



ANNUAL REPORT
2005-2006

**BOARD OF DIRECTORS**

: Kanubhai K. Patel
Chairman

Sudarshan Amin
Managing Director

Shashikant Patel
Paresh Shah
Ambalal Patel
Bhanubhai Patel

STATUTARY AUDITORS

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

LEGAL ADVISOR

: A. Mohey
Mayavilla,
Magadev Area,
Vallabh Vidyanagar.

COMPANY LAW CONSULTANT

: Darsha Rajesh Kikani
Vadodara

BANKERS

: State Bank of INDIA.
UTI Bank Ltd.

REGISTERED OFFICE & WORKS

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



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 15th Annual General Meeting of the members of SWISS GLASCOAT EQUIPMENTS LIMITED will be held on 30th September, 2006 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 31st March, 2006 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 a dividend on Equity Shares of the Company for the year ended 31st March, 2006.
3. To appoint Director in place of Shri Paresh Shah 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 if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT in supersession of earlier resolution in this regard and pursuant to the provision of Section 163 and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals or permission as necessary, approval of members of the Company be and is hereby accorded to maintain the Register of Members, the Index of Members, the Register and Index of Debenture holders and copies of all annual returns prepared under Section 159 and 160 together with the copies of certificates and documents required to be annexed thereto under Section 160 and 161 and other Registers and documents as are permissible, at the office of the Company's Registrar and Transfer Agent i.e. M/s Intime Spectrum Registry Ltd. or any other Registrar and Transfer Agent in lieu thereto."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of the Companies act, 1956, (including any statutory modification(s) or reenactment thereof for the time being in force and as may be enacted hereafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board". Which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from the Stock Exchanges viz. VADODARA STOCK EXCHANGE LIMITED and THE STOCK EXCHANGE-AHMEDABAD."

Date : 24-7-06

Place : H-106, G.I.D.C.,

Vitthal Udyognagar - 388 121.

Gujarat.

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.
- (3) Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the company will remain closed from 26/09/2006 to 03/10/2006 (both days inclusive).
- (4) 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.
- (5) Unclaimed Dividend: The Dividends declared and paid by the Company, but not encashed by the shareholders, are kept by the Company in a separate account called "Unclaimed Dividend A/c" for a period of 7 years from the date of declaration. During this period, shareholders can always claim the said Un-encashed dividend. After the said period of 7 years from the date, the Unclaimed Dividend is transferred to "Investors' Education & Protection



Fund" (IEPF) as per the provisions of the Companies Act, 1956. Once the amount is transferred to IEPF A/c, no claim is possible. We therefore request you to check receipt of previous dividend(s) and claim the same from the Company if not already received or encashed.

- (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, to the Company.
- (7) Intimation of the Current / Correct Address :Kindly note that your address is the vital link between you and the Company. Therefore, all the shareholders holding shares in Physical Form should intimate about any Change in their Address (with Correct Pin Code) to the Company or to our R & T Agent immediately. Please note that the intimation of Change of Address should be signed by the shareholder only as Company / R&T Agents will be updating the Address Database only after verification of the shareholders' signature.
In case of shareholders holding shares in Demat form, the Change in Address has to be reported to your respective Depository Participant as Depository Participants are maintaining your Database etc. which is downloaded by the Company from time to time.
- (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 transfers.

EXPLANATORY STATEMENT

As required by section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts regarding to the business mentioned under item No.5 and 6 of the accompanying notice dated 29/05/2006.

ITEM NO. 5

The Company will appoint M/s Intime Spectrum Registry Ltd. as its Registrar and Transfer Agent in place of M/s MCS Ltd., consequent to the divestment of Registrar and Share Transfer Business by MCS Ltd. and accordingly the Register of Members, the Index of Members, the Register and Index of debenture holders and copies of all annual returns prepared under section 159 and 160 together with the copies of certificates and documents required to be annexed thereto under section 160 and 161 including all records pertaining to the shares, share transfer, etc. will be maintained by M/s Intime Spectrum Registry Ltd.

Pursuant to the provision of section 163 of the Companies Act, 1956, approval of the Member of the Company is required to keep the said Register, documents and records at the office of M/s Intime Spectrum Registry Ltd. at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai 400 078 or any other Registrar and Transfer Agent appointed in lieu thereof. The Board commends the resolution for approval by the Members.

ITEM NO. 6

Presently the Company's securities are listed at Vadodara Stock Exchange Ltd., ("VSE") at Vadodara, The Stock Exchange-Ahmedabad ("ASE") at Ahmedabad and The Stock Exchange, Mumbai ("BSE") at Mumbai.

BSE is having nation wide trading terminals with the wide and extensive networking of centers of the BSE and investors have access to online dealings in the Company's securities across the country.

There has been no trading at all in the Company's equity shares in VSE & ASE (hereinafter collectively referred to as "the said Stock Exchanges") during the Current financial year. In this context, the Annual recurring Listing Fees paid to the said Stock Exchanges do not any longer offer commensurate benefits to the Company/its shareholders in the changed scenario of the nationwide trading terminals set up by the BSE. The continued listing on the said Stock Exchanges is, therefore, not considered necessary. Therefore, with your consent, the Board of Directors, propose to apply for the voluntary delisting of the Company's Equity Shares from the said Stock Exchanges.

The proposed voluntary delisting of the Company's Equity Shares from the said Stock Exchanges will not adversely affect any investors including the members located in the region where the said Stock Exchanges are situated. Pursuant to the SEBI (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the Members' approval by way of a Special Resolution for the Voluntary delisting of the Company's Equity Shares from the said two Stock Exchanges as set out in the resolution at Item no. 6. In terms of the said guidelines, as the Company's Equity Shares shall continue to remain listed on BSE, no exit opportunity is required to be offered to the shareholders.

The proposed delisting is in the interest of the Company and the Board commends the resolution for acceptance by the Members.

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

Date : 24-7-06
Place : H-106, G.I.D.C.,
Vitthal Udyognagar - 388 121.
Gujarat.

By Order of the Board
SWISS GLASCOAT EQUIPMENTS LIMITED,

Kanubhai Patel
Chairman



DIRECTOR'S REPORT

To,
The Members,

Your Directors have great pleasure in presenting the 15th Annual Report on the business and operations of your Company for the financial year ended 31st March, 2006.

		(Rs. in Lacs)	
1.	SUMMARY OF FINANCIAL RESULTS :	2005-2006	2004-2005
A.	INCOME FROM OPERATION	3372.08	3412.37
B.	GROSS PROFIT	360.18	242.05
C.	LESS : DEPRECIATION	63.42	57.03
D.	PROFIT BEFORE TAX	296.76	185.02
E.	LESS : PROVISION FOR TAX	98.56	110.29
F.	PROFIT AFTER TAX	198.20	172.98
G.	BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	84.82	68.36
H.	BALANCE AVAILABLE FOR APPROPRIATION	283.02	241.35
	APPROPRIATION		
	PROPOSED DIVIDEND	50.00	50.00
	TAX ON PROPOSED DIVIDEND	7.01	6.53
I.	GENERAL RESERVE FUND	100.00	100.00
J.	NET PROFIT CARRIED FORWARD	126.01	84.82

2. PERFORMANCE :

The Company's sales has declined by 1.17% in the year ended 31st March, 2006 due to floods and prevailing market situation. The Company have expanded its manufacturing capacity and installed a gas base power generator. The new capacity will go on stream in the first quarter of current year.

3. DIVIDEND :

Your Directors are pleased to recommend payment of dividend @ 10 % on its augmented equity paid up capital of Rs. 500.00 lacs for the year 2005-2006 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 shareholder value and eventually lead to a higher return threshold.

4. OPERATIONS :

The turnover of the company has decreased by just 1.17%. Even though, due to flood the Company was out of production for almost one month, the Company has managed to achieve its turnover at almost same level. The Company's order booking for the current year is continued to be excellent.

5. DIRECTORS

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

6. 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.)

**7. AUDITORS**

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

8. CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report & 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.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Particulars regarding the conservation of energy, technological absorption and foreign exchange earning and out go 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 Directors' Reports.

10. 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 asset, in our continuing endeavors in the pursuit for excellence.

11. 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 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 judgment 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 March, 2006 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 a going concern basis.

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

12. ACKNOWLEDGMENT

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 : 29-5-06
Place : Vitthal Udyog Nagar

Sudarshan Amin
Managing Director

Ambalal Patel
Director



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 31-03-2006

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	3074590
Rupees	:	Rs.	15158738
Rates per unit	:	Rs.	4.93
Total Fuel Consumption of Oil			
Gas and Lubricants	:	Rs.	16930206

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.	Nil
		Traveling	Rs.	60490
2) Total foreign exchange earned	:		Rs.	3311598

On behalf of the Board of Directors

Date : 29-5-06
Place : Vitthal Udyognagar

Sudarshan Amin
Managing Director

Ambalal Patel
Director



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 a 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. BHANUBHAI PATEL
3. PARESHBHAI SHAH

SHARE TRANSFER COMMITTEE

1. PARESHBHAI SHAH
2. AMBALALBHAI PATEL

Six meetings of the Board of Directors were held during the year . They were held on April 29, May 20, July 22, July 29, October 29, 2005 and on January 31 in 2006.

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 interests 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 :



A. The constitution of the Board during the course of the year ended 31-03-2006

Name of Directors	Total number of membership/ Chairmanship of committee held (other than in private companies) as on 31-03-2006	No. of Directorship held (excluding alternate Directorship and Directorship in private companies) as on 31-03-2006	No. of Board Meetings attended	Attendance at last Annual General Meeting
1. Kanubhai Patel	-	1	4	YES
2. Sudarshan Amin	-	1	6	YES
3. Shashikant Patel	-	2	5	YES
4. Paresh Shah	-	1	5	YES
5. Ambalal Patel	-	1	6	YES
6. Bhanubhai Patel	-	1	6	YES

The names 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 (10/09/05)	Number of other Directorship	
			Indian Co's	Other Co's
1. Kanubhai Patel	4	YES	-	-
2. Sudarshan Amin	6	YES	-	-
3. Shashikant Patel	5	YES	1	-
4. Paresh Shah	5	YES	-	-
5. Ambalal Patel	6	YES	-	-
6. Bhanubhai Patel	6	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 include 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.