

42nd Annual Report 2011-12

SWADESHI POLYTEX LIMITED

SWADESHI POLYTEX LIMITED

BOARD OF DIRECTORS AS ON DATE OF AGM

Shri Gaurav Swarup	Chairman
Shri Hartaj Sewa Singh	Vice Chairman
Shri K. Ramachandran Pillai	Director
Shri R. K. Sharma	Director
Shri Atul Seksaria	Director
Shri P. C. Vaish	Director
Shri S.S. Madan	Director
Shri N. K. Gupta	Director
Shri Naveen Aggarwal	Director
Shri S.B. Singh Khathpal	Director
Shri B. Mehrotra	Director
Shri Y. J. Dastoor	Director

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

RCMC Shares Registrar Private Limited

B-106, Sector-2, Noida - 201301

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Notice

Notice is hereby given that 42nd 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, 2012 at 12.00 Noon to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Statement of 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 Atul Seksaria, who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Shri Hartaj Sewa Singh, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Shri Naveen Aggarwal, 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 and the Board of Directors / Audit Committee be authorised to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following Resolutions as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by inserting new Article 10 A after the existing Article 10:

10A Dematerializations of securities

- (1) Notwithstanding anything contained in these Articles, the Company shall be entitled, as and when decided by the Board of Directors, to dematerialise its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
- (2) Every person subscribing to securities offered by the Company shall have the option to receive security certificate or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.
If a person opts to hold his security with a Depository, the Company shall intimate such Depository details of allotment of the security, and on receipt of information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- (3) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in sections 153, 153A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

- (4) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of affecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- (5) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (6) Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.
- (7) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (8) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- (9) The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and security holders for the purpose of these Articles.
- (10) For the purpose of this Article:-

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a Depository;

‘SEBI’ means the Securities and Exchange Board of India;

‘Depository’ means a Company formed and registered under the Companies Act, 1956 and which has been granted a Certificate of Registration to Act as a Depository under the Securities and Exchange Board of India Act, 1992 and ‘Security’ means such security as may be specified by SEBI from time to time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.”

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

Place : New Delhi
Dated : 9th August, 2012

(**R.K.Sharma**)
(Director)

(**B. Mehrotra**)
(Director)

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. Explanatory Statement(s) pursuant to section 173(2) of the Companies Act, 1956, relating to the Special Businesses contained in item no. 6 to be transacted at the meeting is annexed hereto and forms part of Notice.
3. 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.
4. The register of members and share transfer books of the Company will remain closed from 15th September, 2012 to 21st September, 2012 (Both days inclusive).
5. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
6. Pursuant to Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form No 2B in duplicate (which will be made available on request) to the R&T Agent.
7. Members are requested to bring their attendance slip along with Copy of the Report and Accounts to the AGM.
8. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed Companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company.
9. Members are requested to visit the website of the Company <http://www.splindia.co.in> for viewing the quarterly and annual financial results and for more information on the Company.
10. RCMC is the Registrar & Share Transfer Agent (R&T Agent) of the Company. All investor related communication may be addressed to the RCMC at the following address:

RCMC Share Registrar Private Limited

B-106, Sector-2, Noida-201301

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

In Conformity with the provisions of section 173 (2) of the Companies Act, 1956 the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice should be taken as forming part thereof.

Item No- 6

Members are aware that with the introduction of The Depositories Act 1996 and depository System, some of the provisions of The Companies Act 1956 in relation to Issue, Holding, Transfer of share, debenture and other securities has been amended to facilitate the implementation of the new system. The depository system is safe and convenient method to hold and trade in securities of the company. The System eliminates several constraints and limitations experienced in the script base system such as bad deliveries, fraudulent transfer, and perseverance of share Certificates etc. The system also offers several cost benefit such as reduction in postage expenditure, exemption from stamp duty on transfers.

Further The Companies Act 1956 as amended by up to date has provided every holder of shares or debentures or other securities an options to nominate a person to whom his /her share or debenture of the company shall vest in the event of his /her death.

In view of enabling provisions now being available and keeping in view the larger Share holders interest it is proposed to amend the Articles of Associations of the company, suitable incorporating therein necessary provisions relating to the implementation of the depository system and for providing nominations facility in conformity with The Depositories Act 1996 and The Companies Act 1956 respectively.

Section 31 of the Companies Act 1956 provides that any alteration to the Articles of Association of the Company shall be approved by the shareholders by means of special resolution.

The Directors therefore recommend passing of the Special Resolution as set out in Item no 6 of the notice.

None of the Directors are interested in the resolutions.

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

Place : New Delhi
Dated : 9th August, 2012

(R.K.Sharma)
(Director)

(B. Mehrotra)
(Director)

ANNEXURE TO THE NOTICE DATED 9th AUGUST 2012

**Details of Directors' seeking reappointment at the forthcoming Annual General Meeting.
(Pursuant to clause 49 of the Listing Agreement)**

Name of the Director	Shri Atul Seksaria
Date of appointment	23/11/2006
Brief Resume and nature of expertise in functional area	Senior Chartered Accountant, Possesses rich and wide post qualification experience of 25 years in the areas of assurance, business and risk advisory, due diligence reviews, advising & structuring of entrepreneurial growth companies etc.
Directorship held in other Public Companies (Excluding Foreign and Private Companies)	Amar Ujala Publications Ltd.
Membership/Chairman/of Committees of other Public Companies (includes only Audit Committee and Shareholders'/Investor Grievance Committee	2-Audit Committee & Remuneration Committee.
Number of Shares held in the Company	250 Shares

Name of the Director	Shri Hartaj Sewa Singh
Date of appointment	26/09/2003
Brief Resume and nature of expertise in functional area	An MBA with over 30 years experience in Banking, Finance and General management. Served for 11 years with American Express Bank and subsequent to that has been an independent entrepreneur running professional services business.
Directorship held in other Public Companies (excluding Foreign and Private Companies)	Nil
Membership/Chairman/of Committees of other Public Companies (includes only Audit Committee and Shareholders'/Investor Grievance Committee)	Nil
Number of Shares held in the Company	250 Shares

Name of the Director	Shri Naveen Aggarwal
Date of appointment	23/11/2006
Brief Resume and nature of expertise in functional area	Senior Chartered Accountant, Possesses rich and wide post qualification experience of 17 years in the areas of assurance, business and risk advisory, due diligence reviews, advising& structuring of entrepreneurial growth companies etc.
Directorship held in other Public Companies (excluding Foreign and Private Companies)	Nil
Membership/Chairman/of Committees of other Public Companies (includes only Audit Committee and Shareholders'/Investor Grievance Committee)	Nil
Number of shares held in the Company	250 Shares

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 42nd Annual Report along with Audited Accounts and annexure attached thereto for the year ended 31st March, 2012.

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 2011-2012 are summarized below:

	Year Ended on 31.03.2012	Year Ended on 31.03.2011
Total Income	55,452,719	34,998,439
Net Loss before tax	(147,344,182)	(3,19,22,353)
Loss After Tax	(35,058,077)	(3,19,22,353)
Balance in Profit & Loss Account brought forward from last Year	(689,669,818)	(65,77,47,465)
Balances Carried forward to Balance Sheet	(724,727,895)	(68,96,69,818)

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. Atul Seksaria, Mr. Hartaj Sewa Singh, and Mr. Naveen Aggarwal retire by rotation and being eligible, have offered themselves for re-appointment.

LISTING OF SHARES

The Bombay Stock Exchange had revoked the suspension of the Companies equity shares listed at their exchange. Now the Companies shares has started trading in Bombay Stock Exchange. The depository for the Company's shares are CDSL. The Company is also in discussion with NSDL for necessary admission of the Companies securities with them. The listing fees of Mumbai Stock Exchange has also been paid by the Company till 2012-2013. The Company has also taken steps to discontinue the membership of all the other stock exchanges where the Company shares are listed other than BSE.

AUDITORS

M/s Suresh Bansal & Co., Chartered Accountants, the Statutory Auditors of the Company retires 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 management view on the auditors Comments are as follow.

SI. No.	AUDITORS COMMENTS	MANAGEMENT VIEW
1	Balance confirmation for certain Inoperative Bank Accounts, Trade receivables & Payables, loans and advances are pending.	Since the Inoperative Bank Accounts, Trade receivables & Payables, loans and advances are very old and the Company has also written letter for their confirmation but the confirmation letters have not been received by the Company till date.
2	TDS on Interest of Rs. 5,93,517, remaining outstanding for more than six months as at 31 st March, 2012 from the date it was payable.	The Company is in the process of making payment of the outstanding TDS amount with interest with the Income tax authority.

PUBLIC DEPOSITS:

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

CORPORATE GOVERNANCE

The report on Corporate Governance and the certificate from the Company Secretary in Practice regarding compliance with the conditions of Corporate Governance have been furnished in the Annual Report and forms 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 form part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

The Directors hereby confirm:

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- 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 loss of the Company for that period.
- 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.
- 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
FOR SWADESHI POLYTEX LIMITED

Place : New Delhi
Date : 9th August, 2012

(R. K. Sharma)
Director

(B. Mehrotra)
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, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being Public Limited Company has the minimum prescribed paid-up capital and comments with reference to maximum no. of members are not required.
4. The Board of Directors duly met 7 (Seven) times on 3rd May 2011, 30th May 2011, 21st July 2011, 9th August 2011, 8th September 2011, 5th November 2011 and 14th February 2012 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 15th September, 2011 to 21st September, 2011 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.3.2011 was held on 21st September, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Governments.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - (i). Not allotted any securities during the year and the Company delivered all the certificates on lodgment for transfer /transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) Not deposited any amount of dividend in a separate bank account as no dividend was declared during the financial year.
 - (iii) Not required to post warrants to any members of the Company as no dividend was declared during the financial year.