

**BIL CONTINENTAL LIMITED**  
**ANNUAL REPORT**  
**2013**

#### BOARD OF DIRECTORS

1. Shri Bholanath Baranwal, Chairman & Managing Director
2. Shri Sajeve Deora
3. Shri Ambarish Chatterjee
4. Shri Raj Kumar Dubey
5. Shri Harish Baranwal
6. Shri Vivek Baranwal

#### AUDITORS:

M/S. O.P. Tulsyan & Co.  
Chartered Accountants  
Varanasi

#### BANKER:

HDFC Bank Limited, Rathyatra, Varanasi U.P.

#### REGISTERED OFFICE:

G. T. Road, Kachhawan  
Varanasi -221 307  
Phone: +542-2620323  
Fax: +542-2620090  
e-mail: [bil@bholanath.biz](mailto:bil@bholanath.biz)  
Website: [www.bholanath.com](http://www.bholanath.com)

#### REGISTRARS AND SHARE TRANSFER AGENTS

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110 020,  
Ph:- 26387281/82/83, Fax:- 26387384  
email:- [info@masserv.com](mailto:info@masserv.com)  
website : [www.masserv.com](http://www.masserv.com)

#### STATUTORY COMMITTEES

##### AUDIT COMMITTEE:

- |                             |          |
|-----------------------------|----------|
| 1. Shri Sajeve Deora        | Chairman |
| 2. Sri Raj Kumar Dubey      | Director |
| 3. Shri Ambarish Chatterjee | Director |

##### SHARE TRANSFER & GREIVENCE COMMITTEE

- |                            |          |
|----------------------------|----------|
| 1. Shri Bholanath Baranwal | Chairman |
| 2. Shri Harish Baranwal    | Director |

## **NOTICE**

*NOTICE* is hereby given that 40<sup>th</sup> Annual General Meeting of the Members of **BIL CONTINENTAL LIMITED** will be held at Registered Office of the Company at G. T. Road, Kachhawan, Varanasi-221307, U. P. on Monday the 30<sup>th</sup> September, 2013 at 4.00 P.M. to transact the following businesses:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Sajeve Deora, who retires by rotation and Mr Amarnath Pandey is being appointed at his place.
3. To appoint a director in place of Sri Vivek Baranwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. O. P. Tulsyan & Co., Chartered Accountants as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office  
Kachhawan  
Varanasi  
Date: 05.09.2013

By Order of the Board  
Sd/-  
Bholanath Baranwal  
Chairman & Managing Director

## NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. The instrument appointing proxy should, however, be deposited at the Registered Office/Corporate office of the Company not less than forty eight hours before the commencement of the meeting.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 24<sup>th</sup> day of September 2013 to Monday 30<sup>th</sup> day of September 2013. (Both days inclusive).
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
5. Members are requested to send their phone, fax and E-mail detail for better communication. Members are requested to notify promptly any change in their addresses to the Company's Registered Office or to the Share Transfer Agent M/s MAS Services Private Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020
6. Any queries relating to Accounts must be sent to the Company at least 10 days before the date of the meeting.
7. Details of Director Shri Vivek Kumar Baranwal, who retire by rotation and seeking reappointment (in pursuance of clause 49 of listing agreement)

Name	: Shri Vivek Baranwal
Fathers Name	: Shri Bhola Nath Baranwal
Date of Birth	: 01.02.1955
Nationality	: Indian
Qualification	: MBA
Date of Appointment on the Board	: 30.08.2008
PAN No	: ACEPB0699L
DIN No	:02076746
List of directorship held in other Company	:Bholanath Industries Limited, Kaandla Rugs Limited, Organic Weave Limited

8. Details of Director Shri Amarnath Pandey, who is being appointed in place of Sajeve Deora, who being liable to retire by rotation and also due to some of his personal reasons, has expressed his unwillingness to be reappointed as Director

Name	: Shri Amarnath Pandey
Fathers Name	: Krishna Nand Pandey
Date of Birth	: 21.07.1933
Nationality	: Indian
Qualification	: MBA
Date of Appointment on the Board	: 30.09.2013
PAN No	: AHVPP8195R
DIN No	: 06716520
List of directorship held in other Company	: Nil
Chairmanship/membership of Commitees in Public Companies	: N.A

Registered Office:  
Kachhawan  
Varanasi

Date: 05.09.2013

By Order of the Board

Sd/  
Bholanath Baranwal  
Chairman & Managing Director

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 40<sup>th</sup> Annual Report together with the Audited Statements of Accounts along with the Report of the Auditors for the year ended March 31, 2013.

## **FINANCIAL HIGHLIGHTS**

	(In Laes)	
	Year ended 31.03.2013	Year ended 31.03.2012
Profit Before Interest, Depreciation & Miscellaneous Expenses written off	145.58	293.81
Interest	93.11	85.42
Depreciation & Miscellaneous Expenses written off	39.46	38.70
Profit Before Tax	13.00	11.39
Provision for taxation		
: Current	7.26	2.17
: Deferred	(7.26)	(7.58)
FBT	-----	-----
Profit after Tax	7.44	18.97
Prior Period adjustment	00	2.17
Appropriations:		
Proposed Dividend	-----	-----
Income- tax on proposed Dividend	-----	-----
Surplus in Profit & Loss Account brought forward	7.54	18.97
Surplus in Profit & Loss Account carried over	306.82	299.28

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:

1. that in preparation of Annual Accounts for the F.Y. ended on 31.03.2013, the applicable accounting standards have been followed ;
2. that the directors 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 & Loss Accounts of the Company.
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities ;
4. That the Directors have prepared the Annual Accounts on a "going concern" basis.

## **PROFITABILITY**

In the Financial Year 2012-2013, the Company has earned profit by manufacturing of unique “organic weaved carpets”.

The Company has also faced several challenges due to increase in oil prices resulting higher input cost & freights, appreciation of USD against Indian Rupee which has made adverse impact in export business of the Company.

### **Operation:**

During the year the turnover of the Company has increased by approx 3.07%.

**Dividend:**

The Company has not proposed to any dividend during the year 2012-2013.

**Transfer To Reserve:**

The Board of the directors has not proposed to transfer any amount to the General Reserve for the year ended 12-13.

**PUBLIC DEPOSITS**

Your Company did not accept any Public Deposit, during the year under review.

**INSURANCE**

Your Company's assets continue to be fully insured against the risk of fire, riot, earthquake, terrorism etc.

**DIRECTORS**

Mr. Sajeve Deora and Mr. Vivek Baranwal Directors of the Company are liable to retire by rotation in the ensuing Annual General Meeting. Mr. Vivek Baranwal Director of the Company who retires by rotation and being eligible presents himself for reappointment in the ensuing Annual General Meeting. Also Mr. Sajeve Deora who was also liable to retire by rotation and being eligible for reappointment has expressed his unwillingness to be reappointed due to some personal reasons and Mr. Amarnath Pandey is proposed to be appointed at his place as non-executive Independent Director to hold the place of director till the conclusion of next Annual General Meeting of the Company.

**RE-APPOINTMENT AUDITORS**

M/s O. P. Tulsyan & Co., Chartered Accountants, the Auditors of the Company, who hold office upto the conclusion of the Annual General Meeting, are eligible for re-appointment and have expressed their willingness to be re-appointed as Auditors of the Company. M/s O.P. Tulsyan & Co., Chartered Accountants have under Section 224(1) of the Companies Act, 1956 furnished a Certificate of their eligibility for re-appointment and they hold valid certificate of having Peer Reviewed of their firm.

**PARTICULARS OF EMPLOYEES:**

The Company did not have any employee covered by the provisions of Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employee) Rules 1975 for F.Y.2012-2013.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are furnished as under:

**(a) Conservation Of Energy**

During the last financial year company has installed power capacitor to reduce the demand charges. It will save substantial power expense, which is reflecting in monthly power bills.

**(b) Technological Absorption**

The Company is also working on the husk project for reducing the cost of diesel in generator sets. At present the project is running in an associated concern and after successful commissioning therein it is proposed to be implemented in your company.

**(c) Foreign Exchange Earnings and Outgo**

During the year the Company has earned Rs. 16,67,23,456/- as compared to the Earnings of Rs. , 8,43,090/- of previous financial year in Foreign Currency through export of its finished products. There was no any Import or Expenses in Foreign Currency during the Financial Year.

### **CORPORATE GOVERNANCE**

Corporate Governance Report, Management Discussion and Analysis Statement and a certificate from Auditors confirming Compliance are attached to this report.

### **FIXED DEPOSIT**

The Company has not accepted any fixed deposit during the year.

### **FINANCE**

The Company has availed loan in the Financial Year and the current outstanding as per Balance Sheet ended 31.03.2013 is of Rs.1163.62 Lakhs from bank during the Financial Year ended 31.03.2013.

### **ACKNOWLEDGEMENT**

The Board of Directors of your company are pleased to place on record their sincere gratitude and appreciation for the assistance and co-operation received from the Government, Financial Institutions and Banks, members, customers and business Constituents.

Your directors also express their appreciation and gratitude for the continued devout, sincere and unstinted services rendered by the counselors, coordinators and facilitators at all levels of operations for the success and progress of the company.

By Order of the Board

Sd/-

Bholanath Baranwal

Chairman & Managing Director

Date: 05.09.2013

Place: Varanasi

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **OUTLOOK ON OPPORTUNITIES**

The demand for contemporary carpets will continue to grow. The Company has eminent infrastructure for producing handtufted carpets, held the Company is serving additional facilities to Kandla lower price segment for production of handknotted, flatweave and other types of Custom Carpets.

The Company has considered online shopping of its manufactured Carpets through ecommerce channel by initiating a portal named [www.carpetonline.com](http://www.carpetonline.com).

### **FINANCIAL/ OPERATIONAL PERFORMANCE:**

	Year ended 31.03.2013	Year ended 31.03.2012
Profit Before Interest, Depreciation & Miscellaneous Expenses written off	145.58	293.81
Interest	93.11	85.42
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Income- tax on proposed Dividend	-----	-----
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### **INDUSTRY STRUCTURE & DEVELOPMENTS:**

Carpet Industry is the one of the oldest industries not only in India but in world also. The major players on international levels are Iran, China and India. The prices in Iran have increased significantly and Chinese hand knotted carpet weavers have migrated to other occupation. This gives ample opportunity for Indian hand knotted carpets. It is expected that demand for these carpets will increase in the current financial year.

The Company has established a division for manufacturing of organic weaved carpets by availing licence of OWI.

#### **Organic Weaved Carpets:**

The Company is in continuance of producing world's first GOTS certified organic weave Carpets. The Company is producing such type of Carpets through collaborations with its Canadian Client Alexanian (OWC) a registered trademark of North America and India. The Carpets are woven by Unnayan (NGO of mostly women artisans).

Global Marketing strategy is to be implemented by OWC on its own cost and in turn will receive one-third share of net profit from selling of those carpets from OWI division of the Company.

### **Prompt Payment and Delivery Mechanism:**

The Company has initiated a payment gateway mechanism PayPal for the Consumers of Sweden and Germany through a portal in German, French, Spanish, and Japanese languages. The Consumer will get its product delivered within 8 weeks of placing of order directly from Company's factory outlets.

### **RISK AND CONCERNS**

The main business of your Company is export business. Thus uncertainties in global economy/International Market is major risk for your Company.

Any further change in duty drawback, DEPB & Exchange Rate policy would have a direct effect on the profitability of the Company. The management of your Company is Hopefull on offsetting any adverse impact by better management abilities.

### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company is having an adequate internal control system covering all areas of operations. There is proper safeguard of assets through internal control system, which prevents any wastage, loss and unauthorized use of any assets.

### **HUMAN RESOURCES & INDUSTRIAL RELATION**

The Industrial relation were very cordial throughout the year. Measures for safety of employees, traning, welfare & Development continue to receive top priorities.

### **ENVIRONMENT CARE, SOCIAL ACCOUNTABILITY AND QUALITY SYSTEM**

Your Company has the certificate of ISO 9001: 2000 which has enabled your Company to market, its products in the international markets in better way. Since your company has fulfilled the social responsibility criteria, it has been recognized with SA- 8000 certification. In addition, it is also eligible for ISO 14001, the Environment Protection System. With Woolmark license and these three achievements, your Company is arguably only company in the world.

### **FUTURE PROSPECTS OF COMPANY**

The Company is very auspicious for establishing a Joint Venture Contract with a European Company for producing very sophisticated carpets in our Country. By mutual consent of the parties, the Company will be responsible for investment in land, buildings and other infrastructures and shall avail technical support, specific designs and global markets for distribution of manufactured Carpets. The estimated period for the execution of Contract is in financial year 2013-2014.

The Company is also looking a shop premise for having a small commercial activity in Varanasi City for appreciation of brand identity of its unique Carpets.

For BIL Continental Limited  
Sd/-

Place Varanasi  
Date 5<sup>th</sup> September, 2013

Bholanath Baranawal  
Chairman & Managing Director