

SWASTIK SANITARYWARES LTD.
AHMEDABAD

TWENTY FIFTH ANNUAL REPORT

BOARD OF DIRECTORS : SHRI S.K.AGARWAL CHAIRMAN
SHRI ASHISH NEMANI MANAGING DIRECTOR
SHRI SHASHIKUMAR AGARWAL DIRECTOR
SHRI SUMITKUMAR AGARWAL DIRECTOR

AUDITORS : M/S. MUKESH M. SHAH & CO.
CHARTERED ACCOUNTANTS
1, FIRST FLOOR,
H.K. HOUSE, ASHRAM ROAD
AHMEDABAD


BANKERS : DENA BANK KALOL (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, MANGALMURTI,
ASHRAM ROAD,
AHMEDABAD - 380 009

MARKETING OFFICE : W- 110, 2ND FLOOR,
GRATER KAILASH-1,
NEW DELHI - 110 048

CERTIFIED TRUE COPY
For Swastik Sanitarywares Ltd.


Authorised Signatory

SWASTIK SANITARYWARES LIMITED

Registered Office: 16 G.I.D.C., KADI 382715

NOTICE is hereby given that Annual General Meeting of the Company will be held on 17th SEPTEMBER, 2004 FRIDAY, at 11.00 a.m. at the Registered Office of the Company at 16 G.I.D.C. Industrial Estate, Kadi 382 715 Dist. Mahesana to transact the following business:

ORDINARY BUSINESS

- (1) To consider and adopt the audited Balance Sheet as on March 31, 2004 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 SUMEET KUMAR AGARWAL who retires by rotation and being eligible for reappointment, offers himself for reappointment.
- (3) To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

- (4) To consider and, it thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution:
To appoint Company Secretary for compliance report u/s 383 A of the Companies Act, 1956

- (5) To consider and if thought fit to pass with or without modification(s) following resolution as Ordinary Resolution:

RESOLVED THAT Ms. NITU NEMANI who was appointed as an Additional Director of the Company and who holds office up to this Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

"RESOLVED THAT pursuant to Section 81 (1 A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and subject to any approval, consent, permission and / or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or Bodies (hereinafter collectively referred to as "the appropriate authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as "the requisite

approvals"), and which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may ereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorized to issue and allot, from time to time in one or more tranches, 17,00,000 Equity Shares of the value of Rs. 10 each aggregating to Rs. 1,70,00,000 (Rs. one crore seventy lac only) to one or more of Shri Ashish Nemani Managing Director, domestic/foreign institutions, institutional investors, banks, mutual funds, companies, bodies corporate or other persons / entities, whether or not such investors is/are Member(s), Director(s) of the Company and/or their relative(s), under a preferential issue through offer letter and/or circular and/or information memorandum and/or such other documents / writings, in such a manner and on such terms and conditions as may be determined by the Board in its absolute discretion and the aggregate amount of the securities so issued shall not exceed Rs. 1,70,00,000 (Rs. one crore seventy lac only).

RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall rank pari passu in all respects with the existing equity shares of the Company, except the dividend payable shall be on pro-rata basis.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to effect to the issue or allotment of aforesaid Equity Shares as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of any of the said Equity Shares and to do all acts, deeds and things in connection there with and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intend that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or the Chairman or any one or more of the Directors or officers of the Company to give effect to the aforesaid resolution."

By Order of the Board
For SWASTIK SANITARYWARES LIMITED

Sd/-

DIRECTOR

17/08/2004

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. 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.
3. Members are requested to intimate change in their address, if any.
4. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1958 setting out material facts is annexed hereto.
5. 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.
6. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.

Explanatory Statement pursuant to Section 173(2)

Item No. 4 Appointment of Company Secretary

Pursuant to amendment in provisions of S. 383 A of the Companies Act, 1956, companies having paid up capital above Rs. 10 lac and not required to employ full time company secretary, need to get Compliance Certificate from Company Secretary as prescribed in Rule 3 of the Companies (Compliance Certificate) Rules 2001.

Hence the resolution.

ITEM NO. 5 APPOINTMENT OF DIRECOTR

Ms. NITU NEMANI was appointed as an Additional Director of the Company on August 17, 2004 u/s 260 of the Companies Act, 1956 read with Article 93 of the Company's Articles of Association.

Ms. NITU NEMANI holds office up to this annual general meeting. Notice for this resolution is received from member stating interalia that the services of Ms. NITU NEMANI should continue to be available to

the Company along with deposit of Rs. 500 as per requirement of Section 257 of the Companies Act, 1956 along with the notice.

Hence the resolution.

Ms. NITU NEMANI is concerned or interested in the resolution.

ITEM NO. 6 ISSUE OF SAHRES

Presently the paid up capital of the Company is Rs. 1,30,00,000 only is which is very small. The Company had planned substantial investments over the next few years. To further strengthen the Company's financial position, and to generate resources for the expansion plans, as also to meet the working capital requirements of the Company and for general corporate purposes, as may be decided by the Board in the best interests of the Company it is proposed to issue equity shares to institutional investors and promoter(s) / director(s) their relatives on a preferential allotment basis.

Expanded capital base due to proposed issue of shares, will change present debt equity ratio and the Company shall be able to enhance borrowings from market, presently due to liberalized government policy and easily available cheaper finance is possible.

Due to best repayment record Company's bankers, Dena Bank, had already shown interests for further lending which shall commensurate with the expanded capital base.

The equity shares issued as above shall, rank pari passu in all respects with the existing Equity Shares of the Company, except that the dividend if any declared, shall be payable from the date of issue of such new shares.

Lock In :

The securities issued as above to the promoter(s) / director(s) / group shall be locked in for a period of three years from the date of allotment. The securities issued to persons or entities other than the promoter(s) / director(s) / group shall be locked in for a period of one year from the date of allotment.

The Board of Directors recommends this resolution. Except Shri Ashish Nemani none other Director of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board

For SWASTIK SANITARYWARES LIMITED

Sd/—

DIRECTOR

17/08/2004

DIRECTORS REPORT TO THE MEMBERS :

Dear Shareholders,

The Directors have pleasure in presenting the TWENTY FIFTH ANNUAL REPORT together with the Audited Statement of Accounts for the year ended 31st March, 2004.

(1) FINANCIAL RESULTS :

	For the year 2003-2004 (Rs. in lacs)	Previous year 2002-2003 (Rs. in lacs)
Sales	1450.66	1250.47
Profit after the provisions of depreciation and adjustment of earlier year.	33.17	19.33
ADD :		
Profit(Loss) as per previous year	135.89	142.21
Less : Deferred Tax & Tr.To General Reserve	0.00	25.65
Balance carried to Balance Sheet	169.06	135.89

(2) SALES :

Sales of the Company are Rs. 1450.66 lacs (Previous year 1250.47 lacs) have increased by 16 % than that of the previous year. This is the result of intensive marketing efforts with innovative techniques and your company's efforts to meet with the changing demands of global market.

(3) PRODUCTION :

The production of Sanitary wares during the year was 9085.883 MTS.(P.Y. 7747.104 MTS).

(4) FUTURE PLANS & OUT-LOOK :

The ongoing intensive marketing efforts with professional approach understanding the challenges in international and domestic markets will definitely keep the company to perform better in the years to come.

(5) DIRECTORS :

As per Article 103 of the Article of Association of the Company and Section 255 of the Companies Act, 1956 Shri SUMEET KUMAR AGARWAL is to retire by rotation at the forthcoming Annual General Meeting and being eligible offers him for reappointment.

To broad bas the Board of Directors Ms. NITU NEMANI was appointed as an additional director w.e.f. August 17, 2004 pursuant to Section 260 of the Companies Act, 1956 read with Article 93 of the Articles of Association of the Company and is to retire at the forthcoming AGM.

(6) FOREIGN TRAVELING & EXPORTS :

The Company products are gaining popularity in overseas markets resulting increase in Export sales. The Company's export sales have been Rs. 554.39 lacs and have spent Rs. 7.15 lacs for foreign tours and traveling.