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Fascinating Relationship



HINDUSTAN SANITARYWARE & INDUSTRIES LIMITED

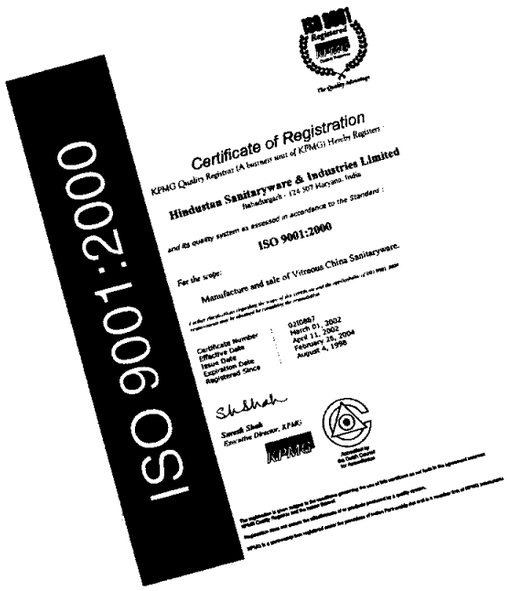
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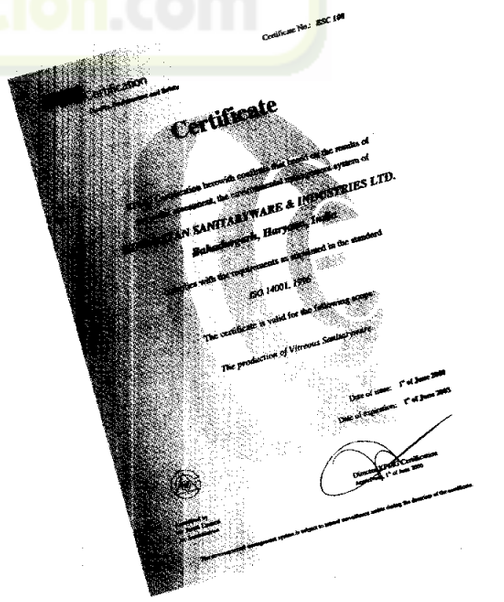
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Total Bathroom Solutions

Hindustan Sanitaryware & Industries Limited, India's market leader in the sanitaryware industry, has always achieved excellence in the quality of the products it manufactures. Adding even more value for its customers and shareholders, it has launched several new products, including World-class *Bathroom Fittings* from Grohe (Germany), *Bathtubs, Airpools, Turbopools, Shower Enclosures,* besides holding many others on the anvil. It has positioned itself as India's Premium and **Total Bathroom Solutions** provider.







Clarification on *forward-looking statements:*

This annual report (including the Management Discussion and Analysis) contains statements relating to the future of the Company that are *forward-looking statements*. Readers are cautioned not to place an undue reference on these *forward-looking statements*. Any such *forward-looking statements* are qualified in their entirety by reference to the following cautionary statements : all *forward-looking statements* speak only as things stood on a particular date; they are based on current expectations and involve a number of assumptions, risks and uncertainties; the latter could cause the actual results to differ materially from such *forward-looking statements*. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expects, projects, intends, plans, believes and words and terms with similar substance, in connection with any discussion of future operating or financial performance.

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HINDWARE

HINDUSTAN SANITARYWARE & INDUSTRIES LIMITED

Regd. Office: 2, Red Cross Place, Kolkata - 700 001

NOTICE OF THE 42ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty-second ANNUAL GENERAL MEETING of the Members of Hindustan Sanitaryware & Industries Limited will be held at Somany Conference Hall of Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Friday, the 20th September, 2002 at 11-00 A.M. to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.**

2. **To declare dividend on Equity shares for the year ended 31st March 2002.**

3. **To appoint a Director in place of Shri Binay Kumar, who retires by rotation and being eligible, offers himself for re-appointment.**

4. **To appoint a Director in place of Shri S.S. Kanoria, who retires by rotation and being eligible, offers himself for re-appointment.**

5. **To appoint Auditors and to fix their remuneration.**

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following Resolutions:

6. **Re-appointment of Shri R.K. Somany as Chairman & Managing Director.**

As a Special Resolution

"RESOLVED THAT in accordance with and subject to the provisions of Section 198, 269, 309, 310 & 311, read with Schedule XIII to the Companies Act, 1956 "the Act" and other applicable provisions, if any, of the Act and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the shareholders of the company be and is hereby accorded to the re-appointment of Shri R.K. Somany (Shri Somany) as Non-retiring Chairman and Managing Director of the Company, who shall not retire by rotation pursuant to the relevant provisions including Section 257 of the said Act read with Articles of Association of the Company ,for the 3 (THREE) year-term, commencing from 9th January, 2003 till 8th January 2006 and to his receiving remuneration by way of salary, commission, perquisites and/or allowances as Chairman and Managing Director upon the terms, conditions and stipulations contained in the AGREEMENT to be entered into between the Company of the ONE PART and Shri Somany of the OTHER PART (a draft whereof is placed before the meeting and, for the purpose of identification, is initialed by the Chairman hereof) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Somany, the non-retiring Chairman and Managing Director and/or remuneration payable to him and/or Agreement as may be agreed to between the Board of Directors and Shri Somany provided however that the remuneration payable to Shri Somany, shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule XIII to the said Act or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being be in force.

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"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby vested with the sole authority and discretion to consider, grant and/or sanction an annual increment of, upto 20% of the existing salary as the Board may consider fit and proper to Shri Somany."

"RESOLVED FURTHER THAT where in any financial year, during his terms of office, the Company makes no profits or its profits are inadequate, the Company may pay Shri Somany minimum remuneration by way of salary, perquisites and/or allowance subject to the maximum ceiling calculated in accordance with the scale laid down in Section II Part II of Schedule XIII to the Companies Act 1956, as applicable to the company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Shri Somany.

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications, substitutions, relaxations or re-enactments by the Central Government to the Schedule XIII to the said Act, the Board of Directors of the Company be and are hereby authorized and empowered to vary, alter or increase the remuneration including salary, commission, perquisites and/or allowances within the maximum limits for payment of managerial remuneration specified in Schedule XIII to the said Act in force for the time being or any statutory amendment or re-enactment thereto as may be made from time to time or the laws/guidelines in force for the time being."

AND RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."

7. **Re-appointment of Shri G.L. Sultania as Executive Director & Secretary**
As a Special Resolution

"RESOLVED THAT in accordance with and subject to the provisions of Section 198, 269, 309, 310 & 311, read with Schedule XIII to the Companies Act, 1956 "the Act" and other applicable provisions, if any, of the Act and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the shareholders of the company be and is hereby accorded to the re-appointment of Shri G.L. Sultania (Shri Sultania) as Non-retiring Wholetime Director designated as Executive Director & Secretary of the Company, who shall not retire by rotation pursuant to the relevant provisions, including Section 257 of the said Act read with Articles of Association of the Company for the 3 (THREE) year-term, commencing from 9th January 2003 till 8th January 2006 and to his receiving remuneration by way of salary, commission, perquisites and/or allowances as non-retiring Executive Director & Secretary upon the terms, conditions and stipulations contained in the AGREEMENT to be entered into between the Company of the ONE PART and Shri Sultania of the OTHER PART (a draft whereof is placed before the meeting and for the purpose of identification is initialed by the Chairman hereof) which Agreement is specifically sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment of Shri Sultania, Executive Director & Secretary and/or remuneration payable to him/or Agreement as may be agreed to between the Board of Directors and Shri Sultania, provided however that the remuneration payable to Shri Sultania shall not exceed the maximum limits for payment of managerial remuneration, specified in Schedule XIII to the said Act or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being be in force."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby vested with the sole authority and discretion to consider, grant and/or sanction an annual increment of upto 20% of the existing salary as the Board may consider fit and proper to Shri Sultania."

"RESOLVED FURTHER THAT where in any financial year, during his terms of office, the Company makes no profits or its profits are inadequate, the Company may pay Shri Sultania minimum remuneration by way of salary, perquisites and/or allowance subject to the maximum ceiling calculated in accordance with the scale laid down in Section II Part II of Schedule XIII to the Companies Act 1956, as applicable to the company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Shri Sultania.

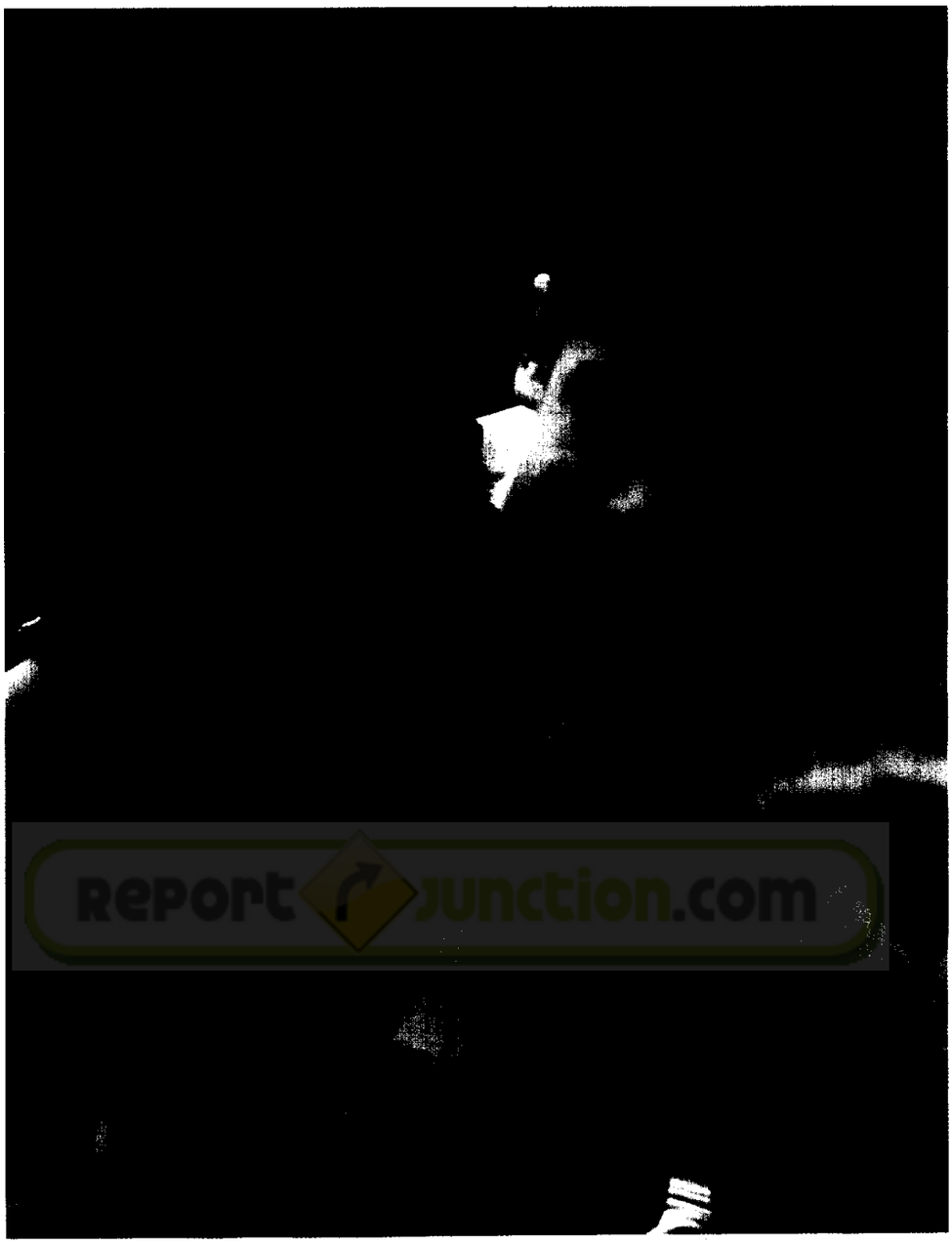
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Relationship. A unique phenomenon. A mysterious happening. Built on confidence. Sustained by trust. The kind of trust that exists between Hindware and its customers. Since inception, our one aim has been to improve our products. And set standards for the industry to follow. Both in terms of performance and aesthetics.

No wonder, Hindware products are perceived as most reliable and durable. Simultaneously, they are also considered to be high fashion statements in the most sophisticated circles. Even though Hindware products mean different things to different people, their appeal is all-encompassing. The slogan "Fascinating Hindware" is simply an expression of that universal appeal.

As a policy, we have always endeavoured to exceed expectations of our customers. Always sensitive to their needs, we fulfil them proactively. In fact, all our activities are directed at delighting our customers.

In the process, we have gained trust which is unconditional and unquestioning. And the relationships that have evolved between us and our customers are nothing short of fascinating.

We consider them to be our most valuable assets. Though intangible and impossible to quantify, it's these assets that drive the engine of growth eventually.



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THE VISION

IT'S ALL CLEAR !

To be a total bathroom solutions provider and build on its strong foundation in the container glass industry. To offer convenience and comprehensive services, thereby achieving total customer delight.

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