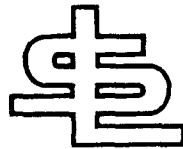


**26TH  
ANNUAL REPORT  
(2009-2010)**



**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>
---------------------------	---	------------------------------

### BANKERS

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

### 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. )

## Annual Report 2009-2010

### NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING OF SWADESHI INDUSTRIES AND LEASING LIMITED will be held on 4<sup>th</sup> September 2010 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, 2010 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.

### 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 18<sup>th</sup> August, 2010 to 4<sup>th</sup> September, 2010 (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 : 28th June 2010



## DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the **TWENTY SIXTH ANNUAL REPORT** together with Audited Accounts of the Company for the year ended 31st March, 2010.

### FINANCIAL RESULTS

	2010 Rs. Lakhs	2009 Rs. Lakhs
Total Income	115.23	126.94
Gross Profit/ Loss	6.76	9.11
Less : Depreciation	8.03	6.83
Provision for Taxation	-	1.00
Profit/Loss after Taxation	(1.27)	1.28
Add : Loss Brought forward from previous year	(33.54)	(39.73)
Previous year taxation	(4.03)	4.90
FBT of previous year	(0.09)	-
Other Adjustment of previous year	0.06	-
Profit & Loss Appropriation Account	(38.87)	(33.54)
	=====	=====

### DIVIDEND :

The Directors regret their inability to recommend dividend for the year 2009-2010 due to inadequacy of profits.

### OPERATIONS :

The Company's operating results for the year are showing Net Loss of Rs.1.27 Lacs, against the profit of Rs.1.28 Lacs, in the previous year. As explained in the last years 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.

For running manufacturing unit economically, we have decided to manufacture two types of Preforms only, which has saved running times of machines drastically and saved power consumption by using multi cavity moulds.

### 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.S. K. Agarwal, Director of the company retires by rotation and being eligible offers himself for re-appointment.

## Annual Report 2009-2010

### AUDITORS :

M/s Motilal & Associates, Chartered Accountants, Firm No:-106584W, Mumbai, Statutory Auditors of the Company hold office until the conclusion of the Twenty Sixth 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 reappointment 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/-.

### 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 Companies 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 June, 2010



## 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, 2010.

### (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)	1,88,599	3,00,662
Total Amount (Rs.)	6,51,350	9,52,344
Rate per Unit (Rs.)	3.45	3.16
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.)	166.355	163.940
Electricity (KWH/MT.)	1,176.13	1,835.80
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 : 28<sup>th</sup> June, 2010

**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 2010 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 : 28<sup>th</sup> June, 2010



### 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 : 28<sup>th</sup> June 2010



## **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 18<sup>th</sup> August, 2010 to 4<sup>th</sup> September, 2010 for the purpose of this Annual General Meeting..

### **Date, Time and Venue of the Annual General Meeting**

Date : 4<sup>th</sup> September, 2010 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)

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, 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 31<sup>st</sup> March, 2010, 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 as follows:
  - a. We have obtained all the information and explanation, 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;

## Annual Report 2009-2010

- e. In our opinion and to the best of our information and according to the explanation 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 31<sup>st</sup> March 2010 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 of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2010. from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956;

Place : Mumbai  
Dated : 28<sup>th</sup> June, 2010

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

**M. L. JAIN**  
(Prop)

---

Annexure to the Auditor's Report

of **SWADESHI INDUSTRIES AND LEASING LIMITED 2009-2010**

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.
  - c. During the year, no substantial or other part of the fixed assets of the unit of the company was disposed off.
- 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 provident fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

## Annual Report 2009-2010

- 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 31<sup>st</sup> March 2010.
- 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 : 28<sup>th</sup> June, 2010

**M. L. JAIN**  
(Prop)



**SWADESHI INDUSTRIES & LEASING LTD.**  
**BALANCE SHEET AS AT 31ST MARCH 2010.**

	SCH	As on 31.03.2010	As on 31.03.2009
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>SHARE HOLDER'S FUNDS</u></b>			
Share Capital	"A"	9,079,500	9,079,500
Reserves & Surplus	"B"	3,927,525	3,927,525
<b><u>LOAN FUNDS</u></b>			
Unsecured loans	"C"	-	-
<b>TOTAL:</b>		<b>13,007,025</b>	<b>13,007,025</b>
<b><u>APPLICATION OF FUNDS</u></b>			
Fixed Assets	"D"	4,927,995	5,388,902
Investments	"E"	-	-
<b><u>CURRENT ASSETS, LOAN &amp; ADVANCES</u></b>			
Inventories	"F"	1,323,893	1,068,163
Sundry Debtors	"G"	1,539,153	1,511,164
Cash & Bank Balances	"H"	1,281,872	1,814,376
Loans & Advances	"I"	249,588	285,020
		<b>4,394,506</b>	<b>4,678,723</b>
<b><u>LESS: CURRENT LIABILITIES &amp; PROVISIONS</u></b>			
Current Liabilities	"J"	202,258	314,995
Provisions	"K"	-	100,000
		<b>202,258</b>	<b>414,995</b>
<b><u>NET CURRENT ASSETS</u></b>			
Profit & Loss Account		<b>3,886,782</b>	<b>3,354,395</b>
<b>TOTAL:</b>		<b>13,007,025</b>	<b>13,007,025</b>
<b>NOTES TO THE ACCOUNTS</b>			
	"P"		

As per our report of even date attached  
For **MOTILAL & ASSOCIATES,**  
*Chartered Accountants*

**(M.L.JAIN)**  
*Prop*

Place: Mumbai.  
Date : 28<sup>th</sup> June, 2010

For and on behalf of the Board  
**S.C.GAUTAM**  
*(Chairman & Managing Director)*

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

Place: Mumbai.  
Date : 28<sup>th</sup> June, 2010

**SWADESHI INDUSTRIES & LEASING LTD.****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.**

	SCH	As on 31.03.2010	As on 31.03.2009
<b><u>INCOME</u></b>			
Sales		11,461,866	12,672,950
Other Income	"L"	61,225	20,880
TOTAL:		<b>11,523,091</b>	<b>12,693,830</b>
<b><u>EXPENDITURE</u></b>			
Raw Material Consumed		8,592,730	8,777,270
Raw Material		-	-
Employment Cost	"M"	634,026	675,144
Other Expenses	"N"	1,619,388	2,329,769
Interest Paid	"O"	-	-
Depreciation	"D"	803,453	683,384
TOTAL:		<b>11,649,597</b>	<b>12,465,567</b>
Profit/Loss before Taxation		(126,506)	228,263
Less: Provision for Taxation		-	(100,000)
Profit/Loss after Taxation		(126,506)	128,263
Balance carried from earlier years		(3,354,395)	(3,972,658)
Less : Provision for taxation for earlier year		(403,026)	490,000
Less : FBT of earlier years		(9,215)	-
Add : Other adjustment of earlier year		6,359	-
Profit/Loss available for appropriation		<b>(3,886,782)</b>	<b>(3,354,395)</b>
Balance carried to Balance Sheet		<b>(3,886,782)</b>	<b>(3,354,395)</b>
<b>NOTES TO THE ACCOUNTS</b>	<b>"P"</b>		

As per our report of even date attached

For **MOTILAL & ASSOCIATES,***Chartered Accountants***(M.L.JAIN)***Prop*

Place: Mumbai.

Date : 28<sup>th</sup> June, 2010

For and on behalf of the Board

**S.C.GAUTAM***(Chairman & Managing Director)***S. K. AGARWAL***(Director)***R. N. SHAH***(Director)*

Place: Mumbai.

Date : 28<sup>th</sup> June, 2010

**SWADESHI INDUSTRIES & LEASING LIMITED.**

**SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2010.**

	AS ON 31.03.2010	AS ON 31.03.2009
<b><u>SCHEDULE "A"</u></b>		
<b><u>SHARE CAPITAL AUTHORISED</u></b>		
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>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
907950 Equity shares of Rs.10/-each	9,079,500	9,079,500
	<u>9,079,500</u>	<u>9,079,500</u>
<b><u>SCHEDULE "B"</u></b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
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>
<b><u>SCHEDULE "C"</u></b>		
<b><u>UNSECURED LOANS</u></b>		
	-	-
	<u>-</u>	<u>-</u>



**SWADESHI INDUSTRIES & LEASING LIMITED.**  
**SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2010.**

**SCHEDULE "D"****FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1.4.2009	Additions during the year	Deletion during the year	As at 31.03.2010	upto 1.4.2009	Provided during the year	upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Office Premises	3,361,242	-	-	3,361,242	319,118	54,788	373,906	2,987,336	3,042,124
Furniture & Fixtures	960,910	-	-	960,910	314,990	32,094	347,084	613,826	645,920
Electrical Fittings	354,550	-	-	354,550	110,701	11,842	122,543	232,007	243,849
Office Equipments	219,764	-	-	219,764	167,854	9,846	177,710	42,054	51,900
Vehicles	770,582	-	-	770,582	699,242	54,480	753,722	16,880	71,340
Plant & Machinery	2,984,432	170,946	-	3,155,378	2,142,858	368,540	2,511,398	643,980	841,574
Plant & Machinery(Mould)	1,406,530	171,600	-	1,578,130	914,335	271,863	1,186,198	391,932	492,195
<b>Total</b>	<b>10,058,010</b>	<b>342,546</b>	<b>-</b>	<b>10,400,556</b>	<b>4,569,108</b>	<b>803,453</b>	<b>5,472,561</b>	<b>4,927,995</b>	<b>5,388,902</b>
Previous Year Total	9,020,171	1,037,839	-	10,058,010	3,985,724	683,384	4,669,108	5,388,902	5,034,447

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

**AS ON**                      **AS ON**  
**31.03.2010**                      **31.03.2009**

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

-                                      -  
-                                      -  


---



---



**SWADESHI INDUSTRIES & LEASING LIMITED.**  
**SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2010.**

AS ON AS ON  
31.03.2010 31.03.2009

**SCHEDULE "F"**

**INVESTMENTS**

Raw Material & Finished Goods at lower of the Cost or Market Value (As per inventories taken, valued and certificate by the management

1,323,893	1,068,163
<b>1,323,893</b>	<b>1,068,163</b>

**SCHEDULE "G"**

**SANDRY DEBETORS**

Unsecured and considered good  
Less than six months  
For more than six months

1,505,603	1,477,614
33,550	33,550
<b>1,539,153</b>	<b>1,511,164</b>

**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)

39,483	52,296
1,217,389	1,747,080
25,000	15,000
<b>1,281,872</b>	<b>1,814,376</b>

**SWADESHI INDUSTRIES & LEASING LIMITED.**  
**SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2010.**

	AS ON 31.03.2010	AS ON 31.03.2009
<b><u>SCHEDULE "I"</u></b>		
<b><u>LOANS &amp; ADVANCE</u></b>		
Advance Recoverable in Cash or kind	-	25,000
Sundry Deposits	236,170	236,170
Prepaid Insurance charges	-	10,463
T.D.S.	13,418	13,387
	<b>249,588</b>	<b>285,020</b>
<b><u>SCHEDULE "J"</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Sundry Creditors Precise Eng. Prod.	59,600	-
Other Liabilities	142,658	314,995
	<b>202,258</b>	<b>314,995</b>
<b><u>SCHEDULE "K"</u></b>		
<b><u>PROVISIONS</u></b>		
Provision for Income Tax.	-	100,000
	-	<b>100,000</b>
<b><u>SCHEDULE "L"</u></b>		
<b><u>OTHER INCOME</u></b>		
Labour Job Work	32,904	20,880
Miscellaneous Income	28,321	-
	<b>61,225</b>	<b>20,880</b>
<b><u>SCHEDULE "M"</u></b>		
<b><u>EMPLOYMENT COST</u></b>		
Salaries & Wages	634,026	675,144
	<b>634,026</b>	<b>675,144</b>

**SWADESHI INDUSTRIES & LEASING LIMITED.**  
**SCHEDULES OF BALANCE SHEET AS AT 31ST MARCH 2010.**

	AS ON 31.03.2010	AS ON 31.03.2009
<b><u>SCHEDULE "N"</u></b>		
<b><u>OTHER EXPENSES</u></b>		
Power & Fuel	651,350	952,344
<b><u>Repairs &amp; Maintenance:</u></b>		
a) Plant & Machinery	93,282	276,660
b) Others	22,041	-
Factory Rent	120,000	120,000
Packing & Forwarding	130,464	199,751
Bank Charges	6,872	1,729
Legal & Professional Fees	15,700	61,316
Rent, Rates & Taxes	62,485	71,611
Vehicles Maintenance	97,271	127,923
Insurance	13,448	15,150
Travelling & Conveyance	432	32,596
Directors Fees	10,000	10,000
Advertising & Sales Promotion	23,583	27,847
Stores & Spare Parts Consumed	133,018	121,001
Payment to Auditors	55,150	100,562
Internal Audit Fees	5,000	5,000
Postage, Telegram & Tel. Charges	84,650	108,248
Printing & Stationery	27,461	42,779
Electricity Charges	38,010	26,300
Listing Fees	12,114	10,300
Miscellaneous Expenses	17,057	8,261
Fringe Benefit Tax	-	10,391
	<b><u>16,19,388</u></b>	<b><u>2,329,769</u></b>
<b><u>SCHEDULE "O"</u></b>		
<b><u>INTEREST</u></b>		
To Others	-	-
	<u>-</u>	<u>-</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. 1.5 Crore 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 31.03.2010	31.03.2009
	Rupees
(i) Audit Fees	27,575
(ii) Tax Audit	16,545
(iii) Vat Audit	11,030
(iv) Other Matters	NIL
	<u>55,150</u>
	<u>1,00,562</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 :-

	2010		2009	
	%	Rupees	%	Rupees
Imported	—	—	—	—
Indigenous	100%	85,92,730	100%	87,77,270
	<u>100%</u>	<u>85,92,730</u>	<u>100%</u>	<u>87,77,270</u>

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

	2010		2009	
	QTY/MT.	AMOUNT	QTY/MT.	AMOUNT
A. Capacities				
Licensed	298.000	—	298.000	—
Installed	300.000	—	300.000	—
B. Production	160.355	—	163.940	—
C. Opening Stock (FG)	5.300	10,68,163	5.430	5,40,967
(RM)	25.173		8.167	
Closing Stock (FG)	6.850	13,23,893	5.600	10,68,163
(RM)	8.877		25.173	
D. Sales	159.105	11,461,866	163.770	1,26,72,950
Preforms				
E. Raw Material Consumed	160.235	85,92,730	165.086	87,77,270
PET Resin/ compound				
F. Process Loss.	1.130	—	1.146	—

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

## Annual Report 2009-2010

### 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:

	2010	2009
FACTORY RENT		
Paid to Mrs. Shashi Gautam	1,20,000	1,20,000

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 : 28th June, 2010

Place: Mumbai.  
Date : 28th June, 2010



## **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, 2010. 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 28th June 2010 to the members of the Company.

For **MOTILAL & ASSOCIATES**

*Chartered Accountants*

**MOTILAL JAIN**

*Prop.*

Place : Mumbai,

Dated : 28th June, 2010



**Annual Report 2009-2010**

**CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2010**

	<b>2009-2010</b>	<b>2008-2009</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT /(LOSS) BEFORE TAXATION	(126,506)	228,263
Adjustment for Depreciation	803,453	683,384
(Profit) / Loss on Sale of Assets	-	-
Interest & Finance charges	-	-
FBT paid	-	-
	<u><b>676,947</b></u>	<u><b>911,647</b></u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
Trade & Other Receivables	(27,989)	715,589
Inventories	(255,730)	(527,196)
Trade Payable	(112,737)	143,758
Sales Tax Paid	-	-
	<u><b>(396,456)</b></u>	<u><b>332,151</b></u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>280,491</b>	<b>1,243,798</b>
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>280,491</b>	<b>1,243,798</b>
Income Tax paid	(503,026)	-
Fringe Benefit Tax paid	(9,215)	-
Other Extra Ordinary Items	6,359	-
	<u><b>(225,390)</b></u>	<u><b>1,243,798</b></u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(342,546)	(1,037,839)
Sale of Assets	-	-
Profit / (Loss) on Sale of Investment	-	-
	<u><b>(342,546)</b></u>	<u><b>(1,037,839)</b></u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment/ Fresh Unsecured Loan	-	-
Loan & Advance made	35,432	47,127
	<u><b>35,432</b></u>	<u><b>47,127</b></u>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(532,504)</b>	<b>253,086</b>
CASH AND CASH EQUIVALENTS (Opening Balance)	1,814,376	1,561,290
CASH AND CASH EQUIVALENTS (Closing Balance)	<u><b>1,281,872</b></u>	<u><b>1,814,376</b></u>
	<u><b>(532,504)</b></u>	<u><b>253,086</b></u>

As per our report of even date attached  
For **MOTILAL & ASSOCIATES,**  
*Chartered Accountants*

For and on behalf of the Board  
**S.C.GAUTAM**  
*( Chairman & Managing Director)*

**(M.L. JAIN)**  
*Prop*

**S. K. AGARWAL**  
*(Director)*

**R. N. SHAH**  
*(Director)*

Place: Mumbai.

Date : 28th June, 2010



**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-sixth Annual  
General Meeting of The Company to be held on 4th day, of the September 2010, at  
11.00 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Affix  
100Paise  
Revenue  
Stamp

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 hours 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-sixth 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 4th September, 2010.

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, Sankarji Patel Chowk,

R.B. Mehta Marg, Ghatkopar(E),

Mumbai - 400 077.