

**25TH
ANNUAL REPORT
(2008-2009)**



SWADESHI INDUSTRIES AND LEASING LTD.

Registered Office :
407, SAI INFOTECH, 4TH FLOOR, PATEL CHOWK,
R.B. MEHTA MARG, SHATKOPAR (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.)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF SWADESHI INDUSTRIES AND LEASING LIMITED will be held on 26th September 2009 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, 2009 and Profit & Loss Account for the year ended on that date 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.

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 COMPANY.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 12th September, 2009 to 26th September, 2009 (both days inclusive)
3. Members are requested to notify immediately about their changes of address to the Company's Registered Office.

For **SWADESHI INDUSTRIES & LEASING LIMITED**

(S. C. GAUTAM)
Chairman & Managing Director

Registered Office :

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

Dated : 31st July 2009



DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY FIFTH ANNUAL REPORT** together with Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

	2009 Rs. Lakhs	2008 Rs. Lakhs
Total Income	126.94	210.88
Gross Profit/ Loss	9.11	80.55
Less : Depreciation	6.83	5.39
Provision for Taxation	1.00	9.40
Profit/Loss after Taxation	1.28	65.76
Add : Loss Brought forward from previous year	(39.73)	(105.49)
Excess Provision of Previous Year Taxation	4.90	NIL
Profit & Loss Appropriation Account	(33.54)	(39.73)
	=====	=====

DIVIDEND :

The Directors regret their inability to recommend dividend for the year 2008-2009 due to inadequacy of profits.

OPERATIONS :

The Company's operating results for the year are showing Net Profit of Rs 1.28 Lac against the Profit of Rs 65.97 in the previous year. 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 very thin 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 :

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.

AUDITORS :

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

(S.C.Gautam)

Chairman & Managing Director

Place : Mumbai.

Dated : 31st July, 2009



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, 2009.

(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)	3,00,662	3,02,617
Total Amount (Rs.)	9,52,344	8,13,838
Rate per Unit (Rs.)	3.16	2.689
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.)	163.940	148.660
Electricity (KWH/MT.)	1835.80	2035.631
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 : 31st July 2009

**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 2009 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 : 31st July 2009

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 : 31st July 2009

Shareholder Information

Shares in Physical Form

Your Company's shares are traded in physical form only.

Trading Patterns

Your Company's equity shares enjoy good liquidity and are traded in Mumbai Stock Exchange.

Market Capitalisation

Swadeshi shares are in Z group of trading and can be traded only on delivery basis.

Share Transfer System

The Company has an in-house Investor Cell and shares are transferred at the meeting of Management Committee of Directors which generally meets every fortnight. Share transfers would be registered and returned within the period of 4 weeks from the date of receipt if the documents are clear in all respects.

Dates of Book Closure

There is Book Closure from 12th September, 2009 to 26th September, 2009 for the purpose of this A.G.M.

Date, Time and Venue of the Annual General Meeting

Date : 26th September, 2009 at 11.00 A.M. at Sheth Dhanji Devshi Rashtriya Shala, Banquet Hall, Upashraya Lane, Ghatkopar (East), Mumbai-400 077.

Listing on

1. The Stock Exchange, Mumbai (BSE)
2. The Delhi Stock Exchange Association Ltd.

The Company has not paid the listing fees to The Delhi Stock Exchange Association Ltd and share of the company are not traded at the said Stock Exchange. Company has made an application for voluntary Delisting of the shares at Delhi Stock Exchange.

Investor Correspondence

Investors' grievances/queries may be addressed to The Share Department, Swadeshi Industries and Leasing Limited, 407, Sai Infotech Park, Patel Chowk, R.B.Mehta Marg, Ghatkopar(East), Mumbai-400 077.

Tel: 022 -6710 7336



AUDITORS' REPORT TO THE MEMBERS

To

The Members

SWADESHI INDUSTRIES AND LEASING LIMITED

1. We have audited the attached Balance Sheet of **M/s SWADESHI INDUSTRIES AND LEASING LIMITED** as at 31st March, 2009, the Profit and Loss Accounts and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report follows:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company as far as appears from our examination of those books.
 - c. The Balance Sheet, the profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956;

- e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March 2009 and
 - ii) In the case of the Profit & Loss Account, of the Profit/Loss of the Company for the year ended on that date and
 - iii) In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.
- f. On the basis of written representations received from the directors, taken on record by the Board Directors, none of the directors is disqualified as on 31st March 2009, from being appointed as a director in terms of section 274 (1)(g) of the Companies Act, 1956;

Place : Mumbai
Dated : 31st July 2009

For **MOTILAL & ASSOCIATES,**
Chartered Accountants.

M. L. JAIN
(Prop)

Annexure to the Auditor's Report

of **SWADESHI INDUSTRIES AND LEASING LIMITED 2008-2009**

Referred to in paragraph 3 of our report of even date

- i) In respect of its fixed assets :
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii) In respect of inventory of raw material, stores and operating supplies :
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.



- b. The procedure of the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
- c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records have been appropriately dealt with in the books of account.
- iii) The company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
- iv) In respect of the loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956
 - a) At the year-end, the outstanding balance of such loans is NIL. The company having repaid all its previous dues as per the terms specified during the previous year.
 - b) There are no overdue amounts outstanding at the year-end.
- v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regards to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- vi) We are informed that there is no company, firm or party to be listed in the register referred to the section 301 of the Companies Act, 1956 and hence we have no comments to offer in respect of clauses 4 (v) (a) of the Companies (Auditor's Report) Order, 2003.
- vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under, with respect to the deposits accepted from the public.
- viii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- ix) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie prescribed accounts and records have been made and maintained.
- x) The company is regular in depositing with appropriate authorities undisputed statutory dues including provided fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- xi) In our opinion and according to the information and explanations given to us, the

company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

- xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Audit Report) order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Audit Report) order, 2003 are not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions and hence we have no comments to offer in respect of clause 4(xv) of the Companies (Audit Report) order, 2003.
- xvi) In our opinion, company has not taken any term loan during the year under review.
- xvii) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets excepts permanent working capital.
- xviii) The company has not issued shares during the year and hence we have no comments to offer in respect of clause 4(xviii) of the Companies (Audit Report) order, 2003.
- xix) The company has not issued any debentures during the year nor there is any outstanding as on 31st March 2009.
- xx) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.

Place: Mumbai.

For **MOTILAL & ASSOCIATES,**
Chartered Accountants

Dated : 31st July 2009

M. L. JAIN
(Prop)



SWADESHI INDUSTRIES & LEASING LTD.
BALANCE SHEET AS AT 31ST MARCH 2009.

	SCH	As on 31.03.2009	As on 31.03.2008
<u>SOURCES OF FUNDS</u>			
<u>SHARE HOLDER'S FUNDS</u>			
Share Capital	"A"	9,079,500	9,079,500
Reserves & Surplus	"B"	3,927,525	3,927,525
<u>LOAN FUNDS</u>			
Unsecured loans	"C"	-	-
TOTAL:		13,007,025	13,007,025
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	"D"	5,388,902	5,034,447
Investments	"E"	-	-
<u>CURRENT ASSETS, LOAN & ADVANCES</u>			
Inventories	"F"	1,068,163	540,967
Sundry Debtors	"G"	1,511,164	2,226,753
Cash & Bank Balances	"H"	1,814,376	1,561,290
Loans & Advances	"I"	285,020	782,147
		4,678,723	5,111,157
<u>LESS: CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	"J"	314,995	171,237
Provisions	"K"	100,000	940,000
		414,995	1,111,237
<u>NET CURRENT ASSETS</u>			
Profit & Loss Account		4,263,728	3,999,920
		3,354,395	3,972,658
TOTAL:		13,007,025	13,007,025

NOTES TO THE ACCOUNTS

"P"

As per our report of even date attached

For and on behalf of the Board

For MOTILAL & ASSOCIATES,
Chartered Accountants

S.C.GAUTAM
(Chairman & Managing Director)

(M.L.JAIN)
Prop

S. K. AGARWAL **R. N. SHAH**
(Director) *(Director)*

Place: Mumbai.
Date : 31st July, 2009

Place: Mumbai.
Date : 31st July, 2009.

SWADESHI INDUSTRIES & LEASING LTD.**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009.**

	SCH	As on	As on
		31.03.2009	31.03.2008
<u>INCOME</u>			
Sales		12,672,950	13,360,389
Other Income	"L"	20,880	7,727,467
TOTAL:		<u>12,693,830</u>	<u>21,087,856</u>
<u>EXPENDITURE</u>			
Raw Material Consumed		8,777,270	10,129,147
Employment Cost	"M"	675,144	644,369
Other Expenses	"N"	2,329,769	2,034,802
Interest Paid	"O"	-	223,402
Depreciation	"D"	683,384	539,506
TOTAL:		<u>12,465,567</u>	<u>13,571,226</u>
Profit/Loss before Taxation		228,263	7,516,630
Less: Provision for Taxation		1,00,000	940,000
Profit/Loss after Taxation		128,263	6,576,630
Balance carried from earlier years		(3,972,658)	(10,549,287)
Less : Provision for taxation for earlier year		490,000	-
Profit/Loss available for appropriation		<u>(3,354,395)</u>	<u>(3,972,658)</u>
Balance carried to Balance Sheet		<u>(3,354,395)</u>	<u>(3,972,658)</u>

NOTES TO THE ACCOUNTS "P"

As per our report of even date attached

For **MOTILAL & ASSOCIATES,**
*Chartered Accountants***(M.L.JAIN)**
*Prop***Place:** Mumbai.
Date : 31st July, 2009

For and on behalf of the Board

S.C.GAUTAM
*(Chairman & Managing Director)***S. K. AGARWAL**
*(Director)***R. N. SHAH**
*(Director)***Place:** Mumbai.
Date : 31st July, 2009



SWADESHI INDUSTRIES & LEASING LIMITED.

SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2009.

	AS ON 31.03.2009	AS ON 31.03.2008
<u>SCHEDULE "A"</u>		
<u>SHARE CAPITAL AUTHORISED</u>		
20,00,000 Equity shares of Rs.10/- each	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
907950 Equity shares of Rs.10/-each	9,079,500	9,079,500
	<u>9,079,500</u>	<u>9,079,500</u>
<u>SCHEDULE "B"</u>		
<u>RESERVES & SURPLUS</u>		
Capital Reserve: Cash Subsidy	1,232,400	1,232,400
General Reserve	1,215,000	1,215,000
Forfeited Shares amount originally paid	1,480,125	1,480,125
	<u>3,927,525</u>	<u>3,927,525</u>
<u>SCHEDULE "C"</u>		
<u>UNSECURED LOANS</u>		
	-	-
	-	-
	<u>-</u>	<u>-</u>

SWADESHI INDUSTRIES & LEASING LIMITED.**SCHEDULE "D"****FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1.4.2008	Additions during the year	Deletion during the year	As at 31.03.2009	upto 1.4.2008	Provided during the year	upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Office Premises	3,361,242	-	-	3,361,242	264,330	54,788	319,118	3,042,124	3,096,912
Furniture & Fixtures	956,764	4,146	-	960,910	282,896	32,094	314,990	645,920	673,868
Electrical Fittings	297,681	56,869	-	354,550	98,936	11,765	110,701	243,849	198,745
Office Equipments	189,774	29,990	-	219,764	159,362	8,502	167,864	51,900	30,412
Vehicles	770,582	-	-	770,582	644,762	54,480	699,242	71,340	125,820
Plant & Machinery	2,559,598	424,834	-	2,984,432	1,807,215	335,643	214,285	841,574	752,383
Plant & Machinery(Mould)	884,530	522,000	-	1,406,530	728,223	186,112	914,335	492,195	156,307
Total	9,020,171	1,037,839	-	10,058,010	3,985,724	683,384	4,669,108	5,388,902	5,034,447
Previous Year Total	5,354,819	4,994,231	13,28,879	9,020,171	3,446,218	539,506	3,985,724	5,034,447	1,908,601

NOTE : FIXED ASSETS WHICH HAVE BEEN FULLY DEPRICATED HAVE BEEN TAKEN OUT FROM THE GROSS BLOCK AND NET BLOCK IN THE ASSETS CHART.

SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2008.

AS ON **AS ON**
31.03.2009 **31.03.2008**

SCHEDULE "E"**INVESTMENTS****UNQUOTED**

-	-
-	-
-	-



SWADESHI INDUSTRIES & LEASING LIMITED.
SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2009.

AS ON **AS ON**
31.03.2009 **31.03.2008**

SCHEDULE "F"

INVENTORIES

Raw Material & Finished Goods at lower of the cost of Market value (As per inventories taken, valued and certified by the management)

1,068,163	540,967
1,068,163	540,967

SCHEDULE "G"

SUNDRY DEBTORS

Unsecured and considered good

Less than six months

For more than six months

-	-
1,477,614	2,226,753
33,550	-
1,511,164	2,226,753

SCHEDULE "H"

CASH AND BANK BALANCE

Cash in hand (As Certified by Management)

Bank Balances

In Current a/c with Sch. Banks

F. D. (UCO Bank)

52,296	79,708
1,747,080	1,466,582
15,000	15,000
1,814,376	1,561,290



SWADESHI INDUSTRIES & LEASING LIMITED.
SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2009.

	AS ON	AS ON
	31.03.2009	31.03.2008
<u>SCHEDULE "N"</u>		
<u>OTHER EXPENSES</u>		
Power & Fuel	952,344	813,838
<u>Repairs & Maintenance:</u>		
Plant & Machinery	276,660	194,294
Others	-	-
Factory Rent	120,000	120,000
Packing & Forwarding	199,751	206,593
Bank Charges	1,729	1,525
Legal & Professional Fees	61,316	38,448
Rent, Rates & Taxes	71,611	13,8466
Vehicles Maintenance	127,923	142,189
Insurance	15,150	15,150
Travelling & Conveyance	32,596	29,678
Directors Fees	10,000	17,000
Advertising & Sales Promotion	27,847	33,748
Stores & Spare Parts Consumed	121,001	35,918
Internal Audit Fees	5,000	3,933
Payment to Auditors	-	-
Audit Fees	50,000	16,854
For Company Law Matters	50,562	-
Postage, Telegram & Tel. Charges	108,248	106,273
Printing & Stationery	42,779	48,972
Electricity Charges	26,300	18,780
Listing Fees	10,300	22,500
Miscellaneous Expenses	8,261	16,407
Fringe Benefit Tax	10,391	14,236
	<u>2,329,769</u>	<u>2,034,802</u>
<u>SCHEDULE "O"</u>		
<u>INTEREST</u>		
To Others	-	223,402
	-	<u>223,402</u>

SCHEDULE "P"

NOTES TO ACCOUNT

1 STATEMENT OF ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements are prepared under the historical cost convention and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provision of the companies Act, 1956.

b. Fixed Assets and Depreciation

(i) Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the assets to its working condition for its intended use, less accumulated depreciation as per the Companies Act 1956.

(ii) Depreciation is provided on the straight-line method over the useful life of the assets.

c. Investments

Long term investments are stated at cost, Current investments are stated at lower of cost or fair market value.

d. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined at the first in first out (FIFO) method (As per AS 2). The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads, but excludes interest expenses.

e. Revenue Recognition

Sales are recognised upon delivery of products and are recorded exclusive of excise duty but are net of trade discounts and sales tax.

f. Excise Duty

The excise duty in respect of closing inventory of finished goods is not included as part of inventory. The amount of CENVAT credits in respect of materials consumed for sales is deducted from cost of materials consumed. More over Excise duty exemption up to sales of Rs. 1.50 Crores is available to the company.

g. Taxes on Income

Provision for tax for the period comprises current income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing differences representing the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Current Income tax also includes interest payable if any under the provisions of Income tax Act, 1961.

h. Provisioning/Write off of Doubtful Debts, Loans & Advances.

Unrealizable Debts and Sundry balances of Loans & advances has been written-off to present true and fair view of the Company and as per the policy adopted by the Management of the company and to present on realistic basis the net realisable value of the assets of the company and to give a true and fair presentation to the stakeholders of the company.

2. Remuneration to Auditors includes payment for 31.03.2009	31.03.2008
	Rupees
	Rupees
(i) Audit Fees	16,854
(ii) Tax Audit	16,854
(iii) Vat Audit	16,854
(iv) Other Matters	61,316
	<u>1,11,878</u>
	<u>34,662</u>

3. Expenditure in foreign currency :

(i) Payment made to foreign technician	Nil	Nil
(ii) Value of imports calculated on CIF basis		
Raw Materials	Nil	Nil
(iii) Foreign Travel	Nil	Nil

4. Value of imported and indigenous raw materials consumed during the year and the percentage of each to the total consumption :-

	2009		2008	
	%	Rupees	%	Rupees
Imported	—	—	---	---
Indigenous	100%	87,77,270	100%	1,01,29,147
	<u>100%</u>	<u>87,77,270</u>	<u>100%</u>	<u>1,01,29,147</u>

5. Detailed information in respect of licensed and installed capacities, production and sales in respect of goods produced and raw material consumed.

	2009		2008	
	QTY/MT.	AMOUNT	QTY/MT.	AMOUNT
A. Capacities				
Licensed	298.000	—	298.000	—
Installed	300.000	—	300.000	—
B. Production	163.940	—	148.660	—
C. Opening Stock (FG)	5.430	540,967	24.150	21,78,910
(RM)	8.167		1.882	
Closing Stock (FG)	5.600	10,68,163	5.430	540,967
(RM)	25.173		8.167	
D. Sales	163.770	1,26,72,950	167.380	1,33,60,389
Preforms				
E. Raw Material Consumed	165.086	87,77,270	149.700	1,01,29,147
PET Resin/ compound				
F. Process Loss.	1.146	—	1.040	—

6. Figures for previous years have been re-grouped/re-arranged, wherever necessary.

7. Related Party transactions:

As per the AS 18 for related party transaction issued by The Institute of Chartered Accountants of India and statement provided by the Company for Identification of Related Parties and accepted by the auditors relying on the authenticity of the statement the following are the related party transactions are recognised as under:

	2009	2008
FACTORY RENT		
Paid to Mrs. Shashi Gautam	1,20,000	00.00

As per our report of even date attached

For and on behalf of the Board

For MOTILAL & ASSOCIATES,
Chartered Accountants

S.C.GAUTAM
(Chairman & Managing Director)

(M.L.JAIN)
Prop

S. K. AGARWAL
(Director)

R. N. SHAH
(Director)

Place: Mumbai.

Date : 31st July, 2009

Place: Mumbai.

Date : 31st July, 2009



Auditors' Certificate

The Board of Directors,
Swadeshi Industries & Leasing Limited
407, Sai Infotech,
Patel Chowk, R.B. Mehta Marg,
Ghatkopar (East),
Mumbai - 400 077.

We have examined the attached Cash Flow Statement of Swadeshi Industries & Leasing Limited for the period ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 31st July, 2009 to the members of the Company.

For **MOTILAL & ASSOCIATES**

Chartered Accountants

MOTILAL JAIN

Prop.

Place : Mumbai,

Dated : 31st July, 2009

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-2009	2007-2008
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT /(LOSS) BEFORE TAXATION	228,263	7,516,630
Adjustment for Depreciation	683,384	539,506
	<u>911,647</u>	<u>8,056,136</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Trade & Other Receivables	715,589	(2,220,307)
Inventories	(527,196)	1,637,943
Trade Payable	143,758	(379,170)
	<u>332,151</u>	<u>(961,534)</u>
CASH GENERATED FROM OPERATIONS	1,243,798	7,094,602
CASH FLOW BEFORE EXTRAORDINARY ITEMS	0	(4,446)
NET CASH FROM OPERATING ACTIVITY	<u>1,243,798</u>	<u>7,090,156</u>
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(1,037,839)	(4,994,231)
Sale of Assets	-	1,328,878
Sale of Share	-	500
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,037,839)</u>	<u>(3,664,853)</u>
C CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment/ Fresh Unsecured Loan	-	(1,566,715)
Loan & Advance made	47,127	(491,427)
	<u>47,127</u>	<u>(2,058,142)</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	253,086	1,367,161
CASH AND CASH EQUIVALENTS (Opening Balance)	1,561,290	194,129
CASH AND CASH EQUIVALENTS (Closing Balance)	1,814,376	1,561,290
	<u>253,086</u>	<u>1,367,161</u>

As per our report of even date attached

For and on behalf of the Board

For MOTILAL & ASSOCIATES,
Chartered Accountants

S.C.GAUTAM
(Chairman & Managing Director)

(M.L.JAIN)
Prop

S. K. AGARWAL
(Director)

R. N. SHAH
(Director)

Place: Mumbai.

Date : 31st July, 2009

SWADESHI INDUSTRIES AND LEASING LIMITED

PROXY FORM

I/We _____
of _____ in the District of _____
_____ being a members (s) of Swadeshi Industries &
Leasing Limited hereby appoint _____
of _____ in the district of _____
or failing him _____ of _____
in the District of _____

as my/our proxy to vote for me/us, on my/our behalf at the Twenty-fifth Annual General Meeting of the Company to be held on 26th day, of the September 2009, at 11.00 A.M. and at any adjournment thereof.

Affix
100Paise
Revenue
Stamp

Signed this _____ day of _____ 2009

Note: The Proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of that Power must be deposited at the Registered office of the Company at 407, Sai Infotech, Patel Chowk, R.B.Mehta Marg, Ghatkopar (E), Mumbai - 400 077, not later than 48 hour before the time for holding the Meeting.

SWADESHI INDUSTRIES AND LEASING LIMITED

ATTENDANCE SLIP

THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL.

Name of the attending Member (in Block Letters) _____
_____ Member's Folio Number _____

Name of the Proxy (in Block Letters, to be filled in if the proxy attends instead of the member) _____
_____ No. of Shares held _____

I hereby record my presence at the Twenty-fifth Annual General Meeting held at Sheth Dhanji Devshi Rashtriya Shala, Banquet Hall, Upashray Lane, Ghatkopar (East) Mumbai - 400 077. at 11.00 A.M. on 26th September, 2009.

Folio No. _____

Member's/Proxy's Signature

*to be signed at the time of handing over this slip.

Book Post

If undelivered, please return to :

**SWADESHI INDUSTRIES AND LEASING LIMITED,
407, Sai Infotech, Patel Chowk,
R.B. Mehta Marg, Ghatkopar(E),
Mumbai - 400 077.**