

Notice

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

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss Account of the Company ended as on that date together with Report of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Gaurav Swarup (DIN 00374298), who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint a Director in place of Mr. Shamsheer Bahadur Singh Kathpal (DIN 03225016), who retires by rotation and being eligible, offers himself for re- appointment.
4. **Appointment of Auditors**

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

"RESOLVED THAT M/s SANMARKS & ASSOCIATES, Chartered Accountants (Firm Registration No. 003343N), be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Audit Committee/ Board of Directors of the Company."

SPECIAL BUSINESS:

5. **Appointment of Mr. Atul Seksaria as an Independent Director of the Company**

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Atul Seksaria (holding DIN 00028099), a non executive Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation."

6. **Appointment of Mr. Yezdeard Jehangir Dastoor as an Independent Director of the Company**

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Yezdeard Jehangir Dastoor (holding DIN 00788485), a non executive Director of the Company be and is hereby appointed as an independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation."

7. **Appointment of Mr. Niranjana Kumar Gupta as an Independent Director of the Company**

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Niranjana Kumar Gupta (holding DIN 00923080), a non executive Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office for 5 consecutive years upto March 31, 2019, not liable to retire by rotation."

Swadeshi Polytex Limited

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

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

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

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

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

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

10. Amendment of Articles of Association

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

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

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

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

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

Place : New Delhi
Dated : 5th August, 2014

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

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

Swadeshi Polytex Limited

Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 10 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item No. 2, 3 and Item Nos. 5 to 9 of the Notice, are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Thursday 18th September, 2014 to Thursday, 25th September, 2014, both days inclusive.
4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents RCMC Share Registry Private Limited (RCMC) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RCMC directly.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RCMC for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RCMC Share Registry Private Limited (RCMC) having its office at B- 25/1, First Floor, Okhla Industrial Area, Phase 2, Delhi, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. The Notice of the AGM along with the Annual Report 2013-14 and instructions for e-voting, Attendance slip and Proxy form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that the Notice of the AGM and the Annual Report 2013-14 will be available on the Company's website www.splindia.co.in
9. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. Clause 35 B of the Listing Agreement and Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, provides for the mandatory electronic voting

Swadeshi Polytex Limited

facility to all the members of the Company to exercise their right to vote at the general meeting through electronic means. The Company in compliance of the provisions is providing the electronic voting facility to all the members at the cut off date for transacting the businesses at the Annual General Meeting by electronic means by following the e-voting process. The Complete details of the instructions for e-voting is annexed to this notice.

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

Place : New Delhi
Dated : 5th August, 2014

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

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

Explanatory Statement

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

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

Item No. 5 to 9:

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

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

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

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

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

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

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

Item No. 10

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

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

Swadeshi Polytex Limited

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

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

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

Profile of Directors Mentioned in point no. 2 and 3

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

Swadeshi Polytex Limited

Profile of Directors Mentioned in point no. 5 to 9

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

DIRECTORS' REPORT

Dear Members,

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

HIGHLIGHTS

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

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

FINANCIAL REPORT

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

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

DIVIDEND

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis.

DIRECTORS

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

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

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

AUDITORS

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

AUDITORS REPORT

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

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

Management reply on the above observation:

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

PARTICULARS OF EMPLOYEES

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

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

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

Swadeshi Polytex Limited

PUBLIC DEPOSITS:

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board
FOR SWADESHI POLYTEX LIMITED

Place: New Delhi
Date : 5th August, 2014

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

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

COMPLIANCE CERTIFICATE

Registration No. of the Company: L25209UP1970PLC003320

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

To,

The Members

M/s Swadeshi Polytex Limited

New Kavi Nagar, Industrial Area

Ghaziabad

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

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