

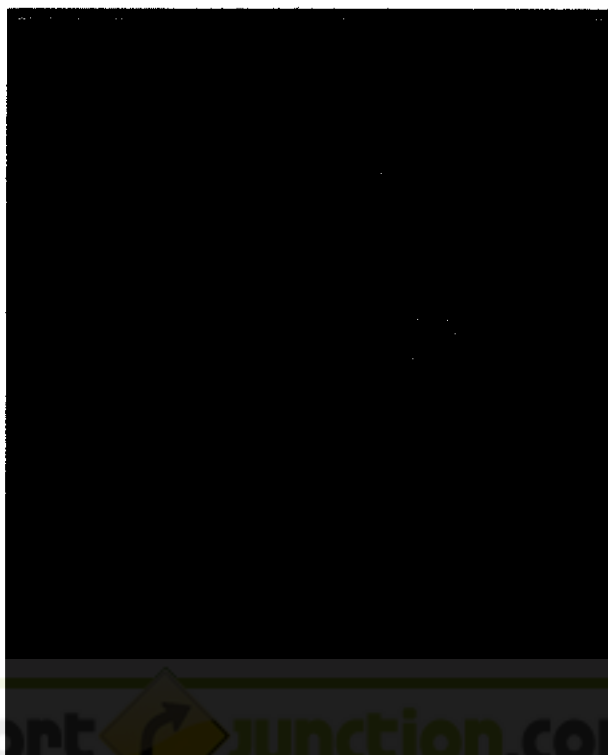
SWIL LIMITED



Report Junction.com

38th ANNUAL REPORT 2000- 2001

Our beloved Founder Chairman



Sri S. N. Khaitan
(1922 – 1999)

***H**e continues to guide us towards Excellence
through Latest Technology, Customer
Satisfaction and Exports.*

***H**e lives in the hearts of tomorrow.*

Board of Directors**Chairman & Mg. Director**

ANIL KHAITAN

Jt. Mg. Director

SUNIL KHAITAN

Directors

JOHN JOHN (Nominee Director representing IDBI)
N. D. PINGE (Nominee Director representing ICICI)
D. C. SANGHI (Nominee Director representing UTI)
D. R. SHAH (Nominee Director representing GHC)
SUJIT CHAKRAVORTI (Nominee Director representing IIBI)
M. M. A. KHAN, NAWAB OF PATAUDI
L. R. VAIDYANATH
G. K. ARORA, IAS (Retd.)
K. NARASIMHA MURTHY
R. K. SUKHDEV SINGHI
ANAND PATKAR
UMAESH KHAITAN

Executives

R. K. MITTAL - President - (Copper Project)
A. K. SRIVASTAVA - Jt. President - (Copper Project)
S. K. KEJRIWAL - GM (Corporate Affairs) &
Company Secretary

Solicitors

Khaitan & Co.

Auditors

S. S. Kothari & Co.
G. P. Agrawal & Co.

Bankers

ICICI Bank Ltd.
HDFC Bank Ltd.

Registered and Head Office

27A Camac Street, Kolkata - 700 016

Report  junction.com



NOTICE

Notice is hereby given that the 38th Annual General Meeting of the members of SWIL Limited will be held at G. D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata-700 019 on Saturday, the 29th day of September, 2001 at 10.00 a.m. to transact the following business :

AS ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account of the Company for the financial year ended 31st March 2001 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To elect a Director in place of Mr. G.K. Arora, IAS (Retd) who retires by rotation and being eligible, offers himself for re-election.
3. To elect a Director in place of Mr. M.M.A. Khan, Nawab of Pataudi who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. Umaesh Khaitan who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors and to fix their remuneration. Notice has been received u/s. 190/225(1) of the Companies Act, 1956 from a shareholder proposing the following resolution :

"RESOLVED THAT M/s. N.M. Raiji & Co. Chartered Accountants, Mumbai, be and is hereby appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration as may be mutually decided by the Board of Directors in negotiation with the Auditor."

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following Resolution:

AS A SPECIAL RESOLUTION

6. **THROUGH
POSTAL
BALLOT** "RESOLVED THAT subject to the confirmation of the Company Law Board, the Registered Office of the Company be shifted from the state of West Bengal to the state of Gujarat and that the 'clause II' of the Memorandum of Association of the Company be altered by substituting the words the 'State of West Bengal' to the word 'State of Gujarat' ".

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds or things as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and matters connected therewith or incidental thereof".

AS ORDINARY RESOLUTIONS :

7. "RESOLVED THAT Mr. K. Narasimha Murthy be and is hereby appointed as director of the Company whose period of office shall be liable to determination by retirement by rotation.

8. "RESOLVED THAT Mr. R. K. Sukhdevsinghji be and is hereby appointed as director of the Company whose period of office shall be liable to determination by retirement by rotation.
9. "RESOLVED THAT Mr. Anand Patkar be and is hereby appointed as director of the Company whose period of office shall be liable to determination by retirement by rotation.

Registered Office:
27A Camac Street
Kolkata - 700 016
The 28th August, 2001

By Order of the Board

S.K. Kejriwal
GM (Corp. Affairs) & Co. Secy.

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 /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.09.2001 to 29.09.2001 both days inclusive.
3. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the special business set out in the notice is annexed hereto.
4. Members are requested to notify any change in their address to the Company or its share transfer agent Computech International Ltd., 77/2A, Hazra Road, Kolkata-700 029 and in case shares are held in dematerialised form, this information should be passed on to their respective Depository participants without any delay.
5. Members who hold share in dematerialised form are requested to bring their client ID and DP ID nos. for earlier identification of attendance at the meeting.
6. Under the provisions of the Companies Act, 1956 (as amended with effect from 31st October, 1998) shareholders may file nomination forms in respect of their shareholdings. Any shareholder willing to avail of this facility may submit to the Company at its Registered Office the prescribed Form 2B duly filled in.
7. Members who have not surrendered their share certificates with the Company for exchange with the new share certificates are requested to surrender the same with the company immediately. Old Share certificates are no more valid after 5th June, 2001.
8. In all correspondences with the Company, members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialised form, they must quote their client ID number and their DP ID number.



**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS SET OUT
IN THE CONVENING NOTICE**

ITEM No. 6

In view of the efficient functioning and smooth operations of the Company, the Board of Directors feel the necessity of transferring the Registered Office to its project site located at Jhagadia Industrial Estate, Dist. Bharuch, Gujarat. By a resolution passed at its meeting held on 28th August, 2001, the Board of Directors have approved the transfer of Registered Office of the company from West Bengal to Gujarat.

Section 17 of the Companies Act 1956 provides that no company shall transfer its registered office from one state to another state without approval of the Shareholders of the Company in its general meeting. The necessary confirmaiton of the Company Law Board is also required for the purpose.

The special resolution proposed under item No. 6 of the Notice is intended to obtain the requisite consent of the members in conformity with the requirement of the Section. However, the special resolution as approved by the shareholders will be effective only after the confirmation is obtained from the Company Law Board for the alteration of the Memorandum of Association of the Company.

The Board recommends the adoption of the resolution.

None of the Directors of the Company is concerned or interested in the proposed Resolution.

ITEM Nos. 7 to 9

Mr. K. Narasimha Murthy, Mr. R. K. Sukhdevsinghji and Mr. Anand Patkar were appointed as additional directors of the Company w.e.f. 28th August, 2001. Pursuant to section 260 read with article 95 of the Articles of Association of the Company, they will hold office upto the date of the ensuing annual general meeting of the Company. The Company has received due notices u/s. 257(1) of the Companies Act, 1956 to propose Mr. K. Narasimha Murthy, Mr. R. K. Sukhdevsinghji and Mr. Anand Patkar for appointment as directors at the ensuing annual general meeting of the Company.

Your Board of directors feel that their appointment will be highly beneficial to the Company and recommends the adoption of the resolutions proposed under these items.

None of the Directors of the Company other than Mr. K. Narasimha Murthy, Mr. R. K. Sukhdevsinghji and Mr. Anand Patkar is concerned or interested in the proposed resolutions.

Registered Office:
27A Camac Street
Kolkata – 700 016
The 28th August, 2001

By Order of the Board

S.K. Kejriwal
GM (Corp. Affairs) & Co. Secy.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 38th Annual Report on the working of the Company together with the audited accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

The financial results of the Company as disclosed in the said Accounts are summarised below :

	2000-01 (Rs.in lacs)	1999-2000 (Rs.in lacs)
Profit/(Loss) Before Depreciation and Taxation	(36.04)	369.16
Less : Depreciation (Net)	<u>0.86</u>	<u>933.65</u>
Profit/(Loss) Before Taxation	(36.90)	(564.49)
Less : Provision for Taxation	<u>-</u>	<u>(3.36)</u>
Profit/(Loss) After Taxation	(36.90)	(567.85)
Add : Balance of Profit brought forward from previous Year	-	56.96
Investment Allowance(utilized) Reserve written back	-	133.50
Capital Redemption Reserve written back	<u>-</u>	<u>40.00</u>
Amount available for appropriation	(36.90)	(337.39)
Transfer to Debenture Redemption Reserve	-	-
Capital Redemption Reserve	-	-
Transfer to General Reserve	-	-
Preference Dividend	-	0.85
Equity Dividend	-	-
Corporate Tax on Dividend	-	0.09
Surplus/(deficit) carried to Balance Sheet	<u>(36.90)</u>	<u>(338.33)</u>
	<u>(36.90)</u>	<u>(337.39)</u>

OPERATIONAL REVIEW

Financial results as disclosed above are not comparable with last year since pursuant to Scheme of Arrangement approved by the Hon'ble Calcutta High Court, all the units of the Company other than Copper Project, International Business Division and Investments have been transferred to Shalimar Wires Industries Ltd. with effect from 1.4.2000. The loss of 36.90 lacs represents the expenses incurred by International Business Division.

DIVIDEND

Due to absence of profit, your Directors regret to recommend payment of any dividend on Equity Shares for the year under review.

COPPER PROJECT

The commissioning in Copper Project is almost completed. The entire Smelting line right from Kaldo furnace to anode casting machine is lying ready. This can be started any time with production of anodes depending upon the availability of raw material. The work in Refinery Plant has not yet been completed and it is expected to take further 4-5 months to complete the same. The trial production of entire Plant is expected to be completed by 31st December, 2001.



SCHEME OF ARRANGEMENT

The Board of Directors of your Company had in the meeting of Committee of Directors held on 3rd December, 2000 approved the Scheme of Arrangement whereby all the undertakings of the Company other than Copper Project, International Business Division and Investments stand transferred to Shalimar Wires Industries Limited with effect from 1st April 2000. The Scheme received the approval of shareholders in its meeting held on 25th January, 2001.

Hon'ble Calcutta High Court vide its order dated 15th May 2001 approved the Scheme of Arrangement u/s. 391/394 of the Companies Act, 1956 entered into between the company, Shalimar Wires Industries Limited. and their respective shareholders. Certified copy of the Order was filed with Registrar of Companies, West Bengal on 28th May 2001 and therefore Scheme has become effective from 28th May 2001. Accordingly, with effect from 1st April 2000 the demerged undertakings of your company as a going concern stand transferred to Shalimar Wires Industries Limited.

Pursuant to the Scheme, the share capital of the company stand reduced and the shareholders have been issued three fully paid up equity shares of Rs.10/- each against their holding of four fully paid up equity shares of Rs.10/- each in the company. Shareholders of company has also been allotted one fully paid up equity share of Rs.10/- in Shalimar Wires Industries Limited against their holding of four fully paid up equity shares of Rs.10/- each in the company. The paid up capital of the company before demerger was Rs.26.62 crores divided into 266,17,694 equity shares of Rs.10/-each. Upon the Scheme becoming effective, the share capital has reduced to Rs.19.96 crores divided into 199,63,271 equity shares of Rs.10/- each.

CONVERSION OF FULLY CONVERTIBLE DEBENTURES

The Company has converted 104,20,655 - 17.5% Fully Convertible Debentures of Rs 100/- each into equity shares at par on 7.6.2001. Accordingly, each FCD of Rs.100/- has been converted into ten equity shares of Rs 10/- each. The Company has allotted 10,42,06,550 equity shares of Rs 10/- each upon conversion of the aforesaid FCDs. The Company is taking necessary steps for listing of these shares with the Stock Exchanges at Calcutta, Mumbai, Delhi, Madras, Ahmedabad, Jaipur & U.P. Stock Exchange.

CONSERVATION OF ENERGY

Since there is no commercial production during the year under review, information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not required to be annexed.

INDUSTRIAL RELATIONS

The Company continued to have cordial relations with the employees at its plant and head office and the Board records its appreciation for the useful contribution made by them.

DIRECTORS

Mr. John John was appointed as nominee Director of Industrial Development Bank of India (IDBI) on 27th October, 2000 in place of Mr. R. Jayaraman Iyer. Mr. D. R. Shah was appointed as nominee Director of Gujarat Industrial Investment Corporation (GIIC) on 27th October, 2000 in place of Mr. R. Banerjee. Mr. Sujit Chakraborty was appointed as nominee Director of Industrial Investment Bank of India (IIBI) on 22nd November, 2000 in place of Mr. B. K. Dutta. Mr. S. C. Das was appointed as nominee Director of IDBI on 20.6.2001 in place of Mr. John John. However, Mr. John John was again appointed as nominee Director of IDBI on 19.7.2001 in place of Mr. S. C. Das. Mr. K. Narasimha Murthy, Mr. R. K. Sukhdevsinghi and Mr. Anand Patkar were appointed as additional directors of the Company on 28th August, 2001 and will hold office upto the date of next Annual General meeting. The Company has received due notices proposing their appointment as directors under section 257 of the Companies Act, 1956.

Mr. Sudipto Sarkar resigned from the Board and ceased to be director of the Company with effect from close of business hours on 27th October, 2000. Mr. P. V. Gandhi resigned from the Board and ceased to be director of the Company with effect from close of business hours on 7th June, 2001. Your Board placed on record its deep appreciation for the valuable contribution made by Mr. R. Jayaraman Iyer, Mr. R. Banerjee, Mr. B. K. Dutta,

Mr. S. C. Das, Mr. P. V. Gandhi and Mr. Sudipto Sarkar during their tenure as director of the Company. Mr. G. K. Arora, Mr. M. M. A. Khan, Nawab of Pataudi and Mr Umaesh Khaitan, Directors, retire from the Board pursuant to Section 255 of the Companies Act, 1956 read with Article 106 of Articles of Association of the Company and being eligible offer themselves for reappointment.

AUDIT COMMITTEE

As required under Section 292A of the Companies Act, 1956, the Company had formed an Audit Committee on 25th January, 2001.

The present composition of the Audit Committee is as follows :

Mr. G. K. Arora, IAS (Retd.) Chairman

Mr. N. D. Pinge

Mr. John John

Mr. Sujit Chakravorti

Mr. Sunil Khaitan

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm :

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed and no material departures have been made from the same.
- ii) That they have selected such accounting policies and applied them consistently and made judgements 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 the end of the financial year and of the profit or loss of the Company for that period.
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- iv) That they have prepared the annual accounts on a going concern basis.

AUDITORS

Messrs.S.S.Kothari & Co., and Messrs G.P.Agarwal & Co., Chartered Accountants, Auditors of the Company, who hold office until the conclusion of the ensuing Annual General Meeting, have not offered themselves for re-appointment as Auditors. Notice has been received from a share holder proposing the name of M/s N.M.Raiji & Co., Chartered Accountants, for their appointment as Auditors of the Company.

AUDITORS' REPORT

The Auditors in their report have referred to the notes forming part of the Accounts which are self explanatory and do not require any elucidation.

PARTICULARS OF EMPLOYEES

Information pursuant to Section 217(2A) of the Companies Act, 1956 is given in the Annexure forming part of the Report.

SUBSIDIARY COMPANIES

As required under section 212 of the Companies Act, 1956, the audited statement of Accounts as on 31st March, 2001 alongwith the Auditors' report thereon and the report of the Board of Directors of SWIL International (Pte) Ltd. and Swil International (Yangoon) Ltd. are annexed.

Registered Office:
27A Camac Street
Kolkata - 700 016
The 28th August, 2001

By Order of the Board

Anil Khaitan
Chairman



**Annexure to the Directors' Report - Particulars of
Employees U/S 217 (2A) Year 2000-2001**

Name	Age	Designation/Nature of Duties	Remuneration received/ receivable (Rs.)	Qualification/ experience (years)	Date of commencement of employment	Particulars of last employment held
Khaitan Anil	45	Managing Director	12,26,596	B.Com MBA (Geneva) 26 years	30.01.91	Pamwi Tissues Ltd. Managing Director
Khaitan Sunil	42	Jt. Managing Director	12,31,055	B.Com 21 years	04.07.89	Sunil Synchem Ltd. Managing Director
Mittal R. K.	51	President Copper Division	15,10,780	Msc. PGDIT (IIFT) 27 years	14.10.96	Shalimar Industries Ltd. President

Notes :

- i) Nature of employment : Contractual
- ii) Other terms and conditions : Terms of employment are as per rules of the Company. The Company has also entered into specific agreements with the Managing/Joint Managing Directors.
- iii) Remuneration received/receivable : It includes Salary, bonus, contribution to Provident Fund, Superannuation Fund (excluding contribution to Gratuity) and other perquisites as per the Income tax Act, 1961.
- iv) Relative of Directors : None of the employees named above is relative of any Director, except Mr. Anil Khaitan, Mr. Sunil Khaitan and Mr. Umaesh Khaitan who are related to each other.

For and on behalf of the board
Anil Khaitan
Chairman