016 and by the Lok Sabha on 15 March 2016.

Having said that, we have to admit that India's real estate sector is going through a slowdown for last couple of years because of a lack of clear policy, delayed government clearances, non-availability of funds and slowed demand – especially for industrial properties.

OPPORTUNITIES, THREATS, RISK 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 estates and it is the intention of your Company to use the funds so generated to explore opportunities in growth areas and industries and try to keep a focus on the real estate sector.

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.

BUSINESS OUTLOOK AND OVERVIEW

The Company had entered into Real Estate in the year 2011. With the government initiatives to re-build the trust in the consumers by regulating the real estate sector with the introduction of the Real Estate (Regulation & Development) Bill, it will be a great time for the Company, which has the execution capabilities.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

The Human Resources (HR) function is instrumental in creating and developing human capital in alignment with the Company Objectives. Your Company currently has to build its human resources based on the finalization of the opportunities it will focus on in the near future.

Industrial relations are been cordial as your Company does not have any work force with the cessation of production activities.

The challenge will be to build a team of all employees, managers and workmen with the value of teamwork and belongingness. All the employees of the Company will be expected to work as one cohesive team devoted to a common goal of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all the assets of the Company

Swadeshi Polytex Limited

are safeguard and protected against any loss and that all the transactions are properly authorised and recorded. Information provided to management is reliable and timely. Company ensures adherence to all statutes.

INTERNAL FINANCIAL CONTROL

The Company has an established Internal Financial Control framework including controls over financial reporting, operating controls and anti-fraud framework. Internal audits are undertaken on a continuous basis. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

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 internal control system is supplemented by an extensive internal audit, which is conducted by independent firm of Chartered Accountants.

The framework is reviewed regularly by the management and tested by internal audit team and presented to the Audit Committee and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems.

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

The Company has only one segment i.e Real Estate.

The Company's revenue from operations for the year decreased to Rs. 1.76 crore for the financial year 2015-16, as compared to Rs. 7.27 crore in the previous year. The Company continued its focus on core business activity in the Industrial land. The key revenue streams for the Company include sale of lease plot lands. Earnings per share was Rs. (17.56) as compared to Rs. 2.60 in the previous year. The Company's net worth as on 31st March, 2016 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.

CAUTIONARY STATEMENT

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

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Swadeshi Polytex Limited

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 2016, the Statement of Profit & Loss, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements

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 principles generally accepted in India of the state of affairs of the Company as at 31st March 2016 and its Loss and its cash flows for the year ended on that date.

Swadeshi Polytex Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164(2) of the Act ;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.22.1 to the financial statements;
 - ii. We are explained that the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. We are explained that there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
S. K. BANSAL
Partner

Membership No.: 082242

Place : Faridabad
Date : 27th May, 2016
Camp : Ghaziabad

Swadeshi Polytex Limited

Annexure A 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 2016. 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 management 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 the discrepancies noticed on physical verification of fixed assets have been properly dealt with in the books of accounts.
 - (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company does not have any immovable property other than those held as Stock in Trade. Hence the provision of sub clause (i) (c) of the Order is not applicable.
- (ii) The only inventory in hand is in the form of lease hold plot rights, for which management has conducted physical verification in the form of measurement, frequency of which in our opinion is reasonable and no material discrepancies were noticed on the physical verification of the same as compared to book records.
- (iii) The Company has granted unsecured loan to a party covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the party listed in the register maintained under Section 189 of the Act, were not prima facie, prejudicial to the interest of the Company.
 - (b) In the case of loan granted to the party listed in the register maintained under Section 189 of the Act, we are explained that the same is repayable on demand. In our opinion, repayment of interest is regular in terms of demand made. We are also explained that no demand has been made during the year about repayment of principal.
 - (c) In our opinion and in view of our comments in (a) and (b) above, no amount is overdue for recovery.
- (iv) According to the information and explanations given to us and the records of the Company examined by us, the Company had complied with the provisions of Section 186 with respect to loan given by it to a party in the earlier year.
- (v) During the year under report, the company has not accepted any deposit from the public to which provisions of sections 73 to 76 of the Act and relevant rules framed there under apply.
- (vi) We are informed that the maintenance of the cost records has not been prescribed by the Central Government u/s 148(1) of the Act for the company since no manufacturing activities were carried out by it during the year under report.
- (vii)
 - (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 regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, 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/service Tax/excise duty, 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	149.37	Various	Various Forum.
The Central Excise & Salt Act, 1944	Excise Duty	139.18	Various	CESAT & the Supreme Court
The Central Excise Act, 1944	Penalty on Excise Duty	25.00	2012	CESAT
The Customs Act, 1962	Custom Duty	8.50	Various	D. C. Customs Mumbai

- (viii) According to the information and explanation given to us, the company had not borrowed any money from any financial institution, bank or Government and had not issued debentures during the year under report. Accordingly provisions of clause 3 (viii) are not applicable for the year under report.
- (ix) The Company had neither raised any money by way of initial public offer or further public offer (including debt instruments) and term loans nor applied the previously raised loans, if any, during the year under report. Accordingly, provisions of clause 3 (ix) of the Order are not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us, the Company has not paid any managerial remuneration to any of its directors and it has no Managing Director, Whole Time Director or Manager. Accordingly paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-

S. K. BANSAL

Partner

Membership No.: 082242

Place : Faridabad
Date : 27th May, 2016
Camp : Ghaziabad

Swadeshi Polytex Limited

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Swadeshi Polytex Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Swadeshi Polytex Limited

- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Faridabad
Date : 27th May, 2016
Camp : Ghaziabad

Sd/-
S. K. BANSAL
Partner
Membership No.: 082242

Swadeshi Polytex Limited

BALANCE SHEET AS AT 31st MARCH, 2016

(Rs.)

Particulars	Note No.	As At 31-March-2016	As At 31-March-2015
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
Firm Regn. No. 003343N

Sd/-
S.K. Bansal
Partner
M No. - 082242

For and on behalf of the Board of Directors

Sd/-
(S. B. Singh)
Director
(DIN No. 03225016)

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

Place : Faridabad
Date : 27th May, 2016

Sd/-
(Promod Pandey)
Chief Financial Officer

Sd/-
(Sunita Gujjar)
Company Secretary

Swadeshi Polytex Limited

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

(Rs.)

Particulars	Note No.	For the year ended 31-March-2016	For the year ended 31-March-2015
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

Firm Regn. No. 003343N

Sd/-

S.K. Bansal

Partner

M No. - 082242

For and on behalf of the Board of Directors

Sd/-

(S. B. Singh)

Director

(DIN No. 03225016)

Sd/-

(B. Mehrotra)

Director

(DIN No. 03279399)

Place : Faridabad

Date : 27th May, 2016

Sd/-

(Promod Pandey)

Chief Financial Officer

Sd/-

(Sunita Gujjar)

Company Secretary

Swadeshi Polytex Limited

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

(Rs.)

Particulars	For the year ended 31-March-2016	For the year ended 31-March-2015
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	-17,555,039	1,408,062
Adjustments for :		
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
Adjustments for working capital changes :		
(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 / (Decerase) in Cash and Cash Equivalents (A+B+C)	7,536,986	-24,439,378
Opening Cash and Cash Equivalents as per Note 2.14	9,642,599	34,081,977
Closing Cash and Cash Equivalents as per Note 2.14	17,179,585	9,642,599

As per our report of even date attached

For **Sanmarks & Associates**

Chartered Accountants
Firm Regn. No. 003343N

Sd/-

S.K. Bansal

Partner

M No. - 082242

Place : Faridabad

Date : 27th May, 2016

For and on behalf of the Board of Directors

Sd/-

(S. B. Singh)

Director

(DIN No. 03225016)

Sd/-

(Promod Pandey)

Chief Financial Officer

Sd/-

(B. Mehrotra)

Director

(DIN No. 03279399)

Sd/-

(Sunita Gujjar)

Company Secretary

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%

Swadeshi Polytex Limited

2.2 RESERVE AND SURPLUS

Particulars	Amount (Rs.)	
	As at 31st March 2016	As at 31st March 2015
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)

2.3 OTHER LONG TERM LIABILITIES

Particulars	Amount (Rs.)	
	As at 31st March 2016	As at 31st March 2015
Other Payables		
Due to erstwhile personnel	25,638,764	25,638,764
	25,638,764	25,638,764

Swadeshi Polytex Limited

2.4 LONG-TERM PROVISIONS

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
Other		
Provision for Contingencies	3,200,000	3,200,000
	3,200,000	3,200,000

2.5 SHORT TERM BORROWINGS

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
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

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
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

Swadeshi Polytex Limited

2.7 OTHER CURRENT LIABILITIES

Particulars	Amount (Rs.)	
	As at 31st March 2016	As at 31st March 2015
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	Amount (Rs.)	
	As at 31st March 2016	As at 31st March 2015
Provision for Income Tax	1,500,000	1,500,000
	1,500,000	1,500,000

Swadeshi Polytex Limited

2.9 FIXED ASSETS- TANGIBLE ASSETS

P A R T I C U L A R S	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)

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
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

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
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

Swadeshi Polytex Limited

2.12 INVENTORIES

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
(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

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
(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

2.14 CASH AND CASH EQUIVALENTS

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
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

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
(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

Swadeshi Polytex Limited

2.16 OTHER CURRENT ASSETS

Amount (Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
(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

2.17 REVENUE FROM OPERATIONS

Amount (Rs.)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
Revenue from sale of lease plot rights	17,600,972	72,750,564
	17,600,972	72,750,564

2.18 OTHER INCOME

Amount (Rs.)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
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

Amount (Rs.)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
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

Swadeshi Polytex Limited

2.20 OTHER EXPENSES

Particulars	Amount (Rs.)	
	Year Ended 31st March 2016	Year Ended 31st March 2015
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	111,674
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	Amount (Rs.)	
	Year Ended 31st March 2016	Year Ended 31st March 2015
Audit Remuneration	274,500	230,338
Tax Audit fee	68,700	101,124
Reimbursement of expenses	27,608	28,603
	370,808	360,065

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.

Swadeshi Polytex Limited

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

Particulars	Amount (Rs.)	
	Year Ended 31st March 2016	Year Ended 31st March 2015
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	Amount (Rs.)	
	Year Ended 31st March 2016	Year Ended 31st March 2015
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	Amount (Rs.)	
	Year Ended 31st March 2016	Year Ended 31st March 2015
Operating activities	-	5,497,048
Investing activities	-	-
Financing activities	-	-
Net Cash inflows/(outflows)	-	5,497,048

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/-).

Swadeshi Polytex Limited

2.22.2	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.

2.28 Related Party Disclosure

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

Swadeshi Polytex Limited

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

Nature of Transactions	Amount (Rs.)	
	Year Ended 31st March 2016	Year Ended 31st March 2015
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	Amount (Rs.)	
	Year Ended 31st March 2016	Year Ended 31st March 2015
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

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

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

Firm Regn. No. 003343N

Sd/-

S.K. Bansal

Partner

M No. - 082242

Place : Faridabad

Date : 27th May, 2016

For and on behalf of the Board of Directors

Sd/-

(S. B. Singh)

Director

(DIN No. 03225016)

Sd/-

(Promod Pandey)

Chief Financial Officer

Sd/-

(B. Mehrotra)

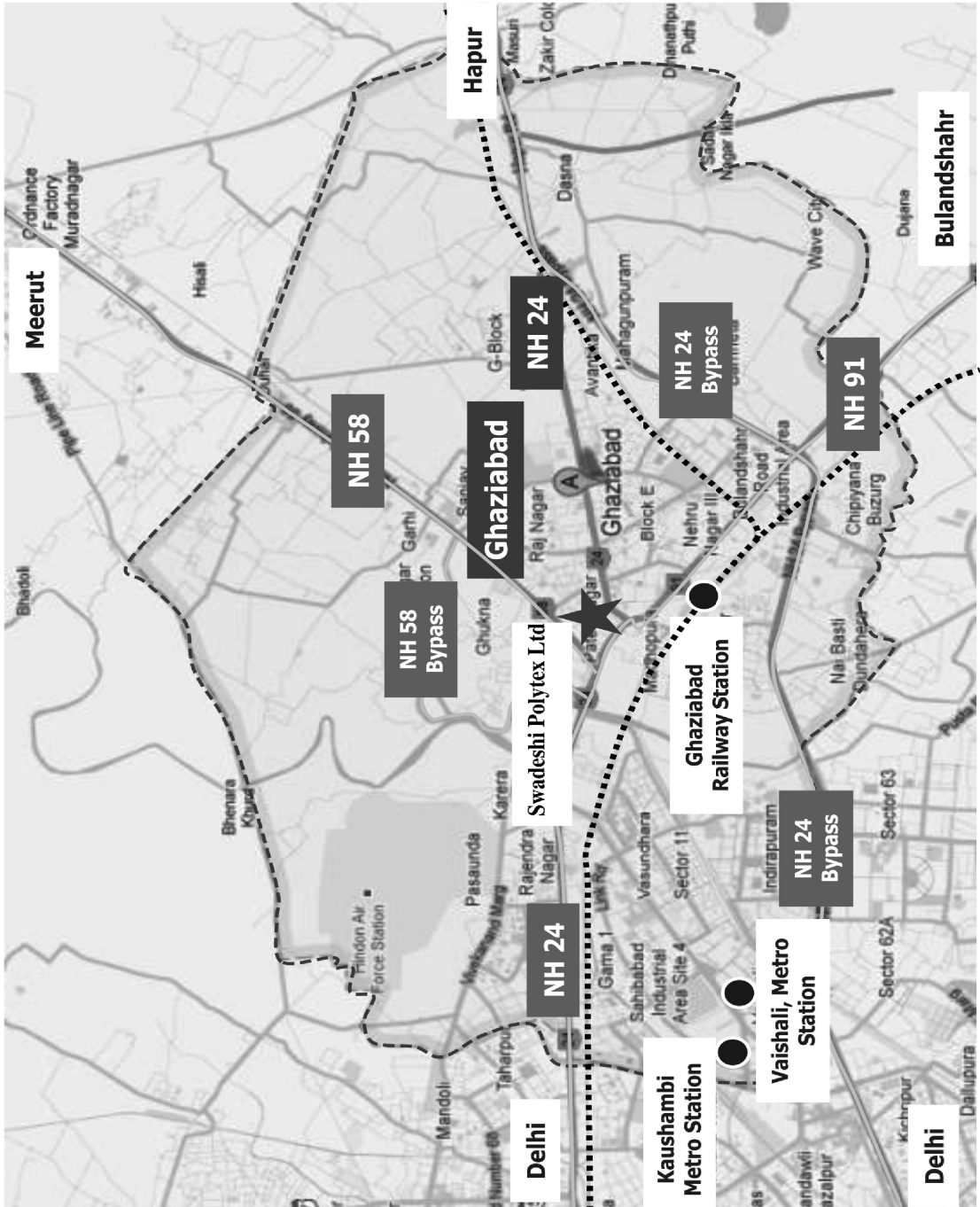
Director

(DIN No. 03279399)

Sd/-

(Sunita Gujjar)

Company Secretary



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 46th Annual General Meeting of the company, to be held on 29 september, 2016 at 11:30 am. at the Registered Office of the company at 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 financial statements of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Gaurav Swarup having Director's Identification Number 00374298 who retires by rotation and being eligible, offers himself for re- appointment.		
3.	To appoint a Director in place of Mr. Prem Chandra Vaish having Director's Identification Number 03440470 who retires by rotation and being eligible, offers himself for re- appointment.		
4.	To appoint a Director in place of Mr. Bipin Behari Mehrotra having Director's Identification Number 03279399 who retires by rotation and being eligible, offers himself for re- appointment.		
5.	To re-appoint Auditors for the year 2016-2017 and to fix their remuneration.		

Affix
Re. 1/-
revenue
stamp

Signed this.....day of.....2016

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 46TH ANNUAL GENERAL MEETING OF SWADESHI POLYTEX LIMITED ON 29TH SEPTEMBER 2016 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.

Swadeshi Polytex Limited

Swadeshi Polytex Limited

CIN: L25209UP1970PLC003320

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

Sl. No.

BALLOT PAPER

46TH ANNUAL GENERAL MEETING of the members of the company to be held at Registered office of the company at New Kavi Nagar, Industrial Area, Ghaziabad (UP) on 29th September, 2016 at 11:30 AM.

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

S. No.	Brief of Resolutions	In favour of resolution*	Against the resolution*
1.	To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Gaurav Swarup having Director's Identification Number 00374298 who retires by rotation and being eligible, offers himself for re- appointment.		
3.	To appoint a Director in place of Mr. Prem Chandra Vaish having Director's Identification Number 03440470 who retires by rotation and being eligible, offers himself for re- appointment.		
4.	To appoint a Director in place of Mr. Bipin Behari Mehrotra having Director's Identification Number 03279399 who retires by rotation and being eligible, offers himself for re- appointment.		
5.	To re-appoint Auditors for the year 2016-2017 and to fix their remuneration.		

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

* Please tick in the appropriate column

if undelivered, please return to:

SWADESHI POLYTEX LIMITED

CIN: L25209UP1970PLC003320

Regd. Office : New Kavi Nagar,
Industrial Area Ghaziabad - 201002 (UP)