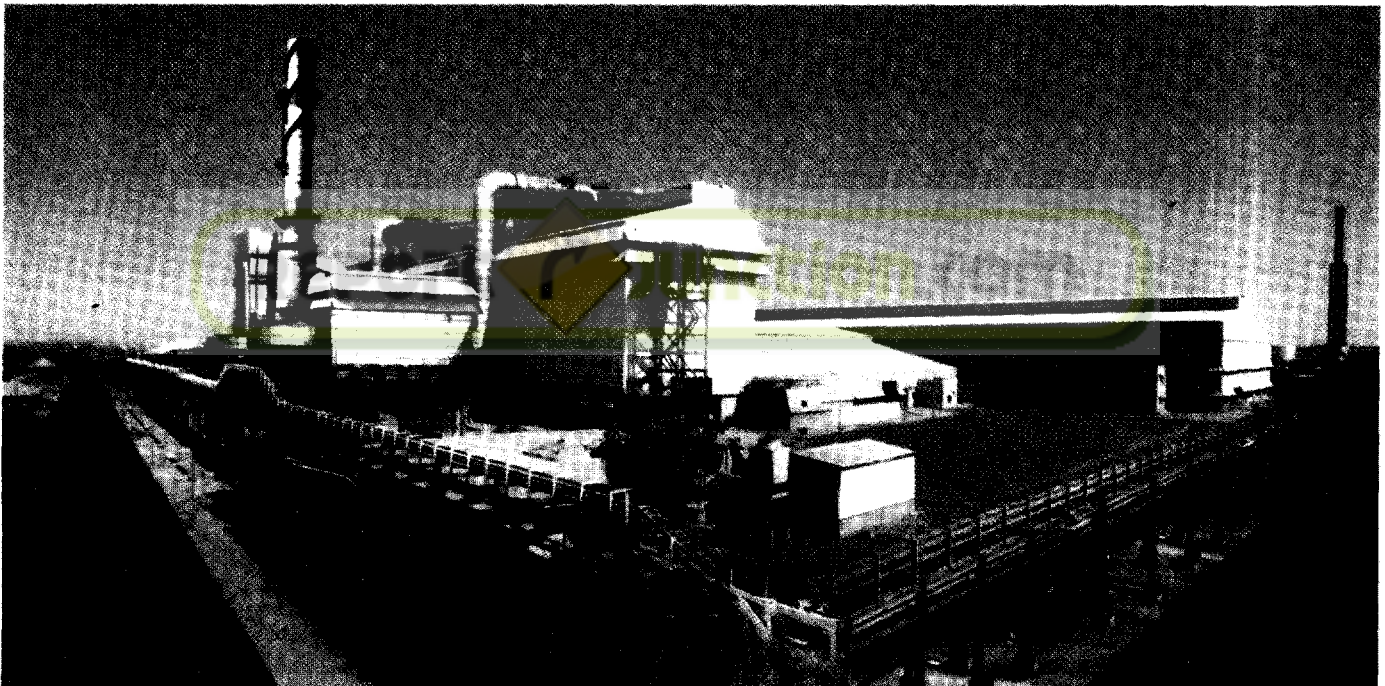


42nd ANNUAL REPORT 2004-2005



SWIL LIMITED

SWIL LIMITED**BOARD OF DIRECTORS**

P. P. Vora	-	Chairman
Dr. S. R. Chougule	-	Nominee Director of ICICI Bank Limited
Sujit Chakravorti	-	Nominee Director of IIBI
A. U. Katra	-	Nominee Director of IDBI
Rakesh Aggrawal	-	Nominee Director of IFCI
D. R. Shah	-	Nominee Director of GIIC Limited
N. P. Bali	-	Director
P. Parvathisem	-	Director
Dr. Anand Patkar	-	Director
R. K. Sukhdevsinhji	-	Director
Rahul Gupta	-	Director
P. R. Tripathi	-	Director
Rajendra K. Mittal	-	Managing Director & Chief Executive Officer

COMPANY SECRETARY

Jaydev R. Betail

BANKERS

ICICI Bank Limited
Dena Bank

AUDITORS

N.M. Rajji & Company
Chartered Accountants,
Mumbai.

REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Limited
C/13, Pannalal Silk Mills Compound,
L.B.S. Marg,
Bhandup (West),
MUMBAI 400 078.

REGISTERED OFFICE

747, GIDC Industrial Estate,
P.O. Box No.14, Jhagadia-393 110
Dist : Bharuch, Gujarat, INDIA.

SWIL LIMITED**NOTICE**

Notice is hereby given that 42nd Annual General Meeting of the Company will be held at the Registered Office of the Company at 747, G.I.D.C. Industrial Estate, Jhagadia - 393 110, District: Bharuch, Gujarat, India, on Thursday December 22, 2005 at 11.30 a.m. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Directors' Report and audited Balance Sheet for the extended financial year ended on 30th September, 2005.
2. Dr. Anand Patkar retires by rotation.
3. Shri N.P. Bali retires by rotation.
4. **Appointment of Auditors.**

To consider and, if thought fit, to pass, with or without modification(s), 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 Rajji & 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 2005-2006 on such remuneration plus reimbursement 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:

5. **Appointment of Shri P.P. Vora as a Director**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri P.P. Vora be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. **Appointment of Shri Rahul Gupta as a Director**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Rahul Gupta be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. **Appointment of Shri P.R. Tripathi as a Director**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

SWIL LIMITED

“RESOLVED THAT Shri P.R. Tripathi be and is hereby appointed as a Director of the Company liable to retire by rotation.”

8. Payment of remuneration to Shri Rajendra K. Mittal, Managing Director & CEO as Whole Time Director & CEO.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**.

“RESOLVED THAT additional salary of Rs.1,64,194/- and perquisites of Rs.95,647/- from 1st April 2003 to 13th August 2004 paid to Shri Rajendra K. Mittal, Managing Director & CEO, as Whole Time Director & CEO, as approved by Remuneration and Compensation Committee of the Board of Directors during its meeting held on 8th November, 2003, be and is hereby approved and confirmed.”

9. Confirmation to convertibility of privately placed Securities.

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

“RESOLVED THAT the right of conversion of the following convertible Securities issued to various financial institutions and banks, pursuant to the resolutions passed on dated 29th September, 2000, 23rd December, 2002, 12th December 2003 and 24th September 2004 be and are hereby renewed and reaffirmed for further period as per applicable guidelines of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Sr. No.	Particulars of Securities	Number of Securities	Face Value of the Securities Rs.	Total Value Rs.
1.	Optionally Cumulative Convertible Redeemable Preference Shares-I (OCCRPS-I)	18510808	100/-	185108080
2.	Optionally Cumulative Convertible Redeemable Preference Shares-II (OCCRPS-II)	17800495	100/-	178004950
3.	Optionally Cumulative Convertible Redeemable Preference Shares-III (OCCRPS-III)	10842303	100/-	108423030
	TOTAL	47153606		471536060

RESOLVED FURTHER THAT the conversion of the aforesaid instruments would be at par or in terms of the provisions of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.”

10. Authority to Issue Shares.

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

“RESOLVED THAT pursuant to the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and in accordance with Memorandum and Articles of Association of the Company and in accordance with listing agreement entered into by the company with the Bombay Stock Exchange Limited where the shares of the Company are listed and subject to approval of Securities and Exchange Board of India (hereinafter

SWIL LIMITED

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 to such terms, conditions and modification(s) 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 approvals 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.225 crores (Rupees Two Hundred Twenty Five 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.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorised to approve, agree and accept such modification(s) to the terms and conditions of the Equity Shares / Redeemable Preference Shares or such other Securities proposed to be issued, as may be suggested by the Financial 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 may arise in connection therewith."

REGISTERED OFFICE:

747, G.I.D.C Industrial Estate,
P.O.Box No 14, Jhagadia-393 110,
Distt: Bharuch, Gujarat, INDIA.

By order of the Board of Directors

Jaydev R.Betai
Company Secretary

Dated: 19th November 2005

NOTES:

1. A member entitled to attend and vote 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. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
2. An Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
5. The Register of Member will remain closed from 17th December 2005 to 22nd December 2005 (both days inclusive).
6. Once the unclaimed and unpaid dividend is transferred to the "Investor Education & Protection Fund" no claim shall lie in respect thereof.
7. For the convenience of shareholders, transportation from Bharuch Railway Station, Sheetal Guest House, Bharuch to the place of the Meeting will be available upto 10 a.m on 22nd December 2005.
8. Members desiring information as regards to the Accounts are requested to send their queries at least one week before the date of the Meeting, so as to enable the Company to make the information available at the Meeting.

ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT UNDER SECTION 173(2)**Item No. 4****Appointment of Auditors.**

In terms of provisions of Section 224A of the Companies Act, 1956, if not less than 25% of the subscribed capital of a Company is held either singly or in combination by Public Financial Institutions, Government Companies, Insurance Companies, Nationalized Banks 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 (1-B) of the Companies Act, 1956.

None of the Directors is in any way concerned or interested in the above resolution.

Item No. 5**Appointment of Shri P.P. Vora as a Director**

The Board of Directors of the Company has appointed Shri P.P. Vora as an Additional Director on 19th November 2005. The Board of Directors has also appointed Shri P.P. Vora as Chairman of the Company. As per the provisions of Section 260 of the Companies Act, 1956 and provisions of Memorandum and Articles of Association of the Company, Shri P.P. Vora holds office of Director upto the date of forthcoming Annual General Meeting. Shri P.P. Vora is having experience of more than 40 years in the fields of finance and banking. Shri P.P. Vora has held key positions in various public sector organizations / banks.

Shri P.P. Vora was appointed as nominee director on the Board of Company by Life Insurance Corporation of India on 10th December 2003. The Board of Directors had, at its meeting held on 12th December 2003, appointed Shri P.P. Vora as Chairman of the Company.

A notice under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs.500/- has been received from a member proposing the appointment of Shri P.P. Vora as Director of the Company.

No other Director of the Company except Shri P.P. Vora is in any way concerned or interested in the above resolution.

Item No. 6**Appointment of Shri Rahul Gupta as a Director**

The Board of Directors of the Company has appointed Shri Rahul Gupta as an Additional Director on 30th October 2004. As per the provisions of Section 260 of the Companies Act, 1956 and provisions of Memorandum and Articles of Association of the Company, Shri Rahul Gupta holds office of Director upto the date of forthcoming Annual General Meeting. Shri Rahul Gupta is having experience of more than 15 years in the field of software engineering/ management and venture capital.

A notice under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs.500/- has been received from a member proposing the appointment of Shri Rahul Gupta as Director of the Company.

No other Director of the Company except Shri Rahul Gupta is in anyway concerned or interested in the above resolution.

SWIL LIMITED**Item No. 7****Appointment of Shri P. R Tripathi as a Director**

The Board of Directors of the Company has appointed Shri P. R Tripathi as an Additional Director on 29th January 2005. As per the provisions of Section 260 of the Companies Act, 1956 and provisions of Memorandum and Articles of Association of the Company, Shri P. R Tripathi holds office of Director upto the date of forthcoming Annual General Meeting. Shri P. R Tripathi is having experience of more than 40 years in the field of mines, planning, operations and management of mineral projects.

A notice under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs.500/- has been received from a member proposing the appointment of Shri P. R Tripathi as Director of the Company.

No other Director of the Company except Shri P. R Tripathi is in anyway concerned or interested in the above resolution.

Item No.8**Payment of remuneration to Shri Rajendra K. Mittal, Managing Director & CEO as Whole Time Director & CEO:**

Shri Rajendra K. Mittal, Managing Director & CEO was appointed as Whole Time Director & CEO w.e.f. 22nd November 2002 to 21st November 2005 for a period of three years. The shareholders had in the 39th Annual General Meeting held on 23rd December 2002 had approved appointment and remuneration of Shri Rajendra K. Mittal as Whole Time Director & CEO, subject to the approval of Central Government. The shareholders had approved basic salary of Rs. 1,70,000/- per month and other prerequisites and allowances subject to the limit specified in Schedule XIII to the Companies Act, 1956, i.e. Rs.48,00,000/- per annum or Rs. 4,00,000/- per month. Government of India, Ministry of Finance, Department of Company Affairs, had vide their letter No. 1/20-21/2003-CL.VII dated 23rd April 2003 accorded approval to the terms and conditions for the appointment of Shri Rajendra K. Mittal as Whole Time Director & CEO. The Remuneration & Compensation Committee had, at its meeting held on 8th November 2003, revised the basic salary to Rs.1,80,000/- per month w.e.f. 1st April 2003 as the revision in basic salary and perquisites and allowances thereon were within the overall limit of remuneration sanctioned. Shri Rajendra K. Mittal has received basic salary of Rs.1,80,000/- per month and perquisites and allowances thereon upto 13th August 2004 i.e. till his appointment as Managing Director & CEO with revised terms and conditions w.e.f. 14th August 2004.

Shri Rajendra K. Mittal has been appointed as Managing Director & CEO for a period of three years from 14th August 2004 to 13th August 2007 by the Board of Directors at its meeting held on 14th August 2004. The shareholders have at the 41st Annual General Meeting held on 24th September 2004 approved the appointment and terms of remuneration of Shri Rajendra K. Mittal as Managing Director & CEO. Government of India, Ministry of Finance, Department of Company Affairs has as per letter No.1/403/2004-CL.VII dated 31.05.2005 approved the appointment and terms of remuneration of Shri Rajendra K. Mittal as Managing Director & CEO.

Your approval to the payment of Rs.1,64,194/- towards basic salary and Rs.95,697/- towards other perquisites and allowances thereon for the period from 1st April 2003 to 13th August 2004, as approved by the Remuneration & Compensation Committee, is sought by way of Special Resolution.

No other Directors except Shri Rajendra K. Mittal is in any way concerned or interested in the above resolution.

Item No.9**Confirmation to convertibility of privately placed Securities.**

In terms of the approval given by the shareholders vide Special Resolution at their 37th Annual General Meeting, held on 29th September, 2000, and subsequently further approved at the 39th Annual General Meeting, held on 23rd December, 2002, 40th Annual General Meeting held on 12th December 2003 and 41st Annual General Meeting held on 24th September 2004, currency of the instruments issued and allotted under section 81 (1A) of the Companies Act, 1956, is hereby renewed and reaffirmed by this present resolution as per the SEBI (Disclosure & Investor Protection) Guidelines 2000 for issue of Preferential Shares.

SWIL LIMITED

The Board of Directors of the Company have issued and allotted the securities to the various financial institutions / Banks towards funding of interest due on their various financial assistance, till date, the aggregate value of the Securities issued and allotted is Rs. 4,71,53,60,600.00 detailed as under.

Sr. No.	Name of Financial Institutions / Banks	OCCRPS-I Rs. 100 each	OCCRPS II of Rs. 100 each	OCCRPS III of Rs. 100 each
1.	ICICI BANK LIMITED	7210820	7129706	3697698
2.	IDBI	5200000	5950000	3414680
3.	IFCI	2280700	1790349	1463301
4.	LIC	1095099	968483	561640
5.	GIIC	771095	675004	527039
6.	SBI	941335	972030	937813
7.	IIBI	574453	00	00
8.	GIC and its subsidiaries.	437306	314923	240132
	TOTAL	18510808	17800495	10842303

In terms of the issue and allotment of the above Securities, the preference shareholders have right to convert 100% face value of the securities along with dividend upto the date of conversion into fully paid Equity Shares of the Company at par or in terms of the provisions of the SEBI (Disclosure & Investor Protection Guidelines) 2000.

The aforesaid Securities were issued and allotted towards funding of interest due on financial assistance provided by respective Financial Institutions / Banks and as a part of restructuring & reschedulement of the financial assistance, as such promoters / Directors and key management persons have not subscribed any preference share. Shareholding pattern as on 30th September 2005 is as under:

SHAREHOLDING PATTERN AS ON 30.09.2005		
Category	Equity Shares of Rs. 10/- each	% of Holding
Promoters & Associates	14900872	15.32
ICICI Bank Limited	14943818	15.37
IDBI	16415873	16.88
IFCI	5000000	5.14
LIC	8218460	8.45
GIIC	4072987	4.19
GSFC	1446470	1.49
IIBI	999670	1.03
Insurance Co. & Subsidiaries	2906233	2.99
Public & Others	28344718	29.14
Total	97249101	100.00

The shareholding pattern after the preferential offer could not be provided since actual conversion of preferential shares into equity shares by respective Financial Institutions / Banks has not been informed to the Company. Similarly, in absence of non-availability of actual exercise of conversion right, the identity of proposed allottees and the %age of post preferential issue capital that may be held by Financial Institutions / Bank could not be provided.

SWIL LIMITED

The above shareholders can exercise their right to convert 100% face value of the Securities along with dividend upto the date of conversion into fully paid Equity Shares of the Company at any time during the currency of the Security i.e. upto 1st March, 2022.

Your approval to the above is sought by way of Special Resolutions.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No.10**Authority to Issue Shares.**

As stated above, in terms of Sanctions received/to be received from Financial Institutions/Banks for restructuring/ reschedulement of existing liabilities and funding of interest, Company is required to issue and allot OCCRPS to Financial Institutions/Banks. For this, it will be necessary to give authority to the Board of Directors of the Company to issue shares. The authority is proposed to be given to the Board to issue and allot further Securities as and when need arises. 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 obtaining necessary approvals, consents as may be required from requisite authorities from time to time.

None of the Directors is in any way concerned or interested in the above Resolution.

REGISTERED OFFICE:
747, G.I.D.C Industrial Estate,
P.O.Box No 14,
Jhagadia-393 110
Dist: Bharuch, Gujarat, INDIA.

By order of the Board of Directors,

Jaydev R. Betai
Company Secretary

Dated: 19th November 2005

SWIL LIMITED

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

Name of Director	<i>Shri P.P. Vora</i>	<i>Shri Rahul Gupta</i>	<i>Shri P. R Tripathi</i>
Date of Birth	01.10.1943	14.03.1967	24.06.1943
Date of Appointment	12.12.2003	30.10.2004	29.01.2005
Expertise in specific functional areas	Finance and Banking	Software Engineering/ Management and Venture Capital	Mines, Planning, Operations and Management of Mineral Projects.
Qualifications	B.com., FCA, CAIIB	B.E.(Mech.), MBA (Fin.)	AISM (Mining), B.sc. (Mining Engg.), FCC (Coal & Metal)
Directorship in other public limited companies	Bombay Stock Exchange Limited	NIL	<ul style="list-style-type: none"> ◆ Raipur Alloys & Steel Ltd. ◆ Krishna Patnam Port Co. Ltd. ◆ Kamlalaya Steelco Ltd.
Other Positions	NIL	NIL	NIL
Membership of Committees in other public limited companies	NIL	NIL	NIL