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ANNUAL REPORT 1999-2000
BSI LIMITED

BOARD OF DIRECTORS

SHRI YOGESH N. WADHWANA

Chairman & Managing Director

SHRI KIRAN N. WADHWANA

Jt. Managing Director

SHRI YATIN N. WADHWANA

Director

SHRI VIVEK VINAY SHAH

Director

SHRI VIPAN SARNA

Director

SECRETARY

SHRI HANS RAJ MUTREJA

AUDITORS

TARAPORE & COMPANY

COST AUDITORS

B.J.D. NANABHOY & COMPANY

SUBSIDIARIES

BSI SECURITIES INTERNATIONAL LTD.

BSI GLOBAL PTE. LTD.

BSI MAURITIUS LTD.

REGISTERED OFFICE

PLOT NO. 5,

ZONE-II, M. P. NAGAR

BHOPAL - 462011

MADHYA PRADESH

WORKS

GANESH MANDIR ROAD,

SEHORE - 466 003

MADHYA PRADESH



NOTICE

NOTICE is hereby given that the **FIFTY SIXTH ANNUAL GENERAL MEETING** of **BSI LIMITED** will be held on Thursday, the **14th December, 2000** at 1.00 P.M. at Hotel Surendra Vilas, M.P. Nagar, Zone-I, Bhopal, to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kiran N. Wadhwa, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Vivek Vinay Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass the following resolution as an Ordinary Resolution :-

"RESOLVED THAT M/s Tarapore and Company, Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting on such remuneration as may be decided between the Board of Directors and the said Auditors".

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT subject to the provisions of Section 198, 269, 310, 311 & Schedule XIII of the Companies Act, 1956 and other applicable provisions if any, the Company hereby approves the appointment of Shri Yogesh N. Wadhwa as the Chairman & Managing Director of the Company whose office would not liable to retire by rotation for the period of five years w.e.f. 1st July, 2000, on the following remuneration :

A) Salary :

Upto Rs. 76500/- per month

B) Commission :

On the net profits of the Company - upto 0.5%

C) Perquisites :

Classified into three categories A, B & C as detailed below :

Category 'A'

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees on club, staff salary, gas, electricity and water as per Income Tax rules and furniture hard & soft.

(i) Housing I :

The expenditure incurred by the Company on hiring unfurnished accommodation for the Chairman & Managing Director will be subject to the following :

Sixty percent of the salary, over and above ten percent payable by Chairman & Managing Director.

(ii) Housing II :

In case the accommodation is owned by the Company, ten percent of the salary of the Chairman & Managing Director shall be deducted by the Company.



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(iii) Housing III :

In case no accommodation is provided by the Company, Chairman & Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing-I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax rules 1962. This shall, however be subject to the ceiling of ten percent of the salary of the Chairman & Managing Director.

(ii) Medical reimbursement :

Expenses incurred for Chairman & Managing Director and the family subject to the ceiling of one month's salary in a year or three month's salary over a period of three years.

(iii) Leave travel Concession :

For Chairman & Managing Director and the family once in the year incurred in accordance with any rules specified by the Company.

(iv) Club Fees :

Fees of Clubs subject to a maximum of two clubs.

(v) Personal Accident Insurance :

Premium not to exceed Rs. 4000/- per annum.

Explanation :

For the purposes of this part 'family' means the spouse, the dependent children and the dependent parents of the Chairman & Managing Director.

Category 'B'

1. Contribution to the provident fund, Superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income tax Act, 1961. Gratuity not exceeding half a month's salary for each completed year of service.

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

Category 'C'

Provisions for cars for the use on Company's business and telephone at residence will not be considered as perquisites.

Minimum Remuneration

Notwithstanding anything herein, wherein any Financial Year, during the currency of tenure of Chairman & Managing Director of the Company has no profits or its profits are inadequate, the Company will pay to Chairman & Managing Director remuneration by way of salary and perquisites above as minimum Remuneration subject to the ceiling prescribed in Section II of part II of schedule XIII to the Companies Act, 1956."

"**RESOLVED THAT** the appointment made and a remuneration fixed by the Board of Directors of the Company be and is hereby approved confirmed and ratified."

6. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution :-

"**RESOLVED THAT** subject to the provisions of Section 198, 269, 310, 311 & Schedule XIII of the Companies Act, 1956 and other applicable provisions if any, the Company hereby approves the appointment of Shri Kiran N. Wadhwa as Jt. Managing Director of the Company for the period of five years w.e.f. 1st July, 2000, on the following remuneration :

A) Salary :

Upto Rs. 40000/- per month



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B) Commission :

On the net profits of the Company - upto 0.5%

C) Perquisites :

Classified into three categories A, B & C as detailed below :

Category 'A'

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees on club, staff salary, gas, electricity and water as per Income Tax rules and furniture hard & soft.

(i) Housing I :

The expenditure by the Company on hiring unfurnished accommodation for the Jt. Managing Director will be subject to the following :

Sixty percent of the salary, over and above ten percent payable by Jt. Managing Director.

(ii) Housing II :

In case the accommodation is owned by the Company, ten percent of the salary of the Jt. Managing Director shall be deducted by the Company.

(iii) Housing III :

In case no accommodation is provided by the Company, Jt. Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax rules 1962. This shall, however be subject to the ceiling of ten percent of the salary of the Jt. Managing Director.

(ii) Medical reimbursement :

Expenses incurred for Jt. Managing Director and the family subject to the ceiling of one month's salary in a year or three month's salary over a period of three years.

(iii) Leave travel Concession :

For Jt. Managing Director and the family once in the year incurred in accordance with any rules specified by the Company.

(iv) Club Fees :

Fees of Clubs subject to a maximum of two clubs.

(v) Personal Accident Insurance :

Premium not to exceed Rs. 4000/- per annum.

Explanation :

For the purposes of this part 'family' means the spouse, the dependent children and the dependent parents of the Jt. Managing Director.

Category 'B'

1. Contribution to the provident fund, Superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the income tax Act, 1961. Gratuity not exceeding half a months salary for each completed year of service.
2. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on



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the perquisites.

Category 'C'

Provisions for cars for the use on Company's business and telephone at residence will not be considered as perquisites.

Minimum Remuneration

Notwithstanding anything herein, where in any Financial Year, during the currency of tenure of Jt. Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to Jt. Managing Director remuneration by way of salary and perquisites above as minimum remuneration subject to the ceiling prescribed in Section II of part II of schedule XIII to the Companies Act, 1956."

"RESOLVED THAT the appointment made and a remuneration fixed by the Board of Directors of the Company be and is hereby approved confirmed and ratified."

BY ORDER OF THE BOARD

PLACE : BHOPAL
DATE : 31st October, 2000

HANS RAJ MUTREJA
COMPANY SECRETARY

NOTES :-

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(b) The relative Explanatory Statement pursuant to section 173 of the Companies Act, 1956, in respect of the Special Business is Annexed hereto.

(c) The Register of Members and the Share Transfer Books of the Company will remain closed from 1st December, 2000 to 14th December, 2000 (both days inclusive).

(d) Members are requested to immediately intimate the Registered Office of the Company about the changes if any in their Registered Addresses alongwith the pincode.

(e) Members holding shares of the Company under more than one ledger folio are requested to send to the Registered Office of the Company details of such folios together with the share Certificates for consolidating the folios. The Share Certificates shall be returned to the Shareholders after making the requisite endorsement.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956.

ITEM NOS. 5 & 6

Shri Yogesh N. Wadhwa and Shri Kiran N. Wadhwa were appointed as Chairman & Managing Director and Joint Managing Director of the Company for a period of 5 years with effect from 1st July, 1995 respectively. Their term of Appointment has ended on 30th June, 2000. In accordance with Schedule XIII of the Companies Act, 1956, the Board of Directors of the Company has re-appointed Shri Yogesh N. Wadhwa and Shri Kiran N. Wadhwa as Chairman & Managing Director and Joint Managing Director for a period of 5 years w.e.f. 1st July, 2000 respectively on the terms and conditions detailed in the Resolution.

The payment of remuneration to these Directors is subject to the approval of the Shareholders which is being sought.

Shri Yogesh N. Wadhwa, Shri Kiran N. Wadhwa and Shri Yatin N. Wadhwa may be deemed to be interested and concerned in these resolutions to the extent of Remuneration payable to the Chairman and Managing Director and the Jt. Managing Director in their Personal capacity / as a relative.

BY ORDER OF THE BOARD

Place : Bhopal
Date : 31st October, 2000

HANS RAJ MUTREJA
COMPANY SECRETARY



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DIRECTORS' REPORT

To

The Members
BSI LIMITED

Your Directors have pleasure in presenting the Fifty Sixth Annual Report alongwith Audited Accounts of the Company for the year ended 31st March, 2000.

1. FINANCIAL RESULTS

	1999-2000 Rs. in lacs	1998-99 Rs. in lacs
The profit/ (Loss) for the year before charging interest and depreciation	(304.05)	(1723.48)
Add thereto		
i) Interest	(404.01)	(588.04)
ii) Depreciation	(205.36)	(217.96)
Deduct therefrom		
Transfer from Revaluation Reserve	<u>2.42</u>	<u>4.39</u>
Net Profit/ (Loss)	(911.00)	(2525.09)
Add : Adjustments in respect of previous year's income	(7.48)	(115.95)
Add : Transfer from Special Reserve	5.52	7.53
Add : Balance brought forward from previous year	(4959.08)	(2325.57)
Balance Carried over to Balance Sheet	<u>(5867.24)</u>	<u>(4959.08)</u>

2. DIVIDEND

In view of the above position, the Directors are unable to recommend any dividend for the period under report.

3. OPERATIONS

In spite of sincere efforts put in by the management, the operational results of the Company are unfavourable during the year.

- SUGAR FACTORY WORKING

Your Directors have to report that the cane crushing operation for season 1999-2000 commenced on 7-12-99 and closed on 7-3-2000. Due to non availability and irregular supply of Sugarcane, factory was not operated in full capacity. The cultivators adopted the means of diverting sugarcane for making gur due to our inability to make sugarcane payment in time. However, we have crushed 89671.700 Mts of Sugarcane in the duration of 91 days. The total sugar produced during the season was 8935.6 MT as against 9363 MT of Sugar in the last season.

- SOLVENT EXTRACTION PLANT AND REFINERY

The Directors inform you that due to disparity in trade and shortage of funds, no processing of soya seeds in our plant took place during the Year.

- RESEARCH AND DEVELOPMENT FARM

The research farm continued to produce quality seeds for sugar cane and soya bean. When properly blended with outside purchases these help improve recoveries. However due to unfavourable agriculture conditions all of our efforts proved futile and we could not get the desired results.

- REAL ESTATE ACTIVITIES

The low cost housing scheme launched by BSI Realtors a partnership firm in which your Company is a major partner holding 95% of the Capital could not take off due to poor market condition of Real Estate activities. The market price of the properties continued to be adversely effected our real estate activities.



4. REFERENCE TO BIFR

As already informed the Company had submitted its Rehabilitation Proposal with the operating agency, which was considered in joint Meeting of the Banks/Financial Institutions on 22nd February, 2000 by the BIFR in its meeting held on 24th February, 2000. The BIFR by its order dated 27th April, 2000 had inter-alia directed that the Rehabilitation Proposal submitted by the Company not being as per RBI parameters the Operating Agency should issue an advertisement for the Change of Management inviting offers for takeover, amalgamation/leasing for the revival of the Company with or without settlement of the dues of Financial Institutions/Banks. The Company had also been given the opportunity to submit its proposal. The Operating Agency has published an advertisement in the local and national newspapers accordingly. The Company has submitted its proposal with the Operating Agency on 26th July, 2000 which is pending for consideration.

5. SUBSIDIARY

The Annual Report of the subsidiary Company viz BSI Securities International Ltd. is annexed to the Balance Sheet of the Company in accordance with the provision of Section 212 of the Companies Act, 1956. However, inspite of our best efforts, it has not been possible for the other subsidiary companies viz. BSI Global Pte. Ltd. and BSI Mauritius Ltd. to finalise their Annual Accounts for the year ended on 30.06.1999 and 31.03.2000 respectively. Hence the copies of Balance Sheet and Profit & Loss Account for the respective years have not been attached with the Annual Accounts of the Company. The same shall be circulated to the Members of the Company as soon as their Accounts are finalised and become available to the Company.

6. FIXED DEPOSITS

The total Fixed Deposits of the Company stood at Rs. 249.09 Lacs as on 31st March, 2000. There were no overdue deposits other than unclaimed deposits amounting to Rs. 249.09 Lacs.

7. INDUSTRIAL RELATIONS

Industrial Relations in all the units continued to remain cordial throughout the year. Some problems have however arisen due to severe financial crunch. The Directors express their sincere appreciation of the valuable services rendered by the workers, staff and Executives of the Company.

8. DIRECTORS

Shri Kiran N. Wadhwa is due to retire by rotation and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

Shri Vivek Vinay Shah is due to retire by rotation and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

The terms of Sarvashri Yogesh N. Wadhwa and Kiran N. Wadhwa as Chairman and Managing Director and Joint Managing Director respectively expired on 30th June, 2000. The Board had re-appointed them for a period of 5 years subject to your approval.

9. AUDITORS

M/s Tarapore & Company, the Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, they have offered themselves for re-appointment.

A certificate under Section 224 (1B) of the Companies Act, 1956 has been obtained from the Auditors.

The observations in the Auditors Report are dealt with in Notes to Accounts at appropriate places and being self-explanatory need no further explanation.

10. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

The particulars of conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo as required to be given in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in the annexure attached.



11. PARTICULARS OF EMPLOYEES

The particulars of employees as required to be given under Section 217(2A) of the Companies Act, 1956 are given in the annexure hereto and form part of the Report

12. LISTING FEES

The Shares of the Company are listed on M.P. Stock Exchange-Indore and Mumbai Stock Exchange-Mumbai. The listing fees is paid upto 2000-2001

13. ACKNOWLEDGEMENTS

Your Directors wish to place on record their whole-hearted co-operation received from the Bankers, Financial Institutions, Central and State Government Authorities during the year under review and we look forward to their continued support in the future also.

ON BEHALF OF THE BOARD

PLACE : BHOPAL
DATED : 31st October, 2000

YOGESH N. WADHWANA
CHAIRMAN AND MANAGING DIRECTOR

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ANNEXURE "A" TO THE DIRECTORS REPORT

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	SUGAR DIVISION		SOYA DIVISION	
	CURRENT YEAR 1999-2000	PREVIOUS YEAR 1998-99	CURRENT YEAR 1999-2000	PREVIOUS YEAR 1998-99
(A) POWER AND FUEL CONSUMPTION				
1. ELECTRICITY				
Unit KWH	2,71,002	2,41,179	-	3,23,402
Total Amount (Rs.)	1,921,655	1,596,477	-	2,953,157
Rate/Unit (Rs.)	7.09	6.62	-	9.13
(b) OWN GENERATION				
(i) Through diesel Generator Units	Nil	Nil	Nil	Nil
Units Per Ltr. of Diesel Oil				
Cost/ Unit (Rs.)				
(ii) Through Steam Turbine/Generator	2,418,110	2,882,710	Nil	Nil
Unit KWH				
Units per K.G. of bagasse				
2. COAL	Nil	Nil	Nil	Nil
Steam Coal used in Boiler				
Qty. (Tonnes)				
Total Cost (Rs.)				
Average Rate (Rs.)				
3. FURNACE OIL Qty. (Tonnes)	Nil	Nil	Nil	Nil
Total Cost				
Average Rate (Rs.)				
4. KEROSENE OIL	Nil	Nil	Nil	Nil
Qty. (K. Ltrs)				
Total Cost (Rs.)				
Average Rate (Rs.)				
5. DIESEL	Nil	Nil	Nil	Nil
Quantity (K. Ltrs)				
Total Cost (Rs.)				
Average Rate (Rs.)				
6. FIREWOOD				
Quantity (M.T)	249.30	691.00	Nil	Nil
Total Cost (Rs.)	5,23,541.00	1,347,450.00		
Average Rate (Rs.)	2,100.04	1,950.00		
7. OTHER / INTERNAL GENERATION				
Steam used for driving prime movers & used in process	Nil	Nil	Nil	Nil
Quantity Bagasse (M.T)	29,896.59	37,614.00	Nil	Nil
Total Cost (Rs.)				
Average Rate/Unit (Rs.)				
8. CONSUMPTION PER UNIT PRODUCTION				
Products (With details)				
Sugar (M.T.)	8,936.00	9,363.00	Nil	Nil
Electricity (Units)	300.93	333.64	Nil	Nil
Furnace Oil (Ltrs)	Nil	Nil	Nil	Nil
Kerosene Oil (Ltrs)	Nil	Nil	Nil	Nil
Diesel (Ltrs)	Nil	Nil	Nil	Nil
Coal (M.T)	Nil	Nil	Nil	Nil
Others :				
(a) Firewood (M.T)	0.03	0.07	Nil	Nil
(b) Bagasse (M.T)	3.35	4.02	Nil	Nil