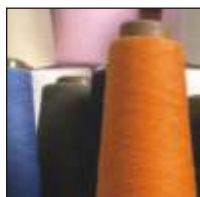




BSL Limited



# LEADING BY EXAMPLE



ANNUAL REPORT 2009-10



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL

## Group Salient Features

- The Group has a turnover of Rs. 4,000 crore - Export constitutes 46% (Rs. 1,840 crore).
- One of the largest textile houses in the country with a turnover of over Rs. 2,450 crore - Export constitutes 42% (Rs. 1,025 crore).
- One of leading manufacturer and exporter of Graphite Electrodes in the country with turnover of Rs. 1,084 crore - Export constitutes 74% (Rs. 807 crore).
- Largest producer and exporter of Synthetic Blended Yarn and largest range in Greige, Dyed and Mélange Yarn with total spindleage capacity of nearly 5 Lacs.
- Manufacturer of Wool Blended and Premium Light Weight Fabrics, Worsted Fabric, Silk Synthetic fashion Fabric and Denim Fabric.
- India's one of the largest vertically integrated Knitwear Company.
- Manufacturer of Flame Retardants, Air – texturized Yarn and Automotive Furnishing Fabric.
- World's largest single site plant of Graphite Electrodes with a production capacity of 66,000 TPA.
- The Group has 120 MW Thermal Power Plants, approx. 300 MW Hydro Power Plants & 60 MW HFO based Captive Power Plants.
- The Group generated 1,300 Million power units in the year 2009-10.
- A consulting Company providing engineering consultancy services for Hydro Power Projects.

## Group Companies



## Group Brands



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## CORPORATE INFORMATION

**BOARD OF DIRECTORS**

Arun Churiwal	Chairman & Managing Director
Ravi Jhunjhunwala	
Shekhar Agarwal	
Salil Bhandari	
Sushil Kumar Churiwala	
Sushil Jhunjhunwala	
A. N. Choudhary	
Nivedan Churiwal	Executive Director

**ADVISOR**

R. N. Gupta

**BUSINESS HEAD**

J. C. Soni

**CFO & COMPANY SECRETARY**

Praveen Jain

**KEY EXECUTIVE**

M. C. Maheshwari	Vice - President (Export)
S. Sen Gupta	Vice - President (Spinning)
V. B. Arora	Vice - President (Marketing)
V. K. Gupta	Vice - President (Weaving)
A. K. Mehta	Vice - President (Processing & Silk)

**BANKERS**

State Bank of India  
 Oriental Bank of Commerce  
 The Bank of Rajasthan Ltd.  
 Union Bank of India  
 IDBI Bank Ltd.

**AUDITORS**

M/s A. L. Chechani & Co.  
 Chartered Accountants, Bhilwara

**REGISTERED OFFICE**

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

**WORKS**

Mandpam, Dist. Bhilwara - 311 001 (Rajasthan)

**WIND ENERGY PLANT**

Village Gorera, Jaisalmer - 345 001 (Rajasthan)

## FINANCIAL HIGHLIGHTS

(Rs. in Crore)

<b>PARTICULARS</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>
Turnover	178.88	188.17	<b>218.02</b>
Exports	103.37	110.44	<b>122.91</b>
P B I D T	13.91	22.53	<b>29.55</b>
Interest	12.81	12.64	<b>11.03</b>
Depreciation	9.96	9.64	<b>12.38</b>
Taxation	(2.31)	0.20	<b>2.35</b>
PAT	(6.55)	0.05	<b>3.79</b>
Gross Block	205.41	206.03	<b>257.73</b>
Less : Depreciation	115.91	124.40	<b>160.17</b>
Net Block	89.50	81.63	<b>97.56</b>
Net Worth	40.12	40.17	<b>59.29</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### (1) INDUSTRY STRUCTURE AND DEVELOPMENTS :

The Indian Textile Industry's performance overall has been better during the financial year 2009-2010 compared to global economic recession period of 2008-2009. The Economies, particularly Domestic, have made good recovery.

Our company's Exports has increased during this period in terms of volume and per meter price realization. The Company is focusing on strengthening domestic market.

### (2) OPPORTUNITIES, THREATS & OUTLOOK :

With the introduction of new designs and high end silk fabrics and New Expansion projects of (i) 12 Nos. Picanol Weaving Machines and (ii) 400 Spindles of Vortex Spinning Company's turnover and profitability is expected to improve.

In Export front, Company has increased its volume and per unit price resulting higher profitability and turnover. The volatile exchange rate affects the profitability of the company.

### (3) PERFORMANCE :

The product wise performance during the year is as under :

(Rs. in Crore)

	Particulars	This year		Previous year	
		Qty.	Value	Qty.	Value
a)	Fabrics (Lac Mtrs.)	158.42	186.93	154.93	173.76
b)	Yarn ( MT)	946.28	15.44	712.55	10.41
c)	Job Work		11.94		1.01
d)	Readymade Garments	33889	1.36	33015	1.18
e)	Wind Power (Lac Units)	35.06	1.30	36.69	1.34
f)	Others : Export Incentives		1.05		0.47
<b>Grand Total</b>			<b>218.02</b>		188.17

The Profitability of the Company is as under :-

(Rs. in Crore)

Particulars	2009-10	2008-09
i) PBIDT	29.55	22.53
ii) PBDT	18.52	9.89
iii) PBT	6.14	0.25

### (4) RISK & CONCERNS :

The Company is having the risks of market fluctuations of foreign exchange, Government policies, interest rates, raw material prices, tax rates and several other external and internal factors.

#### FOREIGN EXCHANGE RISK

The Company's policy is to hedge in a systematic manner its exports & imports on a regular basis by keeping constant watch over the rates.

### INTEREST RATE RISK

The Company's policy is to borrow long term borrowings in Indian Rupees to avoid any rate variation risks. The short term borrowing are some times availed in foreign exchange at fixed rate of interest.

### RAW MATERIAL PRICES RISK

The Company is exposed to the risk of raw material prices of Polyester, Viscose, P/V blended yarn, Silk and Wool. The Company has managed this risk by way of inventory management, vendor selection process and forward booking.

### OTHER RISKS

The Company is also exposed to other risks like various Government policies, and certain operating business risks which are managed by regular monitoring and timely actions.

### (5) INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Company has adequate internal control systems to safeguard the company's assets from any loss or damage, to control cost, prevent revenue loss and required financial and accounting controls and to effectively implement the applicable accounting standards. All significant audit observations and follow-up actions thereon are reported to the Audit Committee of Board of Directors. Audit Committee reviews the adequacy and effectiveness of the company's internal control environment and monitors the implementation of audit recommendations.

### (6) HUMAN RESOURCES AND INDUSTRIAL RELATION :

During the year, various HR measures were taken to make the HR policies upto the required business needs. The Company has strong dedicated force of employees and they have shown commitment, competence and dedication in all areas of business. The appraisal systems based on KRAs are in place for senior management staff. For workers, technical and safety training programs are given periodically. Industrial Relations remained cordial in the plant throughout the year.

### (7) CAUTIONARY STATEMENT

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 effect 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 39th Annual Report and Statement of Accounts for the year ended 31st March, 2010.

**1. FINANCIAL RESULTS** (Rs. in Crore)

Particulars	This Year		Previous Year	
	Qty.	Value	Qty.	Value
Total Turnover				
a) Domestic	95.11	77.73		
b) Exports	122.91	218.02	110.44	188.17
Profit before interest and Depreciation		29.55		22.53
Less : Interest (Net)		11.03		12.64
Profit before Depreciation		18.52		9.89
Less : Depreciation		12.38		9.64
Profit before Tax		6.14		0.25
Taxation – Current year		1.21		–
– Deferred Tax		1.23		0.07
– Fringe Benefit Tax		–		0.21
– Earlier years		(0.09)		(0.08)
Profit after Tax		3.79		0.05

**2. OPERATIONS**

The division wise performance is as under :

Value (Rs. in Crore)

Particulars	This Year		Previous Year	
	Qty.	Value	Qty.	Value
<b>a) Fabric (Lac Mtrs.)</b>				
– Domestic	59.13	65.72	61.75	65.09
– Exports	99.29	121.21	93.18	108.67
<b>Total</b>	<b>158.42</b>	<b>186.93</b>	<b>154.93</b>	<b>173.76</b>
<b>b) Yarn ( MT)</b>				
– Domestic	920.60	14.94	657.10	9.25
– Exports	25.68	0.50	55.45	1.16
<b>Total</b>	<b>946.28</b>	<b>15.44</b>	<b>712.55</b>	<b>10.41</b>
<b>c) Job Work</b>				
Job Fabric Processing (Lac Mtrs.)	94.35	10.64	–	–
Top, Fibre and Yarn Dyeing (MT)	108	0.26	–	–
Job Spinning (MT)	93	1.04	113	1.01
<b>Total</b>	<b>11.94</b>	<b>1.01</b>		

(Rs. in Crore)

Particulars	This Year		Previous Year	
	Qty.	Value	Qty.	Value
<b>d) Readymade Garments</b>				
– Domestic (No. of Pcs.)	33889	1.20	33015	1.05
– Exports	–	0.16		0.13
<b>Total</b>		<b>1.36</b>		<b>1.18</b>
<b>e) Wind Power</b>				
Generation (Lac Units)	35.06	1.30	36.69	1.34
<b>f) Export Incentives</b>		<b>1.05</b>		<b>0.47</b>
<b>Grand Total</b>		<b>218.02</b>		<b>188.17</b>

**3. EXPORTS**

The Company's Export turnover during the year was Rs.122.91 Crores. Despite global recessionary conditions, Company has been able to increase its volume and per meter price realization resulting into higher profitability during the year.

**4) OUT LOOK FOR COMPANY'S ACTIVITIES**

The Company is focusing more on Institutional Domestic sales as it is now a Composite Textile Mill. In export markets, Company plans to increase volumes by entering into new markets of Eastern Europe and Africa.

**5) AMALGAMATION OF BHILWARA PROCESSORS LTD. WITH THE COMPANY**

The Hon'ble High Court, Jodhpur vide its order dated 27th January, 2010 approved the Scheme of Amalgamation of Bhilwara Processors Limited with the Company w.e.f. 1st April, 2009. The Company therefore issued 29,57,469 Equity shares to the shareholders of Bhilwara Processors Limited as per scheme. After Amalgamation, Company will now use its resources more economically resulting into higher profitability for combined entity. The Company has also obtained status of Composite Mill from the Office of Textile Commissioner.

**6) EXPANSION PLANS**

- During the Current Year, Company is planning to install 12 Nos. new Picanol Weaving Machines and replacing some machines in its processing division. The total capital expenditure will be Rs.11.00 Crores (aprox)
- The Company is also planning to install 400 Spindles of Vortex Synthetic Spinning to be imported from Japan for production of Grey yarn at total capital cost of Rs.22.00 Crores. Both the Expansions will be funded through term loans and internal accruals.

The above expansions will improve turnover and overall profitability of the Company.

**7) WIND POWER PROJECT**

The Company's Wind Power Project at Jaisalmer had generated 35.06 Lac units during the year, as against 36.69 Lac units last year.

## DIRECTORS' REPORT

### 8) DIVIDEND

The Board of Directors recommend a dividend @ 7.50% on the Equity shares of the Company.

### 9) 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.

### 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

The information of employees getting salary in excess of the limits as prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, who were employed throughout or for part of the financial year under review is given as **Annexure-II** forming part of this report.

### 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

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.

### 13) DIRECTORS

Shri Sushil Jhunjhunwala and Shri Shekhar Agarwal retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

### 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 re-appointment.

### 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

(ARUN CHURIWAL)  
*Chairman & Managing Director*  
DIN : 00001718

Place : Noida  
Date : 29th April, 2010

## निदेशकों का प्रतिवेदन

## सदस्यगण,

निदेशक मंडल आपके समक्ष 39 वीं वार्षिक रिपोर्ट एवं 31, मार्च 2010 को समाप्त हुए वर्ष का लेखा विवरण सहर्ष प्रस्तुत कर रहे हैं।

## 1. वित्तीय परिणाम

मद	इस वर्ष		गत वर्ष	
	परिमाण	मूल्य	परिमाण	मूल्य
कुल बिक्री – घरेलू	95.11		77.73	
– निर्यात	122.91	218.02	110.44	188.17
ब्याज व मूल्यहास पूर्व लाभ	29.55		22.53	
घटाया: शुद्ध ब्याज	11.03		12.64	
मूल्यहास पूर्व लाभ	18.52		9.89	
घटाया: मूल्यहास	12.38		9.64	
आयकर पूर्व लाभ	6.14		0.25	
कराधान – आयकर	1.21		–	
– विलम्बित कर	1.23		0.07	
– अनुषंगी हितलाभ कर	–		0.21	
– पूर्व वर्षों के कर	(0.09)		(0.08)	
कर पश्चात् लाभ	3.79		0.05	

## 2. संचालन

विभागानुसार विक्रय की स्थिति इस प्रकार है:-

मद	इस वर्ष		गत वर्ष	
	परिमाण	मूल्य	परिमाण	मूल्य
<b>(अ) वस्त्र (लाख मीटर में)</b>				
घरेलू	59.13	65.72	61.75	65.09
निर्यात	99.29	121.21	93.18	108.67
कुल	158.42	186.93	154.93	173.76
<b>(ब) धागा (टनों में)</b>				
घरेलू	920.60	14.94	657.10	9.25
निर्यात	25.68	0.50	55.45	1.16
कुल	946.28	15.44	712.55	10.41

मद	इस वर्ष		गत वर्ष	
	परिमाण	मूल्य	परिमाण	मूल्य

## (स) उपकार्य

वस्त्र प्रक्रियांकन उपकार्य (लाख मीटर में)	94.35	10.54	–	–
टोप, फाईबर और धागा डाईंग (एम.टी.)	108	0.26	–	–
स्पिनिंग उपकार्य (एम.टी.)	93	1.04	113	1.01
<b>कुल</b>		<b>11.94</b>		<b>1.01</b>

## (द) पोषाक (संख्या)

घरेलू	33889	1.20	33015	1.05
निर्यात		0.16		0.13
कुल		1.36		1.18

## (य) पवन ऊर्जा

ऊर्जा उत्पादन (लाख ईकाई)	35.06	1.30	36.69	1.34
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## (र) निर्यात प्रोत्साहन

कुल	218.02		188.17	
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## 3. निर्यात

कम्पनी का इस वर्ष रु. 122.91 करोड़ का निर्यात रहा। वैश्विक मन्दी के बावजूद, कम्पनी के निर्यात मात्रा में व प्रति मीटर मूल्य प्राप्ति में वृद्धि से इस वर्ष कम्पनी का लाभ बढ़ा है।

## 4. कम्पनी की गतिविधियों पर दृष्टिकोण

कम्पनी अब एक संकलित इकाई होने के कारण घरेलू बाजार में संस्थागत विक्रय पर अधिक प्रयास कर रही है। कम्पनी नये बाजार विशेष रूप से पूर्वी यूरोप व अफ्रीका में विक्रय वृद्धि का प्रयास कर रही है।

## 5. भीलवाड़ा प्रोसेसर्स लिमिटेड का कम्पनी में विलय

माननीय उच्च न्यायालय जोधपुर ने अपने आदेश दिनांक 27.01.2010 द्वारा भीलवाड़ा प्रोसेसर्स लिमिटेड का कम्पनी में विलय की योजना को अनुमोदित किया। परिणाम स्वरूप कम्पनी ने 29,57,469 समता अंशों का भीलवाड़ा प्रोसेसर्स लिमिटेड के अंशधारकों को विलय योजना के अनुसार निर्गमित किया। विलय के फलस्वरूप संसाधनों का समन्वित उपयोग होने से लाभ में वृद्धि होगी। कम्पनी ने वस्त्रआयुक्त



## निदेशकों का प्रतिवेदन

कार्यालय से संकलित इकाई के रूप में मान्यता प्राप्त कर ली हैं।

### 6. विस्तारीकरण योजना

(अ) इस वर्ष के दौरान, कम्पनी 12 नयी वीविंग मशीन पिकानोल, वेल्जियम से आयात कर रही है। वीविंग और प्रोसेसिंग विभाग में मशीनों का नवीनीकरण किया जा रहा है। इसकी अनुमानित पूँजीगत लागत रु. 11 करोड़ होगी।

(ब) कम्पनी नयी तकनीक से विशिष्ट प्रकार के धागे उत्पादन के लिए 400 स्पीन्डल्स वोरटेक्स कम्पनी जापान से आयात कर रही है। इस पर अनुमानित पूँजीगत लागत रु. 22 करोड़ होगी।

दोनों योजनाओं का वित्तीयकरण दिर्घवधि ऋण व आंतरिक संसाधनों से किया जाएगा।

विस्तारीकरण योजना से कम्पनी के विक्रय आवर्त एवं सम्पूर्ण लाभदायकता में वृद्धि होगी।

### 7. पवन ऊर्जा परियोजना

इस वर्ष कम्पनी के जैसलमेर स्थित पवन ऊर्जा उत्पादक संयंत्र का उत्पादन 35.06 लाख यूनिट रहा। गत वर्ष यह उत्पादन 36.69 लाख यूनिट था।

### 8. लाभांश

निदेशक मंडल साधारण अंशों पर 7.50 प्रतिशत लाभांश घोषित करने की अनुशांसा करता है।

### 9. निदेशकों के उत्तरदायित्व का वर्णन

आपके निदेशक सुनिश्चित करते हैं—

(i) 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।

(ii) 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।

(iii) कि निदेशकों ने कम्पनी की सम्पत्तियों की सुरक्षा और धोखाधड़ी एवं अनियमितता की जाँच व रोक के संबंध में कम्पनी अधिनियम में वर्णित नियमों का पालन करते हुए योग्य लेखांकन पुस्तकों के रखरखाव के लिए यथोचित व पर्याप्त सावधानी का पालन किया।

(iv) निदेशकों ने वार्षिक खाते, व्यवसाय की निरन्तरता के सिद्धान्त को ध्यान में रखते हुए तैयार किये।

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

(अ) ऊर्जा, संरक्षण, तकनीक समावेशन एवं 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) तथा कम्पनीज (कर्मचारियों का विवरण) नियम 1975 के अन्तर्गत वर्णित सीमा से अधिक पारिश्रमिक प्राप्त करने वाले कर्मचारियों जो कि सम्पूर्ण वर्ष अथवा उसके किसी भाग में नियोजित रहे, का विवरण परिशिष्ट-II में उल्लेखित है जो इस विवरण के साथ सलग्न है।

### 11. 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।

### 12. मानव संसाधन विकास

कम्पनी का कर्मचारियों एवम् 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 दायित्वों के अतिरिक्त भी अपने सभी कर्मचारियों को मानवीय सुविधाएँ उपलब्ध कराने का मुख्य लक्ष्य रखती है।

### 13. निदेशक

श्री सुशील झुनझुनवाला एवं श्री शेखर अग्रवाल 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 मार्ग दर्शन हेतु आभार व कृतज्ञता व्यक्त करता है।

निदेशक मंडल की ओर से

स्थान : नोएडा

तारीख : 29 अप्रैल, 2010

अरुण चूड़ीवाल

अध्यक्ष व प्रबन्ध निदेशक

## ANNEXURE-I &amp; II TO DIRECTORS' REPORT

## 1. STATEMENT OF PARTICULARS RELATED TO ENERGY CONSERVATION PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

## A. POWER AND FUEL CONSUMPTION

	Current Year	Previous Year
<b>1) Electricity</b>		
a) Purchased		
Units (Lac)	312.59	200.03
Total Amount (Lac Rs.)	1397.25	886.88
Rate/Unit	4.47	4.43
b) Own Generation		
(i) Through Diesel Generator		
Units(Lac)	2.83	0.17
Units per litre of Diesel oil	3.09	2.33
Cost/Unit	10.92	14.17
(ii) Through HFO Generator		
Units (Lac)	31.77	71.39
Units per litre of HFO / Diesel	3.90	4.05
Cost/Unit	9.53	6.44
<b>2) Coal</b>		
Quantity (MT)	7985	N.A.
Total Amount (Lac Rs.)	461.35	N.A.
Average Rate/Unit	5777.72	N.A.
<b>3) Steam</b>		
Quantity (MT)	444	N.A.
Total Amount (Lac Rs.)	2.22	N.A.
Average Rate/Unit	500.90	N.A.
<b>4) Furnace Oil</b>		
Qty. in Kilo Literes	814	1765
Total amount (Lac Rs.)	141.64	262.34
Average Rate (Rs. / Ltr.)	17.41	14.87
<b>5) Other/Integral Generation</b>	N.A.	N.A.
<b>B) CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>A. Weaving:-</b>		
Electricity Unit per Mtr.		
– Weaving	0.65	0.67
– Others	0.03	0.03
	0.68	0.70

	This Year	Previous Year
<b>B. Spinning:-</b>		
Electricity Unit per Kg.	5.70	5.61
<b>C. Processing:-</b>		
i) Electric Unit		
– Per Mtr. of Fabric	0.26	N.A.
– Per Kg. of Top, Fibre & Yarn Dyeing	0.57	N.A.
ii) Coal		
– Per Mtr. of Fabric	0.29	N.A.
– Per Kg. of Top, Fibre & Yarn Dyeing	0.38	N.A.

## 2. TECHNOLOGY ABSORPTION

Details of Expenditure incurred on Research and Development during the year is as follows :		(Rs. in lac)
Capital	2.84	4.54
Recurring	117.28	102.74
Total Expenditure as % of total turnover	0.55	0.57

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2009-2010	2008-2009	
Earning	11939.99	10707.02	
Outgo :			
(Revenue A/c)	2309.43	1716.84	
(Capital A/c)	24.86	2334.29	19.88
		1736.72	

### ANNEXURE-II TO DIRECTORS' REPORT

#### STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

##### (A) PERSONS EMPLOYED THROUGHOUT THE FINANCIAL YEAR

Name of Employee	Designation	Remuneration (Rs. Lac)	Qualification	Experience (Years)	Commencement of Employment	Age (Years)	LAST EMPLOYED		
							Organization	Post Held	Duration (Years)
Arun Churiwal	Chairman & Managing Director	41.16	B.A. (Hons)	32	1/9/1997	59	–	–	–

##### (A) PERSONS EMPLOYED FOR PART OF THE FINANCIAL YEAR

R.N.Gupta	Advisor	17.38	DT Tech	40	1/10/2009	70	Bhilwara Spinners Ltd.	Managing Director	22
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## REPORT ON CORPORATE GOVERNANCE

The Company complies with the requirements regarding Corporate Governance as stipulated in clause 49 of the listing agreement of the stock exchanges as follows :-

### 1. Company's Philosophy on Corporate Governance

BSL Ltd., a unit of LNJ Bhilwara Group has over the years followed best practices of Corporate Governance by adhering to practices laid down by Group. BSL's business objective and that of its management & employees is to manufacture & market the company's products in such a way to create value that can be sustained over the long term for consumers, shareholders, employees, lenders and various stakeholders resulting up-lifting of social and economic goals. BSL believes that success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. BSL endeavours to ensure that highest standards of ethical and good governance is met throughout the organization.

### 2. Board of Directors

The Board of Directors of the Company comprise of Eight Directors out of which Six are Non-Executive. The Chairman & Managing Director and the Executive Director fall in the category of Executive Directors. Four Directors are 'Independent' Directors.

#### Board Meetings & Annual General Meeting (AGM) :

During the year under review, Five Board meetings were held, the dates being 29th April, 2009, 20th June, 2009, 30th July, 2009, 29th October'2009 and 28th January'2010. The last AGM was held on 23/09/2009. Details of Attendance during 2009-2010 and other particulars are as given below:-

Sl. No.	Name	Title	Category	Directorship in Other Companies			No. of Board Meetings for 2009-2010		Whether Attended Last AGM
				Member of Board	Board Committees		Total Held	Attended	
					Chairman	Member			
1.	Shri Arun Churiwal	Chairman & Managing Director	Promoter - Executive	4	-	-	5	5	Yes
2.	Shri Ravi Jhunjunwala	Director	Promoter - Non Executive	9	5	1	5	4	No
3.	Shri Sushil Jhunjunwala	Director	Independent Non-executive	3	-	1	5	5-	No
4.	Shri Shekhar Agarwal	Director	Promoter - Non Executive	6	-	2	5	4	No
5.	Shri Nivedan Churiwal	Executive Director	Promoter Executive	--	--	--	5	5	No
6.	Shri Sushil Kumar Churiwala	Director	Independent Non Executive	2	-	2	5	1	No
7.	Shri Salil Bhandari	Director	Independent Non Executive	5	1	4	5	4	Yes
8.	Shri Amar nath Choudhary w.e.f. 30/07/2009	Director	Independent Non Executive	2	-	-	3	2	No

### 3. Audit Committee

The Audit Committee of the Board of Directors has been constituted in accordance with the prescribed guidelines. The Audit committee comprises of three directors, all of whom are non-executive and majority of them are independent directors. Shri Salil Bhandari was co-opted as member of this committee and was designated as its Chairman. The Audit Committee comprises of following directors:

1. Shri Salil Bhandari, Chairman (w.e.f. 29/04/2009)
2. Shri Shekhar Agarwal (w.e.f. 29/04/2009)
3. Shri Sushil Jhunjunwala

The broad terms of reference of Audit Committee are in accordance with the prescribed guidelines, as set out in the Listing Agreement. During the year under review, four meetings of the Audit committee were held, the dates being 29th April' 2009, 30th July'2009, 29th October'2009 and 28th January'2010.

## REPORT ON CORPORATE GOVERNANCE

The composition and attendance of the members at the Audit Committee Meetings are as follows:-

Name	No. of Audit Committee Meetings attended
1. Shri Salil Bhandari	4
2. Shri Shekhar Agarwal	3
3. Shri Sushil Jhunjunwala	4

The Company Secretary acts as the Secretary to the committee.

#### 4. Remuneration Committee

The Remuneration Committee of the Board of Directors has been constituted in accordance with the prescribed guidelines. The committee comprises of three Directors, all of whom are Non Executive and Independent. The Remuneration Committee comprises of following Directors:-

- 1) Shri Sushil Jhunjunwala (Chairman w.e.f. 29/04/09)
- 2) Shri Sushil Kumar Churiwala
- 3) Shri Salil Bhandari (w.e.f. 29/04/09)

The Company pays remuneration only to Executive Directors. The Company does not pay any remuneration to its Non-Executive directors, apart from sitting fees to them for attending the meetings of the Board or any Committee thereof. No meeting was held during the year.

Remuneration paid to Wholetime Directors during 2009-2010:-

(Rs. in lac)

Name of the Executive	Salary & Allowances	Commission	Value of perquisites	Retiral Benefits	Total
i) Shri Arun Churiwal Chairman & Managing Director Service Contract - 1st September, 2007 to 31st August, 2012	29.37	7.03	–	4.76	41.16
ii) Shri Nivedan Churiwal Executive Director Service Contract - 26th July, 2007 to 25th July, 2012	8.81	–	–	1.43	10.24

Remuneration paid to Non-Executive Directors during 2009-2010:-

(Rs. in lac)

Non-Executive Directors	Board fees	Committee fees	Total
1. Shri Ravi Jhunjunwala	0.16	–	0.16
2. Shri R.N.Gupta ( Resigned w.e.f..29/04/2009)	–	0.04	0.04
3. Shri Shekhar Agarwal	0.16	0.12	0.28
4. Shri Salil Bhandari	0.16	0.16	0.32
5. Shri Sushil Kumar Churiwala	0.04	–	0.04
6. Shri Sushil Jhunjunwala	0.20	0.16	0.36
7. Shri Amar Nath Choudhary	0.08	–	0.08

There are no stock option plans of the company. Shri Shekhar Agarwal, Director holds 279 Equity Shares and Shri Ravi Jhunjunwala, Director holds 55,047 Equity shares of the Company. Other Non-Executive Directors are not holding any shares of the Company.

## REPORT ON CORPORATE GOVERNANCE

### 5. Shareholders' Committees

The Board of Directors has constituted following Committees for shareholders related matters:-

I. The shareholder's / investor's grievance redressal committee has following members:-

- 1) Shri Salil Bhandari, Chairman (Non-Executive) (w.e.f. 29/4/2009)
- 2) Shri Ravi Jhunjunwala, Member (Non-Executive)
- 3) Shri Arun Churiwal, Member (Chairman & Managing Director)

This committee is looking into shareholders / investors' complaints regarding transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc. The committee met 4 times during the year. The meetings were held on 29/04/2009, 30/07/2009, 29/10/2009 and 28/01/2010. Shri R.P. Khaitan was Chairman of the Committee till 29th April, 2009. All the members attended all these meetings.

II. The second committee is Share Transfer Committee, which has following members :-

- 1) Shri Arun Churiwal
- 2) Shri Nivedan Churiwal
- 3) Shri Sushil Jhunjunwala

The Committee considers and approves the transfer of Equity shares and its related matters, such as consolidation and split of shares, issue of duplicate shares, transmission of shares etc. The committee met 15th times during the year. The meetings were held on 29/04/2009, 15/06/2009, 30/06/2009, 23/07/2009, 30/07/2009, 02/09/2009, 12/09/2009, 30/09/2009, 29/10/2009, 23/11/2009, 28/12/2009, 28/01/2010, 18/02/2010, 17/03/2010 and 31/03/2010.

The no. of meetings attended by each of the members is as under :-

<u>Name of the Director</u>	<u>No. of meetings attended</u>
1. Shri Arun Churiwal	15
2. Shri Nivedan Churiwal	15
3. Shri Sushil Jhunjunwala	13

The details of complaints received & resolved during the year 2009-2010 are as under :-

No. of complaints / grievances received from shareholders / Stock Exchange / SEBI - 18.

No. of complaints not resolved - NIL

Shri Praveen Jain, Company Secretary, is the Compliance Officer of the Company.

Investor's grievances are resolved expeditiously. There are no grievances pending as on date.

### 6. General Body Meetings

The last three Annual General Meetings were held as per details given below :-

<b>Date of AGM</b>	<b>Relevant Financial year</b>	<b>Venue / Location where held</b>	<b>Time of Meeting</b>
25th September'2007	2006-2007	26, Industrial Area, Gandhi Nagar, Bhilwara (Rajasthan)	10.30 A.M.
12th September'2008	2007-2008	26, Industrial Area, Gandhi Nagar, Bhilwara (Rajasthan)	10.30 A.M.
23rd September'2009	2008-2009	26, Industrial Area, Gandhi Nagar, Bhilwara (Rajasthan)	10.30 A.M.

- No special resolution requiring postal ballot is being placed before the shareholders for approval at this meeting.
- No special resolution through postal ballot was passed in the last AGM.

### 7. Subsidiaries

The Company does not have any material non-listed Indian Subsidiary whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth, respectively, of the listed holding Company and its subsidiaries, in the immediately preceding accounting year.

## REPORT ON CORPORATE GOVERNANCE

### 8. Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Directors & Senior Management. The said Code has been confirmed by all the Directors and members of the senior management. The Code has also been posted on the Company's website.

### 9. Disclosures

- a) **Material related party transactions:** During the financial year 2009-2010, there were no transactions of material nature with its promoters, the directors or the management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large. Transactions with related parties as per requirements of AS-18 - "Related party disclosures" issued by ICAI, are disclosed in Note No.4 of Schedule "O" (C) in the Annual Report.
- b) **Disclosure of Accounting Treatment:** In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Accounts.
- c) **Risk Management:** Business Risk evaluation and its management is an ongoing process within the Company. During year under review, regular exercise on "Risk Assessment and Management" was carried out covering all the areas of business, and the Board was informed of the same.
- d) **Details of Non-Compliance:** There were no penalties or structures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- e) The Company has complied with all mandatory requirements of Clause 49. Adoption of non-mandatory requirements of clause 49 of the Listing Agreement, are being reviewed by the Board from time to time.

### 10. Means of Communication

- a) No half yearly report is sent to each shareholder. However the same is published in the newspapers.
- b) Quarterly results and the half yearly results are published in leading newspapers. The annual audited results, on approval by Board are also published within 60 days of the close of the financial year.
- c) Company's website : - www.bslltd.com. The results are also sent to the Stock Exchanges for incorporation in their website.
- d) The Management discussion and Analysis Report forms part of the Annual Report.

### 11. Details of the directors seeking / appointment / re-appointment in forthcoming annual general meeting :

The same is given in the notice of forthcoming Annual General Meeting as attached herewith.

### 12. In terms of SEBI (Prohibition of Insider Trading) Regulations, 1992, Company has framed a Code of Conduct for prevention of Insider Trading ,in relation to the securities of the Company.

### 13. General Shareholder Information :

Detailed information in this regard is provided in the section "Shareholder Information" which forms part of this Annual Report.

### 14. CEO / CFO Certificate:

The CEO / CFO Certificate, as required under clause 49, is enclosed with this report.

### 15. Compliance Certificate of the Auditors :

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, and the same is annexed to this report.

The certificate from the Statutory Auditors will be sent to the listed stock exchanges along with the Annual Return of the Company.

## SHAREHOLDER INFORMATION :

### 1. Annual General Meeting :

- Date and Time : 15th September'2010 at 10.30 A.M.
- Venue : 26, Industrial Area  
Gandhi Nagar  
Bhilwara (Rajasthan) 311001

### 2. Financial Calendar & Publication of Results :

- The financial year of the company is April to March.
- Financial reporting for the quarter ending June 30, 2010 : End July'2010
- Financial reporting for the half year ending September 30, 2010 : End October'2010
- Financial reporting for the quarter ending December 31, 2010 : End January'2011
- Financial reporting for the year ending March 31, 2011 : End April'2011
- Annual General meeting for the year ended March 31, 2011. : September' 2011.

## REPORT ON CORPORATE GOVERNANCE

3. **Dates of Book Closure** : 6th September'2010 to 15th September'2010
4. **Registered Office** : 26, Industrial Area, Gandhi Nagar, Bhilwara (Rajasthan)  
Tel : (01482) 246801 Fax : (01482) 246807  
E-mail : accounts@bslsutings.com

5. **Listing of Equity shares on Stock Exchanges at :**

- 1) National Stock Exchange of India Limited, Trade World, Senapati Bapat Marg, Lower Parel, Mumbai 400 013  
2) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023

**Note :** Listing fee for the year 2010-2011 has been paid to NSE & BSE.

6. **Stock Code :**

- ISIN No. : INE 594B01012  
BSE, Mumbai : 514045  
National Stock Exchange : BSL

7. **Stock market data :** Monthly high low values (in Rs.) at BSE and NSE of Company's share and BSE Sensex are as follows :

	High (Rs.)		Low (Rs.)		BSE Sensex
	BSE	NSE	BSE	NSE	
April-2009	13.40	13.80	10.30	9.45	11403.25
May-2009	19.68	19.70	12.51	12.30	14625.25
June-2009	23.60	24.50	16.95	17.15	14493.84
July-2009	18.10	18.35	15.25	15.75	15670.31
August-2009	18.60	18.75	16.80	16.00	15666.64
September-2009	23.45	24.65	17.65	17.10	17126.84
October-2009	22.35	23.70	17.90	17.10	15896.28
November-2009	22.95	23.75	17.80	17.50	16926.22
December-2009	34.95	35.70	21.25	20.00	17464.81
January-2010	35.25	36.10	27.75	26.90	16357.96
February-2010	32.70	34.10	28.50	28.00	16429.55
March-2010	29.65	30.00	26.15	26.25	17527.77

8. **Registrars and Share Transfer Agents & Depository Registrar :** MCS Ltd.,  
Sri Venkatesh Bhawan  
F-65, 1st Floor, Okhla Industrial Area,  
Phase-I, New Delhi - 110 020  
Tel : 011-41406148 Fax : 011-41709881  
E-mail : mcsdel@vsnl.com

9. **Share Transfer System :**

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Share Transfer Committee meets at least 1 or 2 times in a month.



## REPORT ON CORPORATE GOVERNANCE

### 10. i) Distribution of shareholding as on 31st March, 2010 :

No. of shares	2009-2010			
	No. of share holders	% of share holders	No. of shares held	% of share holding
1-100	5562	56.18	381994	3.71
101-200	2448	24.73	407579	3.96
201-500	1164	11.76	418761	4.07
501-1000	386	3.90	303452	2.95
1001-5000	226	2.28	489914	4.76
5001-10000	28	0.28	205376	1.99
10001 and above	86	0.87	8085092	78.56
<b>Total :</b>	<b>9900</b>	<b>100.00</b>	<b>10292168</b>	<b>100.00</b>

### ii) Shareholding pattern as at 31st March, 2010 :

Category	No. of shares held	Percentage of holding
<b>A. Promoters' Holding</b>		
1. Indian Promoters including corporates	5522072	53.65%
2. Persons acting in concert - OCB's	287000	2.79%
Sub Total	<b>5809072</b>	<b>56.44%</b>
<b>B. Non-promoters' Holding</b>		
<b>(i) Institutional Investors</b>		
1. Mutual Funds & UTI	450	0.00%
2. Banks/ Financial Institutions	1183277	11.50%
Sub Total (i)	<b>1183727</b>	<b>11.50%</b>
<b>(ii) Others</b>		
3. Private Corporate Bodies	911488	8.86%
4. Indian Public	2321349	22.55%
5. NRI's / OCB's	66532	0.65%
Sub Total (ii)	<b>3299369</b>	<b>32.06%</b>
Grand Total (A+B)	<b>102,92,168</b>	<b>100%</b>

**11. Dematerialisation of shares and liquidity** : 48,93,332 shares were dematerialised till 31/03/2010 which is 47.54% of the total paid up Equity share capital of the Company.

There are no outstanding GDRS / ADRS / Warrants or any convertible instruments.

**12. Plant Location** : Mandpam, Bhilwara (Rajasthan)  
Tel : (01482) (249101)  
Fax : (01482) (249110)

**13. Address for correspondence :**  
Investor Correspondence should be addressed to : Company Secretary  
BSL Limited, 26, Industrial Area, Gandhi Nagar, Bhilwara (Raj.) – 311 001  
Tel : (01482) (246801), Fax : (01482) (246807)  
E-mail : accounts@bslsutings.com

### 14. Secretarial Audit for Reconciliation of Capital Compliance :

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Secretarial Audit, to reconcile the total admitted capital with NSDL and CDSL and the total paid up and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total no. of Equity shares in dematerialized form (held with NSDL & CDSL) and total number of Equity shares in physical form.

## REPORT ON CORPORATE GOVERNANCE

### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

#### TO THE MEMBERS OF BSL LTD.

We have examined the compliance of conditions of Corporate Governance by BSL Ltd. for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company, as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A.L. CHECHANI & CO.**  
Chartered Accountants

Place : Noida  
Date : 29th April, 2010

**(SUNIL SURANA)**  
Partner  
Membership No.: 036093  
Firm No.: 05341C

### CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY.

To the Board of Directors  
BSL Limited

We, the undersigned in our respective capacities as Chief Executive Officer and Chief Financial Officer of BSL Limited ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and based on our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading ;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.  
We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware, and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statement; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **BSL Limited**

Place : Noida  
Date : 29th April, 2010

**(PRAVEEN JAIN)**  
CFO & Company Secretary

**(ARUN CHURIWAL)**  
Chairman & Managing Director  
DIN : 00001718

## AUDITORS' REPORT

The Members of **BSL Limited**, Bhilwara

1. We have audited the attached balance sheet of **BSL Limited, Bhilwara** as at **31st March 2010**, the profit & loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on **31st March 2010** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March 2010** from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in

conformity with the accounting principals generally accepted in India;

- (a) in the case of the Balance sheet, of the state of affairs of the company as at **31st March 2010**;
- (b) In the case of the profit and loss account, of the profit for the year ended on that date; and
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For **A. L. CHECHANI & CO.**  
Chartered Accountants

**(SUNIL SURANA)**

Partner

Place : Noida

Date : 29th April, 2010

Membership No. 036093

Firm No.: 05341C

### ANNEXURE TO AUDITORS REPORT

Annexure referred to in paragraph (3) of the report of even date of the auditors to the members of **BSL Limited** for the year ended 31st March 2010.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any major part of the fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (iii) (a) The Company has not granted any loan to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
- (b) As the company has not granted any loan to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of clause 4 (iii) (b) to clause 4 (iii) (d) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.

## AUDITORS' REPORT

- (c) The Company has not taken any loans from the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (d) As the company has not taken any loan from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of clause 4 (iii) (f) & clause 4 (iii) (g) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs, in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits during the year from the public within the meaning of the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules made there under. Hence, the provisions of clause 4 (vi) of the Companies (Auditors report) Order, 2003 are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the records of the company, the dues of sales tax, income-tax, customs, wealth-tax, service tax, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:-

Name of the statute	Nature of the dues	Amount (Rs. in lac)	Forum where dispute is pending
A. Fabric Division			
Central Excise Act	Duty	10.12	CESTAT, (Appeal), New Delhi
	Penalty	5.22	
Sales Tax Act	Penalty	17.79	High Court of Rajasthan
B. Processing Division			
Central Excise Act	Penalty	5.14	Commissioner (Appeal), Jaipur
Textile committee	Cess	63.54	Appellate Tribunal Textile Committee, Mumbai

Note:- As the Processing Division is working on job basis, in case of any demand, entire amount recoverable from customers, hence the company is not having any liabilities against above issue.

- (x) There are no accumulated losses of the company as on 31st March 2010. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions, banks or debenture holders.
- (xii) Based on our examination of the records and the information and explanations given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.



## AUDITORS' REPORT

- (xvi) In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares during the year.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **A. L. CHECHANI & CO.**  
Chartered Accountants

**(SUNIL SURANA)**

Partner

Membership No. 036093

Firm No.: 05341C

Place : Noida  
Date : 29th April, 2010

## BALANCE SHEET AS AT 31ST MARCH, 2010

				(Rs. in lac)	
		SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009	
<b>SOURCES OF FUNDS</b>					
<b>1. SHARE HOLDERS' FUNDS</b>					
Share Capital	A	<b>1029.22</b>		733.47	
Reserves and Surplus	B	<b>4899.45</b>	<b>5928.67</b>	3283.83	4017.30
<b>2) LOANS</b>					
Secured	C		<b>11142.66</b>		11514.61
<b>3) DEFERRED TAX LIABILITY</b>					
Total	D		<b>854.02</b>		501.49
			<b>17925.35</b>		16033.40
<b>APPLICATION OF FUNDS</b>					
<b>4) FIXED ASSETS</b>					
Gross Block	E	<b>25703.19</b>		20546.23	
Less : Depreciation and Amortisation		<b>16016.84</b>		12439.54	
Net Block		<b>9686.35</b>		8106.69	
Capital Work in Progress		<b>69.46</b>	<b>9755.81</b>	56.28	8162.97
<b>5) INVESTMENTS</b>					
		F	<b>0.03</b>		0.03
<b>6) CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories		<b>5726.02</b>		4632.09	
Sundry Debtors		<b>3099.59</b>		3126.68	
Cash and Bank Balances		<b>33.11</b>		40.18	
Other Current Assets		<b>1640.69</b>		1326.67	
Loans and Advances		<b>219.09</b>		208.83	
			<b>10718.50</b>	9334.45	
Less : Current Liabilities & Provisions					
a) Liabilities	H	<b>2287.61</b>		1392.58	
b) Provisions		<b>261.38</b>		71.47	
			<b>2548.99</b>	1464.05	
<b>NET CURRENT ASSETS</b>			<b>8169.51</b>		7870.40
<b>Total</b>			<b>17925.35</b>		16033.40
<b>7) ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b> ○					

As per our Report of even date

**For A. L. CHECHANI & CO.**  
Chartered Accountants

**(SUNIL SURANA)**  
Partner  
Membership No. 036093  
Firm No.: 05341C

Place : Noida  
Date : 29th April, 2010

For and on behalf of the Board

**ARUN CHURIWAL**  
Chairman & Managing Director  
DIN: 00001718

**SUSHIL JHUNJHUNWALA**  
Director  
DIN: 00082461

**NIVEDAN CHURIWAL**  
Executive Director  
DIN: 00001749

**PRAVEEN JAIN**  
CFO & Company Secretary



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in lac)

	SCHEDULE	This Year		Previous Year	
<b>1. INCOME</b>					
Gross Sales	I	<b>21801.99</b>		18816.59	
Less: Excise Duty		<b>27.21</b>		37.43	
Net Sales		<b>21774.78</b>		18779.16	
Other Income	J	<b>7.12</b>		95.77	
Increase/(Decrease) in stocks		<b>(103.72)</b>	<b>21678.18</b>	6.71	18881.64
<b>2) EXPENDITURE</b>					
Materials	K	<b>9051.35</b>		7926.06	
Payment to and Provision for Employees	L	<b>2596.10</b>		1723.99	
Operational and other Expenses	M	<b>7076.21</b>		6978.44	
Financial Expenses	N	<b>1102.67</b>	<b>19826.33</b>	1264.30	17892.79
<b>3) PROFIT BEFORE DEPRECIATION AND TAX</b>			<b>1851.85</b>		988.85
Depreciation and Amortisation			<b>1237.55</b>		963.93
<b>4) PROFIT BEFORE TAX</b>			<b>614.30</b>		24.92
Taxation – Current			<b>121.09</b>		0.44
– Fringe Benefit Tax			–		20.65
– Deferred			<b>123.13</b>		7.03
– Earlier year's			<b>(8.78)</b>		(8.22)
<b>5) NET PROFIT AFTER TAX</b>			<b>378.86</b>		5.02
Add : Surplus of previous year			<b>105.79</b>		100.77
Add : Balance Brought from amalgamating company			<b>13.50</b>		
Surplus available for appropriation			<b>498.15</b>		105.79
<b>6) APPROPRIATIONS</b>					
Proposed Equity Share Dividend			<b>77.19</b>		–
Provision for Dividend Tax			<b>12.82</b>		–
Surplus carried to Balance Sheet			<b>408.14</b>		105.79
			<b>498.15</b>		105.79
<b>7) ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>					
	O				

As per our Report of even date

**For A. L. CHECHANI & CO.**  
Chartered Accountants

**(SUNIL SURANA)**  
Partner  
Membership No. 036093  
Firm No.: 05341C

For and on behalf of the Board

**ARUN CHURIWAL**  
Chairman & Managing Director  
DIN: 00001718

**SUSHIL JHUNJHUNWALA**  
Director  
DIN: 00082461

**NIVEDAN CHURIWAL**  
Executive Director  
DIN: 00001749

Place : Noida  
Date : 29th April, 2010

**PRAVEEN JAIN**  
CFO & Company Secretary

## SCHEDULES

Schedule "A" to "H" and "O" annexed to and forming part of the Balance Sheet as at 31st March, 2010.

### SCHEDULE 'A' : SHARE CAPITAL

(Rs. in lac)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>AUTHORISED</b>		
2,90,00,000 Equity Shares of Rs.10/- each (Previous Year 1,60,00,000)	<b>2900.00</b>	1600.00
5,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each	<b>500.00</b>	500.00
	<b>3400.00</b>	2100.00
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
1,02,92,168 Equity Shares of Rs.10/- each	<b>1029.22</b>	733.47
	<b>1029.22</b>	733.47

#### NOTE :

- 2920 Equity Shares have been issued at par pursuant to a contract without payment being received in cash.
- Allotment of 987 Equity shares has been kept in abeyance pending litigation.
- During the year 29,57,469 Fully paid up Equity Shares of Rs. 10/- each have been issued for consideration other than cash, pursuant to Scheme of Amalgamation of erstwhile Bhilwara Processors Limited with the Company as approved by the Hon'ble High Court Rajasthan at Jodhpur.

### SCHEDULE 'B': RESERVES AND SURPLUS

(Rs. in lac)

	AS AT 31.03.2009	Additions By Merger	Additions	Deductions	AS AT 31.03.2010
General Reserve	1233.33	286.32			<b>1519.65</b>
Capital Redemption Reserve	30.00				<b>30.00</b>
Share Premium	1874.69	51.00			<b>1925.69</b>
Capital Reserve	40.02	975.95			<b>1015.97</b>
Profit and Loss Account	105.79	13.50	378.86	90.01	<b>408.14</b>
	<b>3283.83</b>	<b>1326.77</b>	<b>378.86</b>	<b>90.01</b>	<b>4899.45</b>

**NOTE:** Capital Reserve of Rs. 975.95 Lac has been arised during the year, pursuant to the scheme of Amalgamation of erstwhile Bhilwara Processors Limited as approved by the Hon'ble High court of Rajasthan.



## SCHEDULES

### SCHEDULE 'C': LOANS

(Rs. in lac)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>SECURED</b>		
Rupee Term Loans	<b>5824.02</b>	6078.45
Working Capital Loans	<b>5318.64</b>	5436.16
	<b>11142.66</b>	11514.61

#### NOTE :

- 1) The Term Loans from Banks are secured by way of joint equitable mortgage / hypothecation of all immovable and movable existing and future assets of the Company except book debts ranking pari passu subject to prior charge created / to be created in favour of the Company's bankers on stocks of raw materials, semi-finished, finished goods for working capital.
- 2) Term loans aggregating Rs.782.20 lacs repayable within one year.
- 3) Bank loans for working capital are secured against hypothecation of stocks of raw materials, finished goods and goods in process. The same is also secured by second charge created/to be created in favour of Company's Bankers by way of joint equitable mortgage on immovable properties of the Company which is ranking pari passu.

### SCHEDULE 'D': DEFERRED TAX LIABILITY

(Rs. in lac)

	AS AT 31.03.2010	AS AT 31.03.2009
Accumulated Deferred Tax Liability at the beginning	<b>501.49</b>	494.46
Add : Balance Brought forward from amalgamating Company	<b>229.40</b>	–
Add : Provision for the year	<b>123.13</b>	7.03
	<b>854.02</b>	501.49

## SCHEDULES

## SCHEDULE 'E' : FIXED ASSETS

(Rs. in lac)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION					NET BLOCK		
	As at 31.03.2009	Additions by Merger	Additions	Deduction	As at 31.03.2010	Up to 31.03.2009	On Merged Assets	Deduction	For the Year 2009-10	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	25.48	192.71	–	–	218.19	0.36	6.32	–	2.56	9.24	208.95	25.12
Building	2366.19	825.70	8.69	0.01	3200.57	547.11	241.49	0.01	91.06	879.65	2320.92	1819.08
Plant & Machinery	17337.90	3639.19	253.18	148.07	21082.20	11509.24	2032.91	104.86	1066.13	14503.42	6578.78	5828.66
Electrical Installations	98.75	–	–	–	98.75	29.87	–	2.67	2.95	30.15	68.60	68.88
Water Supply Installation	–	39.24	–	2.81	36.43	–	29.41	–	1.50	30.91	5.52	–
Furniture & Fixture	249.11	53.12	65.28	2.16	365.35	167.50	42.85	0.91	17.84	227.28	138.07	81.61
Vehicles	124.15	69.68	48.22	36.61	205.44	33.40	27.30	17.64	18.84	61.90	143.54	90.75
Office and other equipments	247.70	129.85	10.41	0.53	387.43	136.79	80.04	0.19	19.84	236.48	150.95	110.91
Intangible Assets (Acquired)												
– Computer Software	84.69	7.16	4.72	–	96.57	14.64	5.70	–	16.26	36.60	59.97	70.05
– Enabling assets	12.26	–	–	–	12.26	0.63	–	–	0.58	1.21	11.05	11.63
<b>Total (A)</b>	20546.23	4956.65	390.50	190.19	25703.19	12439.54	2466.02	126.28	1237.56	16016.84	9686.35	8106.69
<b>CAPITAL WORK IN PROGRESS</b>												
Building under construction											7.18	1.64
Plant & Machinery under Installation											16.85	–
Furniture & Fixture											–	54.64
Advance to Suppliers											45.43	–
<b>Total (B)</b>	–	–	–	–	–	–	–	–	–	–	69.46	56.28
<b>Grand Total (A + B)</b>	20546.23	4956.65	390.50	190.19	25703.19	12439.54	2466.02	126.28	1237.56	16016.84	9755.81	8162.97
Previous Year	20541.43	–	148.30	143.50	20546.23	11590.89	–	115.28	963.93	12439.54	8162.97	8950.54

- NOTE : 1. Land includes lease hold land for Rs.186.31 lacs.  
2. Deduction from Gross Block represents sale/transfer of fixed assets and adjustment of lease rent.  
3. Deduction in depreciation is on account of Sale/Transfer of Fixed Assets.

## SCHEDULE 'F': INVESTMENTS

(Rs. in lac)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>IN GOVERNMENT SECURITIES (UNQUOTED)</b>		
National Saving Certificates	0.03	0.03
	0.03	0.03

## SCHEDULES

### SCHEDULE 'G' : CURRENT ASSETS, LOANS AND ADVANCES

(Rs. in lac)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>A. CURRENT ASSETS</b>		
<b>a) INVENTORIES</b>		
Raw Materials	1587.19	1238.68
Work in Process	1562.48	838.06
Finished Goods	2196.57	2298.79
Stores and Spare parts	379.78	256.56
	<b>5726.02</b>	<b>4632.09</b>
<b>b) SUNDRY DEBTORS (Unsecured)</b>		
Over six months – Considered Good	228.93	391.35
Others – Considered Good	2870.66	2735.33
	<b>3099.59</b>	<b>3126.68</b>
<b>c) CASH AND BANK BALANCES</b>		
Cash in Hand	4.83	3.52
With Scheduled Banks (In Current Accounts, Margin Money Deposits)	18.15	19.77
Dividend Accounts	9.33	16.00
Fixed deposits	0.80	0.89
	<b>33.11</b>	<b>40.18</b>
<b>d) OTHER CURRENT ASSETS</b>		
i) Deposits with Government Departments and others	174.17	66.44
ii) Sundry Claims & other Receivables	852.37	752.38
iii) Export Incentive Receivables	380.35	393.18
iv) Advance Tax	233.80	114.67
	<b>1640.69</b>	<b>1326.67</b>
<b>B LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
(i) Advance recoverable in cash or in kind or for value to be received or pending adjustment	163.56	163.01
(ii) Prepaid Expenses	55.53	45.82
	<b>219.09</b>	<b>208.83</b>
	<b>10718.50</b>	<b>9334.45</b>

**NOTE :** Advance recoverable in cash or in kind include :-

Due from officers Rs.Nil (Previous year - Nil) maximum balance due from officers at any time during the year Rs.Nil (Previous year - Nil).

## SCHEDULES

## SCHEDULE 'H' : CURRENT LIABILITIES AND PROVISIONS

(Rs. in lac)

	AS AT 31.03.2010	AS AT 31.03.2009
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors	<b>1082.98</b>	453.75
Interest Accrued but not Due	<b>0.24</b>	–
Unclaimed Dividends	<b>9.33</b>	16.00
Agents & Dealers Deposit	<b>135.93</b>	146.47
Other Liabilities	<b>1059.13</b>	776.36
	<b>2287.61</b>	1392.58
<b>B. PROVISIONS</b>		
Provision for Tax	<b>125.86</b>	9.08
Provision for Fringe Benefit Tax	<b>45.51</b>	62.39
Proposed Equity Share Dividend	<b>77.19</b>	–
Provision for Dividend Tax	<b>12.82</b>	–
	<b>261.38</b>	71.47
	<b>2548.99</b>	1464.05

NOTE : Sundry Creditors include amount due to SSI undertakings Rs.32.80 Lac (Previous year Rs 13.50 Lac)

Schedule "I" to "O" annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2010.

## SCHEDULE 'I' : SALES

(Rs. in lac)

	This Year	Previous Year
(a) Sales – Domestic	<b>8316.22</b>	7672.19
– Export	<b>12187.23</b>	10996.01
(b) Job Receipts	<b>1194.53</b>	100.53
(c) Export Growth Incentives	<b>104.01</b>	47.86
	<b>21801.99</b>	18816.59

## SCHEDULE 'J' : OTHER INCOME

(Rs. in lac)

	This Year	Previous Year
Rent	<b>4.28</b>	2.12
Claim against guaranteed generation of Wind power	–	85.12
Profit on sale of Fixed Assets	<b>0.45</b>	3.32
Miscellaneous Receipts	<b>2.39</b>	5.21
	<b>7.12</b>	95.77

## SCHEDULES

### SCHEDULE 'K' : MATERIALS

(Rs. in lac)

	This Year	Previous Year
<b>OPENING STOCK</b>		
– Raw Materials	1238.68	1351.89
– In Process	967.25	1051.58
	<b>2205.93</b>	2403.47
Add: Purchases	9227.61	7244.94
	<b>11433.54</b>	9648.41
<b>Less: CLOSING STOCK</b>		
– Raw Materials	1587.19	1238.68
– In Process	1562.48	838.06
	<b>3149.67</b>	2076.74
	<b>8283.87</b>	7571.67
Add: Dyes & Chemicals	767.48	354.39
Material Consumed	<b>9051.35</b>	7926.06

### SCHEDULE 'L' : PAYMENT TO AND PROVISION FOR EMPLOYEES

(Rs. in lac)

	This Year	Previous Year
Salaries, Wages and Bonus etc.	2248.68	1511.00
Workmen and Staff Welfare	45.98	28.43
Contribution to Provident, Gratuity and other funds	301.44	184.56
	<b>2596.10</b>	1723.99

### SCHEDULE 'M' : OPERATIONAL AND OTHER EXPENSES

(Rs. in lac)

	This Year	Previous Year
<b>MANUFACTURING</b>		
Weaving Charges	795.73	630.30
Processing Charges	39.45	1556.94
Combing Charges	121.43	68.80
Garment making expenses	27.90	21.09
Embroidery Charges	2.05	13.94
Top & Fibre Dyeing Charges	1.28	226.57
Stores & Spare parts(Net of scrap sale)	655.62	413.23
Power, Fuel & Water	2169.71	1230.80
Freight, Cartage etc.	42.04	10.95
Repairs to : Plant & Machinery	90.13	39.22
Building	52.49	21.52
Others	17.35	13.66
	<b>4015.18</b>	4247.02

## SCHEDULES

**SCHEDULE 'M' OPERATIONAL AND OTHER EXPENSES (Contd.)**

(Rs. in lac)

	This Year		Previous Year	
<b>ADMINISTRATIVE</b>				
Rent		48.52		46.72
Rates & Taxes		4.99		3.06
Insurance Paid	39.48		27.69	
Less: Collected	17.30	22.18	16.48	11.21
Directors' Fees		1.44		1.08
Audit Fees		2.87		2.48
Directors' Travelling		3.55		4.78
<b>MISCELLANEOUS EXPENSES</b> (Printing & Stationery, Travelling, Conveyance, Telephone, Consultancy, Legal & Professional Expenses etc.)				
		436.50		358.84
		<b>520.05</b>		<b>428.17</b>
<b>SELLING</b>				
Commission		158.09		130.78
Sales Incentives & Claims		505.08		472.94
Packing		519.57		473.22
Advertisement & Sales Promotion		262.37		200.14
Others		39.05		34.08
Foreign Travelling expenses		128.07		142.63
<b>EXPENSES ON EXPORT SALES</b>				
Commission		385.73		307.14
Overseas Freight		215.48		257.96
Others		290.09		277.40
		<b>2503.53</b>		<b>2296.29</b>
<b>OTHERS</b>				
Loss on sale of Fixed Assets		37.45		6.96
		37.45		6.96
<b>Grand Total</b>		<b>7076.21</b>		<b>6978.44</b>

**SCHEDULE 'N' : FINANCIAL EXPENSES**

(Rs. in lac)

	This Year		Previous Year	
<b>Interest</b>				
Term Loans		385.06		435.99
Others	540.35		642.70	
Less : Interest Income	44.43	495.92	49.01	593.69
Exchange difference on Foreign Currency Loans		–		6.00
Cash and Prompt Payment Discount		138.89		150.01
Bank charges		82.80		78.61
		<b>1102.67</b>		<b>1264.30</b>

## SCHEDULES

### SCHEDULE 'O' ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### A. ACCOUNTING POLICIES

##### 1) General

- a) These accounts are prepared on historical cost basis and on the accounting principles of the going concern.
- b) Accounting policies not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles(GAAP) comprising of mandatory Accounting Standards, Guidance notes, etc. issued by ICAI.

##### 2) Revenue recognition

- a) Sales comprise, sale of goods and is inclusive of excise duty and export incentives and after deduction of usual trade discount.
- b) Income, Expenditure and Export Incentives/Benefits are accounted for on accrual basis.
- c) Claims lodged with insurance companies are recognised as income on recognition by the Insurance Company.

##### 3) Inventory Valuation

- a) Inventories are valued at cost or net realisable value whichever is lower.
- b) Cost is determined on FIFO / weighted average method as considered to the relevant stage of production.
- c) Cost of raw materials includes duties, net of cenvat claims wherever applicable.
- d) Processed value of goods on job is valued at contract rate.

##### 4) Investments

All investments are in nature of long term and are valued at cost.

##### 5) Fixed Assets, Intangible Assets and Capital Work-in progress.

- a) Fixed assets are valued at cost with subsequent improvements thereto. Fixed assets of Processing division are stated at revalued amount. Cost of acquisition includes taxes, duties (Net of Cenvat), inward freight and installation expenses.
- b) Expenditure incurred on intangible assets, on or after 1st April'2003, being the date when AS-26 became mandatory, has been accounted for as intangible assets, at their acquisition cost.

##### 6) Preoperative Expenses

Trial run costs and other preoperative expenses incurred during construction / implementation period, including interest on borrowings (Net of subsidy) to finance fixed assets are capitalised upto the date of commissioning of the respective asset.

##### 7) Depreciation and Amortisation

- a) Depreciation for the year on fixed assets other than revalued assets has been provided in the manner specified in Schedule XIV to the Companies Act, 1956 as amended vide Notification No. GSR 756(E) dated 16th December,1993 issued by the Department of Company Affairs.
- b) Depreciation for the year on revalued assets of processing division has been provided on revalued amount on the basis of remaining useful life of the assets considered by the valuer.
- c) Incremental carrying amounts on account of exchange fluctuation on foreign currency loans for acquisition of fixed assets is depreciated over the residual life of the related fixed asset.
- d) Assets costing upto Rs.5000/- are fully depreciated in the year of purchase.
- e) Acquired Intangible assets are amortised over their estimated useful life as determined by the management at following rates on straight-line basis.
  - i) Computer Software : 16.21%
  - ii) Enabling assets : 4.75%

##### 8) Foreign Exchange Transaction/Translation

- a) Assets and liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet or at the contracted rates in case of forward contracts. The resulting difference arising out of said translations are adjusted as under :-
  - i) To the cost of assets where liabilities are in respect of acquisition of Fixed Assets.
  - ii) To Profit & Loss Account in respect of other transactions.
  - iii) In case of forward contracts other than for acquisition of fixed assets, the difference between the forward rate and the exchange rate on the date of the transaction is recognised as income or expense over the life of the contract.
- b) Export sales are accounted for at the conversion rates as negotiated by banks and balance on actual realisation.

##### 9) Research and Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure is shown as addition to fixed assets.

## SCHEDULES

**10) Employee Benefits**

- a) Defined Contribution Plan :  
The Company makes defined contribution to Provident fund and Superannuation schemes in the Profit & Loss Account on accrual basis, based on actual liability.
- b) Defined Benefit Plan :  
The Company's Liabilities on account of Gratuity fund and Leave encashment fund for benefit on retirement of employees are determined at the end of each Financial Year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per revised AS-15. These liabilities are funded on year-to-year basis by contribution to respective funds.

**11) Prior year Adjustments**

Besides the debit/credit in previous year adjustment account, amounts related to previous year, arised / settled during the year have been debited/credited to respective heads of accounts.

**12) Replenishment**

In respect of exports, indigenous raw material had to be used on occasions to be replenished subsequently by quantities allowed to be imported, under Duty Exemption scheme of the Government of India. Therefore, the cost of indigenous raw material consumed for export has been computed at its estimated import/duty free prices.

**13) Repairs and Maintenance**

Repairs of Plant & Machinery and Building do not include salaries and wages as these are debited under respective heads.

**14) Impairment of Assets**

Impairment of assets is being measured on factors giving rise to any indication of impairment, by comparing the recoverable amount, higher of value in use and net selling price of an asset, with carrying amount of an asset as per the Accounting Standard 28 "Impairment of Assets" issued by ICAI.

**15) Taxes on Income**

- a) The Tax payable method is followed for providing current tax liability. The difference between provision and payments, if any, are recognised in the year in which assessment is completed.
- b) Credit available for Minimum Alternative Tax (MAT) of earlier years are adjusted against Income Tax payable for current year as per provisions of the Income Tax Act, 1961.
- c) Deferred taxation liabilities are measured in respect of taxable temporary differences, calculated at prevailing enacted or substantially enacted regulations at the Balance Sheet date. Deferred tax assets are recognised subject to prudence only, if there is reasonable certainty that they will be realised.

**16) Contingent Liabilities/Assets**

- a) Provisions are recognized when the present obligation of or past event gives rise to a probable outflow embodying economic benefits on settlement and the amount of obligation can be reliably estimated.
- b) Contingent liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved.
- c) Provisions and contingent liabilities/assets are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**B. NOTES ON ACCOUNTS**

(Rs. in lac)

	This Year	Previous Year
1) Contingent Liabilities not provided for		
(a) Bills discounted with Banks	1157.55	937.43
(b) Guarantees given by the Company's Bankers	79.22	12.08
(c) Guarantees issued on behalf of other Companies	Nil	86.72
(d) Claims against the Company not acknowledged as debts	15.52	21.24
(e) Excise duty demand disputed by the Company	23.88	17.61
(f) Sales Tax demand of Erstwhile BSL Wulping Ltd., disputed by the company	31.64	31.64
(g) Estimated value of contracts remaining to be executed on Capital Accounts	569.42	-

- 2) There are no Micro, small and medium enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2010. This information as required to be disclosed under the Micro-small and medium enterprises development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



## SCHEDULES

- 3) In view of legal opinion and various reliefs available under Income Tax Act, 1961 provision for taxation has been considered adequate.
- 4) Gross block and Net Block of fixed assets includes Rs. 1218.85 Lac and Rs. 889.70 Lac respectively on account of revaluation of fixed assets carried out in past by erstwhile Bhilwara Processors Limited. Depreciation of Rs.98.19 Lac has been charged to Profit & Loss account on these revalued assets.
- 5) To be in line and in conformity with the accounting policy of amalgamated company, method of charging depreciation on plant & machinery of erstwhile Bhilwara Processors Limited, now Processing Division has been changed from "Continuous Process Plant Method" to "Triple Shift Depreciation Method" as prescribed under Schedule XIV to the Companies Act,1956. As a result of this change, depreciation provided for the year is higher by Rs.88.00 Lac and consequently profit is lower to that extent.
- 6) The loans & advances, debtors and other current assets are reviewed annually and their value in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet as assessed by the management, however balance confirmation from parties are under process.
- 7) The figures for the previous year have been regrouped and rearranged wherever found necessary; however the same are not comparable with current year in post merger scenario.

8) Payment to Auditors in other capacity : (Rs. in lac)

	This Year	Previous Year
– Taxation matters	0.51	0.30
– Tax & Vat Audit	0.89	0.70
– Certification	1.73	0.78
– Reimbursement of expenses	0.50	0.20
<b>Total</b>	<b>3.63</b>	1.98

9) a) Computation of Profit in accordance with Section 349 of the Companies Act, 1956 for the purpose of section 198 of the said Act and the commission payable to Chairman & Managing Director :

(Rs. in lac)

	This Year	Previous Year
Profit Before Tax	614.30	24.92
Add : Loss on sale of fixed assets	37.45	6.96
Director's Remuneration	51.40	36.26
	<b>703.15</b>	68.14
Less : Profit on sale of Fixed Assets	0.45	3.32
Profit for computation of Chairman & Managing Director's commission	702.70	64.82
Commission at the rate of 1% of Profit as computed above.	7.03	0.65

b) Details of remuneration and perquisites of the Managerial personnel:

(Rs. in lac)

	This Year	Previous Year
Salary & Allowances	38.18	31.39
Contribution to Provident Fund and Superannuation fund	6.19	4.87
Commission	7.03	–
	<b>51.40</b>	36.26

## SCHEDULES

## C. DISCLOSURES

## 1. Amalgamation

Pursuant to the scheme of amalgamation under section 391 & 394 of the Companies Act, 1956 and approval of the Hon'ble High Court of Rajasthan at Jodhpur, the assets & liabilities of the Bhilwara Processors Limited have been transferred to and vested in the Company at their respective book values. The amalgamation is in the nature of Merger, which is accounted for under the Pooling of Interest Method in compliance with AS-14. The required disclosures of amalgamation is given hereunder:-

Name of Company	:	Bhilwara Processors Limited
Nature of Business of Amalgamating Company	:	Fabric Processing, Top, Fibre & Yarn Dyeing
Effective Date of Amalgamation	:	01/04/2009
Description and number of Shares Issued as consideration	:	29,57,469 - Equity Shares of Rs. 10/- each.
Percentage of Equity Shares exchanged to effect the amalgamation	:	100%

**Rs. In Lac**

Value of Net Identifiable Assets	:	1271.70
Less: Consideration	:	295.75
Difference adjusted in the Capital Reserves a/c.	:	975.95

The accounts of the Company for the current financial year includes operations of erstwhile M/s Bhilwara Processors Limited and to that extent previous year figures are not comparable.

## 2. Employee Benefits

The Company has complied with Accounting Standard 15 (Revised 2005) and the required disclosure are given here under:

## (a) Defined Benefit Plans:

(Rs. in lac)

	This year		Previous year	
	Gratuity (Funded)	Earned Leave (Funded)	Gratuity (Funded)	Earned Leave (Funded)
i) Reconciliation of opening and closing balances of defined benefit obligation				
a) At the beginning of the year	268.56	78.48	248.97	68.45
b) Of Amalgamating Company	138.16	27.81	-	-
c) Current Service Cost	37.09	22.77	24.44	12.31
d) Interest Cost	21.48	6.28	19.92	5.48
e) Actuarial (Gain) Loss	41.78	(8.14)	10.17	5.56
f) Benefits paid	(30.60)	(9.96)	(34.94)	(13.32)
g) Defined Benefits Obligation at year end	476.47	117.24	268.56	78.48
ii) Reconciliation of opening and closing balances of fair value of plan assets				
a) At beginning of the year	268.56	78.48	269.70	69.19
b) Of Amalgamating Company	138.16	27.81	-	-
c) Expected Return on plan assets	36.60	9.83	26.97	6.92
d) Actuarial Gain / (Loss)	0.59	-	(6.94)	(0.52)
e) Employer Contributions	56.65	1.12	13.77	2.89
f) Benefits paid	(24.09)	-	(34.94)	-
g) Fair Value of the plan assets at the year end	476.47	117.24	268.56	78.48
iii) Reconciliation of fair value of obligation and Assets				
a) Present value of obligation as at year end	476.47	117.24	268.56	78.48
b) Fair value of plan assets as at year end	476.47	117.24	268.56	78.48
c) Amount recognized in Balance Sheet (a-b)	-	-	-	-

## SCHEDULES

(Rs. in lac)

	This year		Previous year	
	Gratuity (Funded)	Earned Leave (Funded)	Gratuity (Funded)	Earned Leave (Funded)
iv) Expense recognized during the year				
a) Current Service Cost	37.09	22.77	24.44	12.31
b) Interest Cost	21.48	6.28	19.92	5.48
c) Expected return on plan assets	(36.60)	(9.83)	(26.97)	(6.92)
d) Actuarial (gain) / loss	41.19	(8.14)	17.11	6.08
e) Net Cost (a+b+c+d)	63.16	11.08	34.50	16.95

v) Investment Details of Plan Assets:

Sr. No.	Name of Retirement Benefit	Name of Trust	Policy No.	Investment with
1)	Gratuity	Bhilwara Synthetics Ltd. Officers Gratuity Trust Fund	00000273	ICICI Prudential Life Insurance Co. Ltd.
			GG(CA) 303366	LIC of India
			00000271	ICICI Prudential Life Insurance Co. Ltd.
			GG(CA) 47848	LIC of India
2)	Earned Leave		GLES 311744	LIC of India
			GLES 311724	LIC of India

vi) There are no amount included in the fair value of plan assets for

- Company's own financial instruments.
- Property occupied by or other assets used by the Company.

vii) Principal Actuarial Assumptions at the Balance Sheet date

	This Year	Previous Year
i) Discount Rate	8% per annum	8% per annum
ii) Expected Rate of return on plan assets		
– Gratuity Plan	9% per annum	10% per annum
– Earned Leave Plan	9.25% per annum	10% per annum
iii) Future Salary Increase	4.50% per annum	4.50% per annum

The estimation of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market etc. The above information is certified by the Actuary. The estimate of contribution for the next year as per actuarial valuation is as under:-

- Gratuity – Rs. 74.46 lac
- Earned Leave – Rs. 10.19 lac

viii) The overall expected rate of return on assets is assumed based on the market prices prevailing on that date over the accounting period. The Company is having approved gratuity trust and leave encashment policy, which is having insurer Managed Fund.

ix) Experience Adjustment:

Gratuity	March'10	March'09	March'08	March'07
Defined Benefits Obligation	476.47	268.56	248.97	277.49
Plan assets	476.47	268.56	269.70	280.20
Surplus/(deficit)	–	–	20.73	2.71
Experience adjustment on plan Liabilities (loss)/ gain	(41.78)	(10.17)	8.73	*
Experience adjustment on plan Assets (loss)/ gain	0.59	(6.94)	(7.35)	*
<b>Earned Leave</b>				
Defined Benefits Obligation	117.24	78.48	68.46	57.75
Plan assets	117.24	78.48	69.19	57.75
Surplus/(deficit)	–	–	0.73	–
Experience adjustment on plan Liabilities (loss)/ gain	8.14	(5.56)	1.40	*
Experience adjustment on plan Assets (loss)/ gain	–	(0.52)	(0.19)	*

\* In the absence of availability, relevant information on the experience adjustments on plan assets and liabilities has not been furnished.

## SCHEDULES

**(b) Defined Contribution Plans**

Amount recognized as an expense and included in the Schedule "L"

	This Year	Previous Year
i) Employer's Contribution to Provident Fund	148.80	98.32
ii) Employer's Contribution to Superannuation Fund	21.51	8.99

**3. Segment Reporting**

The Company's operation predominantly relates to Textile & generation of Wind power. On the basis of assessment of the risk and return differential in terms of AS-17, the Company has identified Textile and Wind Power as primary reportable segments. Further the geographical segment have been considered as secondary segment and bifurcated into Domestic & Export segments. The revenue and expenditure in relation to the respective segment have been identified and allocated to the extent possible. Other items i.e. interest expenses, income tax, etc. not allocable to specific segments are disclosed separately as unallocated and adjusted directly against the total income of the Company.

**A. Business Segments**

(Rs. in lac)

Particulars	2009-2010			2008-2009		
	Textile	Wind Power	Total	Textile	Wind Power	Total
<b>(i) Segment Revenue</b>						
External Sales/Other Income	21651.55	130.35	21781.90	18655.81	219.12	18874.93
Inter Segment Transfer	-	-	-	-	-	-
<b>Total Revenue</b>	<b>21651.55</b>	<b>130.35</b>	<b>21781.90</b>	<b>18655.81</b>	<b>219.12</b>	<b>18874.93</b>
<b>(ii) Segment Result</b>						
Segment Result	1644.08	72.89	1716.97	1127.29	161.93	1289.22
Less: Interest (Net)			1102.67			1264.30
Profit before Tax			614.30			24.92
Less : Taxation						
– Income Tax (incl. FBT )			121.09			21.09
– Deferred Tax liability/(Credit)			123.13			7.03
– Earlier Year's			(8.78)			(8.22)
<b>Net Profit for the year</b>			<b>378.86</b>			<b>5.02</b>
<b>(iii) Other Information</b>						
Segment Assets	19611.98	862.36	20474.34	16497.67	999.78	17497.45
Segment Liabilities	13391.65	300.00	13691.65	12558.66	420.00	12978.66
Capital Employed	17062.99	862.36	17925.35	15033.62	999.78	16033.40
Capital Exp. Incurred during the year	369.04	-	369.04	204.58	-	204.58
Depreciation	1181.14	56.41	1237.55	907.52	56.41	963.93
Other Non Cash Expenses	-	-	-	-	-	-

**B. Geographical Segment**

(Rs. in lac)

Particulars	2009-2010			2008-2009		
	Domestic	Export	Total	Domestic	Export	Total
Segments Revenue (Based on location of the customers)						
– Textiles	9464.32	12187.23	21651.55	7659.80	10996.01	18655.81
– Wind Power	130.35	-	130.35	219.12	-	219.12
	<b>In India</b>	<b>Outside India</b>	<b>Total</b>	<b>In India</b>	<b>Outside India</b>	<b>Total</b>
Segment Assets (Based on location of the assets)	17883.53	2590.81	20474.34	14785.80	2711.65	17497.45

## SCHEDULES

### 4. Related Party Disclosure

- a) Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries) – None
- b) Associates and joint ventures – None
- c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual. – None
- d) Key Management Personnel and their relatives – Shri Arun Churiwal and Shri Nivedan Churiwal
- e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence – RSWM Limited
- f) Transactions with Related Parties

The following transactions were carried out with the related parties in the ordinary course of business:

	This year	Previous year
1) With the parties referred in (d) above		
Directors remunerations	51.40	36.26
2) With the parties referred in (e) above		
Purchases of Raw Material	1867.97	100.34
Sales of Raw Material	107.68	1.71
Services received	217.54	1.15
Services rendered	9.38	–
Sale of Stores & Consumables	9.47	–
Purchase of Stores & Consumables	9.66	–
Rent Paid	11.39	0.97
Outstanding Receivable	–	13.99
Outstanding Payable	9.98	–

### 5. Earning Per Share

The basic and diluted earnings per share have been calculated as per AS-20 by dividing net profit for the year attributable to Equity shareholders by the weighted average number of Equity shares as under :

S.No.	Particulars	This Year	Previous Year
a)	Net Profit after tax	378.86	5.02
b)	Net profit available to Equity shareholders	378.86	5.02
c)	Average No. of Equity shares outstanding during the year (Nos).	10292168	7334699
d)	Basic & Dilutive earnings per share (b)/(c) (Rupees per share)	3.68	0.07

## SCHEDULES

## 6. Taxes on Income

The company has recognized deferred tax liability of Rs.123.13 lac determined on account of timing differences in accordance with Accounting Standard-22 "Accounting for Taxes on Income" as under :-

(Rs. in lac)

Particulars	As at 31.03.2010	As at 31.03.2009
<b>Deferred Tax Liability</b>		
Fixed Assets	<b>1109.55</b>	897.14
	<b>1109.55</b>	897.14
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation	<b>82.58</b>	363.70
Provision for doubtful debts	–	1.15
Disallowed u/s 43B	<b>47.47</b>	30.36
	<b>130.05</b>	395.21
Deferred Tax Liability	<b>979.50</b>	501.93
Less: Mat Credit	<b>125.48</b>	0.44
<b>Net Deferred Tax Liability</b>	<b>854.02</b>	501.49

- 7) No provision is required for impairment of assets according to AS-28 'Impairment of Assets' as the value in use as estimated by the management, is higher than the carrying amount of the assets as on Balance Sheet date. In order to arrive at the value in use, the company has reviewed the future earnings of the remaining useful life of all its cash generating units as at Balance Sheet date which has been discounted at the average long term lending rate of the Company.
- 8) The Company hedges its export realisations through foreign exchange forward contracts in the normal course of business so as to reduce the risk of exchange fluctuation. These hedging transactions are part and parcel of normal business transactions. The Company has outstanding foreign exchange forward contract of USD 9.19 Millions (Previous year USD 4.3 Millions) as on 31st March 2010, which has been booked for hedging of export realisations.

## D. THE ADDITIONAL INFORMATION REQUIRED AS PER SCHEDULE VI OF THE COMPANIES ACT, 1956.

## 1. CAPACITY (As certified by the Management)

## INSTALLED CAPACITY

Particulars	This Year	Previous Year
Looms	<b>136</b>	134
Worsted Spinning Spindles	<b>8768</b>	8768
Synthetic Spinning Spindles	<b>17136</b>	17136
Fabrics Processing (Mtrs. In lac)	<b>264</b>	–
Top, Fibre & Yarn Dyeing (MT)	<b>1382</b>	–

## SCHEDULES

### 2. SALES, PRODUCTION & STOCK

Particulars	Production		Purchase		Opening Stock		Closing Stock		Sales/Transfer	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
<b>A. Own Manufacturing</b>										
i) Worsted Yarn										
Qty. - Lac Kgs.	7.43	7.03	0.05	–	0.16	0.08	0.23	0.16	7.41	6.95
Value - Lac Rs.	–	–	18.28	–	54.05	27.24	85.97	54.05	2674.15	2609.21
ii) PV Yarn										
Qty. - Lac Kgs.	27.73	28.38	0.52	0.18	0.74	2.16	1.05	0.74	27.94	29.98
Value - Lac Rs.	–	–	74.57	25.39	107.63	343.12	182.91	107.63	4342.19	4328.75
iii) Fabrics										
Qty. - Lac Mtrs.	153.61	147.65	10.64	9.35	23.98	21.88	29.81	23.95	158.42	154.93
Value - Lac Rs.	–	–	481.56	341.25	2563.18	2386.11	2581.67	2556.87	18693.35	17376.01
iv) Garments										
Qty. - Lac Nos.	0.40	0.40	–	–	0.13	0.17	0.11	0.13	0.42	0.44
Value - Lac Rs.	–	–	–	–	22.44	23.75	15.42	22.44	120.72	101.24
v) Wind Power										
Qty. - Lac units	35.06	36.69	–	–	–	–	–	–	35.06	36.69
Value - Lac Rs.	–	–	–	–	–	–	–	–	130.35	134.00
vi) Others										
Value - Lac Rs.	–	–	11.44	9.11	5.20	3.48	6.74	5.20	15.01	16.64
<b>B. Job work</b>										
i) Fabrics Processing										
Qty. - Lac Mtrs.	241.30	–	–	–	6.56	–	4.58	–	243.28	–
Value - Lac Rs.	–	–	–	–	71.10	–	37.57	–	2754.09	–
ii) Yarn Dying										
Qty. - Lac Kgs.	1.85	–	–	–	–	–	0.02	–	1.83	–
Value - Lac Rs.	–	–	–	–	–	–	0.78	–	83.53	–
iii) Top, Fibre Dyeing										
Qty. - Lac Kgs.	16.66	–	–	–	–	–	–	–	16.66	–
Value - Lac Rs.	–	–	–	–	–	–	–	–	193.44	–
iv) Yarn Spinning										
Qty. - Lac Kgs.	0.99	1.13	–	–	–	–	0.06	–	0.93	1.13
Value - Lac Rs.	–	–	–	–	–	–	5.99	–	101.81	100.53
v) Others										
Value - Lac Rs.	–	–	–	–	–	–	–	–	2.63	–

## SCHEDULES

NOTE:-

2009-2010 2008-2009

Sale/ Transfer include Inter division transfer for Captive Consumption:

i) Worsted Yarn

Qty. - Lac Kgs.	7.02	6.64
Value - Lac Rs.	2537.22	2499.97

ii) PV Yarn

Qty. - Lac Kgs.	18.86	23.16
Value - Lac Rs.	2935.09	3397.68

Inter Division job charges :

ii) Fabrics Processing

Qty. - Lac Mtrs.	148.93	-
Value - Lac Rs.	1689.62	-

iii) Yarn Dying

Qty. - Lac Kgs.	0.84	-
Value - Lac Rs.	60.60	-

iv) Top, Fibre Dyeing

Qty. - Lac Kgs.	16.57	-
Value - Lac Rs.	190.75	-

## 3. RAW MATERIAL CONSUMED

Particulars	2009-2010		2008-2009	
	Qty. (in lac)	Value (Rs. in lac)	Qty. (in lac)	Value (Rs. in lac)
i) Wool (Kgs.)	3.63	1101.12	3.26	1415.16
ii) Polyester & other Synthetic fibre (Kgs.)	24.04	1727.65	24.37	1783.83
iii) Viscose (Kgs.)	10.50	1313.83	10.70	1267.60
iv) Fabrics(Mtrs.)	10.64	482.73	9.35	341.25
v) Yarn (Kgs.)	29.08	3833.95	22.46	2710.49
vi) Dyes & Chemicals		767.48		354.39
vii) Job Spinning		14.37		-
viii) Process Stock Adjustment		(199.69)		44.23
ix) Others		9.91		9.11
		9051.35		7926.06



## SCHEDULES

### 4. VALUE OF IMPORTS CALCULATED ON CIF BASIS IN RESPECT OF

(Rs.in lac)

Particulars	This Year	Previous Year
i) Capital Goods	24.86	19.88
li) Spare Parts	135.11	144.56
iii) Raw Material (Wool)	1247.00	861.41
(Fibre)	65.48	43.34
(Silk Yarn)	324.21	231.27
<b>Total</b>	<b>1796.66</b>	<b>1300.46</b>

### 5. VALUE OF RAW MATERIAL COMPONENTS & SPARE PARTS CONSUMED (Imported & Indigenous)

Particulars	2009-2010		2008-2009	
	(Rs. in lac)	%	(Rs. in lac)	%
(i) Raw materials				
– Imported	1218.38	13.46	1455.33	18.36
– Indigenous	7832.97	86.54	6470.73	81.64
<b>Total</b>	<b>9051.35</b>	<b>100.00</b>	<b>7926.06</b>	<b>100.00</b>
(ii) Components & Spare Parts				
– Imported	186.57	28.46	133.71	32.36
– Indigenous	469.05	71.54	279.52	67.64
<b>Total</b>	<b>655.62</b>	<b>100.00</b>	<b>413.23</b>	<b>100.00</b>

### 6. EXPENDITURE INCURRED IN FOREIGN CURRENCY

(Rs.in lac)

Particulars	This Year	Previous Year
(1) Travelling Expenses	76.78	90.16
(2) Commission on Export	385.73	307.14
(3) Other Expenses	75.12	38.96
<b>Total</b>	<b>537.63</b>	<b>436.26</b>

### 7. EARNING IN FOREIGN EXCHANGE

Export on FOB value	11939.99	10707.02
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### 8. REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

NIL NIL

As per our Report of even date

**For A. L. CHECHANI & CO.**  
Chartered Accountants

**(SUNIL SURANA)**  
Partner  
Membership No. 036093  
Firm No.: 05341C

Place : Noida  
Date : 29th April, 2010

For and on behalf of the Board

**ARUN CHURIWAL**  
Chairman & Managing Director  
DIN: 00001718

**SUSHIL JHUNJHUNWALA**  
Director  
DIN: 00082461

**NIVEDAN CHURIWAL**  
Executive Director  
DIN: 00001749

**PRAVEEN JAIN**  
CFO & Company Secretary

## CASH FLOW STATEMENT

(Rs. in lac)

	2009-2010	2008-2009
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	614.30	24.92
Adjustments for:		
1. Depreciation	1237.55	963.93
2. Interest	880.98	1035.68
3. Profit / Loss on sale of Fixed Assets	37.00	3.64
Operating profit before working capital change	2769.83	2028.17
Adjustments for:		
1. Trade and other receivable	69.39	697.43
2. Inventories	(858.40)	307.25
3. Trade Payables	496.54	(774.80)
	(292.47)	229.88
Cash Generated from operations	2477.36	2258.05
1. Direct Taxes paid	(100.39)	(27.86)
Net cash from operating activities	(A) 2376.97	2230.19
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(369.04)	(204.58)
Sale/Decrease of Fixed Assets	26.91	24.58
	(B) (342.13)	(180.00)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	124.17	65.00
Repayment of Long Term Borrowings	(930.97)	(1008.50)
Repayment bank borrowings & short term borrowings	(355.60)	(75.35)
Interest paid	(880.98)	(1035.68)
Net cash used in financing activities	(C) (2043.38)	(2054.53)
Net increase in cash and cash equivalents	(A+B+C) (8.54)	(4.34)
Opening Cash and Cash equivalents	40.18	44.52
Opening Balance from Amalgamating Company	1.47	-
Closing Cash and Cash equivalents	33.11	40.18

**Note :** The cash flow is prepared on the basis of merged Balance Sheet of the Company with erstwhile Bhilwara Processors United as on 01.04.2009.

As per our Report of even date

**For A. L. CHECHANI & CO.**  
Chartered Accountants

**(SUNIL SURANA)**  
Partner  
Membership No. 036093  
Firm No.: 05341C

Place : Noida  
Date : 29th April, 2010

For and on behalf of the Board

**ARUN CHURIWAL**  
Chairman & Managing Director  
DIN: 00001718

**SUSHIL JHUNJHUNWALA**  
Director  
DIN: 00082461

**NIVEDAN CHURIWAL**  
Executive Director  
DIN: 00001749

**PRAVEEN JAIN**  
CFO & Company Secretary

## BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

### 1. Registration Details

Registration No. 

0	0	0	0	2	2	6	6
---	---	---	---	---	---	---	---

 State Code 

1	7
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

### 2. Capital Raised during the year (Amount in Rupees Thousands)

Public Issue 

				N	I	L
--	--	--	--	---	---	---

 Right Issue 

				N	I	L
--	--	--	--	---	---	---

Bonus Issue 

				N	I	L
--	--	--	--	---	---	---

 Private Placement 

				N	I	L
--	--	--	--	---	---	---

### 3. Position of Mobilisation and Deployment of Funds (Amount in Rupees Thousands)

Total Liabilities 

2	0	4	7	4	3	4
---	---	---	---	---	---	---

 Total Assets 

2	0	4	7	4	3	4
---	---	---	---	---	---	---

#### Sources of Funds

Paid-up Capital 

	1	0	2	9	2	2
--	---	---	---	---	---	---

Reserves & Surplus 

	4	8	9	9	4	5
--	---	---	---	---	---	---

Secured Loans 

1	1	1	4	2	6	6
---	---	---	---	---	---	---

Unsecured Loans 

				N	I	L
--	--	--	--	---	---	---

Deferred Tax Liability 

		8	5	4	0	2
--	--	---	---	---	---	---

#### Application of Funds

Net Fixed Assets 

	9	7	5	5	8	1
--	---	---	---	---	---	---

Investments 

						3
--	--	--	--	--	--	---

Net Current Assets 

	8	1	6	9	5	1
--	---	---	---	---	---	---

Miscellaneous Expenditure 

				N	I	L
--	--	--	--	---	---	---

Accumulated Losses 

				N	I	L
--	--	--	--	---	---	---

### 4. Performance of Company (Amount in Rupees Thousands)

Turnover 

2	1	8	0	1	9	9
---	---	---	---	---	---	---

 Total Expenditure 

2	1	1	8	7	6	9
---	---	---	---	---	---	---

Profit/(Loss) before tax 

		6	1	4	3	0
--	--	---	---	---	---	---

 Profit/(Loss) after tax 

		3	7	8	8	6
--	--	---	---	---	---	---

Earning per share (in Rs.) 

		3	.	6	8
--	--	---	---	---	---

 Dividend Rate (%) 

		7	.	5	0
--	--	---	---	---	---

### 5. Generic Names of Three Principal Products / Services of Company

(a) Item Code No. (ITC Code) 

5	5	1	5																
---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Product Description 

F	A	B	R	I	C	S		M	A	D	E		O	F	M	A	N		
M	A	D	E		F	I	B	R	E	S									

(b) Item Code No. (ITC Code) 

5	1	1	2																
---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Product Description 

W	O	O	L	L	E	N	/	W	O	R	S	T	E	D					
B	L	E	N	D	E	D		F	A	B	R	I	C	S					

(c) Item Code No. (ITC Code) 

5	1	0	7																
---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Product Description 

W	O	O	L	L	E	N	/	W	O	R	S	T	E	D					
B	L	E	N	D	E	D		Y	A	R	N								

## STATISTICS

TABLE 1: BALANCE SHEET ANALYSIS

(Rs. in lac)

Year Ended	31st March 2010	31st March 2009	31st March 2008	31st March 2007	31st March 2006
<b>A) SOURCES</b>					
<b>1. Net Worth</b>					
Equity Share Capital	1029.22	733.47	733.47	733.47	733.47
Reserves	4899.45	3283.83	3278.81	3934.91	4017.25
	5928.67	4017.30	4012.28	4668.38	4750.72
<b>2. Term Loans</b>					
Secured	5824.02	6078.45	7021.95	6524.67	3743.77
Unsecured	–	–	–	775.00	–
	5824.02	6078.45	7021.95	7299.67	3743.77
<b>3. Deferred Tax Liability</b>					
	854.02	501.49	494.46	745.13	658.59
<b>Total (1 + 2 + 3)</b>	<b>12606.71</b>	<b>10597.24</b>	<b>11528.69</b>	<b>12713.18</b>	<b>9153.08</b>
<b>B) APPLICATION OF FUNDS</b>					
<b>1. Assets</b>					
Gross Block	25703.19	20546.23	20541.43	18826.16	15958.66
Less : Depreciation	16016.84	12439.54	11590.89	10635.37	9829.75
Net Block	9686.35	8106.69	8950.54	8190.79	6128.91
Capital Work in progress	69.46	56.28	–	1414.71	91.43
Investments	0.03	0.03	0.03	0.08	0.95
	9755.84	8163.00	8950.57	9605.58	6221.29
<b>2. Working Capital</b>					
Current Assets	11876.05	10271.88	11548.78	10827.94	9077.48
Less: Current Liabilities	2548.99	1464.05	2281.99	2245.31	1705.50
Bank Borrowings	6476.19	6373.59	6688.67	5475.03	4440.19
	9025.18	7837.64	8970.66	7720.34	6145.69
Net Working Capital	2850.87	2434.24	2578.12	3107.60	2931.79
<b>Total (1 + 2)</b>	<b>12606.71</b>	<b>10597.24</b>	<b>11528.69</b>	<b>12713.18</b>	<b>9153.08</b>

## STATISTICS

### TABLE 2: LONG TERM LOANS RECEIPTS AND REPAYMENTS

(Rs. in lac)

LOANS FROM	Total Loans			Total Repayments			Outstanding
	Till 31.03.2009	New Loans	Total 31.3.2010	Till 31.03.2009	Repayment 2009-2010	Total 31.03.2010	as at 31.03.2010
The Bank of Rajasthan Limited	338.00	–	<b>338.00</b>	272.76	46.28	<b>319.04</b>	<b>18.96</b>
ICICI Bank Ltd.	600.00	–	<b>600.00</b>	525.00	75.00	<b>600.00</b>	–
IDBI Bank Ltd.	1351.00	61.00	<b>1412.00</b>	868.28	152.56	<b>1020.84</b>	<b>391.16</b>
Uco Bank	941.91	–	<b>941.91</b>	608.00	120.00	<b>728.00</b>	<b>213.91</b>
Oriental Bank of Commerce	5183.82	–	<b>5183.82</b>	140.00	370.00	<b>510.00</b>	<b>4673.82</b>
Allahabad Bank	900.00	–	<b>900.00</b>	480.00	120.00	<b>600.00</b>	<b>300.00</b>
State Bank of India	157.00	–	<b>157.00</b>	134.40	22.60	<b>157.00</b>	–
Union Bank of India	223.11	63.17	<b>286.28</b>	40.00	20.11	<b>60.11</b>	<b>226.17</b>
<b>Grand Total</b>	<b>9694.84</b>	<b>124.17</b>	<b>9819.01</b>	<b>3068.44</b>	<b>926.55</b>	<b>3994.99</b>	<b>5824.02</b>

### TABLE 3: RETURN ON NET WORTH

(Rs. in lac)

Year Ended	31st March 2010	31st March 2009	31st March 2008	31st March 2007	31st March 2006
Net Worth	<b>5928.67</b>	4017.30	4012.28	4668.38	4750.72
Pre-tax Profit	<b>614.30</b>	24.92	(885.81)	76.95	220.37
Ratio%	<b>10.36</b>	0.62	(22.08)	1.65	4.64

### TABLE 4: RETURN ON TURNOVER

(Rs. in lac)

Year Ended	31st March 2010	31st March 2009	31st March 2008	31st March 2007	31st March 2006
Sales	<b>21801.99</b>	18816.59	17888.49	18209.11	17335.22
Pre-depreciation Profit	<b>1851.85</b>	988.85	109.98	834.76	1079.59
Ratio %	<b>8.49</b>	5.26	0.61	4.58	6.23



# LNJ Bhilwara Group

## TEXTILES

### RSWM Limited

1. Kharigram
2. Mayur Nagar, Banswara
3. Mandpam
4. Rishabhdev
5. Ringas
6. LNJ Nagar, Mordī
7. LNJ Nagar, Mordī
8. LNJ Nagar, Mordī

Fibre Dyeing, Spinning Dyed & Grey Yarn  
 Spinning PV Blended, Cotton & Open End Grey Yarn  
 Melange, Cotton Dyed Yarn & Yarn Dyeing  
 Spinning PV Blended Grey Yarn  
 Fibre Dyeing & Spinning Dyed Yarn  
 Weaving & PV Fabric Processing & Finishing  
 Cotton Ring & Open End Spinning, Denim Fabric  
 Weaving & Rope Dyeing, Processing & Finishing  
 Thermal Power

### Chesind Textiles Ltd.

9. Bagalur
10. Pondicherry

Spinning Cotton, Compact, Gassed & Mercerized Yarn & Knitting  
 Spinning Cotton, Compact, Gassed & Mercerized Yarn & Knitting

### Maral Overseas Ltd.

11. Maral Sarovar
12. Maral Sarovar
13. Noida
14. Noida

Cotton Spinning, Knitting, Dyeing & Finishing, Knitted Garments  
 Captive Thermal Power  
 Knitted Garments  
 Knitted Garments

### BSL Ltd.

15. Bhilwara
16. Jaisalmer

PV & Worsted Spinning, PV & Worsted Weaving & Silk Fabric  
 Wind Power Generation

### BMD Pvt. Ltd.

17. LNJ Nagar, Mordī

Automotive Furnishing Fabric, Flame Retardant Fabric, Furnishing Fabric

### Bhilwara Technical Textiles Ltd.

18. LNJ Nagar, Mordī

Technical Textiles

## GRAPHITE

### HEG Ltd.

19. Mandideep
20. Mandideep
21. Tawa

Graphite Electrodes  
 Captive Thermal Power  
 Captive Hydro Electric Power

## POWER

### Bhilwara Energy Ltd.

22. Pathankot
23. Tawang

UBDC Stage III Hydro Electric Power Generation  
 Nyam Jang Chhu Hydro Electric Power Generation

### Malana Power Company Ltd.

24. Malana (Kullu)

Hydro Electric Power Generation

### AD Hydro Power Ltd.

25. Allain-Duhangan (Manali)

Hydro Electric Power Generation

### Indo Canadian Consultancy Services Ltd.

26. Noida

Power Engineering Services

## INFORMATION TECHNOLOGY

### Bhilwara Scribe Pvt. Ltd.

27. Bhopal
28. Bengaluru

Medical Transcription Services  
 Medical Transcription Services

### Bhilwara Infotech Ltd.

29. Bengaluru

IT Services

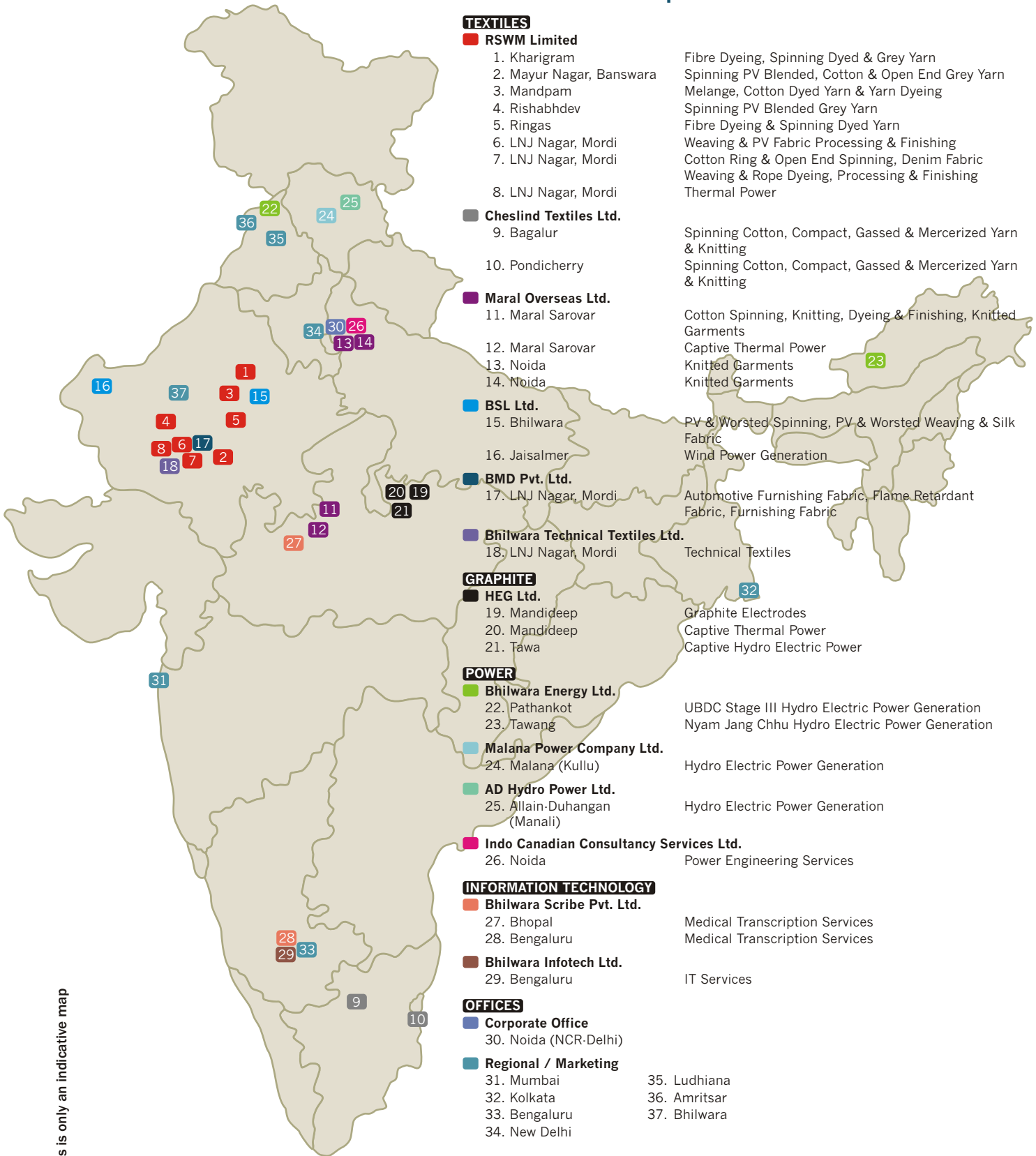
## OFFICES

### Corporate Office

30. Noida (NCR-Delhi)

### Regional / Marketing

31. Mumbai
32. Kolkata
33. Bengaluru
34. New Delhi
35. Ludhiana
36. Amritsar
37. Bhilwara



This is only an indicative map



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL



**BSL Limited**

Registered Office:  
26, Industrial Area, P.B. No. 17, Gandhi Nagar, Bhilwara - 311 011 (Rajasthan) India  
Website: [www.bslltd.com](http://www.bslltd.com) / [www.lnjbhilwara.com](http://www.lnjbhilwara.com)