

24TH ANNUAL REPORT (2007-2008)



SWADESHI INDUSTRIES AND LEASING LTD.

Registered Office :
407, SAI INFOTECH, 4TH FLOOR, PATEL CHOWK,
R.B. MEHTA MARG, GHATKOPAR (EAST),
MUMBAI - 400 077.



SWADESHI INDUSTRIES AND LEASING LIMITED

BOARD OF DIRECTORS

Shri. S. C. Gautam	-	<i>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

407, Sai Infotech, Patel Chowk,
R.B.Mehta Marg, Ghatkopar(E),
Mumbai - 400 077.

WORKS

- (i) AUTO PLAST
 Plot No. A/3/22
 Goa IDC
 Somnath Road,
 Daman (U. T.)

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF SWADESHI INDUSTRIES AND LEASING LIMITED will be held on 20th September 2008 at 11.00 A. M. at Sheth Dhanji Devshi Rashtriya Shala, Banquet Hall, Upashray Lane, Ghatkopar (East) Mumbai 400 077 to transact the following business :

ORDINARY BUSINESS

1. To Consider, approve and adopt the audited Balance Sheet as on 31st March, 2008 and Profit & Loss Account for the year ended on that date and Auditors' Report thereon.
2. To appoint a Director in place of Shri S.K. Agarwal who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint the Auditors and to fix their remuneration

SPECIAL BUSINESS

4. To consider and if thought fit to pass the following Resolution as a Special Resolution (with or without modifications).

" RESOLVED THAT subject to the approval of the Members of the Company the consent be and is hereby given pursuant to Sections 198, 309, 310, 311 and 314 and other applicable provisions of the companies Act, 1956 to re-appoint Mr. S.C. Gautam as a Managing Director as follows with effect from 01.10.2008 "

(A) Salary : 25,000 – 5,000 – 50,000

(25,000/- (Rupees Twenty Five Thousand only) per month and all permissible perquisites and Allowances to the Managing Director.

(B) Minimum Remuneration

In the event of inadequacy or absence of profits in any year, he will be paid revised salary and perquisites as minimum remuneration.

NOTES :

1. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in Respect of the business under item no:4 is annexed hereto.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 4th September, 2008 to 20th September, 2008 (both days inclusive)
4. Members are requested to notify immediately about their changes of address to the Company's Registered Office.

EXPLANATORY STATEMENT - Pursuant to Section 173 (2) of the Companies Act, 1956

As required by Section 173 of the Companies Act, 1956 ("Act ") the following explanatory Statements set out all material facts relating to the business mentioned under item nos: 4 of the accompanying notice dated 28th July 2008.

In view of the increased duties and responsibilities that Mr. S.C. Gautam has been entrusted with, the Board of Directors has decided to recommend to the Company that the remuneration Payable to him will remain the same as per the last agreement. In pursuance of Section 302 of Companies Act, 1956 the above Resolution may be considered as an abstract of the terms and conditions of the remuneration before the members of the company for approval in the Annual General Meeting . Mr. S.C. Gautam, Managing Director is interested in the Resolution to the extent of remuneration to be paid to him. No other Director is interested in this Resolution.

By Order of the Board

For **SWADESHI INDUSTRIES & LEASING LIMITED**

Registered Office :

407, Sai Infotech, Patel Chowk,
R.B.Mehta Marg, Ghatkopar(E),
Mumbai - 400 077.

Dated : 28th July 2008

(S.C.Gautam)



DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY FOURTH ANNUAL REPORT** together with Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

	2008 Rs. Lakhs	2007 Rs. Lakhs
Total Income	210.88	96.78
Gross Profit/ Loss	80.55	(6.07)
Less : Depreciation	5.39	4.20
Provision for Taxation	9.40	0.23
Previous Year Adjustment (Taxation)	NIL	0.22
Profit/Loss after Taxation	65.76	(10.72)
Add : Loss Brought forward from previous year	(105.49)	(94.77)
Profit & Loss Appropriation Account	(39.73)	(105.49)
	=====	=====

DIVIDEND :

The Directors regret their inability to recommend dividend for the year 2007-2008 due to inadequacy of profits.

OPERATIONS :

The Company's operating results for the year are showing Net Profit of Rs. 65.76 Lacs against the Loss incurred by the Company Rs. 10.27 Lacs for the previous year. Current year's profit includes the profit on sale of office premises at Nariman Point. Due to developments in manufacturing technology our machines have become obsolete and outdated. 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 :

Our Chairman Shri J.U.Patel expired on 22nd January 2008 which has caused a great loss to the Company. Mr. J.U.Patel has been always an helping hand to the Company and taking great interest in the affairs of the company. His death has resulted a great shock to his family and the financial organisations of this country. Your Directors record and acknowledge great contribution of Shri J.U.Patel to the Company and pray to God to provide strength to his family to absorb this great loss and his soul may rest in peace.

In place of Shri J.U.Patel, Board has requested Shri S.C.Gautam, Vice Chairman & Managing Director to take the charge as a Chairman of the Company.

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association, Shri. S.K.Agarwal Director of the company retires by rotation and being eligible offers himself for re-appointment.

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Shri S.C.Gautam Managing Director of the Company been appointed as a Managing Director for the Period of five years on 01/10/ 2003. His terms as a Managing Director expires on the conclusion of this Annual General Meeting and Board vide its Meeting held on 28th July 2008 has approved his appointment as a Managing Director of the Company for a further period of five years on the terms and conditions of his last appointment and the same is elaborated in the Notice convening the meeting.

Further Mr. S.C.Gautam has not taken any remuneration from the company due to the losses incurred by the company in the previous years

AUDITORS :

M/s Motilal & Associates, Chartered Accountants, Mumbai retire with the conclusion of the Twenty Fourth 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 accounting 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**

(S.C.Gautam)

Chairman & Managing Director

Place : Mumbai.

Dated : 28th July, 2008



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, 2008.

(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)	3,02,617	3,27,604
Total Amount (Rs.)	8,13,838	8,62,825
Rate per Unit (Rs.)	2.689	2.634
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.)	148.660	126.109
Electricity (KWH/MT.)	2035.631	2597.785
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**

(S.C.Gautam)

Chairman & Managing Director

Place : Mumbai.

Dated : 28th July, 2008

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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 2008 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 : 28th July, 2008



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 : 28th July, 2008