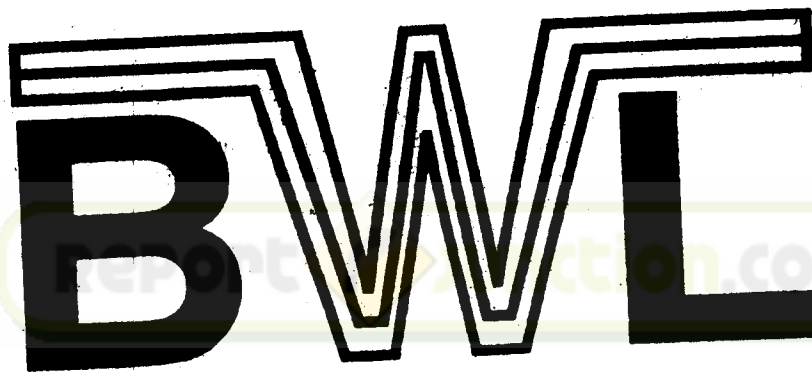


BWL LIMITED



32nd Annual Report 2002-2003

for, BWL Limited

Khetanval
Director

BWL LIMITED

BOARD OF DIRECTORS

Shri H.P. Khetawat	-	Chairman cum Managing Director
Shri Sunil Khetawat	-	Managing Director
Shri Sandeep Khetawat	-	Executive Director
Shri S.P.S. Dangi	-	Director
Shri Manish Bahl	-	Director

AUDITORS :

M/s. G. Basu & Co.
Chartered Accountants

SOLICITORS :

O.P. Khaitan & Co., New Delhi
R. Ginodia & Co., Kolkata

REGISTERED OFFICE :

Industrial Estate, Bhilai-490026
Chhattisgarh (India)

BANKERS :

State Bank of India
State Bank of Hyderabad
State Bank of Patiala

ADMINISTRATIVE OFFICE :

STEEL WIRE DIVISION:
Industrial Estate, Bhilai-490026
Chhattisgarh (India)

ADMINISTRATIVE OFFICE :

OPTICAL FIBRE CABLE DIVISION
GF79, SFS Flats, Sidharth Enclave
Ashram, New Delhi-110014

WORKS :

STEEL WIRE DIVISION :
Industrial Estate, Bhilai-490026
Chhattisgarh (India)

OPTICAL FIBRE CABLE DIVISION :

Electronic Complex,
Shogi, Distt. Shimla
Himachal Pradesh-173219

BRANCH:

KOLKATA:

11/1B Chakraborty
Road (North)
Kolkata-700020

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NOTICE

Notice is hereby given that the THIRTY SECOND ANNUAL GENERAL MEETING of the Company will be held at AGRASEN BHAWAN, Sector -6, BHILAI (CHHATTISGARH) on Friday, 22nd August, 2003 at 4 P. M., to transact the following business:

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2003, and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Shri Manish Behl who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.
4. To list the company's Equity & Preference Shares at National Stock Exchange (NSE)

Special Business

5. To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:-
"Resolved that, in accordance with applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary, and such conditions and modifications as may be prescribed or imposed by any Authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company ('the Board') or any Committee/person(s) authorised by the Board, consent be and is hereby accorded to delist the Equity & Preference Shares of the Company from the Stock Exchanges at Ahmedabad, Delhi and Indore.

Resolved Further that authority be and is hereby accorded to the Board or any Committee/person(s) authorised by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this Resolution."

By order of the Board
For **BWL LIMITED**

H. P. Khetawat
(Chairman Cum Managing Director)

Place : New Delhi
Dated : 30th June, 2003

Note:

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 such Proxy need not be a member.
2. Instrument appointing Proxy should be deposited at the registered office of the company not less than 48 hours before the time fix for the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed 16th August, 2003 to 22nd August, 2003 (both days inclusive).
4. The practice of distributing copies of Annual Reports of the Annual Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copies of Annual Report at the Meeting.
5. An explanatory statement pursuant to section 173 of the Companies Act, 1956, relating to the special business to be transacted of the Annual General Meeting is attached.
6. Members are requested to notify any change of address and bank details to update our records as well as to serve the members efficiently.

EXPLANATORY STATEMENT

Attached to the Notice convening the Thirty-Second Annual General Meeting to be held on Friday, 22nd August, 2003.

The Equity and Redeemable preference Shares of Rs. 10/- each of your Company, are listed with the following Stock Exchanges in India.

- a) The Stock Exchange, Mumbai ('BSE').
- b) The Stock Exchange, Ahmedabad. (Requested to delist on 13.02.1997)
- c) The Delhi Stock Exchange Association Ltd., Delhi. (Requested to delist on 13.02.1997)
- d) Madhya Pradesh Stock Exchange, Indore.

BSE accounts for more than 98% of the traded volume of the Company's shares and has extensive network of trading terminals, which facilitates trading by Members/Investors wide across the country. The trading volumes in the Company's shares on the other Stock Exchanges are either nil or insignificant. Continued listing on such Stock Exchanges neither serves the interest of the Members/Investors nor that of the Company. Notwithstanding net worth of the company is negative, permissions of appropriate authority, could not be obtained in respect of company's repeated request to transfer the company's securities from physical mode to demat mode. As such though the securities are listed there is hardly any trading through these exchanges.

The Board of Directors of your Company ('the Board') at its meeting held on 30th June, 2003, accordingly recommended for the approval of the Members, the proposal to voluntarily delist the Company's shares from the Stock Exchanges at Ahmedabad, Delhi, Madhya Pradesh Stock Exchange, Indore. The company's shares will however, continue to be listed on the BSE.

Delisting of the Company's shares from the aforesaid Stock Exchanges would result in administrative convenience and saving in costs on account of listing fees, etc.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, consent of the Members by way of a Special Resolution is required for voluntary delisting of the Company's shares from the aforesaid Stock Exchanges.

None of the Directors of your Company is interested in this Special Resolution.

The Board recommends this Special Resolution for your approval.

By order of the Board
For **BWL LIMITED**

H. P. Khetawat
(Chairman Cum Managing Director)

Place : New Delhi
Dated : 30th June, 2003

REPORT OF DIRECTORS' & MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors submit their report and Audited account for the year ended 31st March, 2003.

1. FINANCIAL RESULTS:

		Year ended 31st March 2003 (Rs.)		Year ended 31st March 2002 (Rs.)
Turn Over		9,69,26,623		6,67,66,299
Loss before interest, depreciation & Taxes.		13,56,104		2,51,23,744
Add: Interest	12,08,09,329		10,25,96,020	
Depreciation	1,57,15,256	13,65,24,585	1,73,71,538	11,99,67,558
Loss for the year		13,78,80,689		14,50,91,302
Add: Misc. expenses w/off	8,75,390		8,75,393	
Income Tax for earlier years.	50,510	9,25,900	3,28,728	12,04,121
		13,88,06,589		14,62,95,423
Balance brought forwarded from last year.		66,59,81,265		51,96,85,842
Loss carried to Balance Sheet		80,47,87,854		66,59,81,265

2. Dividend :

In view of the loss during the year together with carry forward loss under review, your Directors regret their inability to recommend any dividend on Equity shares.

3. Divisional performance :

Segment results have been reported in the Notes to the Profit & Loss Accounts for the year. The business Segments for which the required disclosure has been made are Steel wire and optical Fibre cable.

3.1. Steel Wire:

Steel wire industry in organised sector as a whole no doubt does not stand in a sound footing. The reason is attributed to lack of growth in power sector ailing health of State Electricity Boards with no silverline traceable for improvement in near future. Magnitude of problem is further compounded due to competition from small scale units with their low overhead structure and other incentives provided to them from various quarters.

The turnover of this division for the year under review was Rs. 968.01 Lacs as against Rs. 667.66 Lacs in previous year thereby displaying a rise of 45% on account of additional thrust laid on marketing to selected customers. With the implementation of various cost effective measures, read with incremental sale, the loss for the year of the division has reduced to Rs. 396.23 Lacs from Rs. 487.06 Lacs in preceding year after consideration of interest & depreciation Rs. 399.12 Lacs (previous year Rs. 344.93 Lacs). Inadequacy of working capital restricted the operation of the division at low capacity level.

In view of stiff competition, the division is unable to pass on the increased input cost to the customers especially from the last Quarter of the year under review. Considering absence of growth in power sector (major buyer of output) and fund constraint, current year's operation of the company is unlikely to register any substantial improvement. Management will continue its endeavor to reduce the loss through rationalisation of product mix and selective customers strategy as in year under Review.

3.2. Optical Fibre Cable :

The entire realm of Optical Fibre Cable Industry appears tending for doom in the country. The reason is attributed to technological evolution replacing cable by Wireless in Local Loop. As such these industry have no new opportunity or outlook to offer under exiting status of techno economic metamorphosis.

During the year under review, there was a negligible turnover of Rs. 1.25 Lacs as against nil in the preceding year. Loss for the year under review has marginally increased from Rs. 963.70 Lacs to Rs. 982.58 Lacs after considering interest & depreciation of Rs. 966.13 Lacs as against Rs. 854.74 Lacs in earlier year. The loss before interest & depreciation has been reduced during the current year from Rs. 108.96 Lacs to Rs. 16.45 Lacs due to various cost reduction measures undertaken such as establishment cost where Management had control. Over and above, inadequacy of working capital and lack of facilities for back-ward integration leave the division at a non-competitive position in today's market.

The division is not expected turn round unless there is fundamental change in industrial scenario.

4. Human resources & Industrial relations.

The company at present employs over 60 heads. Best efforts have been taken for optimum utilization of human resources.

Emphasis continued to be laid on cultivation of healthy industrial relationship within existing workforce and the company was free from any employee's unrest during the year.

5. Finance :

The company had submitted the OTS proposal to the Lead Bank for settlement of their dues in respect of both the divisions. We fervently hope that they will take positive approach to rehabilitate the company through BIFR in the overall interest of Banks, Financial Institution, Company, employees and Govt. Revenue.

6. Statutory Dues :

The Directors have pleasure to state that company continues to pay / deposit all statutory dues to the extent lying undisputed generally in time though the company is within the purview of BIFR and declared SICK.

There is also no default in payment to creditors for goods and services.

7. BIFR Status :

The company has been declared Sick by the Hon'ble BIFR during the year under review and IDBI has been appointed as O.A. Techno Economic Viability study is being undertaken by a reputed consultant appointed by IDBI. The company's appeal before AAIFR against a few directions imposed by BIFR is pending. As reported in the notes on accounts two secured creditors have issued notices u/s 13(2) of securitisation of Financial Assets and enforcement of security interest Act, 2002 to recover their dues. The secured creditors also filed recovery application u/s 19 of Recovery of Debts Due to Banks & Financial Institutions Act, 1993 before the Debt Recovery Tribunals. Company has taken appropriate steps to protect its interest.

8. Directors :

Shri Manish Behl retires by rotation and being eligible, offer himself for re-appointment.

9. Auditors :

M/s G. Basu & Co, retires as auditor of the company and being eligible, offer themselves for re-appointment. Your Directors on receipt of recommendation from the audit committee, recommend their appointment for the ensuing year.

10. Corporate Governance :

Your company has generally complied with the applicable provisions of the listing Agreements with the Stock Exchanges where it's shares are listed. A separate report on Corporate Governance along with the auditors certificate on it's compliance is included as part of this Annual Report.

11. **Conservation of energy, Foreign exchange earning & Technology absorption :** Information pursuant to section 217(1) (e) of the companies Act,1956 is given in Annexure to this report.
12. **Personnel :**
Information as per section 217 (2A) of the Companies Act, 1956 read with companies (particulars of employee Rules) 1975 are not required to be furnished as there is no employee who was in receipt of remuneration of Rs. 200000/- per month.
13. **Auditors report :**
The observation of the Auditors when read with corresponding references in Notes on Account will be found self explanatory.
14. **Directors responsibility statement :**
As required under section 217 (2AA) of the companies Act,1956, your directors confirm having :
 - a) followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to departures, if any.
 - b) selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company at the end of the financial year end of the profit or loss of your company for that period.
 - c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act,1956 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities .
 - d) Prepared the Annual Accounts on a going concern basis : The internal Auditors have conducted periodic audit to provide reasonable assurance that the company's established policies and procedures were followed. The audit committee constituted by the Board, meets once in a half year with the internal auditors to review internal control and financial reporting issues.
15. **Delisting of equity and preference shares form some Stock Exchanges.**
The Equity and Redeemable Preference shares of your company are presently listed on two Indian Stock Exchanges i.e. Stock Exchange, Mumbai (BSE) and the Stock Exchange Indore. Though the shares are listed at Indore since initial issue of capital which was mandatory, the securities are not traded. At the time of capital issue for financing of Optical Fibre Cable Division, the company's securities were also listed with Ahmedabad and Delhi Stock Exchanges, but as the shares were not traded on these exchanges, the company wrote to the respective exchanges to delist the securities on 13.02.1997 and discontinued to pay the listing fees to them. The Board of Directors of your company at its meeting held on 30th June, 2003 accordingly has recommended for the approval of the members the proposal to voluntarily delist the Company's shares from the three Stock Exchanges at Ahmedabad, Delhi and Indore. The company's shares will however will continue to remain listed on BSE.
A special resolution seeking for approval to such delisting is appearing in the notice convening the 32nd Annual General Meeting of the company.
16. **Acknowledgment:**
Your directors express their appreciation for support extended by the customers, vendors and other agencies. The member wish to place on record their sincere appreciation for the wise counsel, guideline and co-operation extended for all the quarters. The Board express thanks and gratitude to shareholders for their continued confidence posed on the management.

For and on behalf of the Board

H. P. Khetawat
(Chairman Cum Managing Director)

Place : New Delhi
Dated : 30th June, 2003

BWL LIMITED**ANNEXURE-A****ANNEXURE TO THE DIRECTORS REPORT**

Statement pursuant to 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 Director's Report for the year ended 31st March, 2003.

1. CONSERVATION OF ENERGY :

- a) During the year energy audit was conducted by petroleum Conservation Research Association (under the ministry of Petroleum and Natural Gas, Government of India) and as suggested by them a few modification has been done in the Galvanising Plant.
- b) Additional investment and proposals, if any, for reducing consumption of energy.
The company intend to make investment during the current fiscal as suggested by the energy auditor to reduce the energy consumption.
- c) Impact of measures at (a) & (b) above for reducing energy consumption and consequent impact on the cost of production of goods. The impact is expected during the current fiscal.
- d) Total energy consumption per unit of production are given below :-

A. POWER AND FUEL CONSUMPTION:

<u>Electricity:</u>		<u>2002- 03</u>	<u>2001-02</u>
a) Purchased			
Unit	(in KWH)	904532	481488
Total Amount	(Rs.in Lacs)	41.59	21.72
Rate per Unit	(in Rs.)	4.60	4.51
b) Own generation:			
(I) Through Diesel Generator:			
Unit	(in KWH)	10350	111054
Unit generated/ltr.of diesel		2.46	2.52
Cost/Unit	(in Rs.)	8.46	7.48
(II) Furnace Oil:			
Quantity	(in K.Ltr)	292.402	193.200
Total Amount	(Rs.in Lacs)	36.02	19.05
Average rate/K.Ltr	(in Rs.)	12119	9861

B. CONSUMPTION PER UNIT OF PRODUCTION:

Steel Wire Division:			
Production	(MT)	3628	2382
Electricity	(KWH/MT)	252.17	248.75
Furnace Oil	(Ltrs/MT)	80.59	81.11
Optical Fibre Cable Division:			
Production	(CKM)	—	—
Electricity	(KWH/CKM)	—	—

2. TECHNOLOGY ABSORPTION:

- a) Benefit derived as a result of above R&D.
The brightness in the finished wires have been improved.
- b) Future plan on R&D:
R&D activities will be continued in the specific area and for production of the various quality of wire and wide range of optic fibre cable.
- c) Expenditure on R&D:
Expenditure on R&D has not been separately accounted.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earned	Rs. Nil
Out go	Rs. Nil

CORPORATE GOVERNANCE :**1. Company's Philosophy on Corporate Governance :**

Your Company has consistently followed the principles of good corporate governance through transparency in dissemination of information to stakeholders.

Your Company believes the Code on Corporate Governance provides a structure by which the rights and responsibilities amongst different participants in the organisation, such as the Board, employees, shareholders and other stakeholders, are distributed. By doing so, it helps to ensure that the Company's objectives are well defined and performance against those objectives adequately measured and monitored.

As a publicly listed company, BWL Limited adheres to listing requirements. It has generally complied in all material respects with the requirements of corporate Governance specified in the Listing Agreement with the M.P. Stock Exchange and B.S.E..

2. Board of Directors – Composition

As on the date of this report the Board of Directors of your Company consists of 5 (five) members comprising of 3 (three) Executive Directors including the Chairman and 2 (two) Non-executive Directors. No Director is a member of more than 10 companies or Chairman of more than 5 companies across all companies in which they are Directors. The details are as under :

Name	Executive/Non-Executive/Independent	Number of Outside Directorships	Total Number of Memberships in other board committees	Number of Chairmanships in other board committees
H.P.Khetawat	Executive, Chairman	1	-	-
Sunil Khetawat	Executive, Managing Director	1	-	-
Sandeep Khetawat	Executive, Whole time Director	-	-	-
S.P.S. Dangi	Non-executive, (Independent)	1	1	1
Manish Bahl	Non-executive, (Independent)	2	2	-

Board Meetings held during the year :

Six Board meetings were held during the financial year ended 31st March,2003, on 6th May,2002, 3rd July,2002, 31st August,2002, 30th October,2002, 7th December,2002 and 11th January,2003.

Attendance of Directors at the Board Meetings and the last AGM :

Name	Number of Board meeting attended	Attendance of the last AGM.
H.P.Khetawat	4	Yes
Sunil Khetawat	6	Yes
Sandeep Khetawat	1	No
S.P.S.Dangi	6	Yes
Manish Bahl	5	No

3. Audit Committee

The Audit Committee was constituted on 31st January, 2001. The terms of reference of the Audit committee are to review with the Management and/or internal Audit and / or Statutory Auditors.

- i) the statutory Annual and Quarterly financial reporting by the Company.
- ii) changes in the statutory accounting policies of the Company.
- iii) the audit programs of the external auditors and any material issues rising from the audits.
- iv) the adequacy and effectiveness of accounting and financial controls of the Company, compliance with Company policies and applicable laws and regulations.
- v) recommend to the Board the appointment of Internal/ external auditors and the remuneration payable to them.

The Audit Committee comprised of two non-executive Directors, both are independent Directors and one Executive Director. The chairman of the committee is an independent Director. The committee met four times during the financial year ended 31st March, 2003, on 6th May, 2002, 31st August, 2002, 30th October, 2002 and 11th January, 2003.

Attendance of Members at the meeting of the Audit Committee held during 2003 :

Members	No. of Meetings attended.
S.P.S.Dangi	4
Manish Bahl	4
Sunil Khetawat	4

4. Remuneration Committee

The Remuneration Committee was constituted on 31st August, 2002 to consider and fix from time to time the remuneration payable to the Managing/ Whole time Directors.

The Committee comprises of two Directors, both of whom are Non Executive and independent Directors. During the financial year ended 31st March, 2003, the Committee met once on 30th October, 2002 when Shri S.P.S.Dangi and Shri Manish Bahl were present.

Remuneration policy:

- a) Whole time Directors/ Executive Directors :

The Remuneration Committee is authorised to decide the remuneration of the Executive Directors, subject to the approval of the Share holders and central government, if required. The remuneration structure of Executive Directors comprises of salary, additional allowance and perquisites. The Executive Directors are paid remunerations as per the agreements entered in to between them and the Company.

Details of the Remunerations paid/payable to Executive Directors for the financial year ended 31st March, 2003.

Name	Salary	Allowance & Perquisites	Cont. to Prov. & other Fund	Total (Rs.)
H.P.Khetawat	4,92,000	99,123	59,040	6,50,163
Sunil Khetawat	4,80,000	2,92,240	80,676	8,52,916
Sandeep Khetawat	3,25,000	2,18,073	54,865	5,97,938

The Company does not have a scheme for stock options either for the Directors or the Employees.