

SWADESHI INDUSTRIES AND LEASING LIMITED

SWADESHI INDUSTRIES AND LEASING LIMITED

29TH ANNUAL REPORT (2012-13)

BOARD OF DIRECTORS:

Mr. Vikas Sanklecha (Managing Director)	Additional Director (Appointed on 28-09-2012)
Mr. Vipin Sanklecha	Additional Director (Appointed on 28-09-2012)
Mr. Kamal Kishor Vyas	Director
Mr. AmitKumar	Additional Director (Appointed on 28-09-2012)
Mr. Amit Agarwal	Additional Director (Appointed on 24-12-2012)

REGISTERED OFFICE

229, Dimple Arcade, Asha Nagar, W. E. Highway, Kandivali (East), Mumbai – 400 101.
Web site: www.swadeshiglobal.com E-mail: compliance@swadeshiglobal.com

BANKERS

HDFC Bank Ltd.
Thakur Complex Branch,
Mumbai- 400101

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](mailto:syss72@yahoo.com)

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SWADESHI INDUSTRIES AND LEASING LIMITED ---

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of **SWADESHI INDUSTRIES AND LEASING LIMITED** will be held on Wednesday, 25th September, 2013 at **3.30 P.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, 2013 and Statement of Profit and Loss Account and annexure thereto for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. 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

3. REGULARISATION OF APPOINTMENT OF MR. VIKAS SANKLECHA AS DIRECTOR

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

“RESOLVED THAT Mr. Vikas Sanklecha 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 up to the conclusion of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.”

4. REGULARISATION OF APPOINTMENT OF MR. VIPIN SANKLECHA AS DIRECTOR

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

“RESOLVED THAT Mr. Vipin Sanklecha 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 up to the conclusion of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.”

5. REGULARISATION OF APPOINTMENT OF MR. AMIT KUMAR AS DIRECTOR

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

“RESOLVED THAT Mr. Amit Kumar who was appointed as an Additional Director of the Company

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pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the conclusion of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.”

6. REGULARISATION OF APPOINTMENT OF MR. AMITKUMAR AGARWAL AS DIRECTOR

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

“**RESOLVED THAT** Mr. AmitKumar Agarwal 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 up to the conclusion of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.”

7. APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. VIKAS SANKLECHA, AS MANAGING DIRECTOR

To Consider and if thought fit, to pass with or without modification, the following Resolution **as a Special Resolution:**

“**RESOLVED THAT** as recommended by Remuneration Committee and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the said Act as amended up-to-date, consent and approval be and is hereby accorded to the appointment of and the remuneration being paid or provided to Mr. Vikas Sanklecha as Managing Director of the Company for a period of three years with effect from 01st October, 2012 at a remuneration not exceeding Rs. 25,000/- per month including perquisites and on the terms and conditions set out in draft Letter of appointment a copy whereof initialed by Mr. Kaml Kishor Vyas, Director of the Company, for the purpose of identification has been placed before this Meeting, which draft Letter of appointment is hereby specifically approved.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration in the said draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Vikas Sanklecha shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed thereunder and the terms of the aforesaid Letter between the Company and Mr. Vikas Sanklecha shall be suitably modified to give effect to such variation or increase as the case may be.”

“**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Vikas Sanklecha's office as Managing Director, the

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remuneration set out in the aforesaid draft Letter of appointment be paid or granted to Mr. Vikas Sanklecha as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II A of Part II of Schedule XIII to the said Act or such other amount as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

For Swadeshi Industries and Leasing Limited

Date : 27th May, 2013

Place : Mumbai

Vikas Sanklecha
Managing Director

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. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 3 to 7 is attached and forming part of this notice.
3. 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.
4. The Register of Members and Share Transfer Books will remain closed from Wednesday, 18th September, 2013 to Wednesday, 25th September, 2013 (both days inclusive).
5. 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.
6. 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.

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7. Members are requested to bring their copy of Annual Report to the Meeting.
8. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
9. 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.

EXPLANATORY STATEMENT

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

That following explanatory statement sets out the material facts referring to Item No. 3 to 7 of the Notice.

ITEM NO. 3 to 6

Mr. Vikas Sanklecha, Mr. Vipin Sanklecha Mr. Amit Kumar were appointed as Additional Directors on 28th September, 2012 and Mr. Amit Agarwal was appointed as an Additional Director on 24th December, 2012. Pursuant to Section 260 of the Companies Act, 1956, their term as Directors expires at the forthcoming Annual General Meeting. The Company in turn has received notice from members along with a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying their intention to appoint them as Directors of the Company liable to retire by rotation. The Directors recommend these appointments in the best interests of the Company.

None of the Directors of the Company except Mr. Vipin Sanklecha, Mr. Amit Kumar, Mr. Amit Agarwal and Mr. Vikas Sanklecha brother of Mr. Vipin Sanklecha may be considered to be interested in the passing of these resolutions.

ITEM NO. 7

The Board of Directors at its Meeting held on 28th September, 2012 has decided to appoint Mr. Vikas Sanklecha, Managing Director for a period of 3 years w .e. f. 01st October, 2012 based on the recommendation of Remuneration committee.

As the Members are aware that Mr. Vikas Sanklecha is having vast knowledge of Business,.

The detailed terms and conditions regarding remuneration to be paid to them are given below which is as per Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956.

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1) Remuneration : Rs, 25,000/- per month including perquisites.

2) Leave: As per the Rules and regulations of the Company.

Where in any financial year, during the tenure of Managing Director and Executive Directors, the Company has no profit or its profits are inadequate, the Company will pay remuneration not exceeding the limits specified under Section II of Part II of Schedule XII to the Companies Act, 1956.

3) Other Conditions:

- i. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.
- ii. The Managing Director holds office as such, subject to the provisions of Section 283(1) of the Companies Act, 1956.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 302 of the Companies Act, 1956.

These appointment have been made under Schedule XIII in part II in Section II (1) (A) (i) of the Companies Act, 1956.

The Directors recommend the Special Resolution at item No. 7 for acceptance by the Members.

None of the directors except Mr. Vikas Sanklecha and Mr. Vipin Sanklecha brother of Mr. Vikas Sanklecha is concerned or interested in passing the said resolution.

For Swadeshi Industries and Leasing Limited

Date : 27th May, 2013

Place : Mumbai

Vikas Sanklecha
Managing Director

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DIRECTORS' REPORT

To,

The Members of

Swadeshi Industries and Leasing Limited

Your Directors have pleasure in presenting their 29th Report on the operations of the Company, together with the Audited Accounts for the financial year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS:

(Amount in Rs.)		
Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Total Income	289528	7464252
Total Expenditure	1164738	90,94,628
Profit / (Loss) Before Taxes	(875210)	(16,30,376)
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	(872510)	(16,30,376)
Add: Balance brought forward from previous year	(6311032)	(46,80,656)
Balance Carried to Balance Sheet	(7186242)	(63,11,032)

BUSINESS OUTLOOK:

The Loss after tax is Rs. 8,75,210/- as compared to the previous year 2011-12 which was Rs. 16,30,376/-

Note: Figures mentioned in the bracket indicates loss.

OPERATIONS:

The Company's operating results for the year are showing Net Loss of Rs 8,75,210 against the Loss of Rs 16,30,376/- 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 shut down the manufacturing unit because of regular losses. The Company is looking for business exposure in Realty & Infrastructure.

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PUBLIC DEPOSITS:

The Company has not accepted any Public/Fixed Deposits under section 58A of the Companies Act 1956 during the year.

DIVIDEND:

Your Directors do not recommend any dividend for the financial year 2012-13 with a view to conserve the resources for future.

DIRECTORS:

During the year under review, the Company has appointed Mr. Vikas Sanklecha, Mr. Vipin Sanklecha and Mr. Amit Kumar and Mr. Amit Agarwal as Additional Directors of the Company. As per their term they holds office upto the date of ensuing Annual General Meeting, but being eligible, has offered themselves for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing their candidature for the office of Directors. Your Board recommends their appointments in the best interests 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 Ninth 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.

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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 2013, 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 2013 on a 'going concern' basis.

PREFERENTIAL ISSUE OF EQUITY SHARES:

During the year under review the Company has made preferential issue of 54,10,000 Equity Shares of Rs. 10/- for cash at par and the necessary special resolution was passed by the Members of the Company on 8th February, 2013. These shares were allotted on 28th February, 2013 and the shares were listed on BSE on 12th April, 2013.

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, 2013 which are self explanatory and requires no comments or explanation under Section 217(3) of the Companies Act, 1956.

LISTING:

The Company has paid the applicable Annual listing fees to the BSE for the year 2013-14.

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.

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DEMATERIALISATION 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.

For Swadeshi Industries and Leasing Limited

Place : Mumbai

Date : 27th May, 2013

Managing Director

Director