41st Annual Report
2010-2011

SWADESHI POLYTEX LIMITED

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

SWADESHI POLYTEX LIMITED

BOARD OF DIRECTORS AS ON DATE OF AGM

Shri Gaurav Swarup	*Chairman*
Shri K. Ramachandran Pillai	*Director*
Shri Hartaj Sewa Singh	*Director*
Shri R. K. Sharma	*Director*
Shri Atul Seksaria	*Director*
Shri Y. J. Dastoor	*Director*
Shri N. K. Gupta	*Director*
Shri S.S. Madan	*Director*
Shri Naveen Aggarwal	*Director*
Shri K. Subramanian	*Director*
Shri B. Mehrotra	*Director*
Shri S.B. Singh	*Director*

REGISTERED OFFICE

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

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Notice

Notice is hereby given that 41st Annual General Meeting of the members of Swadeshi Polytex Limited will be held at the Registered Office of the Company at New Kavi Nagar, Industrial Area, Ghaziabad - 201002 (Uttar Pradesh) on 21st September 2011 at 12.00 Noon to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account of the Company ended as on that date and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in Place of Shri K.R.Pillai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S.S. Madan, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Shri N.K. Gupta, who retires by rotation and being eligible, offers himself for re- appointment.
5. To appoint Auditors and to fix their remuneration and for that purpose to pass the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to section 224A and other applicable provisions of the Companies Act 1956, if any M/S Suresh Bansal & Co. Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General meeting to the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs. 50,000/- (plus service tax and out of pocket expenses for actual traveling and other expenses in connection with the company's audit)"

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

(R.K.Sharma)
(Director)

(B. Mehrotra)
(Director)

Place : Ghaziabad
Dated : 9th August, 2011

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend on his behalf and on a poll to vote on his behalf and that the proxy need not be a member of the Company. Proxies in order to be effective must be signed, stamped and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. Blank proxy form is annexed hereto.
2. In case of joint holding only that joint holder who is highest in order of the names as per Company's record shall be entitled to vote.
3. The register of members and share transfer books of the Company will remain closed from 15th September 2011 to 21st September 2011(both days inclusive).

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 41st Annual Report along with Audited Accounts and annexure attached thereto for the year ended 31st March 2011.

HIGHLIGHTS

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

The Company continued with the business trading of yarn/textiles during the year.

Out of the various business opportunities available with the Company, the Company has entered the Real Estate sector during the year. Your directors foresee good opportunities in the said sector and are hopeful of achieving better results in the current financial year.

FINANCIAL REPORT

The Financial Results of the Company for the year 2010-2011 are summarized below:

	Year Ended on 31.03.2011	Year Ended on 31.03.2010
Total Income	11,94,12,793	2,81,86,665
Net Loss before tax	(3,19,22,353)	(4,48,78,176)
Loss After Tax	(3,19,22,353)	(4,48,78,176)
Balance in Profit & Loss Account brought forward from last Year	(65,77,47,465)	(61,28,69,289)
Balances Carried forward to Balance Sheet	(68,96,69,819)	(65,77,47,465)

DIVIDEND

Your directors do not recommend any dividend for the year under review, in the absence of profit.

PARTICULARS OF EMPLOYEES

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

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

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

DIRECTORS

Mr. K.R.Pillai, N.K. Gupta and Mr. S.S. Madan retire by rotation and being eligible, have offered themselves for re-appointment.

LISTING OF SHARES

In order to get the Company's shares re-listed at Mumbai Stock Exchange, your directors have made various pending compliances of Listing Agreement and plan to comply with all the compliances in future as well. The pending listing fees of Mumbai Stock Exchange has also been paid by the Company. The Company has also taken steps to discontinue the membership of all the other stock exchanges where the Company shares are listed.

AUDITORS

M/S Suresh Bansal & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting. A letter has been received from Suresh Bansal & Co. Chartered Accountants confirming that their appointment, if made, will be in conformity with the provisions of Section 224 (1-B) of the Companies Act, 1956. As per section 224A of the Companies Act 1956, members are requested to pass the special resolution.

COMMENTS ON AUDITORS' REPORT

The auditors' comments and remarks have been adequately explained by the management in the "Notes to Accounts".

PUBLIC DEPOSITS:

The Company has not invited or accepted fixed deposits from the public within the meaning of section 58 A of the Companies Act 1956 and rules madi there under and as such no amount of principal and interest was outstanding on the date of the Balance Sheet.

CORPORATE GOVERNANCE

Pursuant to clause 49 of listing agreement with the stock exchange a management and discussion analysis, a corporate Governance report, a managing director/ CEO and auditor's certificate regarding compliance of conditions of corporate governance are made a part of the annual report.

COMPLIANCE CERTIFICATE

N.K.Rastogi & Associates, Company Secretaries, has given the compliance certificate as required under section 383 A of the Companies Act 1956. The Copy of the same is enclosed and be part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

(As per section 217 (2AA) of the Companies Act 1956)

The Directors hereby confirm:

i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;

ii) That the directors have selected such accounting policies and applied them consistently and made judgment 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 or loss of the Company for that period.

iii) That the directors have 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.

iv) That the directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place : Ghaziabad
Date : 9th August, 2011

(B. Mehrotra)
Director

(R. K. Sharma)
Director

COMPLIANCE CERTIFICATE

Registration No of the Company: L25209UP1970PLC003320
Nominal Capital: Rs 250,000,000/-(Rupees Twenty Five Crores Only)

To,
The Members
M/s Swadeshi Polytex Limited
New Kavi Nagar, Industrial Area
Ghaziabad

We have examined the registers, records, books and papers of M/s Swadeshi Polytex Limited as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed paid up capital and comments with reference to maximum no. of members are not required.
4. The Board of Directors duly met 6 (Six) times on 21st June 2010, 9th August, 2010 ,26th August 2010,24th September, 2010, 12th November 2010 & 15th February 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose
5. The Company has closed its Register of Members from 20th Oct 2010 to 28th October 2010 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.3.2010 was held on 28th October 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act the Company has not obtained any approvals from the Board of Directors, members or Central Governments as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
    (i) Not allotted any securities during the year and the Company delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
    (ii) Not deposited any amount of dividend declared in a separate bank account as no dividend was declared during the financial year.
    (iii) The Company was not required to post warrants to any members of the Company as no dividend was declared during the financial year.

(iv) Transferred the amount in unpaid dividend account remained unclaimed or unpaid for a period of seven years to investor education and protection fund.

(v) The Company has duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate Directors and directors to fill casual vacancy have been duly made.
15. The Company has not appointed any Managing Director/Whole time Director/manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company law Board, Regional Director, Registrar and / or such other authorities as prescribed under the various provision of the Act during the year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year
20. The Company has not bought back any shares during the financial year
21. There was no redemption of preference shares/debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loan or advances or given guarantees or provide securities to other bodies corporate and consequently no entries have been made in the registers kept for this purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial Year.
31. There was no prosecution initiated against or show cause notices received by the Company as informed by the management and no fines or penalties or any other punishment imposed on the Company during the financial year for offences under the act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards provident fund during the financial year, as the same is not required under the Act.

Naveen Kumar Rastogi
COMPANY SECRETARY
C.P. NO. :3785

Place : **DELHI**
Dated : **9th August, 2011**

ANNEXURE -A

M/s Swadeshi Polytex Limited

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

NOTE:

The Company has not maintained the following registers as it was informed that there were no entries / transactions to be recorded therein:

1. Register of Depositors under rule 7 of the Cos. Act (Acceptance of Deposits) Rules 1975.
2. Register of Securities Brought Back under Section 77A.
3. Register & Index of debenture holder u/s 152.

ANNEXURE -B

Forms and returns as filed by the Company with the Register of Companies, Regional Directors, Central Government or other authorities during the financial year 2010-2011:

FORM NO./ RETURN	FILED U/S	DATE OF FILING	PARTICULARS	WHETHER FILED WITHIN TIME (YES/NO)
Annual Return (Form No 20B)	159(1)	24.12.2010	For Financial year ended on 31st March 2010	YES
Balance Sheet (Form No 23 AC & 23 ACA)	220	26.11.2010	For the year ended on 31.03.2010	YES
Compliance Certificate 383A (Form no 66)		11.11.2010	For the year ended on 31.03.2010	YES
Form 23	192	30.11.2010	For registration of the Special Resolution	YES
Form 32	303(2)	01.12.2010	For Cessation of Director.	NO
Form 32	303(2)	19.11.2010	For Appointment & Cessation of Director.	NO
Form 32	303(2)	21.10.2010	For Appointment & Cessation of Director.	NO
Form 1A		30.12.2010	Application for availability of name.	YES
Form 1A		25.08.2010	Application for availability of name.	YES
Form 1AR		18.10.2010	For increasing the validity of name made available.	YES
Form 61		31.08.2010	For making an application to Central Government for extension of AGM date.	YES

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Swadeshi Polytex Limited philosophy on Corporate Governance envisages achieving highest standards of accountability, transparency and equity in all its spheres and in all its dealings with its stakeholders. Swadeshi Polytex Limited is committed to establishing and diligently following the highest standards of Corporate Governance in its pursuit of profitable growth and enhancement of shareholder's value.

The Company believes that any business conduct can be ethical only when it rests on the core values of Honesty, Fairness, Trust, Transparency and Responsibility towards not only stakeholders but also to entire society.

Your Company continues to follow procedures and practices in conformity with the Code of Corporate Governance as stipulated by SEBI.

I BOARD OF DIRECTORS

A. Composition of Board

During the year 2010-2011, the Board of Directors consisted of Fifteen directors, all are the non-executive directors. Through the year Mr. K. Ramachandran Pillai was designated as Chairman-cum- Director. Presently Mr. Gaurav Swarup is the Chairman of the Company.

The Composition of Board of Directors is as follows.

Name	Category	Designation No. Attended during the Year	No. of Board level committees where member	No. of Board level committees where chair person
Shri K. Ramachandran Pillai	Nominee, Non Executive Director	Chairman		
Mr. Gaurav Swarup	Nominee, Non Executive Director	Director		
Mr. R.K.Sharma	Nominee, Non Executive Director	Director	1	
Mr. Hartaj Sewa Singh	Nominee, Non Executive Director	Director		
Mr. Atul Saksaria	Nominee, Non Executive Director	Director		
Mr. K. Subramanian	Nominee, Non Executive Director	Director	2	
Mr. S.S.Madan	Nominee, Non Executive Director	Director		
Mr. N.K.Gupta	Nominee, Non Executive Director	Director		1
Mr. Naveen Agarwal	Nominee, Non Executive Director	Director		2
Mr. S.B Singh Khalsipal	Nominee, Non Executive Director	Director		
Mr. Bipin Behari Mehrotra	Nominee, Non Executive Director	Director	1	
Mr. H.K Sharma*	Nominee, Non Executive Director	Director	1	
Mr. T.S Brar **	Nominee, Non Executive Director	Director		
Mr. B.R Varma ***	Nominee, Non Executive Director	Director		
Mr. R.K Sanghi****	Nominee, Non Executive Director	Director		

* Ceased to be director w.e.f 26 August 2010

** Ceased to be director w.e.f 24th September 2010
*** Ceased to be director w.e.f 26 August 2010
****Ceased to be director w.e.f 30 May 2011

The Chairman is a Non Executive Director and the number of Independent Non-Executive Directors on the Board is more than 50% of the Board strength at any point of time as defined in Clause 49 of the Listing Agreement.

B. None of the non-executive directors has any pecuniary relationship with the Company.

C. During the period, the Board of Directors of your Company met 6 times. The dates on which the meetings were held are 21st June 2010, 9th August 2010, 26th August 2010, 24th September 2010, 12th November 2010, 15th February 2011 and the gap requirement of four months between two meetings has been complied with.

All relevant information, as per clause 49 of the listing Agreement was placed before the Board from time to time

Name	Number of Board Meetings held during the year	Number of Board Meetings attended	Last AGM Attendance (Yes/No)
Mr. Gaurav Swarup	6	0	No
Shri K. Ramachandran Pillai	6	4	Yes
Mr. R.K.Sharma	6	6	Yes
Mr. Hartaj Sewa Singh	6	6	Yes
Mr. Atul Seksaria	6	5	Yes
Mr. K.Subramanian	6	4	Yes
Mr. S.S.Madan	6	5	Yes
Mr. N.K.Gupta	6	4	Yes
Mr. Naveen Agarwal	6	5	Yes
Mr. R.K Sanghi	6	3	Yes
Mr. B.Mehrotra	6	4	Yes
Mr. S.B Singh	6	4	Yes
Mr. T.S Brar	6	0	No
Mr. R.K Sanghi	6	3	Yes
Mr. H.K Sharma	6	1	No

2. None of the Directors of your Company were members in more than 10 Committees or acted as chairman of more than 5 committees across all companies in which they were Directors. Details of Board Membership positions occupied by the Directors, across all companies, are given at the beginning of the section.

D. **Code of Conduct**

The board is in the process of laying down a code of conduct for all the board members and senior management personnel of the Company.

II AUDIT COMMITTEE

The Board has constituted an Audit Committee of Directors in accordance with the requirements of Sec 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

A. **Composition, name of members and chairperson**

The Audit Committee of the Company comprises of Mr. Naveen Agarwal (Chairman), Mr. B.Mehrotra, Mr. K.Subramani, Mr. N. K Gupta.

Mr. Naveen Agarwal & Mr.B.Mehrotra holds 250 shares and Mr. K.Subramanian holds nil shares of the Company.

B. During the year, Audit Committee met 4 times on 09th August 2010, 12th November 2010, 15 Feburuary 2011, & 24th May 2011.