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PRIVILEGED TO BE GLOBAL



BSL LIMITED
ANNUAL REPORT 2016-17

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Arun Churiwal	Chairman & Managing Director
Ravi Jhunjunwala	Director
Shekhar Agarwal	Director
Sushil Jhunjunwala	Director
Amar Nath Choudhary	Director
G. P. Singhal	Director
Abhilasha Mimani	Director
Nivedan Churiwal	Joint Managing Director

BUSINESS HEAD

J. C. Soni

CFO & COMPANY SECRETARY

Praveen Jain

KEY EXECUTIVES

Naresh Maheshwari	Dy. Business Head
M. C. Maheshwari	Vice – President (Export Marketing)
S. Sen Gupta	Vice – President (Spinning)
A. K. Mehta	Vice – President (Processing)
R. K. Katyal	Vice – President (Weaving)

BANKERS

State Bank of India
IDBI Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
Union Bank of India
UCO Bank
Export Import Bank of India

AUDITORS

M/s A. L. Chechani & Co.

REGISTERED OFFICE

26, Industrial Area, Post Box No. 17,
Gandhi Nagar, Bhilwara – 311 001 (Rajasthan)
Phone: 01482 246801 (6 Lines)
E-mail: accounts@bslsuitings.com
Website: www.bslltd.com
CIN: L24302RJ1970PLC002266

WORKS

Mandpam, Distt. Bhilwara–311001 (Rajasthan)

WIND ENERGY PLANT

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

FINANCIAL HIGHLIGHTS

(₹ in Crore)

PARTICULARS	2014-15	2015-16	2016-17
Turnover	380.69	379.75	445.38
Exports	197.53	197.21	200.12
PBIDT	39.95	39.31	40.26
Financial Expenses	14.38	13.90	15.74
PBDT	25.57	25.41	24.52
Depreciation & Amortisation Expense	19.95	14.44	16.01
PBT	5.62	10.97	8.51
Taxation	(1.57)	3.85	2.99
PAT	7.19	7.12	5.52
Gross Block	312.93	335.49	349.73
Less : Depreciation	215.89	226.79	236.72
Net Block	97.04	108.70	113.01
Net Worth	67.17	74.77	79.37

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS:

The Indian textile industry is one the most important industries for the Indian economy considering its contribution to employment generation, industrial output and foreign exchange earnings. The vast sweep of Indian textile extends from the hand-woven sector on one end to the capital intensive sector on the other. The segments included the decentralized power looms, hosiery and knitting sectors, the handlooms and handicraft segments are also the wide range of fibers which include man-made fiber, cotton, silk, and wool. The industry is the second largest employer after agriculture, it accounts for 21 per cent of the total employment generated in the economy. This sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 226 billion by 2023. The Indian Textile Industry contributes approximately 5 per cent to India's gross domestic product (GDP), and 14 per cent to overall Index of Industrial Production (IIP). Traditionally Indian textile and apparel manufacturing industries have been cotton focused. Even today, cotton has more than a 60 per cent share compared to 40 per cent share globally. But this scenario is changing fast. Manufacturers, as well as brands, are increasingly looking towards man-made fibre options, mainly polyester, viscose.

The Indian Textile Industry is set for good growth buoyed by strong domestic demand as well as export demand, availability of raw material, skilled workforce, excellent infrastructure facilities and supporting government policies. The Indian textile sector is highly diverse and has hand-spun and hand-woven segments at one end of the spectrum, and capital-intensive, sophisticated and modern mills on the other. The textile industry is vertically-integrated across the value chain and extends from fibre to fabric to garments. At the same time, it is a highly-fragmented sector, comprising small-scale, non-integrated spinning, weaving, processing and cloth manufacturing enterprises. Besides that the Indian Textile Sector enjoys a competitive advantage of abundant availability of raw materials such as cotton, wool, silk and jute.

India's textiles products, including handlooms and handicrafts, are exported to more than a hundred countries. However, the USA and the EU, account for about two thirds of India's textiles exports. The other major export destinations are China, U.A.E., Sri Lanka, Saudi Arabia, Republic of Korea, Bangladesh, Turkey, Pakistan, Brazil, Hong-Kong, Canada and Egypt etc.

The Government of India seems committed to developing and sustaining a strong and vibrant textile industry which would contribute significantly to production, employment and skill development thereby promoting economic growth. The Government has taken new initiatives to make development participative and inclusive, in line with the core governance philosophy of 'Sabka Saath Sabka Vikaas'. As part of the above, Government has approved the introduction of "Amended Technology Upgradation Fund

Scheme-2016-2022 (ATUFS) in place of the existing Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS), for technology upgradation of textile industry. The amended scheme would give boost to "make in India" in textile sector; it is expected to attract investment to the tune of 1.5 lac crore rupees, and create over 30 lakh jobs. The new scheme targets employment generation and increase export earnings by encouraging the apparel and garment industry. Under the new scheme, there will be two broad categories; one for apparel, garment and technical textiles, wherein a 15% subsidy will be provided over five years on capital investment (not exceeding Rs. 30 crore). The second category, comprising all the other sub-sectors, will get a 10% subsidy (subject to a ceiling of Rs. 20 crore). The Central Government extended the 2% export benefit under Merchandise Export from India Scheme (MEIS) for more countries with immediate effect. The RBI policies helped contain demand pressures, created a buffer against external shocks and kept a check on the volatility of the rupee and inflation.

Thus, the growth and all round development of this industry has a direct bearing on the improvement of India's economy.

OPPORTUNITIES AND THREATS:

Indian textile Industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The exports of textile and clothing products, account for 35% of the total textile sector in India. A strong raw material production base, a vast pool of skilled and unskilled personnel, cheap labor, good export potential and low import contents are some of the salient features of the Indian textile industry. With the increase in capacities, the company will be able to achieve balancing in operations, offering wide product range and broad base its customer profile. We expect good growth in the demand for our products in the coming years and improvement in the margins of the Company.

The Government supports modernization of the industry with a particular focus on closing the gaps in the textile value chain and has taken several measures to create those positive impulses. But there are still some improvements possible. The industry waits for the proposed reforms in labour law, support to develop a skilled work force and programs to bind talents to be able to translate market needs into quality products.

The threats to the Company's product includes severe competition both in domestic and international markets leading to pricing pressures of finished goods, inflation, foreign exchange fluctuation, volatility in input cost, cotton crop, interest rates, power cost etc. Government Policies also play major role in the growth of the Industry.

Nevertheless, to fully tap the growth opportunities, the industry needs to focus on consolidation and modernization of weaving, processing and garmenting capacities to ensure

MANAGEMENT DISCUSSION AND ANALYSIS

optimum productivity and improved quality. On part of the government, labour laws reforms should be implemented at the earliest to encourage new investments.

PRODUCT WISE PERFORMANCE:

BSL is one of the India's largest vertically integrated textile Companies and leading manufacturers of Poly Viscose, Worsted, Fashion Fabrics and Yarns in India. With over quarter of a century of experience in textile manufacturing, BSL is currently producing over 18 million meters of fabric every year. BSL has earned the National Certificate of Merit for outstanding export performance due to its commitment to quality through technology and human ingenuity. 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 and introduced new, high-value fabric collections in the market.

The Product wise performance during the year is as under:

(₹ in Crore)

Particulars		For the year ended			
		31.03.2017		31.03.2016	
		Qty.	Value	Qty.	Value
a)	Fabrics (Lac Mtrs.)	218.80	318.74	180.72	276.73
b)	Yarn (MT)	3467	89.74	3268	74.09
c)	Fibre (MT)	655	12.37	445	8.02
d)	Readymade Garments (No. of Pcs.)	139341	5.18	43251	2.51
e)	Wind Power (Lac Units)	23.91	0.94	23.38	0.92
f)	Job Work		14.85		15.22
g)	Export Incentives		3.56		2.26
	Total		445.38		379.75

OUTLOOK:

The textiles manufacturing business is a pioneer activity in the Indian manufacturing sector and it has a primordial importance in the economic life of the country, which is still predominantly based on the agro-alimentary sector. Textiles industry is not limited to manufacture and export of garments. The success of Indian textiles lies in effective vertical integrations policies which have helped operators in taming the processes which while lying beyond simple manufacturing exercise do have a serious impact on it, for example, raw material treatment. Thus, cotton, jute, silk or wool and even synthetic material are also produced by this industry to complement and strengthen the garments manufacturing industry. Almost one quarter of the world's spindle activities is hosted in India, again positioning itself just after China. Looming is another

important element that accounts for significant activity in this industry; in fact, it takes an impressive 61% share including handlooms.

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 modernization and expansion as encouraged by the so-designated Textile Upgradation Fund Scheme implemented by Government.

The local textile sector is now at a critical stage where it should prepare itself to rise and grab the opportunities that are available through liberalization of the international market. Manufacturers however, were caught in inadvertence as new players started to creep on the market at a time when most operators had attention on imminent opportunities coming from a quota-free market. Strategies and policies were mainly targeted towards expansion and modernization leaving more space to domestic players. Now it obviously appear that the latter have had ample freedom to strengthen them and they are now more prepared than export-oriented companies.

GST Bill, one of the biggest reforms in India's indirect tax structure, is soon expected to see the light of the day. Being an export-oriented industry, apparel and textile sector has always been an invincible element of the country's trade policy. Aligned with this, industry experts are sincerely hoping that textile industry would be positioned in the lowest tax structure slab.

RISKS AND CONCERNS

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the Company is exposed to are:

1. COMPETITIVE RISK:

The apparel industry is subject to rapidly evolving fashion trends, and we must continuously offer innovative and upgraded products to maintain and grow our existing businesses. Investments in the industries have started picking up with no barriers for entry of new players. Your Company continues to focus on increasing its market share and focusing more on R&D, Quality, Cost and Timely delivery that help create differentiation and provide optimum service to its customers to expose competition risk.

MANAGEMENT DISCUSSION AND ANALYSIS

2. FINANCIAL(FUNDING RISK):

Any increase in interest rate can affect the finance cost. The Company's policy is to borrow long term borrowing in Indian Rupee to avoid any rate variation risks. The Company has adopted a prudent and conservative risk mitigation strategy to minimize interest costs.

3. FOREIGN EXCHANGE RISK:

Foreign exchange risks are quantified by identifying contractually committed future currency transactions. 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.

4. COMPLIANCE AND CONTROL RISK:

The evolution of the global regulatory environment has resulted into increased regulatory scrutiny that has raised the minimum standards to be maintained by BSL Limited. This signifies the alignment of corporate performance objectives, while ensuring compliance with regulatory requirements. The Company is regularly monitoring and reviews the changes in regulatory framework and also monitoring 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.

6. HUMAN RESOURCES RISK:

Retaining the existing talent pool and attracting new manpower are major risks. The Company hedges this risk by setting benchmark of the best HR practices and carrying out necessary improvements to attract and retain the best talent. The Company has initiated various measures such as rollout of strategic talent management system, training and integration of learning activities.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit department with adequate experience and expertise in internal controls, operating system and procedures. In discharging their role and responsibilities, the department is supported by an external audit firm.

The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with

operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen them. The Company has a robust Management Information System, which is an integral part of the control mechanism.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

This part has been discussed in Board's Report.

HUMAN RESOURCE AND INDUSTRIAL RELATION:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has a structured induction process and management development programs to upgrade skills of the employees. As at 31st March, 2017, 2376 employees (Staff & Workers) employed in the Company.

The Company's HR practices, systems and people development initiatives are focused on deployment and scouting for the "Best Fit" talent for all key roles. Pay for performance, reward and recognition programmes, job enrichment and lateral movements provide opportunity for growth & development of the talent pool.

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organization Development interventions. Corporate learning and Organization Development is a part of Corporate HR function. It is a critical pillar to support the organization growth and its sustainability over the long run.

CAUTIONARY STATEMENT:

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

BOARD'S REPORT

To The Members,

The Board of Directors has pleasure to present the 46th Annual Report and Statement of Accounts for the financial year ended 31st March, 2017.

1. Financial Results

(₹ in Crore)

Particulars	For the year ended			
	31.03.2017		31.03.2016	
Turnover – a) Domestic	245.26		182.54	
– b) Exports	200.12	445.38	197.21	379.75
Profit before Interest, Depreciation and Tax		40.26		39.31
Less : Financial Expenses		15.74		13.90
Profit before Depreciation and Tax		24.52		25.41
Less : Depreciation & Amortisation		16.01		14.44
Profit before Tax		8.51		10.97
Taxation – Current Tax		2.16		2.40
– Deferred Tax		0.83		1.45
Profit after Tax		5.52		7.12

2. Operations

The division wise performance is as under:

(₹ in Crore)

Particulars	For the year ended			
	31.03.2017		31.03.2016	
	Qty.	Value	Qty.	Value
a) Fabrics (Lac Mtrs.)				
- Domestic	106.82	139.96	78.12	94.84
- Exports	111.98	178.78	102.60	181.89
Total	218.80	318.74	180.72	276.73
b) Yarn (MT)				
- Domestic	2728	73.01	2717	61.03
- Exports	739	16.73	551	13.06
Total	3467	89.74	3268	74.09
c) Fibre (MT)				
- Domestic	655	12.37	445	8.02
d) Readymade Garments (No. of Pcs.)				
- Domestic	111799	4.13	43251	2.51
- Exports	27542	1.05	–	–
Total	139341	5.18	43251	2.51
e) Wind Power				
Generation (Lac Units)	23.91	0.94	23.38	0.92
f) Job Work		14.85		15.22
g) Export Incentives		3.56		2.26
Grand Total		445.39		379.75

3. Exports

The Company's Export turnover during the year was ₹ 200.12 Crores as against previous year ₹ 197.21 Crores.

During the year, Company again won Gold Trophy awarded by Synthetic & Rayon Export Promotion Council for highest export of fabrics during 2015-16 to "Focus LAC" countries.

4. Modernization and Expansion

A modernization & expansion plan involving a capex of ₹ 40 crore is completed and modernization & expansion plan of ₹ 23 Crores is under implementation at primary stage for its spinning, weaving and processing division. This will result in improvement in quality and productivity and better services to customers. The state of art weaving machines and processing machineries shall improve the quality of Fabrics. The Company has installed 8 Nos. Airjet Looms & 4 Picanol Rapier Looms during the year. Further 4 Picanol Looms will be installed during the year 2017-18.

5. Outlook for Company's Activities

The outlook of Company's activities looks bright as it continues to focus on value addition, improved efficiency, modernization and integrated operations. The Company plans to increase range from capacity expansion, modernization to new market entry and diversification. In Exports, the Company is exploring new markets in Africa, Australia, Europe, USA, Canada and other Latin American countries and increasing the volumes in existing markets. In Domestic Marketing, the Company is focusing on Furnishing/RMG/Institutional segment.

6. Wind power Project

The Company's Wind Power Projects at Jaisalmer had generated 47.55 Lac units during the year, as against 42.35 Lac units last year.

7. Dividend

Your Directors are pleased to recommend a dividend @ 12% i.e. ₹ 1.2 per Equity Share of ₹ 10/- each for the year ended the 31st March, 2017. This will absorb an amount of ₹ 148.66 Lacs (inclusive of distribution tax). A proposal for confirmation of the dividend for the year ended 31st March, 2017 will be placed before the shareholders at the ensuing Annual General Meeting.

8. Contribution to Exchequer

Your Company has contributed an amount of ₹ 13.21 Crores as against previous year ₹ 1.65 Crores in terms of Taxes & Duties to the Exchequer.

9. National Movements

The company has been committed to the protection of the environment from its inception. It has been regularly

BOARD'S REPORT

spending on improving the effluent treatments of processing departments. In compliance with the Central Government notifications, the company has adopted the practice of Zero Liquid Discharge (ZLD). After a series of RO Treatment of the effluent, it finally uses the Thermal Energy to evaporate the remnant 3% effluent. This extra cost is the social responsibility cost to the Company to protect and preserve environment.

The Country has moved on a mission of Swachh Bharat and one of the focal points of Swachh Bharat is having a Shauchalaya for every household and particularly in schools for their proper health and hygiene of the students. As a part of the CSR, the company has setup complete Shauchalaya facilities in the schools of Tunturi Purulia, and Saraswati Sishu Mandir, Paschim Bhurkundi Paschim Midnapore.

As a part of the Green Movement, the company has successfully adopted the most stringent International conditions of OHSAS. One of the express ways adopted by the company is Furnishing department, it is primarily Product Mix Diversification. In the furnishing, the company is one of the few important suppliers to top MNC in this field. In the category in which the company operates, it's the sole source of procurement of the MNC of the country.

The Company has joined hands with the Government of India scheme under Integrated Skill Development Scheme (ISDS) as it registered itself with the scheme in November 2015.

During the year your Company under the Mission has recruited 814 trainees in Spinning or Weaving Skills. The trained Young Indians have been given 409 Certificates of Skill and are eligible to Work in Textile Industry. Out of the above 264 persons are currently working in the company.

Being satisfied with involvement in the SKILL INDIA mission, the Govt of Rajasthan has accorded its approval to the company to carry on the Trainings in 2017-18.

10. Green energy

The Company on the one hand adhering to ZLD norms at the same time it is focusing on the Green Energy. In the year the Company had set up 2.4 MW Wind Mill, thereafter in the year 2010 added another 2 MW Wind Mill. Thus the Company is having Wind Power capacity of 4.4 MW. It is now implementing the Solar Power Project at Roof Mending Solar at 4.00 MW. Solar Energy Power Plant will be operative by June 2017. Thus focus of the company is on Sustainability both in terms of effluent Management and non fossil energy consumption.

11. Extract of Annual Return as per Sec 92 in form MGT 9

The details forming part of extract of Annual Return in Form No MGT 9 is enclosed in **Annexure I**.

12. Statutory Auditors

The Statutory Auditors of the Company M/s A.L. Chechani & Company, Chartered Accountants, (Firm Registration No. 05341C), Bhilwara, retire at the conclusion of the ensuing Annual General Meeting. There are no reservations, qualifications or adverse remarks contained in the Auditors' Report attached to Balance Sheet as at 31st March, 2017. Information referred in Auditors' Report are self-explanatory and don't call for any further comments.

The Audit committee and the Board of Directors recommend the appointment of **M/s SSMS & Associates, Chartered Accountants, (Firm Registration Number 019351C)** as Statutory Auditors of the Company to hold office from the conclusion of 46th Annual General Meeting (AGM) until the conclusion of the **51st AGM**, subject to ratification by members every year, as applicable. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s SSMS & Associates, Chartered Accountants that their appointment, if made, would be in conformity with the limits specified in the said Section.

13. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **M/s V. M. & Associates, Company Secretaries, Jaipur**, to undertake the Secretarial Audit of the Company. The details forming part of Secretarial Audit Report for financial year 2016-17 in Form MR -3 is enclosed herewith as per **Annexure II**. There are no reservations, qualifications, adverse remark or disclaimer contained in the Secretarial Audit Report.

14. Internal Auditors

Pursuant to Section 138 of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, the Company has appointed **M/s P. Mehta & Co., Chartered Accountants** as the internal auditors of the Company. The role of internal auditors includes but not limited to review of internal audit observations and monitoring of implementation of corrective actions required, reviewing of various policies and ensure its proper implementation, reviewing of SOPs and there amendments, if any.

15. Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 6(2) of the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to Textile Divisions every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed **M/s N.D. Birla & Co., Cost**

BOARD'S REPORT

Accountants, (Firm Registration Number 000028) as Cost Auditor to audit the cost accounts of the Company for the financial year 2016-17. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

16. Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained, we make the following statements in terms of section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31st March, 2017 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note one of the notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that the internal financial controls were in place and that the internal financial controls were adequate and were operating effectively;
- f. that the system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

17. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as '**Annexure III**'.

18. Particulars of Loans given, Guarantees given, Investments made and Securities provided

The Company has not given any Loans, Guarantees, Investments and Securities covered under the provisions of section 186 of the Companies Act, 2013.

19. Contracts and Arrangements with Related Parties

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, Directors, key managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. There are no material subsidiary Companies as define in Regulation 16 (c) of the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the web link as: <https://www.bslltd.com>.

Particulars of Related Parties contracts or arrangements u/s section 188 of the Companies Act, 2013 are given in Form AOC-2 and enclosed as per **Annexure IV**.

20. Internal Control Systems

The Company has adequate Internal Control Systems, commensurate with the size, scale and complexity of its operations. The Internal Auditors monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of Internal Auditors, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

21. Human Resource Development

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement. These efforts have led to a significant increase in manpower productivity. Efforts have also been made to design progressive and empower HR Policies and others welfare measures.