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39th

ANNUAL REPORT
2001- 2002

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SWIL LIMITED

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BOARD OF DIRECTORS

K. Narasimha Murthy - Chariman

Rajendra K. Mittal - Whole Time Director & Chief Executice Officer

R. K. Sukhdevsinhji - Director

Dr. Anand Patkar - Director

P. Parvathisem - Director

R. K. Kapoor - Nominee Director of IDBI

N. D. Pinge - Nominee Director of ICICI Bank Ltd.

D. C. Sanghi - Nominee Director of UTI

Sujit Chakravorti - Nominee Director of IIBI

D. R. Shah -Nominee Director of GIIC Ltd.

N.P. Bali - Nominee Director of LIC

A. K. Ahuja - Nominee Director of IFCI Ltd.

CHIEF FINANCIAL OFFICER

Rajiv J. Shah

COMPANY SECRETARY

Surendra U. Tamboli

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BANKERS

ICICI Bank Ltd.

HDFC Bank Ltd.

AUDITORS

M/s N. M. Raiji & Company
Chartered Accountants
Mumbai

REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Limited
260, Shanti Industrial Estate,
Sarojini Naidu Road, Mulund (W),
Mumbai - 400 080.
Tel.: 91-22-2592 3837 (10 Lines)
Fax: 91-22-2567 2693

REGISTERED OFFICE

747 G.I.D.C Industrial Estate,
P.O.Box No.14, Jhagadia - 393 110
Dist Bharuch, Gujarat, India.
Tel.: 91-2645-226054 to 58
Fax : 91-2654 226053/62

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NOTICE

Notice is hereby given that **39th Annual General Meeting** of the Company will be held at 747, G.I.D.C, Industrial Estate, Jhagadia - 393 110, District: Bharuch, Gujarat, on Monday, 23rd December, 2002 at 12.00 Noon to transact the following Business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and audited Profit & Loss Account for the financial year ended 31st March 2002 and the Balance Sheet as at that date.

2. To appoint a Director in place of Mr. K. Narasimha Murthy, who retires by rotation and being eligible for reappointment.

3. **Appointment of Auditors**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956 M/s. N.M Raiji & Co. Chartered Accountants, Mumbai, the retiring Auditors of the Company be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, for the financial year 2002-2003 on such remuneration plus re-imbursement of service-tax, out-of-pocket expenses, travelling and other expenses as may be mutually agreed upon between the Board of Directors and the Auditors in connection with the work of audit to be carried out by them ."

SPECIAL BUSINESS

4 **Appointment of Mr. P. Parvathisem as a Director.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a Ordinary Resolution:

"RESOLVED that Mr. P. Parvathisem, who was appointed as additional director and in respect of whom the company has received notice from a member under the provisions of Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing him as a candidate for the office of Director, be and is hereby appointed as director of the Company."

"RESOLVED further that Mr. P. Parvathisem shall be liable to retire by rotation."

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5. **Appointment of Mr. Rajendra K. Mittal as a Director.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a Ordinary Resolution:

"RESOLVED that Mr. Rajendra K. Mittal, who was appointed as additional director and in respect of whom the company has received notice from a member under the provisions of Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing him as a candidate for the office of Director, be and is hereby appointed as director of the Company."

6. **Appointment of Mr. Rajendra K. Mittal as Director-In-Charge & COO.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the company be and is hereby given for the appointment of Mr. Rajendra K. Mittal, as Director-In-charge and COO w.e.f. 30th Janauray, 2002 to the conclusion of next annual general meeting on the terms and conditions as stated in the Explanatory Statement.

7. **Appointment of Mr. Rajendra K. Mittal as Whole Time Director & CEO.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the company be and is hereby given for the appointment of Mr. Rajendra K. Mittal, as Whole Time Director & CEO w.e.f. 22nd November, 2002 to 21st November, 2005 for a period of 3 years on the terms and conditions as stated in the Explanatory Statement.

8. **Increase in the Borrowing Powers.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a Ordinary Resolution:

"RESOLVED THAT in modification of the resolution passed by the Company on 26th September, 1998 pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the Company in terms of the aforesaid Section of the Act be and the same is hereby accorded to the Board of Directors of the company (the Board) borrowing from time to time for the purpose of Company's business any sum or sums of money as it may deem proper notwithstanding that the moneys to be so borrowed together with moneys already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital

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of the Company and its free reserves, if any, that is to say, reserves not set apart for any specific purpose provided that the total amount of moneys to be so borrowed by the Board together with moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 18,00,00,00,000/- (Rupees One thousand Eight Hundred Crores) outstanding at any one time and that for the implementation of this resolution the Board may act through any member thereof or any other person duly authorised by the Board in that behalf".

9. **Authority to Create Security.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a Ordinary Resolution:

" RESOLVED THAT pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, and other applicable provisions , if any, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, the Board to mortgage and/or charge all or any of the immovable and/or movable properties of the Company where so ever situate, present and future and/or the whole or any part of the undertaking or concern of the Company in financial institution etc. against the borrowings from time to time such sum or sums of money they may deem required for the purpose of the business of the company provided that the total amount together with the money already borrowed by the Board shall not exceed the sum of Rs. 18,00,00,00,000/- (Rupees One thousand Eight Hundred Crores) at any time."

" RESOLVED FURTHER that the Board of the Company be and is hereby authorised to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution."

10. **Increase in Authorised Capital.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to provision of Section 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956 the existed authorised share capital of the Company be and is hereby increased from Rs. 3,60,00,00,000/- (Rupees Three Hundred Sixty Crores) divided into 14,50,00,000 Equity Shares of Rs. 10/- each and 2,15,00,000 Redeemable preference share of Rs. 100/- each to Rs. 7,25,00,00,000/- (Rupees Seven Hundred Twenty Five Crores) divided into 30,00,00,000 Equity Shares of Rs. 10/- each and 4,25,00,000 Redeemable Preference Share of Rs. 100/- each and consequently Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting in its place , the following new clause V.

V. The Authorised share Capital of the Company is Rs. 7,25,00,00,000/- (Rupees Seven Hundred Twenty Five Crores) divided into 30,00,00,000 Equity Shares of Rs. 10/- each and 4,25,00,000 Redeemable Preference Share of Rs. 100/- with power to sub-divide, consolidate and increase or decrease and with power from time to time to issue any shares of the original capital or any new capital with and subject to any preferential, deferred, qualified or special rights, privileges or conditions, as may be thought fit and upon the subdivision of a share to apportion the right to participate in profits in any manner as between the shares resulting from sub-division."

11. **Change in the Capital clause of the Article.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of Section 31, and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article-4 (1) of the Articles of Association of the Company be and is hereby substituted by following Article.

4(1) The Authorised share Capital of the Company shall be such as stated in clause V of the Memorandum of Association of the Company.

12. **Authority to Issue Shares.**

To Consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of Section 81(1A) of the Companies Act, 1956 and other applicable provisions, if any, of the said act, and in accordance with the Memorandum and Articles of Association of the Company and in accordance with listing agreements entered into by the company with the Stock Exchanges where the shares of the company are listed and subject to approval of Securities and Exchange Board of India (hereinafter referred to SEBI) and also further subject to such approvals, consents, permissions or sanctions of appropriate authorities and also of financial institutions, banks and debenture trustees with whom the company has borrowing agreements as may be necessary and subject also to such terms, conditions and modifications as may be prescribed in granting such approvals, permissions and/or sanctions and agreed to by the Board of directors of the Company, consent , authority and approval of the Company be and is hereby accorded to the Board to issue and allot from time to time in one or more tranches Optionally Fully Convertible Debentures, Redeemable Preference Shares with such rights or conditions as may be decided by the Board with regard to the Redeemable Preference Shares, and or such other securities convertible into equity shares at the option of the Company / holder or to the holders thereof and/or securities linked to shares or bond or otherwise (hereinafter collectively referred to as "securities"), by way of Preferential Allotment, Public Issue or such other mode to such financial institutions, individuals , other persons or investors whether or not they are member of the company as may be deemed appropriate by the Board either in rupee or in such share capital of the Company for an aggregate face value not exceeding Rs. 340 Crores exclusively to such Banks/financial institutions/persons and upon such terms and conditions as may be determined by the Board of Directors or a committee thereof."

"FURTHER REOLVED THAT the Board of Directors or a Committee thereof is hereby authorised to approve, agree and accept such modifications to the terms and conditions of the equity shares proposed to be issued as may be suggested by the financial

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institutions, Banks etc. and to do all such acts, deeds, matters and things and to take all such steps as may be necessary and expedient and to settle any matter that arise in connection therewith."

REGISTERED OFFICE :	By Order of the Board of Directors
747, G.I.D.C Industrial Estate	
P.O.Box No 14,Jhagadia-393110	Surendra U. Tamboli
Distt: Bharuch	Company Secretary

Dated : November 26, 2002

NOTES:

1. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the business under item no. 3 to 12 set out above and the relevant details in respect of item no. 2,4 and 5 set out above, pursuant to Clause 49 of the Listing Agreement are annexed hereto.
2. **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. PROXY IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. The Register of Members and the Share Transfer Books of the Company will be closed from 16th December 2002 to 28th December 2002 (both days inclusive).
4. Members who hold share in dematerialized form are requested to bring their client ID and DP ID nos. for attendance at the meeting.
5. In all the correspondences with the Company members are requested to quote their Folio numbers and in case shares are held in dematerialized form, they must quote their client ID number and DP ID number.
6. As per the scheme of arrangement approved by the Hon'ble High Court of Calcutta, vide its order dated 15th May, 2001, every shareholder holding 100 shares of SWIL Limited, on 6th June, 2001, the Record date, is entitled to have 75 shares of SWIL Limited and 25 shares of Shalimar Wire Industries Limited. As per the terms of Listing permission granted by The Stock Exchange, Mumbai new share certificates can be delivered only in exchange of old share certificates held by existing shareholders. We therefore request all shareholders to kindly send their old share certificates, if not already sent, to our Share Transfer Agent, to enable them to send their new share certificates.
7. Members are requested to notify any change in their address:

   i. to their depository participants (DPs) in respect of Share held in demat form; and

   ii. to the Share transfer agent M/s. Intime Spectrum Registry Limited.
8. Consequent upon the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account of the Company, is required to be transferred to the Investor Education and Protection Fund of the Central Government and no payment shall be made in respect of such claims by the fund. Shareholders, who have not yet encashed their dividend warrants for the financial year ended 31st March, 1996 or any subsequent financial years are requested to make their claims to the Company's R & T Agent at the earliest.
9. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.
10. For the convenience of the shareholders, transportation from Bharuch Railway Station, Sheet 1 Guesthouse, Bharuch to the place of the Meeting will be available up to 10.30 A.M.

ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENTS

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statements set out all material facts relating to the business mentioned under item no. 3 to 12 of the accompanying notice dated 22nd November, 2002.

Item No. 3

In terms of Section 224A of the Companies Act, 1956, if not less than 25% of the subscribed capital of a company is held by either singly or in combination by public financial institutions, government companies, insurance companies, nationalized bank etc. then the appointment or re-appointment of the auditors of that company has to be made by a special resolution.

Financial Institutions hold more than 25% of the equity share capital of the Company and accordingly company is required to pass special resolution for appointment of Auditors.

Auditors have confirmed that if appointed their appointment would be within the limits specified under Section 224(1B) of the Companies Act, 1956.

None of the directors is concerned or interested in the above resolution.

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Item No. 4

Mr. P. Parvathisem was appointed as an Additional Director on 8th October 2001 by the Board of Directors of the Company. Under Section 260 of the Companies Act, 1956, Mr. P. Parvathisem holds office of Director upto the date of the forthcoming Annual General meeting. Mr. P. Parvathisem is M.Tech (Chemical Engineer) and Specialist in Non-Ferrous Metal Extraction-metals like Lead, Zinc, Copper and Aluminium and has gained considerable experience of metal industry. Mr.P. Parvathisem was Director (Smelting Operations), in Hindustan Zinc Limited, Chairman & Managing Director, Hindustan Copper Limited as well as Chairman & Managing Director, National Aluminium Company Limited. With his induction, the Company will definitely be benefited

A Notice under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Mr. P. Parvathisem's appointment as a Director. The Board of Directors commends Mr. P. Parvathisem's appointment as a Director of the Company.

No other Directors of the Company except Mr. P. Parvathisem is said to be concerned or interested in the above Resolution.

Item No. 5 , 6 & 7

At the meeting of the Board of Directors held on 30th January, 2002, Mr. Rajendra K Mittal was appointed as Additional Director and was elevated as Director-In-Charge & Chief Operating Officer.

In compliance with the provisions of the Section 260 of the Companies Act 1956, he holds office of Director till the date of Annual General Meeting where in his appointment requires to be confirmed by the Shareholders. The Company has received necessary notice from a shareholder under Section 257.

Compensation Committee at its meeting held on 23rd March 2002, approved his terms of appointment and remuneration as Director-In-Charge and Chief Operating Officer.

1. Period : From 30th January, 2002 till conclusion of next Annual General Meeting
2. Remuneration : Basic Salary : Rs.1,60,000/- per month from 30th January, 2002 to 31st March, 2002 and Rs. 1,70,000/- from 1st April, 2002 onwards

His other terms of appointment are same as stated in 3 to 7 below except if his terms of appointment are not renewed before the expiry of the existing terms, he shall be paid six months salary as compensation. However, if he decides to leave during his tenure on his own, no notice period is applicable from his side

Compensation Committee at its meeting held on 22nd November 2002 and Board in its meeting held on the same date, subject to approval of the shareholders and Central Government, appointed Mr. Rajendra K Mittal as Whole Time Director to be designated as Whole Time Director & Chief Executive Officer, on the following terms and conditions.

1. Period : From 22nd November, 2002 to 21st November, 2005
2. Remuneration : Basic Salary : Rs.1,70,000/- per month
3. Perquisites/Allowances:

Category – A

(i) Leave Travel Allowance: For self and his family, once a year, incurred in accordance with rules specified by theCompany,subject to a maximum of 16.67% of Basic Salary.

(ii) Medical Reimbursement: Expenses incurred for self and his family, subject to a maximum of 8.33% of Basic Salary.

(iii) Club Fees: Reimbursement of club fees, subject to a maximum of two clubs. However, Company will not pay admission and life membership fees.

(iv) Furniture at house: Provision for furniture for use at house upto the original value of Rs. 2,00,000/- on one time basis.

(v) Other Benefits: Mediclaim Policy and Group Insurance Policy for self and for the dependent members of family as per the rules of the company applicable from time to time.

Category – B

(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at a rate not exceeding half month's salary for each completed year of service calculated as per the provisions of 'The Payment of Gratuity Act, 1972'.

(iii) Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

Category – C

(i) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

(ii) Performance Bonus: As may be decided by Board / Compensation Committee or any other Committee of Board.

4. The aggregate of salary / perquisites / allowance / Performance Bonus and other entitlement shall not exceed to the limit specified in Schedule XIII of the Companies Act, 1956 i.e. Rs. 48,00,000/- per annum or Rs. 4,00,000/- per month.
5. Terms of the appointment of Whole Time Director can be renewed by the Board of Directors before the expiry of the said terms and in case the terms are not renewed before the expiry of the existing terms by the Board of Directors, Whole Time Director shall cease to be Whole Time Director on expiration of the present terms.
6. Minimum Remuneration – Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure as Whole Time Director of the Company, the Company has no profits or the profits are inadequate, the Company shall, subject to the provisions of Sections 198, 269 and 309 of the Act, pay basic salary, perquisites, allowances, performance bonus and other entitlement as specified above

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7. Whole Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committees thereof.
8. The appointment of Whole Time Director may be terminated by Company, by giving a notice of twelve months or for the balance period of the term, whichever is shorter and shall pay compensation equivalent to the basic salary, for the balance term or for twelve months, whichever is shorter, on the basis of the basic salary earned by him during the month immediately preceded to such termination.
9. Whole Time Director can resign from service by giving six months notice.

This may be treated as an abstract of the terms of contract and memorandum of interest in relation to appointment of Mr. Rajendra K Mittal pursuant to Sec. 302 of the Companies Act. 1956.

The Directors commend the resolution at item no. 6 of the notice for acceptance by the members.

The agreement between the Company and Mr. Rajendra K Mittal providing the terms and conditions of his appointment and also the draft agreement is available for inspection by the Members of the Company at the Registered Office of the Company between 10.30 A.M. and 12.30 P.M. on any working day of the Company.

None of the Directors except Mr. Rajendra K Mittal to the extent remuneration payable to him, are concerned or interested in the above Resolution.

Information as required in terms of amended provisions of Schedule XIII of the Companies Act,1956

A. General Information:

1) Nature of Industry:

Company is implementing Copper Cathode Project at Jhagadia, Dist Bharuch, Gujarat.

2) Expected date of Commencement of Commercial Production

Refinery was cold commissioned on 17th May, 2002. The synchronization of entire plant is since complete and Project is ready for hot commissioning.

3) In case of New Companies, expected date of Commencement of activities as per Project approved by financial institutions appearing in the Prospectus :

As per the last project appraisal done by Financial Institutions, the Company was to commence Commercial Production in December 2000, plant is complete and Project is now ready for hot commissioning

4) Financial Performance based on given indicators : Company is yet to commence Commercial Production and hence the financial performance is not submitted.

5) Export Performance and net Foreign Exchange earning : Company is yet to commence Commercial Production and there is no Foreign Exchange earnings from operations.

6) Foreign Investments or Collaborators, if any :

There is no direct Foreign Investment in the Company and Company has not entered into any Foreign Collaboration Agreement.

II. Information about the Appointee:

1) Background Details:

Mr. Rajendra K Mittal is a Post Graduate in Science followed by Post Graduation in International Trade from Indian Institute of Foreign Trade. He has 28 years extensive post qualification experience in Trade and Industry. Prior to joining SWIL Limited, he was President with Shalimar Industries Limited. He has been associated with the Copper Project as President since October, 1996. Subsequently, during January, 2002, he was elevated as Director-In-Charge & Chief Operating Officer and was appointed as Director on Board of the Company.

2) Past Remuneration:

His remuneration as DIC & COO was fixed by Compensation Committee of the Board in line with the remuneration policy prevalent in industry. The remuneration proposed for whole Time Directors & CEO is same as he was drawing for Director in Charge & Chief Operating Officer.

3) Job Profile and his suitability :

As mentioned herein above Mr. Rajendra K Mittal has been associated with the Company since 1996. He continues to look after the implementation of the project.

4) Remuneration Proposed :

The proposed remuneration is as mentioned here in above.

5) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person: The remuneration payable to him is in line with the remuneration prevalent in industry.

6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :

There is no pecuniary relationship directly or indirectly with the Company of the person to be appointed.

Item No. 8 & 9

It is estimated that company would require additional funds for the interim period and initial period of commercial production and for any future expansion or balancing of capacity, which may be required to be brought in by way of borrowings. In order to authorise the company to borrow further money and create security for the amount so borrowed, necessary approval of the shareholders is sought for.

None of the Directors are concerned or interested in the above Resolutions.

Item No. 10 & 11

Increase in Authorised Share Capital of the Company by way of increase in Equity Share Capital and Redeemable Preference Share Capital is considered necessary to facilitate the request of the Company to Financial Institutions for funding of the interest during

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construction period by way of Preference Share Capital and Realignment of the Debt structure of the Company by way of Equity / Preference Share Capital conversion / subscription. OFCDs assistance granted by Financial Institutions to the Company has convertibility clause by which, Participating Institutions have the right to convert their OFCDs assistance into fully paid up Equity Shares. In order to enable the Company to allot further securities, the authorised capital of the company is proposed to be increased.

The approval of the shareholder is required to change the capital clause of the Memorandum as well to amend the Articles of Association of the Company.

None of the Directors are concerned or interested in the above Resolutions.

Item No. 12

As explained above, the subscription by Financial Institutions to Preference Share Capital may have the convertibility clause. The authority is proposed to be given to the Board to issue and allot further securities as and when need arises. If the securities are to be issued with convertibility clause, as per the provisions of Section 81 of the Companies Act, 1956 approval of the existing shareholders is required for issuance of shares other than to the existing members of the Company. The securities would be issued after taking necessary approvals, consents as may be required from requisite authorities from time to time.

None of the Directors are concerned or interested in the above Resolutions.

Inspection of Documents:

All documents reffered to in this Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 10.30 A.M. and 12.30 P.M. on any working day of the Company.

REGISTERED OFFICE :

747, G.I.D.C Industrial Estate
P.O.Box No 14,
Jhagadia-393110,
Distt: Bharuch.

By Order of the Board of Directors

Surendra U. Tamboli
Company Secretary

Dated : November 26, 2002

Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. K Narasimha Murthy	Mr. P. Parvathisem	Mr. Rajendra K. Mittal
Date of Birth	13-08-1957	14-08-1941	09-09-1950
Date of Appointment	29-09-2001	08-10-2001	30-01-2002
Expertise in specific functional areas	Management & Cost Consultancy	A retired PSU CMD with expertise in the field of Non-ferrous metal, Smelting & Refining as well as General Management.	Operations, Project Management and General Management.
Qualifications	B. Sc., A.C.A., F.I.C.W.A.	M. Tech. (Chemical Engg.)	M. Sc., PGDIT (IIFT)
Directorship in other public limited companies	1. Industrial Development Bank of India. 2. UTI Bank Limited 3. Trustee-Unit Trust of India. 4. Spectrum Power Generation Limited (Nominee of IIBI)	Orissa Mining Corporation Limited	Nil
Other Positions	Associated with many high powered Committees of Andhra Pradesh State Government as Chairman / Member.	Nil	Nil
Membership of Committees in other public limited companies	1. Industrial Development Bank of India • Audit Committee • Shareholders Grievances Committee • Executive Committee 2. UTI Bank Limited • Audit Committee • Risk Management Committee • Remuneration Committee	Nil	Nil

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DIRECTORS' REPORT

Your Directors have pleasure in placing before you the 39th Annual Report together with audited statement of accounts for the year ended March 31, 2002.

1. FINANCIAL RESULTS:

As the members are aware, Copper Project is under implementation and therefore, there are no operational results for the Project. However, the results for International Business Division and Investments arising out of their operation in Previous Year 2000-01 and from sale / Operation for the Year 2001-02 are as under:

	2001-02 (Rs. in Lacs)	2000-01 (Rs. in Lacs)
Profit / (Loss) before Depreciation and Taxation	27.74	(36.04)
Less: Depreciation	0.44	0.86
Profit / (Loss) before Taxation	27.30	(36.90)
Less: Provision for Taxation (Wealth Tax)	0.55	0.00
Profit / (Loss) after Taxation	26.75	(36.90)

2. PROGRESS OF PROJECT IMPLEMENTATION:

During the year Company achieved major progress in the implementation of its Copper Project. As reported in the last report, entire smelting line right from Kaldo Furnace to Anode Casting Machine was ready. During this year concentration was on completion of Refinery and the same was "cold commissioned" on May 17, 2002. The synchronization of entire plant is since complete and Project is ready for hot commissioning.

When the Project is commissioned, your Company will be the third largest producer of Copper Cathodes in India and will be the first Secondary Smelter using TBRC (Kaldo Technology) East of Suez. The Smelter will use a wide range of copper bearing raw materials starting from Ashes and Residues, Low Sulphur Concentrates to High Grade Scrap, in addition to Electronic Scrap containing precious metals like Gold, Silver, Platinum and Palladium.

The Company has explored extensively for sourcing raw material. The Smelter is capable of treating raw materials covered under list 'B' of Basel Convention and this provides a unique opportunity to your Company to treat non hazardous / semi-hazardous Copper bearing waste in an environmentally safe manner. Your Directors are confident that Plant will be successfully commissioned and will run profitably to add value to all stakeholders in long run with some additional infusion of funds and working capital arrangements, including proper financial restructuring.

A consortium of Indian Financial Institutions, comprising of the principal equity holders and debt holders have floated global invitation of Expression of Interest for disinvestments of their stake in the Company.

3. SALE OF INTERNATIONAL BUSINESS DIVISION & INVESTMENTS:

During the year, the Company has sold International Business Division (IBD) on going concern basis together with all assets, liabilities and Investments with effect from 1st October, 2001 to Shalimar Wires Industries Ltd. for a consideration of Rs. 312 Lacs and Rs. 227 Lacs respectively. The amount is receivable in three equal installments in third, fourth and fifth year from the date of signing of agreement and will carry interest @ 12% per annum payable annually from the date of signing of agreement.

Consequent to sale of investment to Shalimar Wires Industries Ltd., SWIL International Pte. Ltd. (Singapore) and SWIL International (Yangon) Ltd., a subsidiary of SWIL International Pte. Ltd., ceased to be subsidiary of SWIL Ltd. Now Company has no subsidiary Company.

4. DIVIDEND:

Since the commercial production is yet to start and in absence of operational profits, your Directors are unable to recommend dividend on Preference and Equity shares for the year under review.

5. CORPORATE GOVERNANCE:

As per clause 49 of listing Agreements with Stock Exchanges, Management Discussion and Analysis Report have been incorporated in Directors' Report and Corporate Governance Report is annexed and form part of the Directors Report.

6. CONVERTIBLE INSTRUMENTS:

Interest due to the lending Financial Institutions and Banks, were converted into Cumulative Optionally Convertible Redeemable Participating Preference Shares (COCRPPS) and during the year 1,80,98,216 Nos. COCRPPS of Rs. 100/-

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each aggregating to Rs. 18,098.42 Lacs were allotted. COCRPPS holders have right to convert their holding together with unpaid dividend into fully paid up equity shares of the Company, in case of default in payment of dividend / redemption amount.

During the year, your company has allotted 1,10,66,308 Nos. Optionally Fully Convertible Debentures (OFCDs) of Rs. 100/- each aggregating to Rs. 11,066.31 Lacs through private placement to Financial Institutions. The OFCDs holders have option to convert the whole or part of the OFCDs outstanding at any time after seventeenth months from the date of respective allotment into fully paid up Equity Shares.

7. 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) Rule, 1988 is not required to be annexed.

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The relationship amongst all the employees continued to be cordial during the year 2001-02. The Company had 185 employees on its roll as on 31st March, 2002 and has an excellent combination of experienced and young talent.

The Company has taken several key initiatives in the field of Human Resource Development during the year 2001-02, which has resulted in keeping employees motivated with continuous high morale. The Company firmly believes that its team of trained and motivated manpower will prove to be an asset at the time of Commercial Production in competing nationally as well as internationally effectively.

9. FOREIGN EXCHANGE EARNINGS / OUTGO:

		2001-02 (Rs. in Lacs)	2000-01 (Rs. in Lacs)
(a)	Earning		
	Profit on hedging	12.67	0.0
(b)	Outgo:		
	Remuneration to Foreign Technicians	525.77	824.41
	Travelling	0.00	11.42
	Others	11.04	7.34
	Total	536.81	843.17

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10. DIRECTORS:

Mr. Anil Khaitan resigned as Chairman and Managing Director and Mr. Sunil Khaitan resigned as Joint Managing Director with effect from 29th September, 2001 and as Director thereafter.

Mr. G. K Arora, Mr. Umaesh Khaitan, Dr. L R Vaidyanath and Mr. M.M.A.Khan Nawab of Pataudi, resigned on 29th September, 2001.

Your Board placed on record its sincere appreciation of the valuable contribution made by them to the Company and the Copper Project.

IDBI nominated Mr. R K Kapoor as its Nominee Director on the Board in place of Mr. John John with effect from 4th January, 2002.

IFCI nominated Mr. A K Ahuja as its Nominee Director on the Board in place of Mr. L N Mishra with effect from 21st March, 2002.

Your Board placed on record its deep appreciation for valuable contribution made by Mr. John John and Mr. L N Mishra during their tenure as Director of the Company.

LIC nominated Mr. N P Bali as its Nominee Director on the Board with effect from 17th September, 2001.

Mr. P Paranthisem has been appointed as an additional Director on the Board with effect from 8th October 2001. He holds office till the ensuing Annual General Meeting and being eligible offers himself for appointment as Director.

Mr. Rajendra K Mittal was elevated as Director-in-Charge & COO with effect from 30th January 2002 and with effect from 22nd November, 2002 has been appointed as Whole Time Director & Chief Executive Officer for a period of 3 years.

In terms of Section 255 of the Companies Act, 1956 read with Article 156 of Memorandum and Articles of Association, Mr. K Narasimha Murthy is due for retirement by rotation and being eligible offers for re-appointment.

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