



**SWISS GLASCOAT  
EQUIPMENTS LIMITED**

**18th ANNUAL REPORT  
2008 - 2009**



**Board of Directors :**

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**Kanubhai K. Patel**  
Chairman

**Sudarshan P. Amin**  
Managing Director

**Ambalal P. Patel**

**Paresh S. Shah**

**Shashikant P. Patel**

**Bhanubhai B. Patel**

**Jagrut H. Bhatt**

**Kaushik R. Shah**

**Bharat R. Patel**

**Dharmesh J. Patel**

**Company Secretary :**

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**Ms. Dhvani Shah**

**Statutory Auditors :**

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**Darji & Associates**

Chartered Accountants

S-403, Kavita Shopping Centre,

Opp. G.P.O., Anand.

**Company Law Consultant :**

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**D. G. Bhimani & Associates**

Company Secretaries

Anand

**Bankers :**

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**State Bank of India.**

**Axis Bank Ltd.**

**Registered Office & Works :**

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H - 106, Phase - IV, G.I.D.C. Estate,

Vitthal Udyognagar - 388121.

Dist. Anand, Gujarat



## NOTICE

**NOTICE** is hereby given that 18th Annual General Meeting of **SWISS GLASCOAT EQUIPMENTS LIMITED** will be held on September 26, 2009 at 10.00 a.m. at the Registered Office of the Company at H-106, G.I.D.C. Estate, Vitthal Udyognagar – 388 121 to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the even date together with the Reports of Auditors and Directors' Report thereon.
2. To declare dividend on Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2009.
3. To appoint a Director in place of Shri Shashikant P. Patel, Director, who retires by rotation and being eligible, has offered himself for reappointment.
4. To appoint a Director in place of Shri Paresh S. Shah, Director, who retires by rotation and being eligible, has offered himself for reappointment.
5. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.  
“**RESOLVED THAT** Shri Kaushik R. Shah, Additional Director of the Company, who holds office upto this Annual General Meeting and in respect of whom a notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
7. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.  
“**RESOLVED THAT** Shri Jagrut H. Bhatt, Additional Director of the Company, who holds office upto this Annual General Meeting and in respect of whom a notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
8. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.  
“**RESOLVED THAT** Shri Bharat R. Patel, Additional Director of the Company, who holds office upto this Annual General Meeting and in respect of whom a notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
9. To consider and if thought fit, to pass with or without modification, following resolution as an ordinary resolution.  
“**RESOLVED THAT** Shri Dharmesh J. Patel, Additional Director of the Company, who holds office upto this Annual General Meeting and in respect of whom a notice has been received under Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the Company liable to retire by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

BY ORDER OF THE BOARD OF DIRECTORS  
For, **SWISS GLASCOAT EQUIPMENTS LTD.**

Place : Vitthal Udyognagar  
Date : July 25, 2009

**Dhwani Shah**  
Company Secretary



**NOTES :**

- (A) The relative explanatory statements pursuant to Section 173(2) of the Companies Act, 1956 attached herewith and form part of this Notice.
- (B) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE, MUST BE LOGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.**
- (C) Members / proxies should bring Attendance Slips duly filled in for attending the Meeting.
- (D) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- (E) Register of Members and Share Transfer Books of the Company will remain closed from 20/09/2009 to 27/09/2009 (both days inclusive) for the purpose of payment of Dividend, subject to the approval by the shareholders in the ensuing Annual General Meeting.

Dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be payable to those Members, whose names appear on the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company at the close of business hours on Saturday, September 19, 2009, to their registered addresses and the respective Beneficial Owners as per the list provided by the National Securities Depository Ltd and Central depository Services Ltd at the close of business hours on Saturday, September 19, 2009.

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item Nos. 6 to 9**

Shri Kaushik R. Shah, Shri Dharmesh J. Patel, Shri Jagrut H. Bhatt and Shri Bharat R. Patel were appointed as Additional Directors of the Company on 7<sup>th</sup> April, 2009. As per the provisions of Section 260 of the companies Act, 1956, the Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Directors. The Company has received a notices under Section 257 of the Companies Act, in respect of the candidates, proposing their appointment as Directors of the Company, along with the requisite deposit.

Details regarding the persons proposed to be appointed as Directors and their brief resume are as under :

<b>Particulars</b>	<b>Mr. Kaushik Shah</b>	<b>Mr. Dharmesh Patel</b>	<b>Mr. Jagrut Bhatt</b>	<b>Mr. Bharat Patel</b>
Date of Birth	February 22, 1956	May 10, 1966	October 25, 1955	January 15, 1953
Date of Appointment	April 7, 2009	April 7, 2009	April 7, 2009	April 7, 2009
Qualifications	B. Com	Under-graduate	M. E.	B. Com
Expertise	Finance and Income Tax	Administration	Management	Finance
Directorship held in other public co.	NIL	NIL	NIL	NIL
No. of Shares held in Co.	NIL	NIL	NIL	NIL

**None except each of the four Directors may be interested in the resolution relating to his own appointment.**

BY ORDER OF THE BOARD OF DIRECTORS  
For, **SWISS GLASCOAT EQUIPMENTS LTD.**

Place : Vitthal Udyognagar  
Date : July 25, 2009

**Dhwani Shah**  
**Company Secretary**



## DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2009

### (1) FINANCIAL AND WORKING RESULTS

(Rs. In Lacs)

Particulars	2008-2009	2007-2008
<b>Profit/(Loss) Before Depreciation and Tax</b>	<b>369.55</b>	<b>477.03</b>
Less : Depreciation	(92.80)	(88.96)
<b>Profit/(Loss) Before Tax</b>	<b>276.75</b>	<b>388.07</b>
Less : Provision for Tax	(100.81)	(140.84)
<b>Profit/(Loss) After Tax</b>	<b>175.94</b>	<b>247.23</b>
<b>Add</b> : Balance brought forward	141.38	139.35
<b>Balance Available for Appropriation</b>	<b>317.32</b>	<b>386.58</b>
<b>Less: Appropriation</b>		
Proposed Dividend	(60.00)	(60.00)
Tax on proposed dividend	(10.20)	(10.20)
General Reserve	(100.00)	(175.00)
<b>NET PROFIT CARRIED FORWARD TO BALANCESHEET</b>	<b>147.12</b>	<b>141.38</b>

### (2) PERFORMANCE REVIEW

The year 2008-09 witnessed the worst Global Financial and Economic crisis in last many years. This crisis impacted Indian Economy too resulting into overall business slowdown. Even in this environment, the Company has achieved a good performance during the year.

The Company has reported an increase in turnover of Rs. 4238.42 lacs as against last year's turnover of Rs. 4140.14 lacs.

The Company achieved Profit Before Tax (PBT) of Rs. 276.75 lacs against last year's PBT of Rs. 388.07 lacs. This is despite the effects of global meltdown resulting into low sales realization and in the backdrop of twice the increase in the cost of raw materials.

### (3) DIVIDEND

In view of the Company's profitable performance, the Directors are pleased to recommend a Final Dividend of Rs. 1.20 (i.e. @ 12%) per share for the financial year 2008-2009. The final Dividend, if declared as above, would involve an outflow of Rs.60 Lacs towards dividend and Rs.10.20 Lacs towards dividend tax.

### (4) DEPOSITS

The Company is not accepting any deposits from the public.

### (5) DIRECTORS

Shri Shashikant P. Patel and Shri Paresh S. Shah are to retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.



The Board on 07.04.2009 had appointed Mr. Kaushik R. Shah, Mr. Jagrut H. Bhatt, Mr. Dharmesh J. Patel and Mr. Bharat R. Patel as the Additional Director, who shall hold Directorship till the ensuing Annual General Meeting. Their appointment in the ensuing Annual General Meeting as the Directors of the Company shall be within the provisions of Section 252 and 257 of the Companies Act, 1956.

**(6) CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS STATEMENT**

A Report on Corporate Governance and also a Management Discussion & Analysis Statement are attached to this Report.

**(7) PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

**(8) DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- (i) the applicable accounting standards along with proper explanations relating to material departure have been followed while preparing the annual accounts;
- (ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

**(9) PARTICULARS OF EMPLOYEES**

There was no employee drawing remuneration of Rs.24,00,000 or more per annum or Rs.2,00,000 per month or for any part of the year and hence no particulars have been furnished as required under section 217(2A) of the Companies Act, 1956.

**(10) AUDITORS**

M/s. Darji & Associates, Chartered Accountants, Anand, retires at the conclusion of this Annual General Meeting and are eligible for re-appointment.

**(11) ACKNOWLEDGEMENTS**

Your Directors thank the Company's customers, vendors, investors, business associates, bankers for their continued support. Your Directors also take this opportunity to applaud the contributions made by all the employees of the Company to the operations of the Company during the year.

On Behalf Of The Board Of Director  
For, **SWISS GLASCOAT EQUIPMENTS LTD.**

Date : July 25, 2009  
Place : Vitthal Udyognagar

**Kanubhai K. Patel**      **Sudarshan P. Amin**  
Chairman                      Managing 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 31-03-2009.

### CONSERVATION OF ENERGY

Company is aware of the importance of saving energy consumption at all levels and has endeavored to conserve energy wherever possible.

#### Total Electric Consumption

Units	:	Units 9383560
Rupees	:	Rs. 5,93,64,819/-
Rate per unit	:	Rs. 6.35
Total Fuel Consumption of Oil Gas and Lubricants	:	Rs. 71,04,389/-

### 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. 13,433/- Travelling Rs. 50,639/- Dividend Rs. 5,96,809/- Certification Fees Rs. 5,64,809/-
2) Total foreign exchange earned	:	Rs. 49,76,346/-

On Behalf Of The Board Of Director  
For, **SWISS GLASCOAT EQUIPMENTS LTD.**

Date : July 25, 2009  
Place : Vitthal Udyognagar

**Kanubhai K. Patel**      **Sudarshan P. Amin**  
Chairman                      Managing Director





## CORPORATE GOVERNANCE REPORT

### Company Philosophy

The Company has established good practice in Corporate Governance which is implemented by professional Board of Directors. The philosophy of your Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosure and enhance shareholder value without compromising in any way in compliance with laws and regulations. Your Company believes that good governance brings about sustained corporate growth and long term benefits for stakeholders.

### Board of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorship and Committee Membership held by them in other companies are given below :

Name of Directors	Category of Directorship	No. of Meetings Attended	Attended at Last AGM	Other Company		
				Directorship held	Members in Committee	Chairman in Committee
Kanubhai K. Patel	Independent Chairman	03	Yes	0	0	0
Sudarshan P. Amin	Managing Director	06	Yes	0	0	0
Ambalal P. Patel	Whole-Time Director	06	Yes	0	0	0
Shashikant P. Patel	Non Executive Director	04	Yes	1	0	0
Bhanubhai Patel	Independent Director	05	Yes	0	0	0
Paresh S. Shah	Non Executive Director	04	Yes	0	0	0

6 (six) Meetings of the Board were held during the year on 30.04.2008, 16.07.2008, 27.09.2008, 18.10.2008, 16.11.2008 & 25.01.2009.

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.

### Audit Committee

The Audit Committee was formed by the Board at their Meeting held on 27.01.2001. The Committee comprises of three Non Executive Directors.

The rules and terms of reference of Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

The Committee met 4 (four) times during the year on 30.04.2008, 16.07.2008, 18.10.2008 and 25.01.2009 and the attendance of the Members at the Meetings was as follows :

Name of Member	Status	Category	No. of Meetings Attended
Kanubhai K. Patel	Chairman	Independent Director	3
Bhanubhai B. Patel	Member	Independent Director	4
Pareshbhai S. Shah	Member	Non-Executive Director	3





Further at the Board Meeting held on April 7, 2009, the Audit Committee was re-constituted as under:

Name of Member	Status	Category
Kaushik R. Shah	Chairman	Independent Director
Kanubhai K. Patel	Member	Independent Director
Bhanubhai B. Patel	Member	Independent Director
Bharat R. Patel	Member	Independent Director
Paresh S. Shah	Member	Non-Executive Director

### SHARE TRANSFER COMMITTEE

The functions and powers of the Share Transfer Committee includes approval / allotment / rejection of transfer / transmission of equity share, issue of duplicate certificates, allotment of Shares and securities from time to time.

The Share Transfer Committee comprises of Two Directors. 18 (Eighteen) Meetings of the Share Transfer Committee were held during the year on 05.04.2008, 21.04.2008, 05.05.2008, 20.05.2008, 05.06.2008, 05.07.2008, 15.07.2008, 05.08.2008, 05.09.2008, 24.09.2008, 20.10.2008, 05.11.2008, 05.12.2008, 05.01.2009, 05.02.2009, 20.02.2009, 05.03.2009 and 20.03.2009 and the attendance of the Members at the Meetings was as follows :

Name of Member	Status	Category	No. of Meetings Attendance
Paresh S. Shah	Chairman	Non-Executive Director	18
Ambalal P. Patel	Member	Whole time Director	18

Further at the Board Meeting held on April 7, 2009, the Share Transfer Committee was re-constituted as under:

Name of Member	Status	Category
Paresh S. Shah	Chairman	Non-Executive Director
Kaushik Shah	Member	Independent Director
Ambalal P. Patel	Member	Whole time Director

Again, at the Board Meeting held on April 29, 2009, the Share Transfer Committee has been re-constituted as under:

Name of Member	Status	Category
Shashikant P. Patel	Chairman	Non-Executive Director
Paresh S. Shah	Member	Non-Executive Director
Kaushik Shah	Member	Independent Director

During the year under review, the Company had received 57 service requests from the shareholders which were promptly responded and resolved to the satisfaction of the respective shareholders.

As on 31.03.2009, there were no pending service requests with the Company.

### SHAREHOLDERS GRIEVANCE COMMITTEE

For shareholder grievances, the Board has constituted a Shareholders Grievance Committee on April 7, 2009, comprising of following Members:

Name of Member	Status	Category
Ambalal Patel	Chairman	Whole Time Director
Kaushik Shah	Member	Independent Director
Bharatbhai Patel	Member	Independent Director



During the year under review the Company has not received any complaints from the shareholders.

**NON EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

There are no pecuniary relationships or transactions with the Non-Executive and Independent Directors.

**CODE OF CONDUCT**

The Board has laid down a Code of Conduct for all Board Members and senior management of the Company. All the Board Members and senior management personnel have affirmed their compliance with the Code of Conduct during the year.

**GENERAL BODY MEETINGS**

Details of last three Annual General Meetings of the Company are given below :

Financial Year	Date	Time	Type	Location
2005-06	30/09/2006	10.00 A.M.	ANNUAL GENERAL MEETING	AT THE REGISTERED OFFICE : AT H-106, G I D C ESTATE, VITTHAL UDYOGNAGAR - 388 121
2006-07	29/09/2007	10.00 A.M.	ANNUAL GENERAL MEETING	
2007-08	27/09/2007	10.00 A.M.	ANNUAL GENERAL MEETING	

**POSTAL BALLOT**

No Postal Ballots were used for voting at the aforesaid Meetings. At the forth coming Annual General Meeting there is no item on the agenda that needs approval by Postal Ballot.

**DISCLOSURES**

**(A) Basis of Related Party Transactions:**

There were no materially significant transaction with related parties i.e. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interest. All transactions with the related parties were put before the Board for their approval as and when required.

**(B) Board Disclosures – Risk Management**

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

**(C) Remuneration of Directors**

The Company pays remuneration to the Executive Directors within the limits as specified in the Schedule XIII and other applicable provisions of the Companies Act, 1956.

**(D) Shareholders**

The Explanatory Statement annexed to the Notice lays down before you the brief profile of the Directors which the Company desires to appoint in the ensuing Annual General Meeting.

**(E) Compliance**

There were no instances of non- compliance or any matter related to the capital markets during the last Three Years. The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is annexed hereto.

**CEO/CFO CERTIFICATION**

The Managing Director (de-facto Chief Executive Officer and the Chief Financial Officer) of the Company have certified to the Board regarding review of financial statement for the year, compliance with the accounting standards, maintenance of internal control for financial reporting, accounting policies, etc.

**MEANS OF COMMUNICATION**

The Company believes that all stakeholders should have access to adequate information regarding the Company's position to enable them to accurately access its future potential. In accordance with the SEBI Guidelines, all information which could have a material bearing on Company's share price is released at the earliest through leading domestic agencies. Company has further strengthened its Web site to provide comprehensive information on its strategy, business segments, financial performance, operational performance, share price movements and press releases.



Company's financial results, notice for book closure and other information are published in newspapers, namely, Business Standards and Jan-Satta.

**General Shareholders Information**

Compliance Officer : Ms. Dhvani Shah  
 Mr. Bipin Thakkar  
 (in absence of Ms. Dhvani Shah)

Date, Time and venue of 18<sup>th</sup> Annual General Meeting : Saturday, 26/09/2009 at 10.00 a.m. at  
 H-106, G I D C Estate, Vitthal Udyognagar – 388 121

Financial Calendar : April 1 to March 31

Date of Book Closure : 20/09/2009 to 27/09/2009

Dividend Payment : On or after 28/09/2009

Listing on Stock Exchange : The Bombay Stock Exchange Limited

The requisite listing fees have been paid in full to the Stock Exchange.

Registrar and Share Transfer Agents : MCS LTD. Neelam Apartments, 88,  
 Sampatrao Colony, Alkapuri, Vadodara.

ISIN of DEMAT Shares : INE461D01010

**SHARE TRANSFER SYSTEM**

The transfer of Shares in Physical form is processed and completed by MCS LIMITED within the periods of 30 days from the date of receipt thereof.

**Distribution of Shareholding**

Distribution as on 31<sup>st</sup> March , 2009.

Number of Shares	Number of Shareholders	%of Shareholders	Total number of shares	% holding
1 to 500	895620	17.91	4663	89.11
501 to 1,000	274751	5.50	331	6.33
1,001 to 2,000	201565	4.03	131	2.49
2,001 to 3,000	78715	1.57	31	0.59
3,001 to 4,000	28118	0.56	8	0.15
4,001 to 5,000	53116	1.06	11	0.21
5,001 to 10,000	133588	2.67	19	0.36
10,001 & above	3334527	66.70	39	0.75
Shares in transit				
<b>TOTAL</b>	<b>5000000</b>	<b>100.00</b>	<b>5233</b>	<b>100.00</b>

**Address for Correspondence**

For any assistance relating to Dematerialization of shares, Share transfer transactions, Change of Address, non- receipt of Dividend or for any other query relating to shares, investor correspondence should be addressed to:

**Registered Office:** Swiss Glascoat Equipments Limited  
 H-106, G I D C Estate,  
 Vitthal Udyognagar – 388 121.

**E-mail ID:** share@glascoat.com

To allow us to service the Shareholders with greater speed and efficiency, the Company strongly recommends e-mail based correspondence on all issues which do not require signature verification for being processed.

On Behalf Of The Board Of Director  
 For, **SWISS GLASCOAT EQUIPMENTS LTD.**  
**Kanubhai K. Patel**      **Sudarshan P. Amin**  
 Chairman                      Managing Director

Date : July 25, 2009  
 Place : Vitthal Udyognagar



## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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To the Members of  
Swiss Glascoat Equipments Limited

We have examined the compliance of conditions of corporate governance by Swiss Glascoat Equipments Limited for the year ended on 31<sup>st</sup> March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

*In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.*

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders and Investors' Grievance Committee/ Share Transfer Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Darji and Associates  
Chartered Accountants

C.A. L.B. Darji  
Proprietor  
Vitthal Udyognagar



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A) Industry structure and Development

Your Company's current saleable products include glasslined processing equipment such as reactors, storage tanks, distillations columns, RCVD, etc. used by chemicals, pharmaceutical, pesticides and food processing industries. These equipments are manufactured under approved Q.A. Plan of S. G. E. L.

The year under review has suffered extensively on account of overall depressed economy. However, the continuous efforts of the Management for cost reduction in various areas of operations and focus on consolidation have resulted in profitable gains to the Company.

Your Company registered a healthy performance during 2008-09 with a 17.49 % growth in revenue. Probably your Company is the second largest manufacturer of the Glasslined equipments in India. The Glass-line Industry is experiencing a long term growth phase aided by steady Indian Economic growth. In spite of heavy inflation and drastic increase in steel prices, due to cost cutting measures implemented by the Company it would not affect the performance of the Company in coming years.

### B) Opportunities, Threats, Risk and Concerns

Your Company always try to find the opportunities in the Glasslined Industry through its strength, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the customers.

The threats for your Company would come from adverse fluctuation in input and capital cost, tax and duties. Availability of skilled manpower and contractor work force may lead to adverse factor to the growth of the Company.

Your Company has identified the major thrust areas to concentrate on, which it believes to be critical to achievement of organizational goals. A well defined structure has been laid down to assess, monitor and mitigate risk associated with these areas.

### C) Outlooks for 2009-10

Looking to the steady recovery of the Economy, the Company is expected to achieve higher turnover in coming year. The present order book position is adequate to achieve the desired growth.

Further, Indian Engineering industry recorded a CAGR of 8.4% over the last two decades. Also, the Economic think-tank Centre for Monitoring Economy [CMIE], in its monthly review of the Indian Economy, has indicated that with the expected dip in contract prices of iron ore and coal, steel prices are likely to fall by 3-5% across product categories in the next three months ended by September. This shall have favourable impact on our Company's operations since major chunk of our raw materials consist of steel inputs.

The industry is widely expected to continue its growth performance in the medium term.

### D) Internal Control Systems and their adequacy

We have strong integrated systems which are adequate for our class and size of business.

### E) Material Developments on Human Resources

Long term agreements have been concluded with all the concerned levels of employees. We have been having excellent co-operation and support from the entire hierarchy of personnel, resulting in a sharp improvement in productivity and overall growth of the Company during the current year.



## AUDITORS REPORT

### To the Members of Swiss Glascoat Equipments Limited.

We have audited the attached Balance Sheet of **SWISS GLASCOAT EQUIPMENTS LTD.** as at 31<sup>st</sup> March, 2009 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order 2003, issued by the Central Government of India in terms sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
- c) The Balance sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956:
- e) On the basis of written representation received from the Directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India.
  - (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2009, and
  - (ii) in case of Profit & Loss Account of the profit for the year ended on that date, and
  - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For, **Darji and Associates**  
Chartered Accountants

**C.A. L. B. Darji**  
Proprietor  
M.N. 030992

Date : 22 / 06 / 09  
Place : Vitthal Udyog Nagar



## ANNEXURE TO AUDITORS REPORT

### (Refer to in Paragraph I of Report of even date)

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. According to the information and explanation given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion, is reasonable having regards to the size of the Company and the nature of its assets the discrepancy noticed on physical verification were not material and have been properly dealt with in the books of accounts.
- c. During the year, the Company has not disposed off substantial part of fixed assets that affects the going concern of the Company.
- ii) a. The Company has conducted physical verification of inventory at reasonable intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancy were noticed on physical verification.
- iii) a. The Company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b), (c) and (d) of clause 4(iii) of the order are not applicable to the Company.
- b. The Company has taken unsecured loans amounting to Rs.10,66,000/- from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year and also the year end balance was Rs.21,16,000/-.
- c. The rate of interest and other terms and conditions on which loans have been taken are not prima-facie, prejudicial to the interest of the Company.
- d. The payment of the principal amount and the interest was regular during the year.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and for sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) a. In our opinion and according to the information and explanations given to us, the transactions for the year that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, having regard to the explanations that many of the item are of a special nature and their prices cannot be compared with alternative quotations, the transaction made in pursuance of the contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year have been reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.





- vii) In our opinion, the Company's present internal audit carried out by a firm of a Chartered Accountants is commensurate with size and nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records under clause (d) of subsection (1) of section 209 of the Act for any of its products. Therefore, the provisions of clause 4 (viii) of the Order are not applicable to the Company.
- ix) a) The Company has been regular during the year in depositing with appropriate authorities, undisputed dues including Provident Funds, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Cess any other statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Funds, Investor Education & Protection Fund, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Cess were in arrears, as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date of they become payable.
- c. According to the information and explanations given to us, details of dues of sales tax have not been deposited as on 31<sup>st</sup> March, 2009 on account of any dispute are given below:
- | Particulars | Period of which amount relates | Forum where Forum where pending | Amount (Rs. in lacs) |
|-------------|--------------------------------|---------------------------------|----------------------|
| Sales Tax   | 2000-01                        | Tribunal                        | 0.88                 |
- x) The Company neither has any accumulated losses nor incurred any cash losses during the financial year covered by our audit and immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to financial institutions or bank.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) The Company has not given guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion, the term loans obtained during the year have been applied for the purpose for which they were taken.
- xvii) According to the cash flow statements and overall examination of the balance sheet of the Company and explanations given to us, on an overall basis, funds raised on short-term bases have not, prima-facie, been used during the year for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any secured debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For, **Darji and Associates**  
Chartered Accountants

**C.A. L. B. Darji**  
Proprietor  
M.N. 030992

Date : 22 / 06 / 09  
Place : Vitthal Udyog Nagar

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Sch.	Rupees	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>SOURCES OF FUNDS :</b>				
<b>SHAREHOLDERS' FUND :</b>				
Share Capital	1		50,000,000	50,000,000
Reserves & Surplus	2		84,863,890	74,290,055
			<u>134,863,890</u>	<u>124,290,055</u>
<b>LOAN FUNDS:</b>				
Secured Loans	3		141,213,165	107,071,628
Unsecured Loans	4		22,232,061	17,694,000
			<u>163,445,226</u>	<u>124,765,628</u>
DEFERRED TAX LIABILITY	5		20,669,481	20,013,353
<b>TOTAL FUNDS EMPLOYED</b>			<b><u>318,978,595</u></b>	<b><u>269,069,036</u></b>
<b>APPLICATION OF FUNDS:</b>				
FIXED ASSETS	6		138,188,517	134,022,426
INVESTMENT (At cost)			2,500	2,500
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories		204,753,369		129,807,855
Loans and Advances		50,475,036		34,248,585
Cash and Bank Balances		24,611,608		16,487,304
Sundry Debtors		47,202,186		94,246,586
		<u>327,042,198</u>		<u>274,790,330</u>
LESS:CURRENT LIABILITIES AND PROVISIONS	8	146,254,620		139,746,220
Net Current Assets			180,787,578	135,044,110
<b>TOTAL ASSETS (NET)</b>			<b><u>318,978,595</u></b>	<b><u>269,069,036</u></b>
Significant Accounting Policies	16			
Notes on Accounts	17			

As per our report attached  
For **Darji and Associates**  
Chartered Accountants

**C.A. L.B.DARJI**  
Proprietor

Vitthal Udyognagar  
Date : 22/06/2009

For and on behalf of the Board

**Kanubhai Patel**  
**Sudarshan Amin,**  
**Dhwani Shah**

Chairman  
Managing Director  
Company Secretary



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

Sch.	Year ended 31-Mar-09 Rupees	Year ended 31-Mar-08 Rupees
<b>INCOME</b>		
	464,154,713	449,717,459
Turnover (Gross)		
	<u>48,825,642</u>	<u>43,289,830</u>
Less:Excise Duty		
Net Turnover	415,329,071	406,427,629
Other Income	2,039,822	3,033,436
Labour Income	8,513,053	7,586,850
Increase/Decrease in Stock	9 89,682,578	8,253,760
	<b><u>515,564,524</u></b>	<b><u>425,301,675</u></b>
<b>EXPENDITURE</b>		
Cost of Raw Material	10 245,870,380	209,153,532
Manufacturing Expenses	11 130,797,903	92,278,269
Store Consumption	19,864,105	14,123,770
Employees Remuneration and Benefits	12 27,816,474	21,104,269
Interest and Finance Charges	13 24,188,660	16,318,060
Selling, General and Administration Expenses	14 29,883,301	24,992,023
Depreciation	6 9,280,030	8,895,726
	<b><u>487,700,852</u></b>	<b><u>386,865,649</u></b>
	27,863,672	38,436,026
<b>PROFIT</b>		
Less/Add: Prvious Year Expenses Adj.	189,009	-
Add : Excess Provision of Earlier Years	-	370,952
<b>PROFIT BEFORE TAXATION</b>	<b><u>27,674,663</u></b>	<b><u>38,806,978</u></b>
Taxation	15 10,081,128	14,083,790
<b>PROFIT AFTER TAX</b>	<b><u>17,593,535</u></b>	<b><u>24,723,188</u></b>
Add:Brought forward profit	14,138,055	13,934,567
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b><u>31,731,590</u></b>	<b><u>38,657,755</u></b>
APPROPRIATION:		
(I) Proposed Dividend	6,000,000	6,000,000
(II) Tax on Proposed Dividend	1,019,700	1,019,700
(III) Transferred to General Reserve	10,000,000	17,500,000
(III)Balance Carried to Balance Sheet	14,711,890	14,138,055
	<b><u>31,731,590</u></b>	<b><u>38,657,755</u></b>
Basic and Diluted Earning per share	3.52	4.94
(Refer Note 8, Schedule 17)		
<b>Significant Accounting Policies</b>	16	
<b>Notes on Accounts</b>	17	

As per our report attached  
For **Darji and Associates**  
Chartered Accountants

**C.A. L.B.DARJI**  
Proprietor  
Vitthal Udyognagar  
Date : 22/06/2009

For and on behalf of the Board

**Kanubhai Patel**  
**Sudarshan Amin,**  
**Dhwani Shah**

Chairman  
Managing Director  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Pursuant to the Listing Agreement with Stock Exchange)

	As at 31-Mar-09 Rupees in lacs	As at 31-Mar-08 Rupees in lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	278.63	384.36
Adjustments for:		
(Profit)/Loss on fixed assets sold/discarded	0.67	9.53
Depreciation	92.80	88.95
Exchange rate difference	(1.65)	0.30
Miscellaneous Expenditure writtenoff	0.00	0.00
Interest Expenses	241.89	163.18
Interest income	(9.11)	(8.18)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>603.23</b>	<b>638.14</b>
Adjustments for:		
Inventories	(749.46)	(78.62)
Trade receivables	470.44	(474.99)
Other receivables	(24.81)	0.90
Current Liabilities (Excluding proposed dividend, Tax on distributed profits, Income-tax Provision)	(29.17)	295.62
<b>CASH GENERATED FROM OPERATIONS</b>	<b>270.23</b>	<b>381.05</b>
Direct Taxes Paid (Net)	(137.46)	(102.00)
Cashflow before Extraordinary Items	132.77	279.05
Extraordinary items		
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>132.77</b>	<b>279.05</b>
<b>B. CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(142.44)	(72.75)
Investments in Mutual Fund	0.00	0.00
Sale of Fixed Assets	7.30	26.59
Interest income	9.11	8.18
<b>NET CASH FROM/ (USED) IN INVESTING ACTIVITIES</b>	<b>(126.03)</b>	<b>(37.98)</b>
<b>C. CASHFLOW FROM FINANCING ACTIVITIES</b>		
Change in short term borrowing (Net)	498.94	(3.55)
Change in long term borrowing (Net)	(112.14)	(114.68)
Interest paid	(241.89)	(163.18)
Dividend paid (Including tax on distributed profits)	(70.20)	(70.20)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>74.71</b>	<b>(351.61)</b>
Net increase/ (Decrease) in cash and cash equivalents	81.25	(110.54)
Cash and cash equivalents Opening Balance	164.87	275.42
Cash and cash equivalents Closing Balance	246.12	164.87
	81.25	(110.55)

As per our report attached  
For, **Darji and Associates**  
Chartered Accountants

**C.A. L.B. Darji**  
Proprietor  
Vitthal Udyognagar  
Date : 22/06/2009

For and on behalf of the Board

<b>Kanubhai Patel</b>	Chairman
<b>Sudarshan Amin</b>	Managing Director
<b>Dhwani Shah</b>	Company Secretary

**Schedules forming part of the Balance Sheet as at 31st March, 2009**

	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE - 1 SHARE CAPITAL</b>		
AUTHORISED SHARE CAPITAL		
50,00,000 Equity shares of Rs.10 each	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>
Issued, Subscribed and Paidup Capital		
50,00,000 Equity shares of Rs.10 each	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
General Reserve	70,000,000	60,000,000
Profit and Loss Account	14,711,890	14,138,055
Capital Reserve	152,000	152,000
	<b>84,863,890</b>	<b>74,290,055</b>
<b>SCHEDULE - 3 SECURED LOANS</b>		
Working Capital Loan from State Bank of India	118,293,058	72,937,536
Term loan from State Bank of India	19,356,597	32,696,278
Vehicle loan from Banks (secured by way of hire purchase of vehicle)	3,563,510	1,437,814
	<b>141,213,165</b>	<b>107,071,628</b>
NOTE:		
Working Capital loan and Term Loan from Bank are secured by equitable mortgage of land and factory building and hypothecation of plant and Machiniers, inventories and receivables.		
<b>SCHEDULE - 4 UNSECURED LOAN</b>		
Short Term	19,010,000	17,694,000
Kotak Mahindra Bank	3,222,061	-
	<b>22,232,061</b>	<b>17,694,000</b>
<b>SCHEDULE - 5 DEFERRED TAX LIABILITY</b>		
Deferred tax liability		
Arising on account of timing differences in Depreciation	20,669,481	20,013,353
	<b>20,669,481</b>	<b>20,013,353</b>

**SCHEDULE - 6 FIXED ASSETS**

Description of Assets	Gross Block			Depreciation Block				Net Block		
	As at 1st April '08 Rupees	Addition Rupees	Deduction Rupees	As at 31st March '09 Rupees	As at 1st April '08 Rupees	Addition Rupees	Deduction Rupees	As at 31st March '09 Rupees	As at 31st March '09 Rupees	As at 31st March '08 Rupees
Leasehold land	4,520,756	-	-	4,520,756	-	-	-	-	4,520,756	4,520,756
Building	51,636,638	-	-	51,636,638	14,430,403	1,724,664	-	16,155,067	35,481,571	37,206,235
Plant & Machinery	90,908,967	3,905,355	-	94,814,322	25,204,163	4,408,264	-	29,612,427	65,201,895	65,704,804
Electrical Installation	7,813,584	3,899,508	-	11,713,092	3,464,229	490,921	-	3,955,150	7,757,942	4,349,355
Tools and Equipments	15,034,206	2,388,645	-	17,422,851	3,145,422	768,233	-	3,913,655	13,509,196	11,888,784
Furniture and Fixtures	4,174,417	243,530	-	4,417,947	1,893,489	276,394	-	2,169,883	2,248,064	2,280,928
Office equipments	2,627,793	52,585	-	2,680,378	1,508,779	168,870	-	1,677,649	1,002,729	1,119,014
Vehicals	8,376,759	3,532,782	2,623,635	9,285,906	3,293,342	811,008	1,826,092	2,278,258	7,007,648	5,083,417
Air Conditioners	1,047,261	30,000	-	1,077,261	397,972	67,875	-	465,847	611,414	649,289
Computers	3,359,303	191,260	-	3,550,563	2,139,456	563,801	-	2,703,257	847,306	1,219,847
<b>TOTAL</b>	<b>189,499,684</b>	<b>14,243,665</b>	<b>2,623,635</b>	<b>201,119,714</b>	<b>55,477,255</b>	<b>9,280,030</b>	<b>1,826,092</b>	<b>62,931,193</b>	<b>138,188,517</b>	<b>134,022,426</b>
PREVIOUS YEAR	186,916,932	7,274,565	4,691,813	189,499,684	47,654,202	8,895,726	1,072,673	55,477,255	134,022,426	139,262,730





	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE - 7 CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>(A) INVENTORIES</b>		
<b>(As taken, valued and certified by management)</b>		
Raw Materials	49,971,093	64,464,838
Work in Process	121,091,290	62,947,318
Stores & Spares	852,215	1,095,534
Finished Goods	32,838,771	1,300,165
	<b>204,753,369</b>	<b>129,807,855</b>
<b>(B) LOANS &amp; ADVANCES</b>		
Deposits	16,403,264	8,398,024
Advances Recoverable in cash or in kind or for the value to be received	2,747,909	5,570,490
Excise CENVAT Receivable	979,253	4,026,519
Balances of Cenvat	754,764	441,111
Pre-Paid Expenses	208,497	176,779
Advance payment of Tax	29,381,349	15,635,662
	<b>50,475,036</b>	<b>34,248,585</b>
<b>(C) SUNDRY DEBTORS</b>		
<b>(Unsecured, considered Good)</b>		
More than six months	13,897,161	18,977,508
Others	33,305,025	75,269,078
	<b>47,202,186</b>	<b>94,246,586</b>
<b>(D) CASH AND BANK BALANCES</b>		
Cash on Hand	275,694	170,906
<b>Fixed Deposit with :</b>		
State Bank of India	11,000,000	11,000,000
Intrest Accrued on FDR	2,457,283	1,546,304
<b>BANK BALANCES WITH:</b>		
UTI Bank Ltd.	6,107,528	1,969,569
SBI- V.U. Nagar	3,010,109	-
HDFC Bank Ltd.	-	58,621
SGEL - Equity Dividend A/c	1,760,995	1,741,904
	<b>24,611,608</b>	<b>16,487,304</b>





	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE - 8 CURRENT LIABILITIES AND PROVISION</b>		
<b>A CURRENT LIABILITIES</b>		
<b>Trade Creditors</b>		
- Small Scale Industrial Undertakings	33,276,331	18,263,090
- Others then Small Scale Industrial Undertakings	39,443,482	64,522,001
Tax Deducted / Collected at Source	781,315	1,240,846
Sales / Professional Tax Payable	939,900	1,878,447
Outstanding Expenses	5,080,751	3,156,862
Advances from the Customers	26,924,417	22,682,118
Provident Fund Payable	56,730	52,537
Dividend Payable	1,761,816	1,744,561
Excise Duty	2,499,921	216,300
Security Deposit	75,500	-
	<b><u>110,840,162</u></b>	<b><u>113,756,762</u></b>
<b>B PROVISIONS</b>		
Proposed Dividend	6,000,000	6,000,000
Tax on proposed dividend	1,019,700	1,019,700
Provision for taxation	28,394,758	18,969,758
	<b><u>35,414,458</u></b>	<b><u>25,989,458</u></b>
	<b><u>146,254,620</u></b>	<b><u>139,746,220</u></b>
<b>SCHEDULE - 9 INCREASE/DECREASE IN STOCK</b>		
Finished Goods	32,838,771	1,300,165
Work in Progress	121,091,290	62,947,318
	<u>153,930,061</u>	<u>64,247,483</u>
Less: Opening Stock		
Finished Goods	1,300,165	11,175,371
Work in Progress	62,947,318	44,818,352
	<u>64,247,483</u>	<u>55,993,723</u>
	<b><u>89,682,578</u></b>	<b><u>8,253,760</u></b>
<b>SCHEDULE- 10 COST OF MATERIAL</b>		
Opening Stock	64,464,838	64,917,543
Purchases	228,871,999	206,944,707
Procurement Expenses	2,504,636	1,756,120
	<u>295,841,473</u>	<u>273,618,370</u>
Closing Stock	49,971,093	64,464,838
	<b><u>245,870,380</u></b>	<b><u>209,153,532</u></b>



	As at 31-Mar-09 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE - 11 MANUFACTURING EXPENSES</b>		
Electricity & Fuel Charges	66,469,208	39,340,122
Labour Charges	51,871,239	40,300,792
Repairs and Maintenance	6,945,314	7,413,071
Testing Charges	2,022,202	1,278,941
Misc.Manufacturing Expenses	3,489,940	3,945,343
	<b>130,797,903</b>	<b>92,278,269</b>
<b>SCHEDULE - 12 EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salary,Wages and Incentives	12,250,554	10,020,647
Allowances	9,779,152	6,994,475
Stipend	458,375	337,174
Staff Welfare Expenses	1,221,869	1,292,732
Directors Remuneration	3,393,935	1,816,800
Contribution to Providend Fund	712,589	642,441
	<b>27,816,474</b>	<b>21,104,269</b>
<b>SCHEDULE - 13 INTREST AND FINANCE CHARGES</b>		
Intrest on Term Loans	2,505,387	4,340,110
Intrest on Working Capital	15,407,346	7,571,857
Intrest on Others	2,901,431	2,485,130
Bank Charges	3,374,496	1,920,963
	<b>24,188,660</b>	<b>16,318,060</b>
<b>SCHEDULE - 14 SELLING GENERAL AND ADMINISTRATIVE EXPENSES,</b>		
Computer Expenses	139,422	200,494
Legal and Professional Fees	1,669,501	946,879
Vehicle Expenses	285,542	312,885
Travelling and Conveyance Expenses	1,758,585	1,640,887
Printing and Stationary	683,050	564,342
Post, Telephone and Telegram	741,364	739,623
Security Charges	1,190,116	502,503
Advertisement Expenses	1,298,929	957,148
Insurance Charges	882,442	623,905
Transport Outward	2,596,171	0
Marketing Expenses	516,990	675,787
Mumbai Office Exp.	424,617	76,655
Miscellaneous	2,543,173	2,632,105
Auditors Remuneration	150,000	70,000
Book and Periodicals	28,259	152,060
Rent and Taxes	1,059,117	310,058
Sales Commission	9,994,642	12,477,824
Exchange Rate Difference	0	31,406
Excise Duty on Finished Goods	2,283,621	0
Delay Delievery Charges	0	1,213,411
Bad Debts written-off	1,637,760	864,051
	<b>29,883,301</b>	<b>24,992,023</b>
<b>SCHEDULE - 15 TAXATION</b>		
Proviton for taxation:		
Income Tax Payable	9,100,000	1400,000
Tax effect on timing difference: On depreciation	656,128	-275,968
Fring Benefit Tax	325,000	359,758
	<b>10,081,128</b>	<b>14083,790</b>



## Schedules forming part of the Balance Sheet as at 31st March, 2009

### SCHEDULE - 16 SIGNIFICANT ACCOUNTING POLICIES:

**(i) Basis of Accounting:**

Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956.

**2) Use of Estimates:**

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

**3) Fixed Assets:**

Fixed Assets are stated at historical cost net of Cenvat credit / Value Added Tax, including appropriate direct and allocated expenses less accumulated depreciation and impairment losses , if any. Self constructed assets are capitalized at factory cost.

**4) Valuation of Inventories:**

Inventories are valued at lower of costs or estimated net realizable value. The cost of inventories is arrived at on the following basis:

Raw Material and Stores	:	FIFO Method
Stock-in-process	:	Raw Material at Weighted Average Cost & absorption of Labour And Overhead
Finished Goods	:	Raw Material at Weighted Average Cost & absorption of Labour And Overhead

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**5) Foreign Currency Transactions:**

(a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

(b) Any income or expense on account of exchange difference on settlement is recognized in the profit and loss Account.

**6) Depreciation:**

Depreciation has been provided at the rate specified in Schedule XIV (as amended) of the Companies Act, 1956 on SLM method. Depreciation on additions during the year is provided on pro rata time basis.

**7) Recognition of Revenue:**

The Company recognizes sales on the basis of actual delivery of the goods. Sales are recorded at invoice values net of excise duties, value added tax and trade discounts. The purchases are recorded at the invoice value.

All expenses and income to the extent considered payable and receivable respectively are accounted for on mercantile basis except encashment of leave salary and interest on income tax refunds which are treated on cash basis.



**8) Employee Benefits:**

**Post-employment benefit plans:**

- a) **Defined Contribution Plan:** Contribution for Provident Fund are accrued in accordance with applicable statutes and deposited with regional Provident Fund Commissioner.
- b) **Defined Benefit Plan:** The liabilities in respect of gratuity is determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains are recognized in full in the profit and loss account for the period in which they occur.

Contribution in respect of gratuity are made to the Group Gratuity Scheme with Bajaj Alliance Life Insurance.

With respect to leave encashment the company determined the liability for the leave encashment and made the payment to the eligible employees every year in the same year and recognized in full in the profit and loss account.

**Short-term employee benefits:** All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia, are recognized in the period in which the employee renders the related services.

**9) Borrowing Cost:**

Interest on borrowings, if any, attributable to acquisition of qualifying Assets are capitalized and included in the cost of the asset, as appropriate.

**10) Earning Per Share:**

Basic Earning per share is calculated by dividing the Net Profit after tax attributable to the equity shareholders by the weighted average number of Equity Shares outstanding during the year.

**11) Taxation:**

Provision for income-tax is made on the basis of estimated taxable income for the year. Deferred tax resulting from timing differences between the book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize.

**12) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree or estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**13) Impairment of Asset:**

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the carrying amount over its recoverable value is recognized as an impairment loss. The impairment loss, if any, recognized in prior accounting period is reversed if there is a change in estimate of recoverable amount.

**14) Proposed Dividend:**

Dividend proposed by the Board of Directors is provided in the books of account pending approval at the Annual General Meeting.



## Schedules forming part of the Balance Sheet as at 31st March, 2009

### SCHEDULE - 17 NOTES ON ACCOUNTS :

1. Previous years figures have been regrouped, rearranged and recast wherever necessary.
2. The Schedules referred to in the Balance Sheet and Profit and Loss Account form an integral part of the accounts.
3. Contingent liabilities not provided for in respect of:

Particulars	Current Year Rupees	Previous Year Rupees
I Bank Guarantees	2,12,31,774	2,25,19,536
II Letter of Credit	58,05,037	2,88,37,990
III Claims not acknowledged as debt:	12,04,518	Nil

4. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of loans advances and current assets, in the ordinary course of business, will not be less than the amount at which they are stated in the balance sheet.
5. Traveling expenses include foreign traveling expenses incurred by Directors Rs.2,20,896/- (previous year Rs.78,157)
6. a) Employees remuneration and benefits includes managerial remuneration as under:

Particulars	(Amount Rs.) 2008-09	(Amount Rs.) 2007-08
Salaries & Allowance	2836800	1816800
LTC	280388	Nil
Commission	276747	Nil
<b>Total</b>	<b>3393935</b>	<b>1816800</b>

- b) Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956:

Particulars	(Amount Rs.) 2008-09	(Amount Rs.) 2007-08
Profit before tax as per Profit and Loss Account	27674663	38806978
Add :Managerial Remuneration	3393935	1816800
Loss on Sale of Asset	67543	962382
Sitting Fees	11000	12000
<b>Total</b>	<b>31147141</b>	<b>40635778</b>
Less : Profit on Sale of Asset	-	8238
	<b>31147141</b>	<b>40627540</b>

7. Auditors Remuneration:

Particulars	2008-09 Rupees	2007-08 Rupees
Audit Fees	80000	60000
Tax Audit Fees	20000	10000
Other Capacity	50000	0
<b>Total</b>	<b>150000</b>	<b>70000</b>



8. Earnings per share:

	2008-09	2007-08
(a) Net profit available for equity shareholders (Rs.) (Numerator used for calculation)	1,75,93,535	2,47,23,188
(b) Weighted Average number of equity shares used as denominator for calculating EPS	50,00,000	50,00,000
(c) Basic and Diluted Earnings per share of Rs. 10 each (Rs.)	3.52	4.94

9. Related Party Transactions:

Related Party disclosure as required by AS-18, are given below:

i) Relationship:

- a) Subsidiary of the Company
  - Nil
- b) Associates and Joint Ventures
  - Nil
- c) Individual having control / significant influence
  - Mr. Sudarshan Amin (Managing Director)
  - Mr. Ambalal Patel (Whole-time Director)
- d) Key Managerial Personnel
  - Mr. Sudarshan Amin (Managing Director)
  - Mr. Ambalal Patel (Whole-time Director)
- e) Relatives of Key Managerial Personnel
  - Neeta Amin, Phagun Amin & Chandni Amin
  - Urmilaben Patel, Tanmay Patel, Ekta Patel
- f) Enterprises over which (c), (d) & (e) above have significant influence
  - Chemfilt
  - Euro Mixers
  - Cera Coats

ii) Transactions during the year with related parties:

(Rs. in lacs)

Sr. No.	Nature of Transaction	Enterprise covered in ( f ) above		Relatives covered in ( e ) above		Key Managerial Personal	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
1	Purchase of Goods & services	315.52	264.57	-	-	-	-
2	Sale of Goods	14.52	8.82	-	-	-	-
3	Sale of Fixed Asset	7.30	-	-	-	-	-
4	Interest paid	-	0.26	1.50	1.50	-	-
5	Repayment of Deposit	-	50.00	2.50	-	-	-
6	Remuneration	-	-	-	-	33.94	18.17
7	Outstanding Payables	133.96	89.02	-	-	-	-

10. **Impairment of Asset:** The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard AS-28 issued by the Institute of Chartered Accountants of India. Based on the judgment of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.
11. **Segment Reporting:** As the Company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risk and returns, the disclosure requirements of Accounting Standard AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.
12. There are no Micro and Small Enterprises, to whom company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



13. **Retirement Benefits:** The Gratuity liability is determined based on the Actuarial Valuation done by Actuary as at Balance Sheet date in context of the Revised AS – 15 issued by the ICAI, as follows:

PARTICULARS	GRATUITY FUND
<b>Expense recognized in the Statement of Profit &amp; Loss for the year ended 31 Mar' 09</b>	(Rs. In Lacs)
Current Service Cost	2.56
Interest Cost	0.91
Employer Contribution	-
Expected Return on Plan Assets	(0.91)
Net Actuarial (Gains) / Losses	5.08
Past Service Cost	-
Settlement Cost	-
Total Expenses	7.64
<b>Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2009</b>	
Present value of Defined Benefit Obligation as at March 31, 2009	20.40
Fair value of plan assets as at March 31, 2009	17.37
Funded status [Surplus / (Deficit)]	(3.03)
Net asset / (liability) as at March 31, 2009	(3.03)
<b>Change in Obligation during the year ended March 31, 2009</b>	
Present value of Defined Benefit Obligation at beginning of the year	12.76
Current Service Cost	2.56
Interest Cost	0.91
Settlement Cost	-
Past Service Cost	-
Employer Contribution	-
Actuarial (Gains) / Losses	5.36
Benefits Payments	1.19
Present value of Defined Benefit Obligation at the end of the year	20.40
<b>Change in assets during the year ended March 31, 2009</b>	
Plan assets at the beginning of the year	1.14
Assets acquired in amalgamation in previous year	-
Settlements	-
Expected return on plan assets	0.91
Contribution by Employer	5.99
Actual benefits paid	(1.19)
Actuarial (Gains) / Losses	0.28
Plan assets at the end of the year	17.37
<b>Actuarial Assumption:</b>	
Discount Rate	7.50 %
Expected rate of return on plan assets	8.00 %
Mortality Table	LICI 1994-1996
Inflation rate	5.00 %
Superannuation Age	58 Years
Remaining Working Life	18 Years
Early Retirement & Disablement	10 per thousand P.A.
Formula Used	Projected Unit Credit Method

14. Dividend remitted in foreign currency : (Rs in lacs)

Particulars	2008-09	2007-08
Dividend for the year ended March 31, 2008 to :		
1 non - resident shareholder on 497400 shares held by them	5.97	5.97

15. All known liabilities have been provided for in the Books of Accounts for the year ended 31st March, 2009.  
 16. Figures have been rounded off to the nearest rupee.  
 17. Shed and building includes office building, bifurcation of the same is not available.  
 18. Other additional information pursuant to the provision of Para 3 & 4 of part II of schedule VI to the Companies Act, 1956 (as certified by the management.)  
 (a) Expenditure in the foreign currency during the year on account of travelling Rs.50,639/- (Previous year Rs.41,475/-)  
 (b) Licensed and installed capacities and production ( As certified by the management and accepted by the auditors without verification being a technical matters.)

Item	Licensed Capacity - Litres	Installed Capacity - Litres	Production Quantity - Litres	
			2008-09	2007-08
Glasslined Acid Alkali Resistant Chemical Reaction Vessels	N.A.	22,00,000	21,93,542	17,41,397

Installed capacity and production have been certified by the management of the company.





(c) Turnover & Stocks

(Value in Rs. in lacs) (Qty. in Ltrs.)

Class of Goods	Opening Stock				Closing Stock				Sales			
	2008 - 09		2007 - 08		2008 - 09		2007 - 08		2008 - 09		2007 - 08	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Alkali Resistant Chemical Reaction Vessels	7000	13.00	54913	111.75	2106.50	328.39	7000	13.00	1989892	4153.29	1798310	4064.28

(d) Quantitative details of raw materials, work in progress and other goods :

Item	Units	2008-09		2007-08	
		Qty.	Value	Qty.	Value
i) Raw Material Stock:					
Mild Steel Material	MT	181.91	1,14,73,199	510.90	2,10,35,377
Pipes			24,32,215		12,55,753
Other Raw Material			1,93,02,389		1,84,85,726
Others (Motors, Gear)			1,67,63,291		2,36,87,982
ii) Work - in - Progress			12,10,91,290		6,29,47,318
<b>TOTAL . . .</b>			<b>12,10,91,290</b>		<b>6,29,47,318</b>

(e) Raw Material Consumption:

Item	Quantity 2008-09	Value (Rs.) 2008-09	Quantity 2007-08	Value (Rs.) 2007-08
Steel	2598.59	9,50,30,085	1880.37	6,86,25,353
Pipe		68,00,601		80,04,467
Other		3,48,07,516		4,11,95,307
Bought out items		8,59,35,132		5,92,68,484
Procurement Expenses		25,04,636		17,56,120
<b>Total . . .</b>		<b>22,50,77,970</b>		<b>17,88,49,731</b>

(f) The CIF value of imports Rs.13,433/- during the year. (previous year Rs.4,15,236/-)

(g) Value of imported & indigenous raw materials and stores & spares consumed.

	Percent	Current Year Rupees	Previous Year Rupees
<b>Raw Materials :</b>			
Imported	Nil	Nil	4,68,044
Indigenous	100%	22,50,77,970	18,11,71,127
<b>Stores and Spares :</b>			
Imported	Nil	Nil	Nil
Indigenous	100%	1,98,64,105	1,41,23,770
<b>(h) Value of Exports</b>		<b>48,31,050</b>	<b>32,92,660</b>

As per our report attached  
For, **Darji and Associates**  
Chartered Accountants

C.A. **L.B. Darji**  
Proprietor  
Vithal Udyognagar  
Date : 22/06/2009

For and on behalf of the Board

**Kanubhai Patel** Chairman  
**Sudarshan Amin** Managing Director  
**Dhwani Shah** Company Secretary



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

	As at 31st March 2009	As at 31st March 2008
<b>1 Registration Details :</b>		
Registration No. 16173		
State code No.04		
Balance Sheet date 31/03/2009		
<b>2 Capital raised during the year : (Rs. in Thousand)</b>		
Public Issue	Nil	Nil
Right Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement :		
a) Equity Shares	Nil	Nil
b) Preference Shares	Nil	Nil
<b>3 Position of mobilization and deployment of funds : (Rs. in Thousand)</b>		
Total liability	318,979	269,069
Total assets	318,979	269,069
Paid up capital	50,000	50,000
Reserves & Surplus	84,864	74,290
Secured Loans	141,213	107,072
Unsecured Loans	22,232	17,694
Net Fixed Assets	138,189	134,022
Investment	3	3
Net Current Assets	180,788	135,044
Miscellaneous Expenditure	-	-
Accumulated Losses	Nil	Nil
<b>4 Performance of Company: (Rs. in Thousand)</b>		
Turnover	423,842	414,014
Total Expenditure	396,167	375,207
Profit Before Tax	27,675	38,807
Profit After Tax	17,594	14,084
Earning per Share (for Equity Share Holders)	3.52	4.94
Dividend Rate %	12%	12%
<b>5 Generic Names of Three Principal Products/Services of company (As per Monetary Terms)</b>		
Item code No.(ITC Code)		84198902
Product Description		Glasslined Reaction Vessel



# SWISS GLASCOAT EQUIPMENTS LIMITED

Regd. Office : H-106, Phase IV, G.I.D.C., Vitthal Udyognagar - 388 121.

PLEASE COMPLETE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL, JOINT SHARE HOLDERS MAY OBTAIN ADDITIONAL SLIP ON REQUEST

Name & Address of the Shareholder (In Block Letters)

No. of Share Held :

Registered folio No. :

DPID & Client ID No. :

I hereby record my presence at the 18th Annual General Meeting of the Company held on 26th Sept. 2009 at 10.00 a.m. at Registered Office.

TEAR HERE

# SWISS GLASCOAT EQUIPMENTS LIMITED

Regd. Office : H-106, Phase IV, G.I.D.C., Vitthal Udyognagar - 388 121.

## Proxy Form

Folio No. :

No. of Share held :

OPID & Client ID No. :

I / We \_\_\_\_\_ being a member / members of Swiss Glascoat Equipments Ltd. hereby appoint \_\_\_\_\_ to as my / our porxy to vote for me / us on behalf at the 17th Annual General Meeting of the Company to be held on 26th Sept. 2009 at 10.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2008 the said \_\_\_\_\_

For Office Use

Proxy No. : \_\_\_\_\_

Date of Receipt \_\_\_\_\_

Affix One  
Rupee  
Revenue  
Stamp

Note :

The proxy must be deposited at the Regd. office of the Company at H-106, Phase-IV, G.I.D.C., Vitthal Udyognagar-388 121, not less than 48 hours before the holding the meeting. The proxy need not be a member of the company.)

TEAR HERE

