

16th Annual Report

2006 - 2007



SWISS GLASCOAT
EQUIPMENTS LIMITED

**Board of Directors :****Kanubhai K. Patel**

Chairman

Sudarshan Amin

Managing Director

Shashikant Patel**Paresh Shah****Ambalal Patel****Bhanubhai Patel****Statutory Auditors :****Darji & Associates**

Chartered Accountant

S-403, Kavita Shopping Centre,

Opp. G.P.O., Ananad.

Legal Advisor :**A. Mohey**

Mayavilla,

Mahadev Area,

Vallabh Vidyanagar.

Company Law Consultant :**D. G. Bhimani & Associates**

Anand

Bankers :**State Bank of India.**

UTI Bank Ltd.

Registered Office & Works :

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

Vitthal Udyognagar - 388 121.

Gujarat



NOTICE

Notice is hereby given that the 16th Annual General Meeting of the members of SWISS GLASCOAT EQUIPMENTS LIMITED will be held on Saturday 29th September, 2007 at the Registered Office of the Company at H-106, G.I.D.C. Estate, Vitthal Udyog Nagar 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, 2007 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 2007.
3. To appoint Director in place of Shri Bhanubhai Patel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Date : 30/07/2007

Place : H-106, GIDC,

Vittal Udyog Nagar - 388121

By Order of the Board

SWISS GLASSCOAT 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 26/09/2007 to 03/10/2007 (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 said Unclaimed Dividend will be 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, **telephone number and email address**) 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 transfer.

Date : 30/07/2007
Place : H-106, GIDC,
Vittal Udyognagar,
Anand.

By Order of the Board
SWISS GLASCOAT EQUIPMENTS LIMITED,

Kanubhai Patel.
Chairman.

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DIRECTORS' REPORT

To,
The Members,

Your Directors have great pleasure in presenting the 16th Annual Report on the business and operations of your Company for the financial year ended 31st March, 2007.

(Rs. in Lacs)

I. SUMMARY OF FINANCIAL RESULTS :		2006-2007	2005-2006
A.	INCOME FROM OPERATION	3338.29	3372.08
B.	GROSS PROFIT	330.01	360.18
C.	LESS : DEPRECIATION	79.10	63.42
D.	PROFIT BEFORE TAX	250.91	296.76
E.	LESS : PROVISION FOR TAX	92.37	98.56
F.	PROFIT AFTER TAX	158.54	198.20
G.	BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	126.01	84.82
H.	BALANCE AVAILABLE FOR APPROPRIATION	284.54	283.02
APPROPRIATION :			
	PROPOSED DIVIDEND	60.00	50.00
	TAX ON PROPOSED DIVIDEND	10.20	7.01
I.	GENERAL RESERVE FUND	75.00	100.00
J.	NET PROFIT CARRIED FORWARD	139.35	126.01

2. PERFORMANCE :

The Company's sales has declined by 1.00% in the year ended 31st March, 2007 due to floods and prevailing market situation. The Company had 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 @ 12 % on its augmented equity paid up capital of Rs.500.00 lacks for the year 2006-2007 resulting in payment of Rs.60.00 lacks.

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 1.00%, due to heavy floods the shop floor of the Company was out of production for almost a 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. Bhanubhai Patel 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 ensuing 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, 2007 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.

On behalf of the Board of Directors
SWISS GLASCOAT EQUIPMENTS LIMITED

Date : 30/07/2007
Place : Vitthal Udyog Nagar

Sudarshan Amin
Managing Director

Ambalal Patel
Director



ANNEXURE TO DIRECTORS' 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 31-03-2007.

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 3284830
Rupees	:	Rs. 16663414
Rate per unit	:	Rs. 5.07
Total Fuel Consumption of Oil Gas and Lubricants	:	Rs. 11468146

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. 88015
2) Total foreign exchange earned	:		Rs. 13879183

On behalf of the Board of Directors

Date : 30/07/2007
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. 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), 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

Four meetings of the Board of Directors were held during the year . They were held on May 29, July 24, October 30, 2006 and on January 27 in 2007.

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 I :

**A. The constitution of the Board during the course of the year ended 31-03-2007**

Directors	Total number of membership/ Chairmanship of committee held (other than in private companies as on 31-03-2007)	No. of Director- ship held(excluding alternate Director-ship and director- ship in private companies) as on 31-03-2007	No.of Boards Meetings attended	Attendance at last Annual General Meeting
1. KANUBHAI PATEL	-	1	2	YES
2. SUDARSHAN AMIN	-	1	4	YES
3. SHASHIKANT PATEL	-	2	2	YES
4. PARESH SHAH	-	1	4	YES
5. AMBALAL PATEL	-	1	4	YES
6. BHANUBHAI PATEL	-	1	4	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 Member	Board Meetings attended during the year	Attendance at last AGM (30/09/2006)	Number of other Directorships	
			Indian Co.'s	Other Co.'s
1. KANUBHAI PATEL	2	YES	-	-
2. SUDARSHAN AMIN	4	YES	-	-
3. SHASHIKANT PATEL	2	YES	1	-
4. PARESH SHAH	4	YES	-	-
5. AMBALAL PATEL	4	YES	-	-
6. BHANUBHAI PATEL	4	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.