

Reaching Out To New Horizons

CS				
RO	✓			
TRA	✓			
AGM	✓	✓		
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			AC	✓
			SHI	✓

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Signature

Rajesh

Annual Report 1997-98

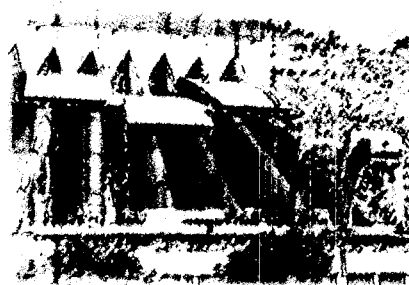
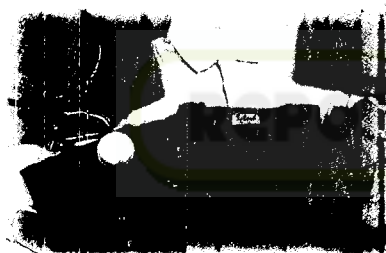
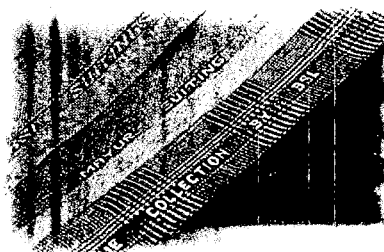
BHILWARA SPINNERS LIMITED

Spinning Out A Better Future



The World of LNJ Bhilwara Group

*Quality manifests itself
in various forms.
Excellence, leadership status
and rapid growth being
some important
benchmarks.*



*We, the LNJ Bhilwara Group,
are a multi-product Group
with interests in diverse fields
like Textiles (spinning, weaving, knitting,
processing and garment making),
Graphite Electrodes, Sponge Iron, Hydro-Electric Power,
Telecommunications and Financial Services.*



BHILWARA SPINNERS LIMITED

Regd. Office : 26, Industrial Area, Bhilwara - 311 001, Rajasthan

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of the Company will be held on Tuesday, the 11th day of August, 1998 at 4.30 P.M. at the Registered Office at 26, Industrial Area, Bhilwara - 311001, Rajasthan, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the period ended on that date and Report of Directors and Auditors thereon.
2. To declare dividend on Preference and Equity Shares.
3. To appoint a Director in place of Shri L.N.Jhunhunwala who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Shekhar Agarwal who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration and for that purpose to consider and if thought fit, to pass, with or without modifications the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956 and other applicable provisions, if any, for the time being in force, M/s. K.S. Mehta & Co., Chartered Accountants, New Delhi, the retiring Auditors of the Company be and are hereby reappointed as Auditors of the Company to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors plus out of pocket expenses as may be incurred by them for the purpose of Audit."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without

modifications, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for creation of such mortgages and charges in addition to the existing charges and hypothecations created by the Company as the Board may direct on the assets of the Company both present and future and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of :

- (a) The Industrial Finance Corporation of India Limited (hereinafter called 'IFCI') for its Term Loans of Rs. 200 Lacs and Rs. 425 Lacs respectively.
- (b) Industrial Development Bank of India (hereinafter called 'IDBI') for its Term Loans of Rs. 500 Lacs and Rs. 1500 Lacs respectively.

together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies payable by the Company to IFCI and IDBI under the Loan Agreements entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the lenders, the documents for creating the aforesaid mortgages and/or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

By order of the Board
for Bhilwara Spinners Limited

Place : Noida (U.P.)
Date : 30th June, 1998

Shekhar Agarwal
Director



BHILWARA SPINNERS LIMITED

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The relevant Explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956, in regard to business set out in item no 6 is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 4th August, 1998 to 11th August, 1998 (both days inclusive)
4. The dividend if declared at the ensuing Annual General Meeting will be paid to those shareholders whose names will appear on the Company's Register of Members on 11th August, 1998.
5. Members are requested to :
 - (i) Quote their folio number in all correspondence with the Company.
 - (ii) Notify immediately to the Company any change in their address and their mandate, at the Head Office of the Company at Bhilwara Towers, A-12 Sector-1, Noida-201 301 (U.P.).
6. Members are requested to furnish if not already done so, the following details to facilitate payment of Dividend and to avoid the warrant falling into improper hands:
 - (i) Name and Complete address of their Bank where the warrant is proposed to be deposited.
 - (ii) Bank Account No.
7. Dividend declared by the Company for the financial year 1994-95, shall be, in terms of Section 205A(6) of the Companies Act, 1956, deposited with the Central Government after 10th November, 1998. Members are therefore requested to claim their unpaid dividend, if any, in respect of this financial year before 10th November, 1998.

ANNEXURE TO NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Company had been sanctioned Term Loans of Rs. 200 Lacs and Rs. 425 Lacs respectively from IFCI and Rs. 500 Lacs and Rs. 1500 Lacs respectively from IDBI for its various expansion/modernisation programmes and for various other purposes.

The above financial assistances are to be secured by mortgage/ hypothecation of the assets of the Company, both present and future.

Section 293(1)(a) of the Companies Act, 1956, provides inter alia that the Board of Directors of the Company shall not, without the consent of members of the Company in General Meeting, sell, lease or otherwise dispose off the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its assets as aforesaid in favour of IFCI and IDBI may be regarded as disposal of Company's properties/undertaking, it is necessary for the Company's members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of said mortgage/charge.

Copies of sanction letters received from the above lenders and copies of relevant documents/ correspondence are open for inspection at the Registered Office of the Company during the office hours on any working day prior to the date of meeting.

None of the Directors of the Company is interested in the resolution.

By order of the Board
for **Bhilwara Spinners Limited**

Place : Noida (U.P.)
Date : 30th June, 1998

Shekhar Agarwal
Director



PROXY FORM

BHILWARA SPINNERS LIMITED

Regd. Office : 26, Industrial Area, Bhilwara - 311 001, Rajasthan

Folio No.....

No. of share(s) held.....

I/We.....

of.....

being a member/members of Bhilwara Spinners Limited, hereby appoint.....

of..... failing him.....

of..... or failing him.....

of..... as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on Tuesday the 11th day of August, 1998 at 4.30 P.M. and at any adjournment thereof.

As WITNESS my/our hand/hands this..... 1998

Signed by the said.....

30 Paise
Revenue
Stamp

Address

Note : The Proxy must be deposited at the Registered Office of the Company at 26, Industrial Area, Bhilwara, Rajasthan, not less than forty eight hours before the time of holding the meeting. The Proxy need not be a member of the Company.

ATTENDANCE SLIP

BHILWARA SPINNERS LIMITED

Regd. Office : 26, Industrial Area, Bhilwara - 311 001, Rajasthan

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint shareholders may obtain additional attendance slips on request.

Name and address of the shareholders:

L.F. No.(s)

Number of shares held:

I hereby record my presence at the 17th Annual General Meeting of the Company held on Tuesday the 11th day of August, 1998 at 4.30 P.M. at the Registered Office at 26, Industrial Area, Bhilwara, Rajasthan.

*Strike out whichever is not applicable

Signature of the Shareholder / Proxy / Representative*

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GROUP HIGHLIGHTS

- ◆ India's largest producer and exporter of Polyester/Viscose yarn and Graphite Electrodes.
- ◆ Almost 39% of the Group's turnover comes from Exports alone.
- ◆ Winner of CAPEXIL-Top Export Award for Graphite Electrodes for the last 12 years in a row.
- ◆ Winner of SRTEPC Highest Export Award for Polyester / Viscose Yarn exports for consecutive 8 years.
- ◆ Maral Overseas Ltd., is the winner of TEXPROCIL Silver Trophy for the second highest Export Award in the 100% EOU/EPZ category.
- ◆ HEG's graphite electrodes plant is the largest in the whole of South Asia.
- ◆ MARAL is India's only fully integrated 100% EOU cotton knitwear unit with Spinning, knitting processing & garment making.
- ◆ The Group also enjoys prestigious foreign collaborations and technologies of several world leaders:
 - Hydro Quebec of Canada for Hydro Electric Power.
 - Motorola of USA for 'Public Mobile Radio Trunked Services' (PMRTS)
 - Melba Industries of Australia and De Witte Lietaer of Belgium for Specialised Automotive fabrics.
 - RSW International of Canada for Power Consultancy Services.
- ◆ Rajasthan Spinning & Weaving Mills Ltd. and Maral Overseas Ltd., are India's first composite textile and knitting textile units to get the coveted ISO-9002 certification. HEG Ltd., BSL Limited and Bhilwara Processors Ltd. also enjoy this certification.

GROUP SALIENT FEATURES

Sl. No.	Particulars	Rs. in Crores	
		1997-98	1996-97
1.	Turnover	1370	1202
2.	Exports	526	407
3.	PBIDT	250	202
4.	PBDT	150	117
5.	PBT	83	57
6.	PAT	77	51
7.	Gross Fixed Assets	1268	1070

BHILWARA SPINNERS LIMITED

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

Particulars	1995-96	1996-97	1997-98
Turnover	9129.94	10430.03	10579.52
Exports	1254.38	928.20	473.68

PBIDT	806.93	955.98	996.52
Interest	266.40	554.87	451.02
PBDT	540.53	401.11	545.50
Depreciation	189.45	250.85	255.43
Taxation	–	19.50	30.50
PAT	351.08	130.76	259.57

Net Worth	2407.71	2470.15	2623.87
Capital Expenditure	1054.72	31.10	1538.74

EPS (Rs.)	5.17	1.93	3.83
CEPS (Rs.)	7.97	5.62	7.59
Book Value (Rs.)	35.48	36.40	38.67



BOARD OF DIRECTORS

CHAIRMAN EMERITUS

Shri L.N. Jhunjunwala

CHAIRMAN

Shri Ravi Jhunjunwala

MANAGING DIRECTOR

Shri R.N. Gupta

DIRECTORS

Shri Shekhar Agarwal

Shri A.K. Ghose

Dr. P.K. Hari

Smt. S.P. Lavakare (Nominee-IFCI)

Shri Santosh Bagrodia

PRESIDENT

Shri D.L. Birla

AUDITORS

M/s K.S. Mehta & Co. New Delhi

REGISTERED OFFICE & WORKS

26, Industrial Area
Bhilwara, Rajasthan

HEAD OFFICE

Bhilwara Towers
A-12, Sector-1
Noida-201301 (U.P.)

BANKERS

State Bank of Bikaner & Jaipur
State Bank of Patiala
Bank of Baroda
The Bank of Rajasthan Ltd.

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