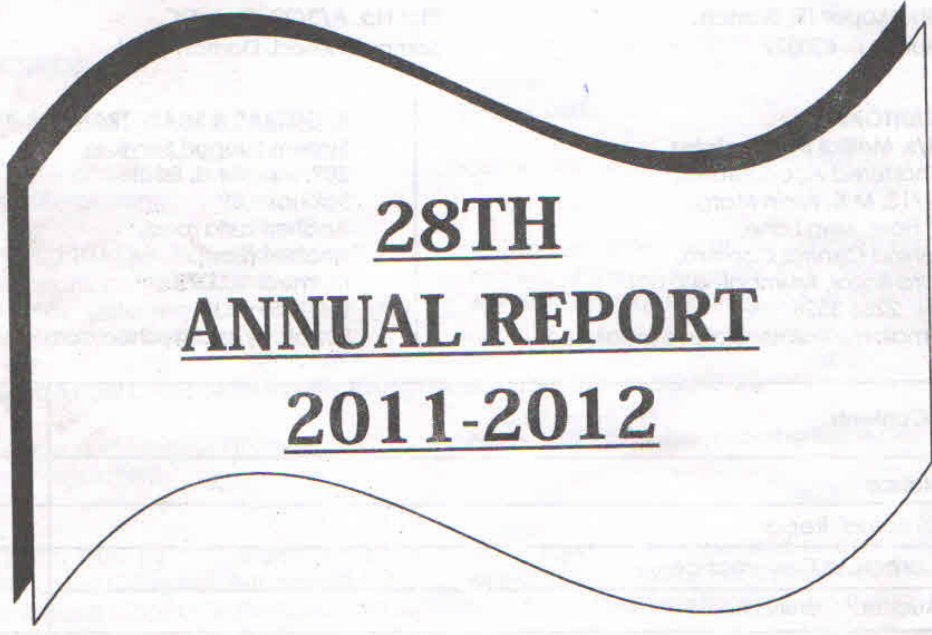


SWADESHI INDUSTRIES AND LEASING LIMITED



28TH
ANNUAL REPORT
2011-2012

SWADESHI INDUSTRIES AND LEASING LIMITED

SWADESHI INDUSTRIES AND LEASING LIMITED **28th ANNUAL REPORT (2011-12)**

BOARD OF DIRECTORS:

Mr. Rahul Parasmal Nahata
Mr. Rajnikant Narandas Shah
Mr. Dilip Kumar Dhariwal
Mr. Mahaveerchand Nagraj Chopra
Mr. Kamal Kishor Hari Kishan Vyas

Additional Director (Appointed on 27-04-2012)
Director
Director
Additional Director (Appointed on 27-04-2012)
Director

REGISTERED OFFICE

104, 1st Floor, Emp-36, Thakur Village, Uranus Co-Op Hsg. Soc. Ltd.,
Kandivali (East), Mumbai- 400101, Maharashtra
E-mail: swadeshiindltd@gmail.com

BANKERS

Axis Bank Limited
Ghatkopar (E) Branch,
Mumbai- 400077

WORKS

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

AUDITORS

M/s. Motilal & Associates,
Chartered Accountants,
11/13, M.K. Amin Marg,
1st Floor, King Lane,
Behind Central Camera,
Bora Bazar, Mumbai- 400 001
Tel: 2266 3526
E-mail: motilalassociates@gmail.com

REGISTRAR & SHARE TRANSFER AGENT

System Support Services
209, Shivai Ind, Estate,
Sakinaka.89
Andheri kurla road,
Andheri (East),
Mumbai-400072
Tel: 2850 1438
E-mail: sysss72@yahoo.com

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SWADESHI INDUSTRIES AND LEASING LIMITED

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of SWADESHI INDUSTRIES AND LEASING LIMITED will be held on 28th September, 2012 at 10.00 A.M. at Hotel Granville, Plot No. 680/D, Opp Kora Kendra Ground, R.M. Bhattar Road, Borivali (w), Mumbai - 400 092 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Profit and Loss Account and annexures thereto for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To re-appoint Mr. Kamal Kishore Hari Kishan Vyas, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

To re-appoint M/s. Motilal & Associates, Chartered Accountants as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting, on such remuneration as shall be fixed by the Board of the Directors of the Company.

SPECIAL BUSINESS

4. REGULARISATION OF MR. RAHUL PARASMAL NAHATA AS DIRECTOR

To Consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rahul Parasmal Nahata who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the conclusion of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company."

5. REGULARISATION OF MR. MAHAVEERCHAND NAGRAJ CHOPRA AS DIRECTOR

To Consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Mahaveerchand Nagraj Chopra who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the conclusion of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company."

For Swadeshi Industries and Leasing Limited
Sd/-

Mahaveerchand Nagraj Chopra
Director

Date: 27th August, 2012
Place: Mumbai

SWADESHI INDUSTRIES AND LEASING LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members are requested to send a duly certified copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Mr. Mahaveerchand Nagraj Chopra, Compliance Officer of the Company, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. The Register of Members and Share Transfer Books will remain closed from Monday, 24th September, 2012 to Friday, 28th September, 2012 (both days inclusive)
5. As required under Clause 49 of the Listing Agreement particulars of Directors seeking re-appointment are annexed to this notice below.
6. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at M/s SYSTEM SUPPORT SERVICES 209, Shivani Industrial Estate, Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 in respect of their physical share folios.
7. Depository System:
The Company has entered into agreements with NSDL and CDSL. Members, therefore now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.
8. Members are requested to bring their copy of Annual Report to the Meeting.
9. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
10. Green Initiative in the Corporate Governance (Registration of e-mail address)

The Members are requested to register their e-mail address with the Depository Participants/Registrar & Share Transfer Agent of the Company, as the case may be for service of documents.

For Swadeshi Industries and Leasing Limited

Sd/-

**Mahaveerchand Nagraj Chopra
Director**

Date: 27th August, 2012

Place: Mumbai

SWADESHI INDUSTRIES AND LEASING LIMITED

Details of Directors seeking Appointment / Re - appointment in the forthcoming annual General Meeting. (In pursuance of Clause 49 of Listing Agreement).

MR. KAMAL KISHORE HARI KISHAN VYAS	
Date of Birth	1st August, 1965
Qualifications	Bachelor of Commerce (B.Com)
Expertise in specific areas	Experience in the field of Construction Activities since 7 years.
Directorship held in other Companies	None
Membership of committee of board in other Companies	None
No. of Shares held in the Company	NIL
Disclosure of relationship with other directors of the Company	N.A.

MR. RAHUL PARASMAL NAHATA	
Date of Birth	22nd November, 1979
Qualifications	Bachelor of Commerce (B.Com), FCA
Expertise in specific areas	Practicing Chartered Accountants
Directorship held in other Companies	None
Membership of committee of board in other Companies	None
No. of Shares held in the Company	Nil
Disclosure of relationship with other directors of the Company	N.A.

MR. MAHAVEERCHAND NAGRAJ CHOPRA	
Date of Birth	13th August, 1969
Qualifications	S.Y.J.C.
Expertise in specific areas years	Accounting and Textile experience from last 15
Directorship held in other Companies	None
Membership of committee of board in other Companies	None
No. of Shares held in the Company	Nil
Disclosure of relationship with other directors of the Company	N.A.

For Swadeshi Industries and Leasing Limited
Sd/-

Mahaveerchand Nagraj Chopra
Director

Date: 27th August, 2012
Place: Mumbai

SWADESHI INDUSTRIES AND LEASING LIMITED

DIRECTORS' REPORT

To, The Members of
Swadeshi Industries and Leasing Limited

Your Directors have pleasure in presenting their Report on the operations of the Company, together with the Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS:

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Total Income	7464252	1,34,55,906
Total Expenditure	90,94,628	1,42,49,799
Profit / (Loss) Before Taxes	(16,30,376)	(7,93,873)
Less: Provision for Tax	0	0
Less: Provision for Deferred Taxation	0	0
Less: Income tax in respect of earlier year	0	0
Profit / (Loss) After Tax	(16,30,376)	(7,93,873)
Add: Balance brought forward from previous year	(46,80,656)	(38,86,783)
Balance Carried to Balance Sheet	(63,11,032)	(46,80,656)

BUSINESS OUTLOOK:

The Profit after tax is Rs. (16,30,376)/- as compared to previous year (2010-11) which was Rs. (7,93,873)/-

Note: Figures mentioned in the bracket indicates loss.

OPERATIONS:

The Company's operating results for the year are showing Net Loss of Rs 16,30,376/- against the Loss of Rs 7,93,873/- 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 (xiii) in the annexure to the Auditors Report is self explanatory.

CHANGE IN THE MANAGEMENT PURSUANT TO TAKEOVER:

Chin Infotech Private Limited has taken over Promoters' stake in Swadeshi Industries And Leasing Limited through Share Purchase Agreement dated 9th November, 2011 and Open Offer to the Shareholders of Swadeshi Industries And Leasing Limited under regulation 3 & 4 of the SEBI (Substantial Acquisition and Takeovers) Regulations, 2011.

Pursuant to the completion of takeover, there will be a change in the management control of the Company.

DIVIDEND:

Your Directors do not recommend any dividend for the financial year 2011-12 with a view to conserve the resources for future.

SWADESHI INDUSTRIES AND LEASING LIMITED

DIRECTORS:

Mr. Kamal Kishore Hari Kishan Vyas, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

AUDITORS:

M/s Motilal & Associates, Chartered Accountants, Firm No:-106584W, Mumbai, Statutory Auditors of the Company hold office until the conclusion of the Twenty Eight Annual General Meeting and being eligible offer themselves for re-appointment.

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 effects 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 reappointment within the meaning of section 226 of the said Act.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1998, are not applicable to the Company as the Company is not doing any manufacturing activity.

The Company has not earned or expended any foreign exchange during the year under the review.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee in receipt of remuneration equal to or exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTORS' 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 31st March 2012, 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 Annual Accounts for the financial year ended 31st March 2012 on a 'going concern' basis.

PREFERENTIAL ISSUE OF EQUITY SHARES:

The Company has received in Principal Approval from Bombay Stock Exchange on 6th June, 2011 for Issue and Allotment of 30 Lac Equity Shares of RS.10 each and accordingly the Board of Directors of the Company has allotted the said Equity shares on 20th June, 2011.

The Company has received one more In Principal Approval from Bombay Stock Exchange For Issue and Allotment of 15 Lac Equity Shares of Rs. 10/- each and accordingly the Board of Directors of the Company has allotted the said Equity Shares on 20.12.2011

SWADESHI INDUSTRIES AND LEASING LIMITED

APPOINTMENT OF REGISTRAR AND SHARE TRANSFER AGENT:

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

COMMENT ON AUDITORS' REPORT:

M/s. Motilal & Associates., Chartered Accountants, Mumbai, the Statutory Auditors of your Company, submitted their reports for the year ended 31st March, 2012 which are self explanatory and requires no comments or explanation under Section 217(3) of the Companies Act, 1956.

LISTING:

At present, 54,07,950 Equity Shares of the Company are listed at the Bombay Stock Exchange Limited (BSE). The Company has paid the applicable Annual listing fees to the BSE for the year 2012-13.

CONSOLIDATED ACCOUNTS:

Since the Company is not having any Subsidiary Accounting Standards AS-21 prescribed by The Institute of Chartered Accountants of India, is not applicable.

DEMATERIALIZATION OF SHARES:

The Company has established the connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited with activated ISIN- INE716M01018, the shareholders have option to dematerialize their shares with CDSL as well as NSDL.

CORPORATE GOVERNANCE:

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges.

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of this Annual Report.

Certificate from the Auditors of the Company, M/s. Motilal & Associates, and Chartered Accountants regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is annexed to this Annual Report.

ACKNOWLEDGEMENTS:

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

Date: 30th May, 2012

Place: Mumbai

For Swadeshi Industries and Leasing Limited

Sd/-

Mahaveerchand Nagraj Chopra
Director

SWADESHI INDUSTRIES AND LEASING LIMITED

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, 2012.

(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)	81,220	150,560
		Total Amount (Rs.)	281,484	418,456
		Rate per Unit (Rs.)	03.466	02.78
	b)	Own Generation	00.00	00.00
	i)	Through Diesel Generator	00.00	00.00
	ii)	Through Steam Generator	N. A.	N. A.
2)		Coal	N. A.	N. A.
3)		Furnace Oil	N. A.	
4)		Others	N. A.	N. A.
	a)	H. S. D	N. A.	N. A.
	b)	L. P. G.	N. A.	N. A.
	c)	Kerosene		
b)		CONSUMPTION PER UNIT OF PRODUCTION	Current Year	Previous Year
		Product: PET PREFORMS		
		Unit: Preforms (MT.)	72.028	138.540
		Electricity (KWH/MT.)	1127.62	1086.76
		Furnace Oil	N. A.	N. A.
		Coal	N. A.	N. A.
		Others:	N. A.	N. A.
	a)	H.S. D. (KL)	N. A.	N. A.
	b)	L.P.G. (KL)		

(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.

Date: 30th May, 2012
Place: Mumbai

For Swadeshi Industries and Leasing Limited
Sd/-
(Kamal Kishor Vyas)
Director

SWADESHI INDUSTRIES AND LEASING LIMITED

REPORT ON CORPORATE GOVERNANCE (FY 2011-12)

The Company presents its report on compliance of Corporate Governance conditions specified in Clause 49 of Listing Agreement.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is conducting business in fair and transparent manner, enhancing stakeholders' value. The Company will continue to focus on its resources, strength and strategies for creation and safeguarding of shareholders wealth and interest. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. We have undertaken several initiatives towards maintaining the highest standards.

2. BOARD OF DIRECTORS:

(i) The Board of the Directors as on 31st March, 2012 comprises of following Executive and Non Executive Directors. The details of the which are as given below:

Sr. No.	Name of the Directors	Category of Directorship
1.	Mr. Rahul Parasmal Nahata	Additional Director
2.	Mr. Rajnikant Narandas Shah	Director
3.	Mr. Satishchandra Lajjaram Gautam*	Managing Director
4.	Mr. Shree Krishna Agrawal*	Director
5.	Mr. Dilip Kumar Dhariwal	Director
6.	Mr. Mahaveerchand Nagraj Chopra	Additional Director
7.	Mr. Kamal Kishor HariKishan Vyas	Director

- * Resignation of Managing Director Mr. Satishchandra Lajjaram Gautam
- * Resignation of Director Mr. Shree Krishna Agrawal

The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchange.

(ii) None of the Directors on the Board are Member of more than ten Committees or Chairman of more than Five Committees across all the Public Companies in which they are Directors. Necessary