



**SWADESHI INDUSTRIES AND LEASING LTD.**

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**23RD  
ANNUAL REPORT  
2006 - 2007**



## 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  
ABN Amro Bank

### 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 THIRD ANNUAL GENERAL MEETING OF SWADESHI INDUSTRIES AND LEASING LIMITED will be held on Friday the 21<sup>st</sup> September 2007 at 11. 00 A. M. at Kamalnayan Bajaj Hall, "Bajaj Bhavan" 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, 2007 and Profit & Loss Account for the year ended on that date and Auditors' Report thereon.
2. To appoint a Director in place of Shri. J. U. Patel, 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.

### SPECIAL BUSINESS

### 4. SPECIAL RESOLUTION

To consider and if thought fit to pass the following resolution as SPECIAL RESOLUTION with or without modification :-

**RESOLVED THAT** Subject to the provision of sec 293 of the companies Act 1956 and other Applicable provision if any the company be and is hereby authorized to sale its office premises at 45 A, Mittal Court, Nariman point Mumbai – 400 021 to any prospective buyer on the price to be negotiated by the Managing Director of the company in the best interest of the company and to purchase a small office in the suburban area of Mumbai on a best negotiated price in the interest of the company before the sale of existing office premises at Nariman point.

**"RESOLVED FURTHER THAT** Mr. S.C.Gautam Managing Director of the company be hereby authorised to search for the prospective buyer and seller of the office premises and to remunerate any Broker / sub Broker for the said search and to negotiate and enter into an agreement for and on behalf of the company and to get it registered with the appropriate registration authority of Mumbai Maharashtra and to sign all relevant papers, drafts, deeds, agreements etc for sale and purchases of office premises for and on behalf of the company.

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT APROXY 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 05<sup>th</sup> September, 2007 to 21<sup>st</sup> September, 2007 (both days inclusive)
3. Members are requested to notify immediately about their changes of address to the company's Registered Office.

### EXPLANATORY STATEMENT, AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT 1956. FOR ITEM NO 4 SPECIAL BUSINESS.

At present company is running under losses and not having sufficient funds to carry on the Regular business of the company. By the sale of the office premises company will setoff its losses and will be having positive network and working capital to carry out regular business and to take over new activities as the management may take decision. Board of the company is of the view to take a small office premises in suburban area of Mumbai so that the available balance funds will be utilised for the business purpose of the company.

None of the Directors of the company is in any way concerned or interested or interested in the Resolution except in their capacity as a director of the company

By Order of the Board  
For **SWADESHI INDUSTRIES & LEASING LIMITED**

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

Dated : 30th July 2007

(J. U. PATEL)  
Chairman.



## DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY THIRD ANNUAL REPORT** together with Audited Accounts of the Company for the year ended 31st March, 2007.

## FINANCIAL RESULTS

	2007	2006
	Rs. Lakhs	Rs. Lakhs
Total Income	96.78	121.52
Gross Profit/ Loss	(6.07)	(4.70)
Less : Depreciation	4.20	4.10
Provision for Taxation (incl. FBT)	0.23	NIL
Previous Year Adjustment (Taxation)	0.22	NIL
Profit/Loss after Taxation	(10.72)	(8.80)
Add : Loss Brought forward from previous year	(94.77)	(85.97)
Profit & Loss Appropriation Account	(105.49)	(94.77)
	=====	=====

## DIVIDEND :

The Directors regret their inability to recommend dividend for the year 2006-2007 due to inadequacy of profits.

## OPERATIONS :

The Company's results for the year are showing net loss of Rs. 10.72 Lacs against Rs.8.80 Lacs for the last year. As explained in last years Annual report, due to development in manufacturing technology, our machines have become obsolete and outdated. Your directors have decided to run the manufacturing unit without losses to be carried out with some changes in product mix and by adding balancing machines.

## 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 Articles of Association, Shri. J. U. Patel Director of the company retires by rotation and being eligible offers himself for re-appointment.

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### **AUDITORS :**

M/s Motilal & Associates, Chartered Accountants, Mumbai retire with the conclusion of the Twenty Third 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 : 30th July, 2007



## 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, 2007.

### (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)	3,27,604	3,14,422
Total Amount (Rs.)	8,62,825	8,14,668
Rate per Unit (Rs.)	2.634	2.591
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.)	126.109	108.709
Electricity (KWH/MT.)	2597.785	2892.327
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**

(J. U. PATEL)  
Chairman

Place : Mumbai.

Dated : 30th July, 2007

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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 2007 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 : 30th July, 2007



### Corporate Governance Report for the Year

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
1	2	3	4
Board of Directors	49 I	YES	----
Audit Committee	49 II	YES	----
Shareholders / Investor Grievance Committee	49 VI (C)	YES	----
Remuneration to Directors	49 III	YES	----
Board Procedures	49 IV	YES	----
Management	49 V	YES	----
Shareholders	49 VII	YES	----
Report on Corporate Governance	49 VIII	YES	----

Place : Mumbai.

Dated : 30th July, 2007