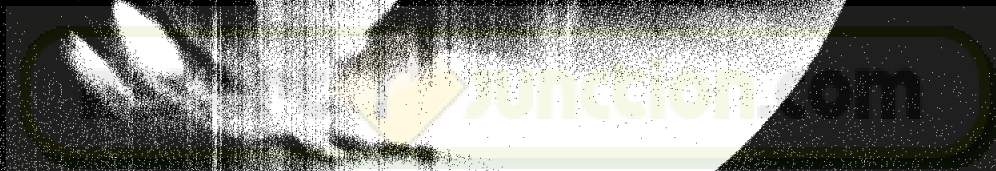


Annual Report 2001-2002

Commitment lives • Quality stays • Expansion proves



BSL Limited

***"To me Bhilwara Group is not a business house,  
I see it as an institution that is committed to seeking excellence"***  
***L. N. Jhunjhunwala, Chairman-Emeritus.***

The LNJ Bhilwara Group follows the belief of creating modern, stable and successful companies that benefit all its stakeholders and begets their prosperity.

For decades, the Group has been concentrating all its resources to bring greater enrichment in product designing, creativity, innovation and work practices, with continuous ethos of quality & excellence. Realizing the need for worldwide integration, the Group's activities have been centered on quality, efficiency, customer satisfaction and sharing of ideas of people of all levels and going to great lengths to achieve them.

To bring the fruits of its philosophy to a greater number of people, it has taken up the task of continuing to identify new focus areas that will drive the growth of the group in the years to come.



## GROUP SALIENT FEATURES

The LNJ Bhilwara Group, founded by Mr. L.N. Jhunjhunwala, is a business group with a global presence. It actively seeks growth and profitability by investing in a variety of systematically identified businesses making it a multi-product conglomerate with interests in a range of industries such as textiles, graphite electrodes, power generation, sponge iron, information technology and IT enabled services.

The Group started its operations in 1961 and more than 4 decades later, it has risen to become one of the largest business firms in the Indian federation, with over 20,000 employees and production units positioned at strategic locations across the country. Following the success of their earlier Hydro Electric Power Project - the 15 MW at Tawa Nagar (M.P) in early 1997, the group has recently commissioned, in July, 2001, India's first hydroelectric IPP 86 MW Malana Power Project in a record time of 30 months at Kullu (H.P).

Sensing the trend of greater integration in global economy it embarked on a strategy of its businesses abroad. It is no wonder hence that the export earnings has comprised as much as 46% of the group's turnover of Rs.1682 crores during 2001-2002.

The Group launched an innovative range of Flame Retardant, Lycra, Polynosic, Viloft and Tencel yarns & fabrics. In recent times, it has emerged as the leading supplier of specialised Automotive fabrics to all key automobile companies in India. The Group has been servicing world class customers and leading several global brands and for their knitted garments.

The domestic brands, Mayur Suitings, BSL Suitings, La Italia Fashions and Buddy Davis Leisurewears have a long and prosperous association in India.

Fulfilling its promise of giving its customers the highest level of quality and world-class products has led to the Group receiving coveted top export awards in different fields for several years in a row. Seven Group companies have also been awarded ISO certification for their continuous exemplary quality services.

***It is evident that the Group's forte lies in finding new challenges for growth and identifying key operational improvements to maximise results.***

## GROUP FINANCIAL HIGHLIGHTS

(Rs. in Crores)

PARTICULARS	2000-2001	2001-2002
Turnover	1671	1682
Export Sales	750	767
PBIDT	271	272
PBDT	167	158
PBT	71	50
PAT	69	41
Gross Fixed Assets	1768	1899
Net Worth	851	695*

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\* Net worth has declined due to deferred tax liability fund of Rs. 141 crores, created out of net worth.





## FINANCIAL HIGHLIGHTS

(Rs. in Crores)

PARTICULARS	1999-2000	2000-2001	2001-2002
Turnover	150.78	161.51	151.49
Exports	45.10	51.14	52.96
P B I D T	25.89	25.73	20.38
Interest	10.93	10.22	9.24
Depreciation	9.60	9.25	9.66
Taxation	0.50	0.43	0.48
PAT (Before Extra Ordinary item)	4.86	5.83	1.00
Gross Block	113.74	113.70	124.41
Less : Depreciation	51.38	54.97	60.09
Net Block	62.36	58.73	64.32
Net Worth	50.68	52.31	40.69

**BSL LIMITED**

<b>BOARD OF DIRECTORS</b> Shri A.K. Churiwal, Chairman & Managing Director Shri Ravi Jhunhunwala Shri Shekhar Agarwal Shri O.P. Sodhani Shri Ritesh Kumar (Nominee-ICICI) Shri R.P. Khaitan Shri Sushil Jhunhunwala Shri R.N.Gupta Shri Riju Jhunhunwala Shri B.D. Mundhra (w.e.f. 24.07.2002) Shri Nivedan Churiwal, Executive Director	<b>COMPANY SECRETARY</b> Shri Praveen Jain  <b>BANKERS</b> The Bank of Rajasthan Limited Oriental Bank of Commerce Bank of Baroda State Bank of India  <b>AUDITORS</b> M/s A.L. Chechani & Co., Chartered Accountants Bhilwara (Rajasthan)
<b>PRESIDENT</b> Shri M.D.Gagrani	<b>REGISTERED OFFICE</b> 26, Industrial Area Post Box No.17, Gandhi Nagar, Bhilwara-311 001, (Rajasthan)
<b>KEY EXECUTIVES</b> Shri R.K. Garg, Vice President (Synthetic-Marketing) Shri P. Maheshwari, Vice President (Finance) Shri M.C. Maheshwari, Vice President (Exports) Shri Basant Kala, Vice President (Works)	



## DIRECTORS' REPORT

### To The Members,

The Board of Directors have pleasure to present the 31st Annual Report and Statement of Accounts for the year ended 31st March, 2002.

### 1. FINANCIAL RESULTS

(Rs. in Crores)

Item	This Year	Previous Year
Total Turnover – a) Domestic	98.53	110.37
– b) Exports	52.96	51.14
Profit before Interest and Depreciation	20.38	25.73
Less : Interest(Net)	9.24	10.22
Profit before Depreciation	11.14	15.51
Less : Depreciation	9.66	9.25
Profit before Income Tax	1.48	6.26
Provision for Income Tax	0.08	0.43
Provision for deferred Tax	0.40	–
Profit after Tax and before Extra Ordinary Item	1.00	5.83
Less : Extra Ordinary Item - Diminution in value of investment	1.27	–
Net Profit / (Loss) after Extra Ordinary Item	(0.27)	5.83

### 2. OPERATIONS

The divisionwise sales performance is as under:-

Value (Rs. in Crores)

	This Year Qty.	This Year Value	Previous Year Qty.	Previous Year Value
(a) <b>Fabrics</b> (Lac Mtrs.)				
– Domestic	76.91	89.53	85.64	97.77
– Exports	38.95	50.48	36.27	46.22
Total	115.86	140.01	121.91	143.99
(b) <b>Yarn</b> (Tons)				
– Domestic	198	6.34	309	10.52
– Exports	46	2.01	138	4.90
Total	244	8.35	447	15.42

	This Year Qty.	This Year Value	Previous Year Qty.	Previous Year Value
(c) <b>Readymade Garments</b> (No. of Pieces)				
– Domestic	54316	2.48	44608	2.04
– Exports	16409	0.47	912	0.03
Total	70725	2.95	45520	2.07
(d) <b>Others</b>	–	0.18	–	0.03
		151.49		161.51

### 3. INDUSTRY SCENARIO

The overall outlook for textiles business remains bearish due to excess supply position and intense price competition. The market for branded fabrics is affected by huge over capacity, commoditisation of suiting & preference for readymade garments. The competition from unorganised sectors and smaller brand is also causing pressure on price realisation.

### 4. OUTLOOK FOR COMPANY'S ACTIVITIES

#### A) Fabrics

##### Domestic

The turnover and profitability in domestic fabric business was severely affected due to intense competition within branded sector and from unorganised sector. The company has taken measures to arrest the situation by following measures:

- 1) Aggressive brand promotion.
- 2) Strengthening distribution network.
- 3) Creating a new brand for high value fabrics of finer counts in the name of "Geoffrey Hammonds".

##### Exports

The fabric exports witnessed 9.22% growth during 2001-2002. The company further plans to increase exports by exploring new markets.

During current year, new markets in some African Countries were identified and the response is quite encouraging. Company has also explored new market in USA for fabrics and Worsted Yarn. The Export turnover during this year to USA was also satisfactory.



However in the Latin American Countries, Company suffered some setback due to debacle of Argentina. Company is focusing to regain its share by identifying new countries in this region like Mexico, Peru, Uruguay.

## B) Readymade Garments

Company has started its readymade garments division in the year 2000 and the products like Trousers, Shirts and other men's accessories are being sold under "La-Italia" and "Geoffrey Hammonds" brands. The market response to these brands is quite satisfactory. Company is concentrating for improving the market share of these brands in the near future.

## 5. INSTALLATION OF CAPTIVE POWER GENERATION PLANT

During the year, company imported 3.10 MW Captive Power Generation plant from Finland based on furnace oil. After installation of the same, Company's power cost will be reduced and losses due to frequent power cuts shall also be eliminated. The power plant has commissioned and commenced generation w.e.f 5<sup>th</sup> April, 2002.

## 6. DIVIDEND

The Directors recommend dividend @ 10% on Equity shares of the Company.

## 7. AUDIT COMMITTEE

The Company has constituted an Audit Committee as per Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000. The Audit Committee shall cover the areas provided for in the Companies Act, 1956 as amended and also any matter referred to it by the Board. Shri O.P. Sodhani has been elected as Chairman of the Audit Committee. Shri Ravi Jhunhunwala and Shri R.N. Gupta are other members of the Committee.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors Confirm :-

- i) That in the preparation of the Annual accounts, the applicable accounting standards have been followed, along-with proper explanation relating to material departures;

- ii) That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That they have prepared the Annual Accounts on a going concern basis.

## 9. SUBSIDIARY COMPANY

During the year under review, BSL Wulfling Limited, subsidiary of your Company which was working as an 100% EOU unit, was debonded into DTA unit consequent to fulfilment of its export obligations. The operations of the unit were also discontinued and major Plant & Machinery were disposed off during the year. The accounting year of the unit was also changed from 30<sup>th</sup> September to 31<sup>st</sup> March therefore the current figures of the Company are for 18 months. The audited statements of accounts alongwith the Directors & Auditors Report are enclosed.

## 10. PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956:

### (a) Energy Conservation, Technology Absorption, Foreign Exchange Earning & Outgo

As required by Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, the relevant data pertaining to Conservation of Energy and Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure-I of this report.

### (b) Particulars of Employees

There was no employee who was in receipt of remuneration in excess of ceiling prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.



### 11. INTERNAL CONTROL SYSTEMS

The company has adequate Internal Control Systems through Internal and Management Audit of all the units of the Company regularly conducted by independent auditors.

### 12. HUMAN RESOURCE DEVELOPMENT

The company employs about 2000 personnel at its plant and offices situated elsewhere. Company's relations with the employees and workers at all levels have been cordial. Company has a full-fledged HRD department at its works. Regular orientation and development courses for various disciplines are conducted by in-house as well as outside experts. The company endeavours to care for all its employees by providing medical and welfare facilities way beyond any statutory requirements.

### 13. DIRECTORS

- a) Shri Shekhar Agarwal has been co-opted as additional Director and holds office till the conclusion of forthcoming Annual General Meeting and eligible for reappointment.
- b) Shri Riju Jhunjhunwala has been co-opted as additional director and holds office till the conclusion of forthcoming Annual General Meeting and eligible for reappointment.
- c) GIC has nominated Shri A.V. Purushothaman as its Nominee Director on the Board of the

Company in place of shri R. Vishwanathan. During the year, GIC also withdrawn the nomination of Shri A.V. Purushothaman. The Board expresses its gratitude to Shri R. Vishwanathan and Shri A.V. Purushthaman for the valuable contribution made by them during the tenure of their office as Directors.

- d) Shri O.P. Sodhani, Shri R.P. Khaitan and Shri Sushil Jhunjhunwala retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

### 14. AUDITORS

M/s A.L. Chechani & Company will cease to hold office as Auditors of the Company in the ensuing Annual General Meeting, and are eligible for reappointment.

### 15. APPRECIATION

The Board records its grateful appreciation for the sincere co-operation and valuable guidance from Financial Institutions, Banks and Central and State Government Authorities.

For and on behalf of the Board of Directors

Place : Noida

Date : 23<sup>rd</sup> May, 2002

(A.K. Churiwal)  
Chairman &  
Managing Director

Report Junction.com





## निदेशकों का प्रतिवेदन

### सदस्यगण,

निदेशक मंडल आपके समक्ष 31वीं वार्षिक रिपोर्ट एवं 31 मार्च, 2002 को समाप्त हुए वर्ष का लेखा विवरण सहर्ष प्रस्तुत कर रहे हैं।

### 1. वित्तीय परिणाम

(रुपये करोड़ में)

मद	इस वर्ष	गत वर्ष
कुल बिक्री — घरेलू	98.53	110.37
— निर्यात	52.96	51.14
व्याज व मूल्यह्रास पूर्व लाभ	20.38	25.73
घटाया : शुद्ध व्याज	9.24	10.22
मूल्यह्रास पूर्व लाभ	11.14	15.51
घटाया : मूल्यह्रास	9.66	9.25
आयकर पूर्व लाभ	1.48	6.26
आयकर हेतु प्रावधान	0.08	0.43
स्थगित कर हेतु प्रावधान	0.40	—
कर पश्चात् एवं असाधारण मद		
पूर्व लाभ	1.00	5.83
घटाया: असाधारण मद—		
विनियोग के मूल्य में कमी	1.27	—
असाधारण मद पश्चात्		
शुद्ध लाभ/(हानि)	(0.27)	5.83

### 2. संचालन

विभागानुसार विक्रय की स्थिति इस प्रकार है:-

मूल्य (रुपये करोड़ में)

मद	इस वर्ष	गत वर्ष
	परिमाण	परिमाण
	मूल्य	मूल्य
(अ) वस्त्र (लाख मीटर में)		
घरेलू	76.91	85.64
निर्यात	38.95	36.27
कुल	115.86	121.91
(ब) धागा (टनों में)		
घरेलू	198	309
निर्यात	46	138
कुल	244	447

मद	इस वर्ष	गत वर्ष
	परिमाण	परिमाण
	मूल्य	मूल्य
(स) पोषाक (संख्या)		
घरेलू	54316	44608
निर्यात	16409	912
कुल	70725	45520
(द) अन्य	—	—
	151.49	161.51

### 3. औद्योगिक वातावरण

वस्त्र उद्योग अधिक आपूर्ति एवं मूल्य स्पर्धा से प्रभावित रहा। ब्रांडेड वस्त्र बाजार अत्यधिक उत्पाद क्षमता से प्रभावित है। असंगठित क्षेत्र की अधिक उत्पाद क्षमता से भी घरेलू व निर्यात बाजार में प्रति इकाई मूल्य पर प्रतिकूल असर पड़ा है।

### 4. कम्पनी की गतिविधियों पर दृष्टिकोण

#### (अ) वस्त्र :

**घरेलू**—बाजार की कठिन परिस्थितियों की चुनौती का सामना करने के लिये निम्न उपाय किये जा रहे हैं—

1. ब्रांड की पहचान बढ़ाने के लिए और अधिक प्रयास।
2. वितरण प्रणाली में सुदृढ़ता।
3. महीन कीमती कपड़ों के लिये “ज्येफ्री हैमण्ड्स” नामक नई ब्राण्ड का निर्माण।

**निर्यात**—वर्ष 2001-02 में वस्त्र निर्यात में 9.22% की वृद्धि हुई। कम्पनी की नये निर्यात बाजारों में प्रवेश कर निर्यात बढ़ाने की योजना है। इस वर्ष कम्पनी ने कुछ अफ्रीकन देशों में निर्यात आरम्भ किया जो संतोषप्रद रहा। लेटिन अमेरिकी देशों, विशेषतः अर्जेन्टाइना में आर्थिक कारणों की वजह से निर्यात प्रयासों में बाधा पहुँची। कम्पनी मेक्सीको, पेरु एवं उरुग्वे जैसे नये बाजारों में निर्यात के लिये प्रयासरत है।

(ब) पोषाक - पोषाक विभाग का आरम्भ वर्ष 2000 में किया गया था जिसके उत्पाद पेन्ट, शर्ट इत्यादि का विक्रय “ला-ईटालिया” व “ज्येफ्री हैमण्ड्स” ब्राण्ड के नाम किया जा रहा है। बाजार अनुभव संतोषप्रद हैं। इस दिशा में प्रगति के प्रति कम्पनी आशान्वित है।

### 5. विद्युत उत्पादन संयंत्र की स्थापना

वर्ष के दौरान, कम्पनी ने 3.10MW का स्वयं के उपभोग हेतु विद्युत उत्पादन संयंत्र का फिनलेन्ड से आयात किया जो भारी फर्नेस तेल से संचालित होगा। इससे विद्युत लागत में कमी होगी। विद्युत उत्पादन संयंत्र से 5 अप्रैल, 2002 को विद्युत उत्पादन प्रारम्भ हो गया है।

### 6. लाभांश

निदेशक मंडल साधारण अंशो पर 10 प्रतिशत लाभांश घोषित करने की अनुशंसा करता है।



## 7. अंकेक्षण समिति

कम्पनी ने कम्पनी अधिनियम 1956 एवम् कम्पनी (संशोधित) अधिनियम 2000 के तहत अंकेक्षण समिति का गठन किया। यह समिति संशोधित कम्पनी अधिनियम 1956 में सुझाये गये क्षेत्रों तथा अन्य कोई भी कार्य जो कि निदेशक मंडल द्वारा सौंपा जायेगा, के अनुसार कार्य करेगी। श्री ओ.पी. सोढ़ाणी समिति के अध्यक्ष एवम् श्री रवि झुंझुनवाला एवम् श्री आर. एन. गुप्ता समिति के सदस्य हैं।

## 8. निदेशकों के उत्तरदायित्व का वर्णन

आपके निदेशक सुनिश्चित करते हैं:-

- कि वार्षिक खातों की तैयारी में यथोचित लेखांकन सिद्धान्तों का पालन किया गया है, साथ ही महत्वपूर्ण विचलनों की दशा में उपयुक्त स्पष्टीकरण भी दिये हैं।
- कि निदेशकों ने ऐसी लेखांकन नीतियों का चयन कर उन पर लगातार अमल किया और उपयुक्त निर्णय और अनुमान लगाये, जो कि कम्पनी के वित्तीय वर्ष की समाप्ति पर स्थिति विवरण व वर्ष भर के लाभ हानि की स्थिति को सत्य व संतोषजनक रूप में दर्शाते हैं।
- कि निदेशकों ने कम्पनी की सम्पत्तियों की सुरक्षा और धोखाधड़ी एवं अनियमितता की जाँच व रोक से सम्बन्ध में कम्पनी अधिनियम में वर्णित नियमों का पालन करते हुए योग्य लेखांकन पुस्तकों के रखरखाव के लिये यथोचित व पर्याप्त सावधानी का पालन किया।
- कि निदेशकों ने वार्षिक खाते, व्यवसाय की निरन्तरता के सिद्धान्त को ध्यान में रखते हुए तैयार किये।

## 9. सहायक कम्पनी

इस वर्ष के दौरान आपकी कम्पनी की सहायक कम्पनी, बी एस एल उल्फिंग लिमिटेड जो कि 100% निर्यातमुखी ईकाई के रूप में कार्यरत थी, को निर्यात बंधन पूरा होने के कारण घरेलू शुल्क सूची क्षेत्र की ईकाई के रूप में मान्यता मिल गई हैं। कम्पनी का उत्पादन बन्द हो गया है एवं सभी मुख्य संयंत्र एवं मशीनें बेच दी गई हैं। कम्पनी का वित्तीय वर्ष जो 30 सितम्बर को समाप्त होता था को बदलकर 31 मार्च कर दिया गया है। जिससे इस वर्ष के वित्तीय परिणाम 18 महीने के हैं। कम्पनी का 31 मार्च, 2002 को समाप्त हुए वित्तीय वर्ष का अंकेक्षित विवरण संलग्न है।

## 10. कम्पनी अधिनियम 1956 की धारा 217 का विवरण

### (अ) ऊर्जा, संरक्षण, तकनीक समावेशन एवम् विदेशी मुद्रा आय व्यय:-

कम्पनी अधिनियम के तहत ऊर्जा संरक्षण, तकनीक समावेशन एवम् विदेशी मुद्रा आय-व्यय का विवरण इस प्रतिवेदन की परिशिष्ट-I में दर्शाया गया है।

### (ब) कर्मचारियों का विवरण

कम्पनी अधिनियम 1956 की धारा 217(2ए) के अनुसार

वर्ष के दौरान किसी भी कर्मचारी एवं श्रमिक ने धारा में उल्लेखित पारिश्रमिक से अधिक का भुगतान प्राप्त नहीं किया है।

## 11. आन्तरिक नियन्त्रण पद्धति

कम्पनी के पास योग्य आन्तरिक नियन्त्रण पद्धति है जिससे आन्तरिक एवं प्रबन्ध अंकेक्षण, असम्बन्ध अंकेक्षक द्वारा नियमित रूप से किया जाता है।

## 12. मानव संसाधन विकास

आपकी कम्पनी में कार्यरत सभी लगभग 2000 कर्मचारियों व श्रमिकों से सभी स्तर पर सौहार्दपूर्ण सम्बन्ध रहा है। कम्पनी में मानव संसाधन विकास विभाग कार्यरत है जो निरन्तर विभिन्न विकास कार्यक्रम स्वयं द्वारा व बाहर के विशेषज्ञों द्वारा संचालित करवाता है। कम्पनी वैधानिक बंधनों के परे भी अपने सभी कर्मचारियों को चिकित्सा व मानवीय सुविधा उपलब्ध करने का मुख्य लक्ष्य रखती है।

## 13. निदेशक

- श्री शेखर अग्रवाल अतिरिक्त निदेशक मनोनीत किये गये हैं एवम् आगामी वार्षिक साधारण सभा में अवकाश ग्रहण करेंगे व पुनः नियुक्ति के योग्य हैं।
- श्री रिजु झुंझुनवाला अतिरिक्त निदेशक मनोनीत किये गये हैं एवम् आगामी वार्षिक साधारण सभा में अवकाश ग्रहण करेंगे व पुनः नियुक्ति के योग्य हैं।
- भारतीय साधारण बीमा निगम ने श्री आर. विश्वनाथन के स्थान पर श्री ए.वी. पुरुषोत्तमन को मनोनीत किया था एवम् बाद में श्री ए.वी. पुरुषोत्तमन का मनोनयन भी हटा लिया गया। निदेशक मंडल श्री विश्वनाथन एवं श्री पुरुषोत्तमन की सेवाओं के लिये आधार व्यक्त करता हैं।
- श्री ओ.पी. सोढ़ाणी, श्री आर.पी. खेतान एवं श्री सुशील झुंझुनवाला आगामी वार्षिक साधारण सभा में क्रमानुसार अवकाश ग्रहण कर रहे हैं व पुनः नियुक्ति के योग्य हैं।

## 14. अंकेक्षक

सर्व श्री ए.एल. चेचाणी एण्ड कम्पनी आगामी वार्षिक साधारण सभा में अवकाश ग्रहण करेंगे व पुनः नियुक्ति के योग्य हैं।

## 15. आधार प्रदर्शन

निदेशक मंडल वित्तीय संस्थाओं, बैंको, केन्द्रीय व राज्य सरकारों के विभिन्न विभागों के प्रति सहयोग व मार्गदर्शन हेतु आधार व कृतज्ञता व्यक्त करता है।

निदेशक मंडल की ओर से

स्थान : नोएडा  
दिनांक : 23 मई, 2002

अरुण कुमार चूड़ीवाल  
अध्यक्ष व प्रबन्ध निदेशक