

**27TH  
ANNUAL REPORT  
(2010-2011)**



**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>
Shri. K. K. Vyas	-	<i>Director (Appointed on 05.04.2011)</i>

### **AUDITORS**

M/s. Motilal & Associates  
Chartered Accountants

### **BANKERS**

State Bank of India  
Oriental Bank of Commerce  
The Royal Bank of Scotland N. V.  
ICICI Bank Limited  
Axis Bank Limited

### **REGISTERED OFFICE**

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

### **WORKS**

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

### **SHARE TRANSFER AGENT**

M/s. System Support Services  
209, Shivani Industrial Estate  
Andheri Kurla Road, Sakinaaka,  
Andheri East, Mumbai 400 072  
Telephone No. 2850 1438  
E-Mail ID: sysss72@yahoo.com

**NOTICE OF MEETING**

**NOTICE** is hereby given that the Twenty Seventh Annual General Meeting of **SWADESHI INDUSTRIES AND LEASING LIMITED** will be held on **20<sup>th</sup> August, 2011** 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 receive, consider, approve and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit & Loss Account for the year ended on that date, Directors 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 reappointment.
3. To appoint the Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

**4. INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 4,00,00,000/- (Rupees Four Crores only) divided into 4000000 (Forty lakhs ) Equity Shares of Rs. 10/- (Rupees Ten) each to **Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 5000000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each."**

**5. ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 16 and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force), the existing **Clause V** of the Memorandum of Association of the Company be and is hereby substituted by the following:

- V. The Authorized Share Capital of the Company is **Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 5000000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each** with the rights, privileges and conditions attached thereto as are provided by the regulations of the Companies Act for the time being in force, with the power to increase or reduce from time to time its capital and to divide the shares in the original or increased capital for the time into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Companies Act and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."**



#### 6. **ALTERATION OF ARTICLES OF ASSOCIATION:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof for the time being in force), the existing **Article 3** of the Article of Association of the Company be and is hereby substituted by the following:

The Authorized Share Capital of the Company is **Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 5000000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each.** The Company shall have power to increase, consolidate, sub-divide, reduce or otherwise alter its Share Capital, subject to the provisions of the Companies Act, 1956 and all the other provisions of applicable Laws, if any."

#### 7. **APPOINTMENT OF DIRECTOR**

**To consider and if thought fit, to pass with or without modification(s), the following resolution, which will be proposed as Ordinary Resolution:**

**"RESOLVED THAT** Mr. Kamal Kishor H. Vyas who was appointed as Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, being liable to be retire by rotation."

#### **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 COMPANYa.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 5th August, 2011 to 20<sup>th</sup> August, 2011. (Both days inclusive)
3. Members are requested to notify immediately about their changes of address to the Company's Registered Office.

For Swadeshi Industries and Leasing Limited

#### **Registered Office:**

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

Dated : 27<sup>th</sup> June 2011

**(S. C. Gautam)**  
Chairman & Managing Director

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### EXPLANATORY STATEMENTS PURSUANT TO PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956

#### **Item Nos. 4 and 5:**

To meet the further capital needs of the Company it is proposed by the Board to induce additional funds by way of increasing share capital. Your Board at its meeting held on **27<sup>th</sup> June, 2011** subject to the approval of the shareholders, and receipt of such other statutory/regulatory approvals, as may be required, has proposed to increase the Authorized Share Capital of the Company to that extent, due to which, the existing Capital Clause no. V of the Memorandum of Association of the Company needs to be altered.

The Proposed resolution under item No. 5 seek to obtain Members' approval to alter Capital Clause as mentioned above in the Memorandum of Association of the Company. Pursuant to Section 16 of the Companies Act, 1956 if the Memorandum is to be altered, an Ordinary Resolution is required to be passed by the Members of the Company.

Your Board of Directors recommends the Ordinary Resolutions for your approval as set out under item No. 4 & 5 of this Notice.

None of the Directors of the Company are interested in the aforesaid resolutions either directly or indirectly.

#### **Item No.6:**

Your Board at its meeting held on **27<sup>th</sup> June, 2011** has proposed to increase the Authorised Share Capital of the Company, due to which, the existing **Article 3** of the Article of Association of the Company needs to be altered.

The Proposed resolution under this item No. 6 seeks to obtain Members' approval to alter Article 3 in the Article of Association of the Company. Pursuant to Section 31 of the Companies Act, 1956 if the Articles are to be altered, a Special Resolution is required to be passed by the Members of the Company.

Your Board of Directors recommends the Special Resolution for your approval as set out under item No. 6 of this Notice.

None of the Directors of the Company are interested in the aforesaid resolutions either directly or indirectly.

#### **Item No. 7**

The Board of Directors of the Company had appointed Mr. Kamal Kishor H. Vyas as Additional Director of the Company on 5<sup>th</sup> April, 2011.

In Accordance, with the provisions of Section 260 of the Companies Act, 1956, the term of Mr. Kamal Kishor H. Vyas as the Additional Director would expire on the conclusion of forthcoming Annual General Meeting. Notice for his candidature as Director has been received from a Member of the Company, with a deposit of Rupees Five Hundred in terms of Provisions of Section 257 of the Companies Act, 1956. He may be appointed as a Director at the ensuing Annual General Meeting.

The Board of Directors recommends the proposed resolution for your approval. None of Directors, except Mr. Kamal Kishor H. Vyas is interested in the said resolution.

For Swadeshi Industries and Leasing Limited

#### **Registered Office:**

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R. B. Mehta Marg, Ghatkopar(E),  
Mumbai - 400 077.

Dated : 27<sup>th</sup> June 2011

**(S. C. Gautam)**  
Chairman & Managing Director



## DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the TWENTY SEVENTH ANNUAL REPORT together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2011.

Rs. in Lacs

FINANCIAL RESULTS	31.03.2011	31.03.2010
Total Income	134.55	115.23
Gross Profit/Loss	(00.30)	06.76
Less: Depreciation	07.63	08.03
Provision for Taxation	00.00	00.00
Profit/Loss after Taxation	(07.93)	(01.27)
Add: Loss Brought forward from previous year	(38.87)	(33.54)
Previous year taxation	00.00	(04.03)
FBT of previous year	00.00	(00.09)
Other Adjustment of previous year	00.00	00.06
Profit & Loss Appropriation Account	(46.80)	(38.87)

### **DIVIDEND:**

The Directors regret their inability to recommend dividend for the year 2010-2011 due to inadequacy of profits.

### **OPERATIONS:**

The Company's operating results for the year are showing Net Loss of Rs.7.93 Lacs, against the Loss of Rs.1.27 Lacs, in the previous year. As explained in the last year's Annual Report, due to development in manufacturing technology our machines have become obsolete and outdated. Your Directors have decided to run the manufacturing unit because our regular expenses for running the Company and provision for depreciation etc. are taken care by this unit.

### **PUBLIC DEPOSITS:**

The Company has not accepted any Public/Fixed Deposits under section 58A of the Companies Act 1956 during the year and Note No (xii) 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. R. N. Shah Director of the Company retires by rotation and being eligible offers himself for re-appointment. The Board of Directors of the Company has appointed Mr. Kamal Kishor H. Vyas as Additional Director of the Company w.e.f. 5<sup>th</sup> April, 2011, who will hold office until the conclusion of forthcoming Annual General Meeting, being eligible and offers himself to be appointed as Director of the Company. There is no other change in the directorship of the Company.

### **AUDITORS:**

M/s Motilal & Associates, Chartered Accountants, Firm No:-106584W, Mumbai, Statutory Auditors of the Company hold office until the conclusion of the Twenty Seventh Annual General Meeting. M/s. Motilal & Associates is holding a valid certificate issued by the "Peer Review Board" of ICAI and as such they have been recommended for re-appointment.

The Company has received a letter from them to the effect that their re-appointment, if made would be within the prescribed limit under section 224(IB) of the Companies Act, 1956 and that they are not disqualified for re- appointment within the meaning of Section 226 of the said Act.

### **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/-.

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### **CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance and the certificate from the Auditor of the Company regarding compliance of conditions of Corporate Governance are annexed to this Report and forms part of this Annual Report.

### **PREFERENTIAL ISSUE OF EQUITY SHARES:**

The Company has received in Principal Approval from Bombay Stock Exchange on 6<sup>th</sup> June, 2011 for Issue and Allotment of 30 Lacs Equity Shares of Rs.10/- each and accordingly the Board of Directors of the Company have allotted the said Equity Shares on 20<sup>th</sup> June, 2011.

### **COMMENCEMENT OF NEW BUSINESS:**

To make Company commercially viable the Board has decided to enter into new Business as already provided in Sub-Clause 82, 83 and 84 under the Clause III (C) of the Memorandum of Association of the Company. To carry on the activities mentioned in the said Clauses, a Resolution under Section 149(2A) of Companies Act, 1956 has been passed by the Company through Postal Ballot which was conducted pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001 and the result of which was declared on Tuesday, 10<sup>th</sup> May, 2011.

### **SALE OF OFFICE PREMISES:**

To locate the office of the Company at the convenient place it has been decided to sell the current office premises at Ghatkopar and to purchase new premises in the Western Suburban area of Mumbai. The Company has passed the resolution for the said purpose through Postal Ballot which was conducted pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001 and the result of which was declared on Tuesday, 10<sup>th</sup> May, 2011.

### **APPOINTMENT OF REGISTRAR AND SHARE TRANSFER AGENT**

The Company has appointed M/s. System Support Services as a Registrar and Share Transfer Agent of the Company for providing Electronic Connectivity and handling Physical Share Transfer work of the Company.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the Directors had prepared the accounts for the year under review on a 'going concern' basis.

### **ACKNOWLEDGEMENTS:**

The Directors take the opportunity to thank all investors, business partners, clients, vendors, bankers and advisors for their continuous support during the year.

**For Swadeshi Industries & Leasing Ltd.**

**(S. C. Gautam)**

Chairman and Managing Director

**PLACE:** Mumbai

**DATE:** 27<sup>th</sup> June, 2011



## 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, 2011.

### (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		
	1)	Electricity:	Current Year	Previous Year
	a)	Purchased Unit (KWH)	150,560	188,599
		Total Amount (Rs.)	418,456	651,350
		Rate per Unit (Rs.)	02.78	03.45
	b)	Own Generation		
	i)	Through Diesel Generator	00.00	00.00
	ii)	Through Steam Generator	00.00	00.00
	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.)	138,540	160,355
		Electricity (KWH/MT.)	1086.76	1176.13
		Furnace Oil	N. A.	N. A.
		Coal	N. A.	N. A.
		Others :l		
	a)	a)H.S.D. (KL)	N. A.	N. A.
	b)	b)L.P.G. (KL)	N. A.	N. A.

### (B) TECHNOLOGY ABSORPTION

- 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.
- 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 and Leasing Ltd.

Place : Mumbai  
Date : 27<sup>th</sup> June 2011

(S. C. Gautam)  
(Chairman & Managing Director)