



**46<sup>th</sup> 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

## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 46<sup>th</sup> 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 : 05<sup>th</sup> 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 22<sup>nd</sup> September, 2016 to 29<sup>th</sup> 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](http://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 : 05<sup>th</sup> 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 29<sup>th</sup> 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
<b>Directors Identification Number (DIN)</b>	00374298	03440470	03279399
<b>Age</b>	59	56	82
<b>Qualification</b>	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.
<b>Expertise in Specific Area</b>	Finance and General administration	Accounts/Finance/Tax and General administration	Human Resource/ Administration
<b>Date of first Appointment on the Board of the Company</b>	30/05/1988	01/07/2012	26/08/2010
<b>Shareholding in Swadeshi Polytex Limited</b>	350 shares	Nil	Nil
<b>List of Directorship held in other companies (excluding foreign and private Companies)</b>	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

<b>Membership/Chairmanship of Audit and stake holders relationship committees</b>	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
---	--	--	-----

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

Place : New Delhi  
Dated : 05<sup>th</sup> August, 2016

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

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

## **DIRECTORS' REPORT TO THE MEMBERS**

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

### **FINANCIAL RESULTS**

<b>Particulars</b>	<b>Year Ended on 31.03.2016 (in Lakh)</b>	<b>Year Ended on 31.03.2015 (in Lakh)</b>
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.

<b>Sl. No.</b>	<b>Type of Meeting</b>	<b>No of meetings</b>	<b>Date of Meeting</b>	<b>Directors attended the meeting</b>
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 27<sup>th</sup> 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.

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 year 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.