



# **ANNUAL REPORT** **2004-2005**

**SWISS GLASCOAT EQUIPMENTS LIMITED****BOARD OF DIRECTORS**

: Kanubhai K. Patel  
*Chairman*

Sudarshan Amin  
*Managing Director*

Shashikant Patel

Paresh Shah

Ambalal Patel

Bhanubhai Patel

**STATUTARY AUDITORS**

: Darji and Associates  
Chartered Accountants  
S-403, Kavita Shopping Centre  
Opp. G.P.O.  
ANAND.

**LEGAL ADVISOR**

Report : A. Mohey  
Mayavilla,  
Mahadev Area,  
Vallabh Vidyanagar.

**COMPANY LAW COSULTANT**

: Darsha Rajesh Kikani  
Vadodara

**BANKERS**

: HDFC Bank Ltd.  
UTI Bank Ltd.

**REGISTERED OFFICE & WORKS**

: H-106, G.I.D.C.,  
Vitthal Udyognagar - 388 121.  
Gujarat.

## SWISS GLASCOAT EQUIPMENTS LIMITED

### NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the members of SWISS GLASCOAT EQUIPMENTS LIMITED will be held on 10<sup>th</sup> September, 2005 at the Registered Office of the Company at H-106, G.I.D.C. Estate, Vitthal Udyognagar 388 121 at 10.00 a.m. to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2005 and the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the company for the year ended 31<sup>st</sup> March, 2005.
3. To appoint Director in place of Shri Shashikant Patel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS

5. To consider and pass the following Resolution as a Special Resolution.

"Resolved that pursuant to section 293(1) (d) and other applicable provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, the consent of the members of the Company in general meeting be and is hereby accorded to the Board of Directors of the Company to borrow moneys' where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose, but shall not exceed Rs. 50,00,00,000.00 (Fifty crores only) over and above the paid up capital of the company and its free reserves.

6. To consider and pass the following Resolution as a Special Resolution.

"Resolved that pursuant to section 293(1) (a) of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, the consent of the members of the Company in general meeting be and is hereby accorded to the Board of Directors of the Company to mortgage, create a charge over or otherwise encumber (in such form as may be required by Bank or financial institution) the property acquired / to be acquired by the Company situate at H-106, I-107, I-107A and I-105 in favour of Bank or financial institution as security for the repayment / payment of all the dues of the Company under or in relation to the loan and / or overdraft facility proposed to be availed by the Company from Bank or financial institution.

Resolved further that directors are empowered to mortgage, create a charge over or otherwise encumber the property acquired / to be acquired by the Company situate at H-106, I-107, I-107A and I-105 in favour of any bank for the limits extended by the said bank upto the limits of Rs. 50,00,00,000.00 (Fifty crores only) over and above the paid up capital of the company and its free reserves.

**Date :** 29/07/2005

**Place :** H-106, GIDC Estate,  
Vitthal Udyognagar - 388 121.

By order of the Board

**SWISS GLASCOAT EQUIPMENTS LIMITED**

Kanubhai Patel  
Chairman

### NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Proxies, in order to be effective, should be duly stamped, completed signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

**SWISS GLASCOAT EQUIPMENTS LIMITED**

3. As required by the section 173(2) of the companies Act, 1956 Explanatory Statement for item no. 5 of the notice is annexed hereto.
4. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the company will remain closed from 02/09/2005 to 09/09/2005 (both days inclusive)
5. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
6. Members are requested to intimate, if shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account and to notify immediately the registered address of the Company.
7. Members are requested to notify change in address, if any, immediately to the company at its registered office quoting their folio numbers.
8. MCS Limited : Neelam Apartment, 88, Sampatrao Colony, Alkapuri, Baroda are our Registrar and Share Transfer Agents. Equity Shares of the Company can now be traded in dematerialised form only. Share holders are requested to opt for the demat facility now available for safe and secure transfer.

**EXPLANATORY STATEMENT**

As required by section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts regarding the business mentioned under item No. 5 and 6 of the accompanying notice dated 29/07/2005.

**ITEM NO. 5 & 6**

The company is continuously expanding its working and manufacturing facilities. For this it is necessary to borrow fund from banks, and / or financial institutions. To enable the Board of Directors to borrow funds upto Rs. 50 crores and give proper security for these borrowing facilities. It is proposed to obtain consent from shareholders to enhance the borrowing limits from Rs. 10 Crores to Rs. 50 crores, as per the requirement of section 293(1)(d) and 293(1)(a) of the companies act 1956.

None of the directors of your company is interested either directly or indirectly in the said proposals and board commend the resolutions for your approval in a best instance of the company.

**Date :** 29/07/2005

**Place :**

H-106, GIDC Estate,  
Vitthal Udyoginagar - 388 121.

By order of the Board  
**SWISS GLASCOAT EQUIPMENTS LIMITED**

Kanubhai Patel  
Chairman

**SWISS GLASCOAT EQUIPMENTS LIMITED****DIRECTOR'S REPORT**

To,

The Members,

Your Directors have great pleasure in presenting the 14<sup>th</sup> Annual Report on the business and operations of your Company for the financial year ended 31<sup>st</sup> March, 2005.

(Rs. in Lacs)

1. SUMMARY OF FINANCIAL RESULTS :	2004-2005	2003-2004
A. INCOME FROM OPERATION	3412.22	2434.37
B. GROSS PROFIT	340.30	234.47
C. LESS : DEPRECIATION	57.03	49.30
D. PROFIT BEFORE TAX	283.27	185.17
E. LESS : PROVISION FOR TAX	110.29	51.03
F. PROFIT AFTER TAX	172.98	134.14
G. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	68.37	40.63
H. BALANCE AVAILABLE FOR APPROPRIATION	241.35	174.77
<b>APPROPRIATION</b>		
PROPOSED DIVIDEND	50.00	50.00
TAX ON PROPOSED DIVIDEND	6.53	6.41
I. GENERAL RESERVE FUND	100.00	50.00
J. NET PROFIT CARRIED FORWARD	84.82	68.36

**PERFORMANCE :**

The Company has produced impressive results during the year ended 31<sup>st</sup> March, 2005. This is despite keen competition in all the areas of the Company's activities. The sales turnover of the Company has increased by more than 40%. Increase in turnover is due to various efforts made by the company to reduce costs and to improve efficiency in operations. The Company's order booking for the current year is continued to be excellent.

**DIVIDEND :**

Your Directors are pleased to recommend a dividend @ 10 % on its paid up equity capital of Rs. 500.00 lacs for the year 2004-2005 resulting in payment of Rs. 50.00 lacs.

The dividend pay out for the year under review has been formulated in accordance with the Company's policy of striving to pay stable dividend linked to long term performance, keeping in view the Company's need for capital, its growth plans and the intent to finance such plans through internal accruals to the maximum. Your Directors believe that this would increase shareholders value and eventually lead to a higher return threshold.

**DIRECTORS :**

Mr. Shashikant Patel retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting. You are requested to re-appoint him.

**FIXED DEPOSITS :**

The Company has not accepted Fixed Deposits from Public as envisaged under Section 58 A and 58 B of the Companies Act, 1956, read with the Companies (Acceptance of Deposits Rules, 1975).



## SWISS GLASCOAT EQUIPMENTS LIMITED

### AUDITORS :

The present Auditors M/s. Darji and Associates, Chartered Accountants, Statutory Auditors of the Company, are retiring at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors.

### CORPORATE GOVERNANCE :

A separate section on corporate Governance is included in the Annual Report and the certificate from the company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in clause 49 of the Listing Agreement with Stock exchanges is annexed there to.

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

Particulars regarding the conservation of energy, technological absorption and foreign exchange earnings and outgo as envisaged by Sec. 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors Rules 1988) enclosed in annexure 'A' to the Director's Reports.

### PARTICULARS OF EMPLOYEES :

The particulars as envisaged by Section 217 (2-A) read with the Companies (particulars of Employees), Rules 1975 need not be given as no employee is covered there under.

Your Directors would like to place on record their appreciation of the contribution made by the employees at all levels. Employees continue to remain our major assets, in our continuing endeavors in the pursuit for excellence.

### DIRECTORS RESPONSIBILITY STATEMENT :

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that :

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanation relating to material departures, if any, have been furnished;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31<sup>st</sup> March, 2005 and of the profit of the company for the year ended on that date.
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) We have prepared the annual accounts on going concern basis.

This is a step in right direction, steering the company towards global accounting practices.

### ACKNOWLEDGEMENT :

The Board of Directors are pleased to place on record their sense of gratitude for the continued financial support and co-operation received from banks, Government authorities, Customers, Vendors and other associates.

**For and on behalf of the Board**  
**SWISS GLASCOAT EQUIPMENTS LIMITED**

**Date : 29/07/05**  
**Place : Vitthal Udyognagar**

**Sudarshan Amin      Ambalal Patel**  
**Managing Director      Director**

**SWISS GLASCOAT EQUIPMENTS LIMITED****ANNEXURE TO DIRECTOR'S REPORT**

INFORMATION AS PER SECTION 217 (1) (E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31-03-2005.

**CONSERVATION OF ENERGY :**

Company is aware of the importance of saving energy consumption at all levels and has made endeavors to conserve energy wherever possible.

**TOTAL ELECTRIC CONSUMPTION :**

Units	:	Units	3026770
Rupees	:	Rs.	15078003
Rate per unit	:	Rs.	4.98
Total Fuel Consumption of Oil			
Gas and Lubricants	:	Rs.	2865400

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

a) The company exported its product during the year.

b) Total Foreign Exchange used and earned :

1) Total foreign exchange used	:	Import of goods	Rs. 2681167
		Travelling	Rs. 833313
2) Total foreign exchange earned	:		Rs. 2658103

**On behalf of the Board of Directors,**

**Date : 29/07/05**

**Place : Vitthal Udyognagar**

**Sudarshan Amin**  
**Managing Director**

**Ambalal Patel**  
**Director**

**SWISS GLASCOAT EQUIPMENTS LIMITED****CORPORATE GOVERNANCE REPORT****1. Company's Philosophy on Corporate Governance**

The company has established good practices in Corporate Governance which is implemented by a professional Board of Directors. Corporate Governance has attained paramount importance for ensuring fairness, transparency, accountability and responsibility to all stakeholders, Government and employees. Company has proactively institutionalized the best practices in respect of good corporate governance, as a means of effective control and enhancement of stakeholders value.

**2. Board of Directors**

The management of Company is entrusted to the Managing Director. The Board of Directors monitors the performance of the company and its management. The Board has 6 Directors, of whom 2 are wholetime Directors, Mr. S.P.Amin, Managing Director (M.E.) and Mr. Ambalal Patel, Technical Director (M.Sc.). The board has non-executive Chairman Mr. Kanubhai K.Patel (Industrialist). Other directors are Mr. Paresh Shah (B.Com) who guides company's marketing activities, Mr. Shashikant Patel (B.A.) Industrialist and Mr. Bhanubhai Patel, who is a well known consultant for Paint Industries in this region.

The Board functions either as a full Board or through Committees. The Board of Directors and its Committees meet at regular intervals. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board, while the Committees oversee operational issues.

The Board has constituted two committees, viz. The Audit Committee and the Share Transfer Committee. The names of the Directors constituting these Committees are given below :

**AUDIT COMMITTEE**

- 1. KANUBHAI PATEL**
- 2. SHASHIKANT PATEL**
- 3. PARESH SHAH**

**SHARE TRANSFER COMMITTEE**

- 1. PARESH SHAH**
- 2. AMBALAL PATEL**

Five meetings of the Board of Directors were held during the year. They were held on April 24, July 31, October 30, December 03, 2004 and on January 31 in 2005.

The company has not entered into any materially significant transactions with its promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

Details of other directorships of the Directors and their attendance at the Board/Committee meetings and Annual General meeting are given on the following page Table 1:



## SWISS GLASCOAT EQUIPMENTS LIMITED

### A. The constitution of the Board during the course of the year ended 31-03-2005.

Directors	Total number of membership / Chairmanship of committee held (other than in private companies as on 31-03-2005)	No. of Directorship held (excluding alternate Director-ship and director-ship in private companies) as on 31-03-2005	No. of Board Meetings attended	Attendance at last Annual General Meeting
<b>1. Kanubhai Patel</b>	-	1	3	YES
<b>2. Sudarshan Amin</b>	-	1	5	YES
<b>3. Shashikant Patel</b>	-	2	5	YES
<b>4. Paresh Shah</b>	-	1	5	YES
<b>5. Ambalal Patel</b>	-	1	5	YES
<b>6. Bhanubhai Patel</b>	-	1	5	YES

The Name of members of Company's Board of Directors, their attendance at Board meetings and the number of their other directorships are set out below.

Name of Directors	Board Meetings attended during the year	Attendance at last AGM (18/09/04)	Number of Directorships	
			Indian Co.'s	Other Co.'s
<b>1. Kanubhai Patel</b>	3	YES	-	-
<b>2. Sudarshan Amin</b>	5	YES	-	-
<b>3. Shashikant Patel</b>	5	YES	1	-
<b>4. Paresh Shah</b>	5	YES	-	-
<b>5. Ambalal Patel</b>	5	YES	-	-
<b>6. Bhanubhai Patel</b>	5	YES	-	-

### 3. Audit Committee

The Audit Committee provides directions to the audit function in the Company and monitors the quality of internal audit and management audit. The responsibility of the Audit Committee includes overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment / removal of external auditors and fixing their remuneration, reviewing the annual financial statements before submission to the Board reviewing adequacy of internal control systems and adequacy, structure and staffing of the internal audit function, reviewing findings of internal investigations, discussing the scope of audit with external auditors.

The Audit Committee was constituted by the Board of Directors at its Meetings held on January 27, 2001 and comprises three non-executive Directors. Four meetings of the Audit Committee were held during the year. The composition of the Audit Committee is given below.