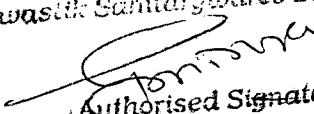


**SWASTIK SANITARYWARES LTD.  
AHMEDABAD****TWENTY FOURTH ANNUAL REPORT**

BOARD OF DIRECTORS	:	SHRI S. K. AGARWAL	CHAIRMAN
		SHRI ASHISH NEMANI	MANAGING DIRECTOR
		SHRI SHASHIKUMAR AGARWAL	DIRECTOR
		SHRI SUMEETKUMAR AGARWAL	DIRECTOR
AUDITORS	:	M/S. MUKESH M. SHAH & CO. CHARTERED ACCOUNTANTS 1, FIRST FLOOR, H.K. HOUSE, ASHRAM ROAD, AHMEDABAD.	
BANKERS	:	DENA BANK, KAI OL (N.G.) DENA BANK, KADI DENA BANK, ASHRAM ROAD, AHMEDABAD. DENA BANK, NEHRU PALACE, NEW DELHI. STATE BANK OF INDIA, JNPT, MUMBAI.	
REGD.OFFICE & WORKS	:	16, G.I.D.C. INDUSTRIAL ESTATE, KADI - 382 715. DIST : MEHSANA. (NORTH GUJARAT)	
HEAD OFFICE	:	304, MANGAL MURTI, ASHRAM ROAD, AHMEDABAD - 380 009.	
MARKETING OFFICE	:	W-110, 2nd FLOOR, GRATER KAILASH-I, NEW DELHI - 110 048.	

**CERTIFIED TRUE COPY**  
For Swastik Sanitarywares Ltd.  
  
**Authorised Signatory**

## NOTICE

NOTICE is hereby given that Twenty Fourth Annual General Meeting of the Company will be held on 30<sup>th</sup> September, 2003 Tuesday, at 11.00 a.m. at the Registered Office of the Company at 16, G.I.D.C. Industrial Estate, Kadi 382715 Dist. Mehsana to transact the following business:

### ORDINARY BUSINESS

- (1) To consider and adopt the audited Balance Sheet as on March 31, 2003 and the Profits and Loss Account for the year ended on that date and Report of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Shri S.K.Agrawal who retires by rotation and being eligible offers himself for reappointment.
- (3) To appoint auditors and fix their remuneration.

### SPECIAL BUSINESS

#### APPOINTMENT OF MANAGING DIRECTOR

- (4) To consider and if thought fit to pass with or without modification following resolution as an ordinary resolution

RESOLVED THAT pursuant to Section 198,269,309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including statutory modification(s) or enactments for the time being in force) and subject to the provisions of Articles of Association of the Company, consent of the Company is hereby accorded to the appointment of Shri Ashish Nemani as Managing Director of the Company for the period of five years w.e.f. 10th February, 2002 on the terms and conditions including remuneration as are set out in the agreement to be entered between the Company and Shri Ashish Nemani, a draft of which is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors of the Company (for short called "Board"), to alter and vary the terms and conditions of the said appointment and / or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to

the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and/or modifications that may hereafter be made or any amendments thereof as may be agreed to be between the Board and Shri Ashish Nemani.

RESOLVED FURTHER THAT the Board is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Date: September 2, 2003

By Order of the  
Board of Directors

Sd/-  
Director

#### NOTES

MEMBERS ENTITLED TO ATTEND AND VOTE AT THE MEETING, ARE ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE IN THEIR STEAD, AND THE PROXY NEED NOT BE MEMBER OF THE COMPANY.

The Instrument appointing the proxy must be lodged, at the Registered Office of the Company, at least 48 hours before the scheduled time of the meeting.

Shareholders desiring any information as regards the Accounts are requested to lodge with the Company their query at least 4 days prior to the date of the meeting.

Members are requested to intimate change in their address, if any.

By Order of the  
Board of Directors

Sd/-  
Director

## ANNEXURE TO THE NOTICE

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF COMPANIES ACT, 1956

## ITEM NO, 1

With an intensive marketing efforts attributable to Shri. Ashish Nemani, the products of the Company have been accepted world over and the sales of the company have increased substantially under his leadership.

The present resolution is for reappointing him for another term of five years. The Company is professionally managed Company, yet as a good corporate governance practice the Board had decided to get approval to the appointment from the members in general meeting, for a period of five years upon following terms and conditions.

The remuneration payable to and terms of appointment of Shri Ashish Nemani, during the tenure of his appointment for a period of five years will comprise of salary in the slab of Rs. 35,000 - Rs.5, 000 - Rs.60, 000 and revision in upward grade shall be w.e.f. 1<sup>st</sup> April each year.

The perquisites shall be payable to Managing Director as permitted under Schedule XIII of the Companies Act, 1956 and its modifications from time to time and are allowable under the Income Tax Act.

The terms and conditions set out for appointment and payment of remuneration herein and/or in the Agreement may be altered and varied from time to time by the Board as it may, at its discretion deem fit within the overall ceiling fixed herein.

The Board is entitled to determine and revise the salary, perquisites and allowances, commission payable to Managing Director at any time, such that the overall remuneration payable to the Managing Director shall not exceed the aggregate limit as may be prescribed under Schedule XIII of the Companies Act, 1956 from time to time.

Either party may terminate the agreement, by giving three months' prior notice of termination in writing to the other party.

A draft agreement to be entered in to between the Company and Shri Ashish Nemani is available for inspection at the registered office of the company between 11.00 a.m. to 1.00 p.m. on all working days.

Your directors recommend the resolution for your approval.

The above may be treated as an abstract of the terms and conditions of contract / agreement between the Company and Shri Ashish Nemani pursuant to section 302 of the Companies Act, 1956,

Shri Ashish Nemani is interested in the resolution.

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**DIRECTORS REPORT TO THE MEMBERS :**

Dear Shareholders,

The Directors have pleasure in presenting the TWENTY FOURTH REPORT together with the Audited Statement of Accounts for the year ended 31st March, 2003.

**(1) FINANCIAL RESULTS :**

	For the year 2002-2003 (Rs. in lacs)	Previous year 2001-2002 (Rs. in lacs)
Sales	1250.47	968.56
Profit after the provisions of depreciation and adjustment of earlier year.	19.33	26.82
ADD :		
Profit(Loss) as per previous year	142.21	115.39
LESS : Deferred Tax & Tr. to General Reserve	25.65	-
Balance carried to Balance Sheet	135.89	142.21

**(2) SALES :**

The sales of the Company is Rs.1250.47 lacs (Previous year 968.56 lacs) has increased by 29.11 % than that of the previous year. This is the result of the intensive marketing efforts with innovative and updated designs as per latest market trends.

**(3) PRODUCTION :**

The production of Sanitary wares during the year was 7747.104 MTS. (P.Y. 5353.127 MTS.)

**(4) FUTURE PLANS & OUTLOOK :**

Investments in modernization of plant and machinery had started paying results. Company's installed production capacity is now increased to the extent of 7 M.T. per day.

**(5) DIRECTORS :**

As per Article 103 of the Article of Association of the Company and Section 255 of the Companies Act, 1956 Shri Shiv Kumar Agarwal Director is to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

**(6) FOREIGN TRAVELING & EXPORTS :**

Years of continued efforts have started paying results, Company products have established brand image in overseas markets resulting in increased Exports. The Company's export has been Rs.376.95 lacs (Previous year Rs. 262.23 lacs).

**(7) PUBLIC DEPOSITS :**

The company has not accepted deposits from the public during year under review.

**(8) PARTICULARS OF EMPLOYEES :**

Section 217(2A) of the Companies Act 1956 is not applicable to the company as no employee is in receipt of salary excluding the limit prescribed thereunder.

**(9) INDUSTRIAL RELATIONS :**

Industrial relations remained cordial during the year under review.

**(10) AUDITORS :**

The retiring auditors of the Company, M/s. Mukesh M. Shah & Co., Chartered Accountants being eligible offer themselves for reappointment.

(11) Additional information as required u/s. 217 (1) (e) of the Companies Act, 1956, and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988.

**(A) Conservation of Energy :**

The Company has high priority to reduce the energy consumption by optimizing rate of production. The Company has changed loading system of kiln car by making Double Decker instead of single deck and has thereby minimised irrelevant cost of energy.

**(B) Research & Development :**

The Company have laboratory to maintain quality control of products and for research & development. Besides this Company is a member of Chemical & Allied Export Promotion Council, a Central Govt. Organization which gives from time to time information regarding technical charges being made in world.

**(C) Foreign Exchange Earning & Outgoing :**

The details of foreign exchange earning & outgoing have been given. Refer note of Schedule "17" i.e. notes on accounts forming part of accounts.

**(12) DIRECTORS' RESPONSIBILITY STATEMENT :**

As required by section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that :

1. In preparation of annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures:
2. The Directors have selected accounting policies and 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 March 31, 2003 and of the profit or loss of the company for the year ended March 31, 2003:
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:

4. That the Directors had prepared the annual accounts on a going concern basis.

(13) Appreciation :

The Directors express their thanks & place on record their appreciations for the co-operation & support extended by Banks, Government authorities & valued customers and workmen, staff and executives.

For & On behalf of the Board,

Sd/

ASHISH NEMANI )  
Managing Director

AHMEDABAD  
DATE : 02.09.2003

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