

Transcript

CS: A very good afternoon to all. I am Shubham Jain, Company Secretary and Compliance Officer of BSL Limited, participating from Bhilwara, welcoming you all in the 52nd Annual General Meeting of the Company. I would like to inform you that the proceeding of this meeting is being recorded.

During the meeting, the participants, apart from the panellists, will be on mute.

Participants should be aware that according to the MCA and SEBI circulars, this meeting is being held through video conferencing and other and other audio-visual means without the physical presence of members. The deemed venue for the AGM shall be the registered office of the company at 26, Industrial Area, Gandhi Nagar, Bhilwara, 311001, Rajasthan.

Shri Nivedan Churiwal Sir, Managing Director; Shri Ravi Jhunjunwala Sir, Director; Shri Shekhar Agarwal Sir, Director; Shri Sushil Jhunjunwala Sir, Independent Director; Shri Jagdish Chandra Laddha Sir; Independent Director, Shri Amarnath Chaudhary Sir, Independent Director; Smt. Abhilasha Mimani Ma'am, Independent Director; Shri Giriraj Prasad Singhal Sir, Independent Director; and Shri Praveen Kumar Jain Sir, Director (operations) and CFO, are present in the meeting.

Since this AGM is being held without the physical presence of the members, the facility of appointment of proxies by members under section 105 of the Companies Act 2013 is not available at this AGM.

The facility of joining the AGM was opened 15 minutes before the scheduled time and shall remain available for 15 minutes after the scheduled time.

In compliance with the provision of section 128 of the Companies Act 2013, read together with the relevant rules and also with the SEBI LODR 2015, the Company has provided the facility of voting by electronic means to all its members to enable them to cast their votes electronically and the business would be conducted through e-voting.

The Company has engaged the services of NSDL for facilitating participation by the members at the AGM through VC or OAVM and remote e-voting including e-voting during the AGM.

Shareholders were provided with user IDs and passwords for the purpose of the e-voting. The remote e-voting facility was made available to the members from 24 September 2023 at 9:00 a.m. till 27th September 2023 at 5:00 p.m.

Members attending the AGM and who have not cast their vote are entitled to exercise their vote by e-voting during the AGM.

The Company has appointed Shri Manoj Maheshwari Sir, Practicing Company Secretary, as a Scrutinizer to scrutinize the remote e-voting, including the e-voting during the AGM process, in a fair and transparent manner.

The results will be declared within two working days, i.e., on or before 30 September 2023, after considering the e-voting today by the members participating in this AGM and also the remote e-voting already done by the members. The results along with the scrutinizer's report shall also be submitted to the stock exchanges, i.e., NSE and BSE, and will also be placed on the website of the Company.

The notice of Annual General Meeting and the annual report were mailed electronically to the shareholders at their email addresses registered with the Company or depository participants on 1st September 2023.

The members were provided with an opportunity to inspect relevant documents of accompanying the notice of the 52nd Annual General Meeting of the Company. The statutory registers per the Companies Act 2013 are kept open electronically for inspection by the members during the Annual General Meeting.

The Chairman is unable to attend the meeting due to some preoccupation. Hence, I request the Directors to elect the Chairman among themselves.

Amarnath Chaudhary: I am Amarnath Chaudhary. I propose Shri Nivedan Churiwal, Managing Director as Chairman of the AGM.

Giriraj Prasad Singhal: I second, Sir.

CS: All the Directors agreed to the same.

Shri Nivedan Churiwal has occupied the Chair.

At this moment, we have 70 participants. Hence, the requisite quorum is present.

Now, I request our Chairman, Sir, to please welcome and address our members present at the meeting and also declare this meeting open.

Shri Nivedan Churiwal, Sir.

Chairman: Thank you Shubham and good afternoon, everybody.

I, Nivedan Churiwal, Chairman of the Company, joining this Annual General Meeting from Kolkata, welcome the members to the 52nd Annual General Meeting of the Company.

I would like to mention that this Annual General Meeting today is being convened through video conferencing or other audio-visual means, as permitted by the Ministry of Corporate Affairs and SEBI. The company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate in this Annual General Meeting. The requisite quorum is present. Therefore I call the meeting to order.

I welcome all other colleagues on the Board of the Company to the 52nd Annual General Meeting, and I would like to welcome all Members of the Board of the Company who have joined this meeting.

Apart from them, we also have Shri Satish Somani, Partner in SSMS & Associates, Chartered Accountants, statutory auditor and Shri Sunil Surana Partner, Ms A.L. Chechani and Co., Chartered Accountants, Internal auditors, and Shri Manoj Maheshwari, Partner, Ms V.M. Associates; Company Secretaries Jaipur, Secretarial auditor and scrutinizer joining from the respective locations.

The Annual report of the Company for the financial year ended on 31st March 2023, containing the standalone financial statements, has already been circulated among members of the company electronically. With your permission I take it that you have gone through it.

Auditor's report on the financial statements and the secretarial audit of the Company for the financial year ended on 31st March 23 do not contain any qualification, reservations, adverse remarks, or disclaimers. Accordingly, the reports are to be read out, as provided in the Companies Act 2013.

Now, with your permission, I will begin my formal address to the shareholders.

Dear members, a very good afternoon to all of you on again. On behalf of the Board of Directors, I would like to extend a warm welcome to all of you at the 52nd Annual General Meeting of BSL Limited.

I thank all the members who have joined this meeting today, and I hope you all and your families are healthy and safe.

Let me now briefly touch upon the overall economic environment before I share my thoughts on the Company's performance in FY23.

Global trade remains under pressure due to geopolitical tensions, weakening global demand and tighter monetary and fiscal policies. The volume of global trade in goods and services is forecast to grow by 2.3% in 2023, well below the pre-pandemic trend.

Global textile industry

In the past couple of years, the textile industry globally has been affected by multiple events, namely COVID-19, the Russia-Ukraine war, and the global recession. Despite these, the global textile market grew from \$ 573.22 billion in 2022 to \$ 610.91 billion in 2023 at a compound annual growth rate (CAGR) of 6.6 %.

Indian textile industry

The Indian textile industry continues to be predominantly based on cotton, 65% of the raw materials consumed is cotton. It is one of the few industries to provide substantial employment opportunities to both the skilled and unskilled workforce. While the overall economy was relatively strong and outperformed major economies, the textile sector was a notable exception, and orders suggest that the downturn will continue well into 2023.

Indian spinning industry

As a cotton-growing country, cotton-based yarn fabric and apparel has dominated offerings from India for decades, which is a natural progression, developed into a robust organic cotton movement at the turn of the new century. According to a recent report of credit rating agency ICRA, demand for the industry is expected to improve by close to 10% in volume terms in FY24.

According to CRISIL rating, India's cotton yarn spinners could see a fall in revenue in FY 24 due to lower realization and muted exports.

Now, coming to BSL's performance, I now draw your attention to the overall performance of your Company in the financial year 2022-23. I am happy to say that the year gone by has been a record year for all of us. We achieved our all-time highest-ever profitability. The Company recorded a turnover of Rs 471.74 crore against turnover of Rs 435.84 crore in the previous year. The operating profit of the Company recorded Rs 54.39 crore as against Rs 41.43 crore in the previous financial year. The Company recorded PBT of Rs. 22.56 crore as against Rs. 15.98 crore in the previous year. Further, the Company earned a net profit of Rs 16.91 crore as against Rs 11.48 crore in the previous year.

We are pleased to state that your Company spent Rs 11.21 lakhs to perform its corporate social responsibility.

It is my pleasure to announce that the Company has started commercial production on 30th March 2023 of a new cotton spinning plant with 29,184 spindles.

The gross block of the Company as of 31st March 2023 is of Rs 315.68 crore as against Rs 160.15 crore in the previous financial year, with an increase of 197%.

Likewise, the net block of the Company as on 31st March 2023 is of Rs 226.16 crore as against Rs 74.26 crore in the previous financial year, with an increase of 204%.

With the historic capex, the Company's turnover and profitability will increase significantly.

The Company is committed to using recycled polyester staple fibre as part of its global sustainability movement. In the year 2022-23, the Company's 62% of the fibre consumption was of the recycled fibre.

The Company has moved away from fossil fuels. In the processing division of the Company, the boiler and thermopacks were running on coal. By adopting the latest technology, the Company has completely replaced coal with agro-based mills. It is yet another landmark step of the Company towards green, sustainability movement.

During the year, the Company also modernized its old PV spinning spindle with the latest generation as well as expanded its weaving capacity.

The total capex in the year was Rs 171.8 crore. With commencement of cotton spinning department, the Company is now looking for expand its yarn market both in domestic as well as in overseas arena.

I am pleased to inform that the Board of Directors has recommended a dividend of Rs 1.50

per equity share for the year ended 31st March 2023. The proposal of the same is part of the agenda of this meeting.

Now, I would now like to draw your attention towards the results of the 1st quarter of the current financial year 2023-24. Your Company recorded a higher turnover of Rs 160.42 crore as against Rs 112.33 crore in the corresponding quarter of the previous year. The Company earned a net profit of Rs 2.27 crore in the first quarter of 2023-24. We are hopeful that the Company would continue to sustain the momentum over the coming quarters.

I also take this opportunity to express my sincere gratitude towards my colleagues on the Board for their valuable guidance and advice on the management of the Company. On behalf of your Company's Board, I would like to take this opportunity to express my sincere thanks and gratitude to all our bankers, financial institutions, central and state governments, and stakeholders for their cooperation and support. Our employees who are a part of our BSL Family are the real source of success. Last but not least, our deepest gratitude to each one of you, our shareholders. We look forward to your ongoing support. With this, I hand over to the Company Secretary. Thank you so much. Shubham.

CS: Thank you so much. We have also received requests from 4 members of the Company for registration as a speaker at the Annual General Meeting today. They have been given a separate link to login and shall be allowed to speak at the Annual General Meeting when their name is called upon.

We request you to limit your speech to 5 minutes. The Chairman will respond to such queries either at the end of the Annual General Meeting or subsequently through e-mail. If any member faces any technical issues, kindly contact the helpline number of NSDL as provided in the notice of the Annual General Meeting. Now, I would like to highlight to the speakers that when I call your name, your mic will be opened by the moderator of this meeting. You will also have to unmute the mic at your end and express your views or ask questions.

Now, I invite Mr Manoj Kumar Gupta, who has registered as a speaker, to express his views and ask questions. Mr Manoj Kumar Gupta, Sir.

Manoj Kumar Gupta: Good afternoon, respected Chairman of the meeting, Board of Directors and fellow shareholders. My name is Manoj Kumar Gupta. I have joined this meeting from my residence in Kolkata. I pay my respect to Mr Jhunjhunwala. He is also present in the meeting today. *Namaskar Sir.* We feel proud to be a part of LNJ Group and I am attending your AGM since the last 4 years. I thank you. You have led this Company like a head, HEG, and we will get such returns in this Company as well, under your director and supervision. I strongly support all the resolutions. Sir, your products are very good but why that does not reflect in the market? When will the investors get returns and when will you reward the shareholders? What is your future plan for the growth of the Company? Sir, now the time has come for linen. Your products in the linen business are good compared to the Aditya Birla Group. Aditya Birla Group is the leader but you also comparable. Your products linen products are good. So, why are you not spending more on advertisement and selling

such products? Your set of shirts and trouser piece is also very good. We distribute these to our people during the festive season. We give the pack of BSL products. You should try to advertise more to inspire people to buy your products and increase the turnover. I strongly support all the resolutions. I wish happy Pooja and Deepawali to all of you. If possible, try to give maximum discount coupons to the shareholders so that they can buy your products. I wish God to give you more success.

Chairman: The returns of the Company have been sharply increasing over the last 2-3 years, as you talked about the benefit to the shareholders. So, in the last 2-3 years, our PAT has increased from around Rs 2 crores to Rs 12 crore and then Rs 17 crore. So, our EPS has increased from almost Rs 2 to Rs 16-17. That is also reflected in the share prices. So, obviously as the Company is growing, all the shareholders are part of the growth journey and they are obviously benefitting from it in all the best ways possible. Now, going to the other part of your question regarding our different products, BSL is already a very diversified Company with interests in different verticals such as suiting, furnishing, and now different types of yarn including cotton, synthetic, and PW Yarn. So, we already have a very diversified portfolio and we will consider other products, as and when the situation arises. But currently, we have to focus on the different verticals that we already have. I can assure you that the Company will grow from strength to strength on a quarterly and annual basis. Thank you.

CS: Thank you Sir. Now, I invite Mr Vinod Motilal Agarwal, who has registered himself as a speaker to express his views and ask questions. Mr Vinod Motilal Agarwal, Sir. Mr Vinod, are you there?

Moderator: Mr Vinod is not here.

CS: Ok Sir. Now, I invite Mr Manjeet Singh, who has registered himself as a speaker to express his views and ask questions. Mr Manjeet Singh.

Moderator: Mr Manjeet Singh is also not available.

CS: Now, I invite Mr Gagan Kumar, who has registered himself as a speaker to express his views and ask questions. Mr Gagan Kumar.

Moderator: He is also not present.

CS: Thank you Sir. Nivedan, Sir.

Chairman: Thank you all for attending and participating the Annual General Meeting. We have 5 resolutions for approval in the Annual General Meeting as follows:

Item number 1:

1. Ordinary business: To receive, consider, and adopt the audited financials for the financial year ended on 31st March 2023 and the report of Directors and auditors thereon. The resolution is placed before the meeting to be passed as an ordinary resolution.

Item number 2:

2. Ordinary business: To declare a final dividend on equity shares for the financial year 2022-23. The resolution is placed before the meeting to be passed as an ordinary resolution.

Item number 3:

3. Ordinary business: To appoint a Director in place of Shri Shekhar Agarwal (DIN: 00066113), Non-Executive Director, who retires by rotation, and being eligible, offers himself for reappointment. The resolution is placed before the meeting to be passed as an ordinary resolution.

Item number 4:

4. Ordinary business: To appoint a Director in place of Shri Praveen Kumar Jain (DIN: 09196198), Director (Operations), who retires by rotation, and being eligible, offers himself for reappointment. The resolution is placed before the meeting to be passed as an ordinary resolution.

Item number 5:

5. Ordinary business: To ratify the payment of remuneration to the cost auditors for the financial year 2023-24. The resolution is placed before the meeting to be passed as an ordinary resolution. Thank you.

CS: Members who have not cast their votes through remote e-voting or e-voting during the proceedings of Annual General Meeting are requested to kindly vote on the proposed resolutions 1-5 of the notice of the AGM. The e-voting module in the Annual General Meeting is already active.

The icon for e-voting is available on the screen which will redirect you to a separate window to the e-voting portal of NSDL. The e-voting facility is active and will be closed along with the closure of the meeting.

All the business set out in the Notice of this meeting has been concluded and a time period of 15 minutes would be available at the end of the meeting, after which the meeting will stand closed.

Thank you all for participating in the Annual General Meeting. Thank you.