



SWADESHI INDUSTRIES AND LEASING LTD.

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**22ND
ANNUAL REPORT
2005 - 2006**



SWADESHI INDUSTRIES AND LEASING LIMITED

BOARD OF DIRECTORS

Shri. J. U. Patel	-	<i>Chairman</i>
Shri. S. C. Gautam	-	<i>Vice Chairman and Managing Director</i>
Shri. S. K. Agarwal	-	<i>Director</i>
Shri. R. N. Shah	-	<i>Director</i>

AUDITORS

M/s. Motilal & Associates	-	<i>Chartered Accountants</i>
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BANKERS

State Bank of India
Oriental Bank of Commerce

REGISTERED OFFICE

45, Mittal Court, A-Wing,
Nariman Point,
Mumbai - 400 021.

WORKS

- (i) AUTO PLAST
 Plot No. 336/2/3,
 Village Kanchigam,
 Near Cricket Ground,
 Vapi - Daman Road,
 Daman (U. T.)

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF SWADESHI INDUSTRIES AND LEASING LIMITED will be held on Monday the 25th September, 2006 at 11.00 A.M. at Ashoka Hall, "Arcadia" Nariman Point, Mumbai - 400 021. to transact the following business :

ORDINARY BUSINESS

1. To Consider, approve and adopt the audited Balance Sheet as on 31st March, 2006 and Profit & Loss Account for the year ended on that date and Auditors' Report thereon.
2. To appoint a Director in place of Shri. R. N. Shah., who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors in place of the retiring one and to decide their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 12th September, 2006 to 25th September, 2006 (both days inclusive)
3. Members are requested to notify immediately about their changes of address to the company's Registered Office.

By Order of the Board

For **SWADESHI INDUSTRIES & LEASING LIMITED**

(J. U. PATEL)
Chairman

Registered Office :
45, Mittal Court, "A" Wing,
Nariman Point,
Mumbai - 400 021.

Dated : 29th July 2006



DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY SECOND ANNUAL REPORT** together with Audited Accounts of the Company for the year ended 31st March, 2006.

FINANCIAL RESULTS

	2006	2005
	Rs. Lakhs	Rs. Lakhs
Total Income	121.52	100.94
Gross Profit/ Loss	(4.70)	0.10
Less : Depreciation	4.10	4.44
Provision for Taxation	NIL	NIL
Previous Year Adjustment (Taxation)	NIL	NIL
Profit/Loss after Taxation	(8.80)	(4.34)
Add : Loss Brought forward from previous year	(85.97)	(81.63)
Profit & Loss Appropriation Account	(94.77)	(85.97)
	=====	=====

DIVIDEND :

The Directors regret their inability to recommend dividend for the year 2005-2006 due to inadequacy of profits.

OPERATIONS :

The Company's operating results for the year are showing Net loss of Rs.8.80 Lacs against Rs.4.34 Lacs for the last year. Due to developments in manufacturing technology our machines have become obsolete and out dated. We are facing stiff competition from large scale manufacturers who have put up latest machines with higher production capacities. This has resulted in stagnation of our production and sales of Pet Preforms and left no margins for profits.

FIXED DEPOSITS :

The Company has not accepted any Fixed Deposits under section 58A of the Companies Act 1956 during the year and Note No (xiii) in the annexure to the Auditors Report is self explanatory.

DIRECTORS :

In accordance with the provision of the Companies Act, 1956 and the Company's

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Articles of Association, Shri. R.N. Shah Director of the company retires by rotation and being eligible offers himself for re-appointment.

AUDITORS :

M/s Motilal & Associates, Chartered Accountants, Mumbai retire with the conclusion of the Twenty Second Annual General Meeting and are eligible to offer themselves for reappointment.

PARTICULARS OF EMPLOYEES :

Information pursuant to Section 217 (2A) of the Companies (Particulars of Employment) Rules, 1975 as amended by the Companies Amendment Act, 1988 not applicable to company as no employee was drawing salary more than 1,00,000/- p. m. if employed for the part of the year or annual salary of Rs. 12,00,000/-.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. That in the preparation of the annual accounts, the applicable accountings standards have been followed.
2. That the Directors have selected such accounting policies and have 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.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Company Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

APPRECIATION :

Your Directors wish to place on record their appreciation for the support and co-operation extended by the Bankers, Executives and Staff of the Company.

For and on behalf of the Board
For SWADESHI INDUSTRIES & LEASING LIMITED

(J. U. PATEL)
Chairman

Place : Mumbai.

Dated : 29th July, 2006



ANNEXURE "A" TO THE DIRECTORS REPORT

Information as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in report of Board of Directors) Rules 1988 and forming part of the Directors Report for the year ended 31st March, 2006.

(A) CONSERVATION OF ENERGY

The Energy Consumption and energy consumption per unit of production is given in the prescribed form.

FORM —A

Form for disclosure of particulars with respect to Conservation of energy.

(a) POWER & FUEL CONSUMPTION

	Current Year	Previous Year
1) Electricity :		
a) Purchased Unit (KWH)	3,14,422	2,72,692
Total Amount (Rs.)	8,14,668	7,19,175
Rate per Unit (Rs.)	2.591	2.637
b) Own Generation		
i) Through Diesel Generator	NIL	NIL
ii) Through Steam Generator	NIL	NIL
2) Coal	N. A.	N. A.
3) Furnace Oil	N. A.	N. A.
4) Others		
a) H. S. D.	N. A.	N. A.
b) L. P. G.	N. A.	N. A.
c) Kerosene	N. A.	N. A.

(b) CONSUMPTION PER UNIT OF PRODUCTION

Product : PET PREFORMS

Unit : Preforms (MT.)	108.709	121.432
Electricity (KWH/MT.)	2892.327	2245.635
Furnace Oil	N. A.	N. A.
Coal	N. A.	N. A.
Others :		
a) H.S. D. (KL)	N. A.	N. A.
b) L.P.G. (KL)	N. A.	N. A.

(B) TECHNOLOGY ABSORPTION

- i) **Research & Development :** No Research & Development work has been carried out by the Company and, therefore, there is no expenditure under this head, nor any benefit derived from it.
- ii) Your Company has not imported any technology from anywhere.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Your company has not exported its product/other items during the period under review. Hence, there is no foreign exchange earning and there is no foreign exchange outgoings.

For and on behalf of the Board
For **SWADESHI INDUSTRIES & LEASING LIMITED**

Place : Mumbai.

Dated : 29th July, 2006

(J. U. PATEL)
Chairman

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**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING
AGREEMENTS**

To The Members of Swadeshi Industries & Leasing Limited

1. We have reviewed the implementation of Corporate Governance procedures by Swadeshi Industries & Leasing Limited during the year ended 31st March 2006 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. On the basis of our review and According to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchanges have been complied with in all material respect by the company.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that there are no investors' grievances pending for a period exceeding one month against the Company as per the records maintained by the Company.

For **Motilal & Associates,**
Chartered Accountants,

M.L. JAIN
(Prop.)

Place : Mumbai

Date : 29th July, 2006