



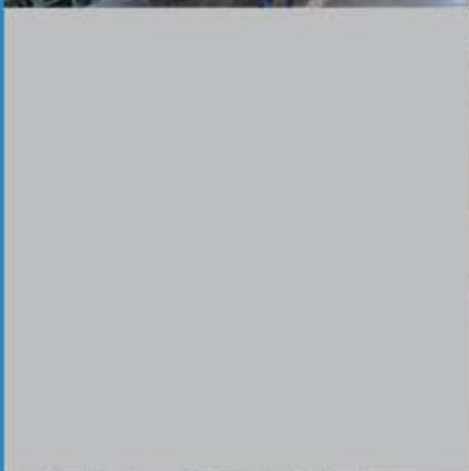
THE SPIRIT OF CHALLENGE

BSL LIMITED | ANNUAL REPORT 2012-13



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Arun Churiwal	Chairman & Managing Director
Ravi Jhunjhunwala	Director
Shekhar Agarwal	Director
Salil Bhandari	Director
Sushil Jhunjhunwala	Director
A. N. Choudhary	Director
M. K. Doogar	Director
Nivedan Churiwal	Executive Director

ADVISOR

R. N. Gupta

BUSINESS HEAD

J. C. Soni

CFO & COMPANY SECRETARY

Praveen Jain

KEY EXECUTIVES

M. C. Maheshwari	Vice – President (Export Marketing)
S. Sen Gupta	Vice – President (Spinning)
A. K. Mehta	Vice – President (Processing & Furnishing)
R. K. Katyal	Vice – President (Weaving) (w.e.f. 23/05/2013)

BANKERS

State Bank of India
Oriental Bank of Commerce
IDBI Bank Ltd.
Union Bank of India
State Bank of Bikaner & Jaipur

AUDITORS

M/s A. L. Chechani & Co.

REGISTERED OFFICE

26, Industrial Area, Post Box No. 17,
Gandhi Nagar, Bhilwara – 311 001 (Rajasthan)

WORKS

Mandpam, Distt. Bhilwara–311001 (Rajasthan)

WIND ENERGY PLANT

Village Gorera, Jaisalmer – 345001 (Rajasthan)
Village Ola, Jaisalmer – 345001 (Rajasthan)

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

(₹ in Crore)

PARTICULARS	2010-11	2011-12	2012-13
Turnover	271.78	305.53	295.93
Exports	155.83	169.43	161.53
PBIDT	35.53	32.99	33.10
Financial Expenses	13.32	18.60	18.15
PBDT	22.21	14.39	14.95
Depreciation & Amortisation Expense	12.70	13.75	14.68
PBT	9.51	0.64	0.27
Taxation	3.85	0.51	(0.08)
PAT	5.66	0.13	0.35
Gross Block	281.77	298.15	311.12
Less : Depreciation	168.85	180.30	192.49
Net Block	112.92	117.85	118.63
Net Worth	63.15	61.77	63.61

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURES & DEVELOPMENTS :

Indian Textile Industry is one of the leading textile industries in the world. Though was predominantly unorganized industry even a few years back, but the scenario started changing after the economic liberalization of Indian economy. The opening up of economy gave the much needed thrust to the Indian textile industry, which has now successfully become one of the largest in the world.

The Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation, and the export earnings of the country. The sector contributes about 14 percent to industrial production, 4 percent to the gross domestic product (GDP), and 17 percent to the country's export earnings. It provides direct employment to over 35 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 percent to 8 percent and reach US \$ 80 billion by 2020.

OPPORTUNITIES:

Indian textiles industry is a well-established with showing strong features and a bright future. In fact, the country is the second biggest textiles manufacturer worldwide, right after China. The textile manufacturing business is a pioneer activity in the Indian manufacturing sector and it has a prime importance in the economic life of the country. Indians have well understood the importance of staying one step ahead of developments in the world economic environment. The industry is now preparing itself to take share of opportunities expected to arise out of the market freed from quota restrictions and other trade barriers.

Industry operators are increasingly moving towards modernisation and expansion as encouraged by the so-designated Textile Strategies and policies which are mainly targeted towards expansion and modernisation leaving more space to domestic players.

THREATS & OUTLOOK:

After the Global recession the world economies are now coming out of the recession but the business environment is very challenging, as customers are cutting down on inventory level & making pricing competitive. Highly fluctuating Rupee value and Raw Material Prices of Polyester Viscose and Wool are putting continuous challenges.

The outlook for textile industry is very optimistic. It is expected that Indian textile industry would continue to grow at an impressive rate.

PRODUCT & PERFORMANCE :

BSL is one of the leading manufacturers of Fashion Fabrics and Yarns in India. The Company produces a wide range of polyester viscose fabrics and premium range of Worsted suitings, including Cashmere, Mohair, Angora and Camelhair blends. For the production of special furnishing fabrics, the company uses imported Silk material.

To improve the operational and financial performance, the company has:

- Implemented various energy-saving initiatives.
- Introduced new, high-value fabric collections in the market.
- Appointed designer from Europe for helping in introducing new designs for all segment & quality improvement.

The Product wise performance during the year is as under :

(₹ In Crore)

Particulars		This Year		Previous Year	
		Qty.	Value	Qty.	Value
a)	Fabrics (Lac Mtrs.)	146.12	216.49	155.80	232.40
b)	Yarn (MT)	3103.67	61.66	2892.15	56.54
c)	Readymade Garments (No. of Pcs.)	19756	0.85	34318	0.91
d)	Wind Power (Lac Units)	28.41	1.11	30.59	1.18
e)	Job Work		11.37		11.65
f)	Others: Export Incentives		4.45		2.85
	Grand Total		295.93		305.53

CODE OF CONDUCT :

BSL LIMITED is committed to maintain sound standards of Business Conduct as framed in terms of Clause 49 of the listing agreement with the stock exchanges. The Code is applicable to all the members of senior management of the Company who are members of its core management team.

RISK AND CONCERNS

The Company continuously monitors and revisits the risks associated with its business. It has institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically.

Your company has identified the following aspects as the major risks for its Operations :-

1. COMPETITOR RISK

The market is highly competitive with no fiscal barriers and entry of large MNCs into the country with inorganic growth strategies. Your Company continues to focus on increasing its market share and taking marketing initiatives that help create differentiation and provide optimum service to its customers.

2. FINANCIAL

The Company's policy is to borrow long term borrowing in Indian Rupee to avoid any rate variation risks. Interest rates also vary from time to time as per RBI guide lines , which could enhance cost of borrowings.

3. FOREIGN EXCHANGE RISK

The company's policy is to hedge all long term foreign exchange risk as well as short term exposures within the defined parameters. The long term foreign exchange liability is hedged and hedging reserve is maintained as per requirement of AS-30.

MANAGEMENT DISCUSSION AND ANALYSIS

4. COMPLIANCE

The level of compliance is increasing by the day. Your company monitors its compliance mechanism so as to ensure that instances of non-compliance do not occur.

5. RAW MATERIAL PRICE RISK

The Company is exposed to the risk of raw material prices of Polyester, Viscose, P/V blended yarn, Silk and Wool. The Company hedges this risk by purchasing the required raw material at the time of booking of sales contracts. Also this risk is being managed by way of inventory management and forward booking.

RESEARCH & DEVELOPMENT :

Development of new designs, blends, yarns and experimenting with the latest finishing & chemical treatment, is imperative for growth of any textile company. For BSL, these are central to all its production activities.

- BSL has formed tie-ups with eminent research institutions and technical colleges for its continuous R & D initiatives.
- Our product development professionals work in close cooperation with global innovators for keeping in step with the emerging trends.
- Our designers constantly participate in trade fair and exhibitions to explore newer avenues for increasing the product range.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY :

The Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal

control processes which consist of implementing and adopting appropriate management systems are followed.

A statutory Compliance audit team is constituted to check compliance and report to the management. This facilitates corrective measure to be taken wherever required.

HUMAN RESOURCES AND INDUSTRIAL RELATION :

The company enjoys the support of committed and well satisfied human capital. Compensation packages offered by the company, best of class methods in recruitment, Training, motivation and performance appraisal, attract and retain the best in talent.

Based on our long-term business plans, The Company aim to indentify, induct and train the most appropriate human resources with latest techniques. There is adequate management bandwidth commensurate with the size of the operations, with responsibilities shared appropriately and not dependent on a single person. The Company has a team of professionals who steer the operations and monitor the company's growth plans.

CAUTIONARY STATEMENT :

Certain Statements in this Management Discussion and Analysis Report describing the Company's objectives, estimates etc. may be "Forward Looking Statements" within the applicable laws and regulations. Actual results may vary from these expressed or implied. Several factors that may affect Company's operations include Raw material prices, Government policies, Cyclical demand and pricing in the Company's main market and economic developments within India and countries in which the Company conducts its business and several other factors. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.

DIRECTORS' REPORT

To The Members,

The Board of Directors have pleasure to present the 42nd Annual Report and Statement of Accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

(₹ in Crore)				
Particulars	This Year		Previous Year	
Total Turnover – a) Domestic	134.40		136.10	
– b) Exports	161.53	295.93	169.43	305.53
Profit before interest and Depreciation	33.10		32.99	
Less : Financial Expenses	18.15		18.60	
Profit before Depreciation	14.95		14.39	
Less : Depreciation & Amortisation	14.68		13.75	
Profit before Tax	0.27		0.64	
Taxation – Current year	0.22		0.28	
– Deferred Tax	(0.30)		0.23	
Profit after Tax	0.35		0.13	

2. OPERATIONS

The Division wise performance is as under :-

Value (₹ in Crore)					
Particulars	This Year		Previous Year		
	Qty.	Value	Qty.	Value	
a) Fabrics (Lac Mtrs.)					
- Domestic	65.49	81.87	57.18	72.85	
- Exports	80.63	134.62	98.62	159.55	
Total	146.12	216.49	155.80	232.40	
b) Yarn (MT)					
- Domestic	2002.49	39.20	2512.59	49.51	
- Exports	1101.18	22.46	379.56	7.03	
Total	3103.67	61.66	2892.15	56.54	
c) Job Work					
Job Fabric Processing (Lac Mtrs.)	95.37	10.53	89.75	10.27	
Top, Fibre and Yarn Dyeing (MT)	238	0.56	225	0.53	
Job Spinning (MT)	23	0.28	45	0.85	
Total		11.37		11.65	
d) Readymade Garments					
- Domestic (No. of Pcs.)	19756	0.85	34318	0.91	
e) Wind Power					
Generation (Lac Units)	28.41	1.11	30.59	1.18	
f) Export Incentives		4.45		2.85	
Grand Total		295.93		305.53	

3. EXPORTS

The Company's Export turnover during the year was ₹161.53 Crores. The political environment in Middle East countries continues to be disturbed during current year also resulting in lower volumes. Also bad economic situation of European countries have affected poly-wool fabric exports. However the export of Vortex yarn during the year is higher as compared to previous year.

4. EXPANSIONS

The Company has installed 2.00 MW Wind Power Generator at Jaisalmer for captive use. The project has started Commercial generation effective from 31st March, 2013. This will result in reduction of power cost of the Company during coming years.

5. OUT LOOK FOR COMPANY'S ACTIVITIES

In Exports, Company is focusing more on exploring New markets and for strategic tie ups with Leading Retail chain stores globally and enhancing the volumes in Existing markets. In Domestic market, Company is focusing on RMG Sector and strengthening of Net work and developing new Areas.

6. WIND POWER PROJECT

The Company's Wind Power Projects at Jaisalmer had generated 28.41 Lac units during the year, as against 30.59 Lac units last year.

7. DIVIDEND

The Board of Directors have not recommend any dividend during the year.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors Confirm :-

- That in the preparation of the Annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- That they have 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 the company at the end of the financial year and of the profit or loss of the company for that period;
- 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;
- That they have prepared the Annual Accounts on a going concern basis.

9. 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

DIRECTORS' REPORT

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 the ceiling prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

10. 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.

11. HUMAN RESOURCE DEVELOPMENT

The Company's relations with the employees and workers at all levels have been cordial. Regular orientation and development courses for various disciplines are conducted by in-house as well as outside experts. The company endeavors to care for all its employees by providing medical and welfare facilities way beyond its statutory requirements.

12. CORPORATE SOCIAL RESPONSIBILITY

The Company has been organizing Blood donation camp of its employees since last so many years. This year 155 units were collected and donated to BSL Blood Bank at local Hospital.

The Company also organizes Annual Fair on the occasion of Janmasthmi, in which about one lac residents of Bhilwara city and nearby villages participates with active interest. This function is being organized since last 21 years.

13. DIRECTORS

Shri Sushil Jhunjhunwala and Shri Salil Bhandari 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

Place : Noida, (U.P.)

Date : Wednesday, 1st May, 2013

(ARUN CHURIWAL)
CHAIRMAN &
MANAGING DIRECTOR
DIN : 00001718

निदेशकों का प्रतिवेदन

सदस्यगण,

निदेशक मंडल आपके समक्ष 42वीं वार्षिक रिपोर्ट एवं 31, मार्च, 2013 को समाप्त हुए वर्ष का लेखा विवरण सहर्ष प्रस्तुत कर रहे हैं।

1. वित्तीय परिणाम

(₹ करोड़ में)				
मद	इस वर्ष		गत वर्ष	
	परिमाण	मूल्य	परिमाण	मूल्य
कुल बिक्री – घरेलू	134.40		136.10	
निर्यात	161.53	295.93	169.43	305.53
ब्याज व मूल्यहास पूर्व लाभ	33.10		32.99	
घटाया: ब्याज	18.15		18.60	
मूल्यहास पूर्व लाभ	14.95		14.39	
घटाया: मूल्यहास	14.68		13.75	
कर पूर्व लाभ	0.27		0.64	
कराधान – आयकर	0.22		0.28	
– विलम्बित कर	(0.30)		0.23	
कर पश्चात् लाभ	0.35		0.13	

2. संचालन

विभागानुसार विक्रय की स्थिति इस प्रकार है:-

मूल्य (₹ करोड़ में)				
मद	इस वर्ष		गत वर्ष	
	परिमाण	मूल्य	परिमाण	मूल्य
(अ) वस्त्र (लाख मीटर में)				
घरेलू	65.49	81.87	57.18	72.85
निर्यात	80.63	134.62	98.62	159.55
कुल	146.12	216.49	155.80	232.40
(ब) धागा (टनों में)				
घरेलू	2002.49	39.20	2512.59	49.51
निर्यात	1101.18	22.46	379.56	7.03
कुल	3103.67	61.66	2892.15	56.54
(स) उपकार्य				
वस्त्र प्रक्रियांकन उपकार्य (लाख मीटर में)	95.37	10.53	89.75	10.27
टोप, फाईबर और धागा डाईंग (टनों में)	238	0.56	225	0.53
स्पिनिंग उपकार्य (टनों में)	23	0.28	45	0.85
कुल		11.37		11.65

मूल्य (₹ करोड़ में)

मद	इस वर्ष		गत वर्ष	
	परिमाण	मूल्य	परिमाण	मूल्य
(द) पोशाक (संख्या)				
घरेलू	19756	0.85	34318	0.91
(य) पवन ऊर्जा				
ऊर्जा उत्पादन (लाख ईकाई)	28.41	1.11	30.59	1.18
(र) निर्यात प्रोत्साहन	—	4.45	—	2.85
कुल		295.93	—	305.53

3. निर्यात

कम्पनी का निर्यात इस वर्ष ₹ 161.53 करोड़ रहा। इस वर्ष मध्यपूर्वी देशों में लगातार राजनैतिक बाधाएँ बनी रही, जिसके परिणामस्वरूप निर्यातों में कमी हुई है। यूरोपियन देशों में खराब अर्थव्यवस्था होने के कारण भी पोलिवूल वस्त्र के निर्यात पर असर पड़ा है। फिर भी गत वर्ष की तुलना में इस वर्ष वोरटेक्स धागों का निर्यात अधिक रहा है।

4. विस्तारीकरण

कम्पनी ने वर्ष के दौरान केप्टिव प्रयोग हेतु जैसलमेर में 2 मेगावॉट पवन ऊर्जा उत्पादन संयंत्र स्थापित किया है, जिसका उत्पादन 31 मार्च, 2013 से प्रारम्भ हुआ है। इसके परिणाम स्वरूप आने वाले वर्षों में बिजली की लागत में कटौती होगी।

5. कम्पनी की गतिविधियों पर दृष्टिकोण

निर्यात क्षेत्र में कम्पनी नए बाजार के विकास एवं विश्व स्तर पर अग्रणी फुटकर श्रृंखला भण्डार के साथ संबंध स्थापित करने और मौजूदा बाजार में मात्रा में बढ़ोतरी पर ध्यान केन्द्रित कर रही हैं। घरेलू बाजार में पोशाक निर्माताओं की ओर ध्यान केन्द्रित करते हुए एवं अपने नेटवर्क को मजबूत बनाने और नये क्षेत्रों में विकास पर ध्यान दे रही है।

6. पवन ऊर्जा परियोजना

इस वर्ष कम्पनी के जैसलमेर स्थित पवन ऊर्जा उत्पादक संयंत्र का उत्पादन 28.41 लाख यूनिट रहा, गत वर्ष यह उत्पादन 30.59 लाख यूनिट था।

7. लाभांश

निदेशक मण्डल इस वर्ष लाभांश घोषित करने की अनुशंसा नहीं करता है।

निदेशकों का प्रतिवेदन

8. निदेशकों के उत्तरदायित्व का वर्णन

आपके निदेशक सुनिश्चित करते हैं—

1. कि वार्षिक खातों की तैयारी में यथोचित लेखांकन सिद्धांतों का पालन किया गया है, साथ ही महत्वपूर्ण विचलनों की दशा में उपयुक्त स्पष्टीकरण भी दिये हैं।
2. कि निदेशकों ने ऐसी लेखांकन नीतियों का चयन कर उन पर लगातार अमल किया और उपयुक्त निर्णय और अनुमान लगायें, 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।
3. कि निदेशकों ने कम्पनी की सम्पत्तियों की सुरक्षा और धोखाधड़ी एवं अनियमितता की जाँच व रोक के संबंध में कम्पनी अधिनियम वर्णित नियमों का पालन करते हुए योग्य लेखांकन पुस्तकों के रखरखाव के लिए यथोचित व पर्याप्त सावधानी का पालन किया।
4. निदेशकों ने वार्षिक खाते, व्यवसाय की निरन्तरता के सिद्धान्त को ध्यान में रखते हुए तैयार किये।

9. कम्पनी अधिनियम 1956 की धारा 217 का विवरण

(अ) ऊर्जा संरक्षण, तकनीक समावेशन एवं विदेशी मुद्रा आय व्यय

कम्पनी नियम, 1988 (निदेशक मंडल की रिपोर्ट में विवरणों का प्रकटन) के तहत ऊर्जा, संरक्षण, तकनीक समावेशन एवम् विदेशी मुद्रा आय व्यय का विवरण इस प्रतिवेदन की परिशिष्ट-1 में दर्शाया गया है।

(ब) कर्मचारियों का विवरण

कम्पनी अधिनियम 1956 की धारा 217(2ए) तथा कम्पनीज (कर्मचारियों का विवरण) नियम 1975 के अन्तर्गत वर्णित सीमा से अधिक पारिश्रमिक प्राप्त करने वाले कोई भी कर्मचारी नहीं था।

10. आन्तरिक नियन्त्रण पद्धति

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

11. मानव संसाधन विकास

कम्पनी का कर्मचारियों एवम् श्रमिकों से सभी स्तर पर सौहार्द्रपूर्ण सम्बन्ध रहा है। कम्पनी में विभिन्न विषयों के लिए नियमित अभिविन्यास और विकास के पाठ्यक्रम आन्तरिक एवं बाहरी विशेषज्ञों द्वारा आयोजित किए जाते हैं। कम्पनी अपने सभी कर्मचारियों की देखभाल के लिए वैधानिक आवश्यकताओं के परे चिकित्सा और कल्याण सुविधाएँ प्रदान करने के प्रयास करती है।

12. सामाजिक उत्तरदायित्व

कम्पनी अनेक वर्षों से अपने कर्मचारियों के रक्तदान शिविर का आयोजन कर रही हैं। इस वर्ष कम्पनी ने 155 यूनिट रक्त स्थानीय अस्पताल में बीएसएल रक्त बैंक के नाम से जमा कराया है।

कम्पनी गत 21 वर्षों से जन्माष्टमी के अवसर पर वार्षिक मेले का भी आयोजन करती है, जिनमें भीलवाड़ा शहर एवं आस-पास के गाँवों से लगभग 1 लाख निवासी सक्रिय रुचि के साथ भाग लेते हैं।

13. निदेशक

श्री सुशील झुंझुनवाला एवं श्री सलील भण्डारी 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. आभार प्रदर्शन

निदेशक मंडल वित्तीय संस्थाओं, बैंकों, केन्द्रीय व राज्य सरकारों के विभिन्न विभागों के प्रति सहयोग व बहुमूल्य मार्ग दर्शन हेतु आभार व कृतज्ञता व्यक्त करता है।

निदेशक मंडल की ओर से

स्थान : नोएडा (उ.प्र.)

तारीख : बुधवार, 01 मई 2013

अरुण चूड़ीवाल

अध्यक्ष व प्रबन्ध निदेशक