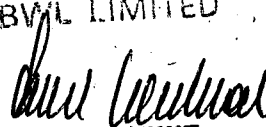


# BWL LIMITED

# BWL

CERTIFIED TO BE TRUE COPY

FOR, BWL LIMITED



SUNIL KHETAWAT  
MANAGING DIRECTOR

***37th Annual Report For the  
18th Month Period ended 31st March 2009***

## BWL LIMITED

### BOARD OF DIRECTORS

|   |   |                              |
|---|---|------------------------------|
| Shri Sunil Khetawat                             | - | Chairman & Managing Director |
| Shri Sandeep Khetawat                           | - | Executive Director           |
| Shri Prabir Choudhury                           | - | Director                     |
| Shri Manish Bahl (Since Resigned<br>31.01.2009) | - | Director                     |

### AUDITORS :

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

### REGISTERED OFFICE :

Industrial Estate, Bhilai-490026  
Chhattisgarh (India)

### ADMINISTRATIVE OFFICE :

#### STEEL WIRE DIVISION :

Industrial Estate, Bhilai-490026  
Chhattisgarh (India)

### WORKS :

#### STEEL WIRE DIVISION :

Industrial Estate, Bhilai-490026  
Chhattisgarh (India)

### BRANCH :

#### KOLKATA :

11/1B, Chakraberia Road (North)  
Kolkata-700020

### SOLICITORS :

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

### BANKERS :

State Bank of India  
State Bank of Hyderabad (Since Closed)  
State Bank of Patiala (Since Closed)

### ADMINISTRATIVE OFFICE :

#### OPTICAL FIBRE CABLE DIVISION

176/2, Hari Nagar Ashram  
New Delhi-110014

### OPTICAL FIBRE CABLE DIVISION :

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

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**BWL LIMITED**

**NOTICE**

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Company will be held at Sai Mangal Bhawan, Sector-6, Bhilai (Chhattisgarh) on 31st July (Friday), 2009 at 4.30 p.m. to transact the following business :

**ORDINARY BUSINESS :**

1. To consider and adopt the accounts of company for the eighteen months period ended 31st March 2009 and the report of the Board of Directors and Auditors there on.
2. To appoint Director in the place of Shri Prabir Choudhury who retire by rotation and is eligible for reappointment.
3. To appoint Auditors and fix their remuneration.

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

**SUNIL KHETAWAT**  
(Managing Director)

Place : Bhilai

Dated : 26th June, 2009

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**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 such proxy need not be a member.
2. Instrument appointment proxy should be deposited at the Registered office of the company not less then 48 hours before the time fixed for the meeting.
3. The register of members and Share Transfer Books of the company will remain closed from 25th July, 2009 to 31st July, 2009 (both days inclusive).
4. The practice of distributing copies of Annual Report at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copies of Annual Report at the meeting.
5. Members are requested to notify any change of address as well as Bank details to update our record as well as to serve them efficiently.

**BWL LIMITED****BWL****REPORT OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS :**

Your Directors submit their report and Audited account for the eighteen months ended 31st March, 2009.

**1. FINANCIAL RESULTS :**

|   | 18th months<br>period ended<br>31st March<br>2009 (Rs.) | Financial<br>year ended<br>30th Sept.<br>2007 (Rs.) |
|---|---|---|
| Turn Over   | 3,92,11,399   | 9,70,54,237   |
| Profit / (Loss) before interest<br>depreciation & Taxes | (1,09,11,055)   | 1,52,887  |
| Add : Interest  | (24,40,633)   | (73,83,749)   |
| Depreciation  | (18,18,545)   | (42,59,178)   |
|   |   | (3104,260)  |
| Profit / (Loss) for the Period                          | (1,51,70,233)   | (1,04,88,009)                                       |
| Less : Extra Ordinary Item                              |   | (1,03,35,122)                                       |
|   | 72,19,29,758  | 72,34,430   |
| Net Profit / (Loss) after extra Ordinary item           | 70,67,59,525  | (31,00,692)   |
| Balance brought forward<br>from last year.              | (114,62,95,815)   | (1,14,31,95,123)                                    |
| (Loss) carried to Balance Sheet                         | (43,95,36,290)  | (1,14,62,95,815)                                    |

**2. DIVIDEND :**

In view of the loss during the period together with accumulated loss carried forward, your Directors regret their inability to recommend any dividend.

**3. SEGMENTWISE PERFORMANCE :**

Persuant to the decision of the management duly approved by the Shareholders to dispose of all assets of OFC Division apart from discontinuing its operation, the company at present operate in one segment only i.e. SWD without further calling for furnishing segment report under AS-17.

**3.1. STEEL WIRE :**

The turnover of this division for the period under review was Rs. 392.11 Lacs as against Rs. 970.54 Lacs in previous year thereby displaying about 73% decline in annualised sale value. outflow from resources mobilised by the promoters towards meeting the dues of banks and financial institutions under OTS (discussed in appropriate part of this report) has been straining the working capital base so seriously that augmenting production of the division is proving too difficult a task. This led to suspension of work in lone working division since July 2008.

During the reported year availability of basic raw material from the source of prime producer in SAIL BSO Bhilai become scarce. This was accompanied by other producers raising price of their products. Your company, being bound to supply under arrangement of quarterly contract

**BWL****BWL LIMITED**

(at firm price) to its clients, found the scenario to its extreme jeopardy and as such decided to suspend the production of steel wire from July 2008 to avert any risk of bigger loss which the existing liquidity base of the company cannot afford to sustain.

The management deeply regrets non materialisation of its assurance to the effect of operational improvement subsequent to completion of OTS for reason beyond its control.

However, management is hopeful that after sanction of the rehabilitation scheme by the Hon'ble BIFR and sale of Land & Building of Optical Fibre Cable Division situated at Shoghi Shimla in H.P., they will be able to restart production in the steel wire unit. Market of input is also expected to be stabilised in the mean time.

### **3.2. OPTICAL FIBRE CABLE :**

The unit virtually remained defunct for the whole of the period operating loss of the period before interest and depreciation being Rs. 30.48 lacs as against Rs. 10.78 lacs in previous year including Profit on sale of Plant & Machinery of Rs. 72.34 lacs.

The unit has been declared discontinued operation. Assets therein are held for sale at present.

### **4. HUMAN RESOURCES & INDUSTRIAL RELATIONS :**

Industrial relationship remained more or less cordial during the period.

### **5. BANK & INSTITUTIONAL DUES :**

As reported earlier, the company has made payment in full satisfaction of dues under OTS to its erstwhile secured creditors i.e. State Bank of India, State Bank of Patiala and State Bank of Hyderabad including interest accruing on said dues thereby rendering its entire assets free from any encumbrance. As the management could not dispose of the Land and Building of Optical Fibre Cable Division at Shoghi Shimla (HP) in spite of making sincere effort, repayment under OTS was made by the promoters by arranging additional unsecured loan.

### **6. STATUTORY DUES :**

The Directors have pleasure to state that the company continues to pay / deposit all statutory dues to the extent lying undisputed generally in time notwithstanding Sick status accorded to it by BIFR.

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

### **7. BIFR STATUS :**

As reported earlier that the company has been declared sick by the Hon'ble BIFR. As per instruction of the Hon'ble BIFR IDBI Bank (OA) has submitted the Draft Rehabilitation Scheme to the BIFR for sanction which is pending.

### **8. DIRECTORS :**

Shir Manish Bahl resigned from the Directorship w.e.f. 31.01.2009 due to his personnel reason.

The directors place on record their appreciation for enlightened guidance and advice provided by Mr. Manish Bahl from time to time during his tenure of office of director.

**BWL LIMITED****BWL****9. AUDITORS :**

M/s. G. Basu & Co., retires as auditor of the company and being eligible offer themselves for re-appointment.

**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 in annexed this Annual Report.

**11. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT & TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The particulars as prescribed under subsection (i) (e) of Section-217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are set-out in the annexure included in this report.

**12. PARTICULARS OF EMPLOYEES :**

No one was employed during the whole or part of the period under review drawing remuneration attracting disclosure of particulars under section 217(2A) of companies act 1956.

**13. AUDITORS REPORT :**

The observation of the Auditors when read with corresponding reference in Notes on Account will be found self explanatory. Company has sought exemption under companies acceptance and deposit Rules for Unsecured Loan arranged by the promoters for part payment of OTS dues of Banks to the appropriate authority in the Draft Rehabilitation Scheme submitted to Hon'ble BIFR.

**14. DIRECTORS RESPONSIBILITY STATEMENT :**

As required under section 217(2AA) of 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 & true and fair view of the state of affairs of your company as at 31st March, 2009, and of the profit of the company for the 18th months period ended on that date.
- (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 notwithstanding negative networth on the ground of confidence of Board of Directors on the potentiality of the company to revive subject to application of working rehabilitation strategy.

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**BWL LIMITED**

**15. ACKNOWLEDGEMENT :**

Your directors express their appreciation for support extended by the customers, vendors and other agencies. The members wish to place on record their sincere appreciation for the wise counsel, guideline and co-operation extended, by all. The Board express thanks and gratitude to shareholders for their continued confidence posed on the management.

For and on behalf of the Board

**SUNIL KHETAWAT**  
(Managing Director)

Place : Bhilai  
Dated : 26th June, 2009

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**BWL LIMITED****BWL****ANNEXURE TO THE DIRECTOR'S REPORT**

Statement pursuant to section (217(1) (e) read with the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 of forming part of the Director's Report for the 18th months period ended 31st March, 2009.

**1. CONSERVATION OF ENERGY :**

- (a) As suggested by petroleum Conservation Research Association (under the ministry of Petroleum and Natural Gas, Government of India) a few modification has been done in the Galvenising Plant.
- (b) Additional investment and proposals, if any, for reducing consumption of energy : The company intend to make investment during the current fiscal year after restart of the operation 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 year.
- (d) Total energy consumption per unit of production are given below :

**A. POWER AND FUEL CONSUMPTION**

|                                |               | Financial Year<br>18th month ended<br>31st March<br>2009 (Rs.) | Financial<br>year ended<br>30th Sept.<br>2007 (Rs.) |
|--------------------------------|---------------|--|---|
| <b>ELECTRICITY</b>             |               |  |   |
| (a) Purchased                  |               |  |   |
| Unit                           | (in KWH)      | 337396   | 582394  |
| Total Amount                   | (Rs. in Lacs) | 24.01  | 26.71   |
| Rate per Unit                  | (in Rs.)      | 7.11   | 4.59  |
| (b) Own generation :           |               |  |   |
| (i) Through Diesel Generator : |               |  |   |
| Unit                           | (in KWH)      | 3750   | 10740   |
| Unit generated/lr of diesel    |               | 1.74   | 1.72  |
| Cost / Unit                    | (in Rs.)      | 20.26  | 19.83   |
| (ii) Furnace Oil :             |               |  |   |
| Quantity                       | (in K. Ltr.)  | 75.857   | 231.219   |
| Total Amount                   | (Rs. in Lacs) | 16.48  | 38.80   |
| Average rate/K. Ltr.           | (in Rs.)      | 21725  | 16782   |

**B. CONSUMPTION PER UNIT OF PRODUCTION :**

Steel Wire Division :

|             |           |        |        |
|-------------|-----------|--------|--------|
| Production  | (MT)      | 712    | 1942   |
| Electricity | (KWH/MT)  | 473.87 | 299.89 |
| Furnace Oil | (Ltrs/MT) | 106.54 | 119.06 |

Optical Fibre Cable Division :

|             |           |   |   |
|-------------|-----------|---|---|
| Production  | (CKM)     | - | - |
| Electricity | (KWH/OKM) | - | - |



**BWL****BWL LIMITED****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 streamlined in the specific area and for production of the various quality of wire and wide range of Hardware Fixture required for installation of Optic Fibre Cable and Transmission Tower etc.

- (c) Expenditure on R&D :

Expenditure on R&D has not been separately accounted. Amount of expenditure was not material due to paucity of fund.

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Earned

Rs. Nil

Out go

Rs. 136523/-


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**BWL LIMITED****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 that 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 quarters and in the process, it helps to ensure that the Company's objectives are well defined and performance against those objectives are adequately measured and monitored for accomplishment.

As a 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 B.S.E. barring few exceptions referred to in audit certificate which were beyond control of the management on economic and otherwise practical grounds.

**2. BOARD OF DIRECTORS - COMPOSITION**

As on the date of this report the Board of Directors of your Company consists of 3 (three) members comprising of 2 (two) Executive Directors and 1 (one) Non-executive Directors. Chairman of Board of directors is a executive director. No Director is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which they are Directors. The details are as under:

| Name                            | Executive/ Non-Executive/ Independent | Number of out side Directorship | Total No. of membership (s) In other Board committees | Number of Chairmanship(s) In other board committees. |
|---------------------------------|---------------------------------------|---------------------------------|---|--|
| Manish Bahl<br>(Since Resigned) | Non-executive<br>(independent)        | 2                               | 6   | 4  |
| Sunil Khetawat                  | Executive<br>Managing Director        | 2                               | —   | —  |
| Sandeep Khetawat                | Executive<br>Whole Time Director      | 2                               | —   | —  |
| Prabir Choudhury                | Non-executives<br>(independent)       | 2                               | —   | —  |

**Board Meetings held during the year:**

Six Board meetings were held during the 18th month Financial period ended 31st March 2009, 29.11.07, 31.01.2008, 31.05.2008, 12.07.08, 31.10.08 and 31.01.2009 being the respective dates.

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

| Name             | Number of Board meeting attended | Attendance of the last AGM. |
|------------------|----------------------------------|-----------------------------|
| Sunil Khetawat   | 5                                | Yes                         |
| Sandeep Khetawat | 5                                | Yes                         |
| Manish Baht      | 3                                | No                          |
| Prabir Choudhury | 5                                | Yes                         |