



PROUD TO BE INDIAN.
PRIVILEGED TO BE GLOBAL.

Commitment to Quality



BSL Limited

Annual Report 2002 - 2003

JOURNEYING INTO A BRIGHT FUTURE

"Our vision is to forge ahead in the new millennium with an immediate sense of purpose... and to be seen as the undisputed leader, fully equipped to deliver the best, across the diverse spectra of our many businesses, fuelled by a commitment to invest in plants, machinery, processes and, most importantly, our people – Team Bhilwara; all towards satisfying and fulfilling our customer's needs in today's globally competitive environment."

Shekhar Agarwal
Group Vice Chairman

Ravi Jhunjhunwala
Group Chairman



The UNJ Bhilwara Group is renowned for its speed, efficiency and superior quality. Achieving global standards is possible due to a conducive environment, where the team gives its very best.

As such, an Oyster that produces a magnificent pearl, represents this very ambience, symbolising the many products manufactured by the Group. The use of a globe as a pearl epitomises international quality in every product, and the Group's global presence, while the dynamic orbit represents a vibrancy and enthusiasm that is inherent within Team Bhilwara.



BSL LIMITED

Regd. Office : 26, Industrial Area, Gandhi Nagar, Bhilwara-311 001 (Rajasthan)

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of BSL LIMITED will be held at Registered Office of the Company at 26, Industrial Area, Gandhi Nagar, Bhilwara-311 001 (Rajasthan) on 26th September' 2003 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account for the year ended 31st March, 2003 and the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Ravi Jhunjhunwala who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Shekhar Agarwal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri R.N. Gupta who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution :-

"RESOLVED that subject to provisions of the Securities Contracts (Regulation) Act, 1956, listing agreements with the stock exchanges and guidelines / Rules of the Securities & Exchange Board of India (SEBI) and all other applicable laws, rules, regulations and guidelines and subject further to such approvals and sanctions as may be required, the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors) be and is hereby authorised to delist the Equity shares of the Company from the Stock Exchanges at Jaipur, Delhi and Kolkata at one time or from time to time".

"RESOLVED FURTHER that for the purpose of giving effect to all or any of the foregoing, the Board be and is hereby authorised to do all such acts, deeds and things as it may consider necessary or expedient and to settle any matter necessary or that may arise in regard thereto".

By Order of the Board

For BSL Limited

Place : Bhilwara

Dated : 31st July, 2003

(Praveen Jain)

Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The relevant details in respect of items No. 3, 4, and 5 pursuant to clause 49 of the Listing Agreements are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September' 2003 to 26th September' 2003 (both days inclusive).
4. Members are requested to :
 - i) Quote their Identification number / folio number in all correspondence with the Company / Registrar & Share transfer agent.
 - ii) Notify immediately any change in their address and their mandate, at the Registered Office of the Company / to the Registrar & Transfer agent.
- 5) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed / unpaid dividends upto the financial year ended 31st March' 1995 have been transferred to the General Revenue Account of the Central Government. Those shareholders who have so far not claimed or collected their dividend for the said period may claim their dividend directly from the Registrar of Companies, Rajasthan by submitting an application in the prescribed form.


BSL LIMITED

Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Sec.205(A) & 205(C) of the Companies Act, 1956. Accordingly, the shareholders who have not encashed the dividend warrants so far from the financial year 95-96 onwards are requested to make their claims to the company.

6. The dividend, as recommended by the Board of Directors, if declared at the meeting, will be made payable from 1st October'2003 and will be paid to those members, whose name appear in the Company's Register of Members as on 26th September' 2003 and to the beneficial owners as furnished by NSDL / CDSL as on that date.
7. The members desirous of appointing their nominee for the shares held by them may apply in the revised nomination form (Form 2B) in duplicate.
8. Members may avail the facility of Electronic Clearing Service (ECS) for receipt of dividends. The said facility is available at specified locations. Members holding shares in dematerialised mode are requested to contact their respective depository participants for availing ECS facility. Members holding shares in physical form and desirous of availing ECS facility are requested to write to the Company for details.
9. As per SEBI Guidelines, Company has appointed M/s MCS Ltd., Shri Venkatesh Bhawan, 212A, Shahpur Jat, New Delhi as its Registrar & Share Transfer Agent for both Physical & Demat Shares.

EXPLANATORY STATEMENT PURSUANT TO SEC. 173 OF THE COMPANIES ACT, 1956.

Item No.7

The Securities and Exchange Board of India (SEBI) had notified "Delisting of Securities Guidelines 2003" on February 17, 2003 ("the Guidelines"). As per the Guidelines, a company may seek voluntary delisting of its securities from all or some of the stock exchanges and further that an exit opportunity is not required to be provided in cases where such securities continue to be listed at a stock exchange having nationwide trading terminals i.e. The Stock Exchange, Mumbai, The National Stock Exchange and any other stock exchange(s) that may be specified by SEBI in this regard.

At present, Equity Shares of the Company are listed at the Stock Exchanges at Mumbai, Delhi, Kolkata, Jaipur and The National Stock Exchange (NSE).

It is proposed to de-list the Equity Shares of the Company from the Stock Exchanges at Kolkata, Delhi & Jaipur, in view of their negligible trading at these exchanges. Consent of members is sought to de-list the Equity shares of the Company at the Stock Exchanges at Kolkata, Delhi and Jaipur as proposed in the Special Resolution.

The Board recommends the Resolution for approval of members.

None of the Directors of the Company are interested or concerned in the proposed Resolution.

By Order of the Board
For BSL Limited

Place : Bhilwara
Dated : 31st July, 2003

(Praveen Jain)
Company Secretary



ANNEXURE TO NOTICE

DETAILS OF THE DIRECTORS SEEKING REAPPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Shri Ravi Jhunjhunwala	Shri Shekhar Agarwal	Shri R.N.Gupta
Date of Birth	28 th October'1955	9 th October'1952	5 th August'1939
Date of Appointment	16 th October'1993	23 rd May'2002	16 th October'1993
Qualification	B.Com. (Hons), MBA.	B.Tech (ME), M.Sc (Chicago)	Diploma in Textile Technology
Expertise in specific functional area	Industrialist with diversified business experience	Industrialist with rich experience of textile industry	Textile industry experience of over 40 years.
List of Public Companies in which Directorships held	<ol style="list-style-type: none"> 1. HEG Ltd. 2. Rajasthan Spg & Wvg Mills Ltd. 3. Maral Overseas Ltd. 4. Bhilwara Spinners Ltd. 5. Bhilwara Processors Ltd. 6. Bhilwara Infotech Ltd. 7. Malana Power Company Ltd. 8. Indo Canadian Consultancy Services Ltd. 	<ol style="list-style-type: none"> 1. Rajasthan Spg & Wvg Mills Ltd. 2. HEG Ltd. 3. Maral Overseas Ltd. 4. Bhilwara Spinners Ltd. 5. Essay Marketing Company Ltd. 6. BSL Wulfin Ltd. 7. Malana Power Co. Ltd. 8. Bhilwara Infotech Ltd. 	Bhilwara Spinners Ltd.
Chairman / Member of the Committees of the Board of Directors of the Company	<ol style="list-style-type: none"> 1. Audit Committee 2. Shareholder's / Investors Grievances Committee. 3. Share Transfer Committee 	Nil	<ol style="list-style-type: none"> 1. Audit Committee 2. Share Transfer Committee 3. Remuneration Committee
Chairman / Member of the Committees of Directors of other Companies			
a) Audit Committee	Malana Power Co. Ltd.	<ol style="list-style-type: none"> 1. Malana Power Co. Ltd. 2. Bhilwara Spinners Ltd. 	-
b) Shareholders / Investors Grievance Committee	HEG Ltd. – Member	<ol style="list-style-type: none"> 1. Bhilwara Spinners Ltd. 2. Maral Overseas Ltd. 3. Rajasthan Spg & Wvg Mills Ltd. 	Bhilwara Spinners Ltd.
c) Remuneration Committee	-	-	-

**BSL LIMITED****PROXY FORM****BSL LIMITED**

Regd. Office : 26, Industrial Area, Gandhi Nagar, Bhilwara-311 001 (Rajasthan)

Folio No./Id No.

No. of share(s) held.....

I/We.....

of.....

being a member/members of BSL Limited, hereby appoint.....

or failing him.....

of..... as my/our Proxy in my/our absence to attend and vote for me/our behalf at the 32nd Annual General Meeting of the Company to be held on 26th September, 2003 at 10.00 A.M. at 26, Industrial Area, Gandhi Nagar, Bhilwara-311 001 (Rajasthan) and/or at any adjournment thereof.

Signed thisday of.....2003.

Signature.....

Please affix
30 Paise
Revenue
Stamp
here

Note : The Proxy Form, duly completed must reach the Registered Office of the Company, not less than forty eight hours before the time of holding the meeting.

Tear here

ATTENDANCE SLIP**BSL LIMITED**

Regd. Office : 26, Industrial Area, Gandhi Nagar, Bhilwara - 311 001 (Rajasthan)

Folio No./ Id No.

No. of share(s) held.....

Full Name of Shareholders.....

Full Name of Proxy Representative.....

I hereby record my presence at the 32nd Annual General Meeting of the Company held on 26th September, 2003 at 10.00 A.M. at 26, Industrial Area, Gandhi Nagar, Bhilwara-311 001 (Rajasthan).

Signature of the Shareholder/Proxy/Representative*

Note : Please fill in this attendance slip and hand over at the entrance of the meeting hall.

*Strike out whichever is not applicable



GROUP SALIENT FEATURES

The LNJ Bhilwara Group, founded in 1961 by the Chairman - Emeritus, Mr. L.N. Jhunjhunwala, is a business group with a global presence.

It has risen to become one of the largest business firms in the Indian federation, with over 20,000 employees and 17 production units positioned at strategic locations across the country.

It actively seeks growth and profitability by investing in a variety of systematically identified businesses making it a multi-product conglomerate with interests in a range of industries such as textiles, graphite electrodes, power generation, power consultancy services, sponge iron, information technology and IT enabled services.

Following the success of its earlier HEP project of 15 MW at Tawa Nagar (M.P) in 1997, the Group has commissioned, India's first IPP hydroelectric Malana Power Project of 86 MW in a record time of 30 months at Kullu (H.P), in July, 2001 and is set to commence work on 200 MW Allain-Duhangan Hydro Electric Project at Manali (H.P.).

The Group has the largest integrated Graphite Electrodes manufacturing plant in South East Asia and products selling to the major steel plants in the world. Graphite exports constitute 80% of total sales volume.

The Group export earnings comprise as much as 46% of the group's turnover of Rs. 1727 crores during 2002-2003.

The Group launched an innovative & eco-friendly range of yarn & fabric. In recent times, it has also emerged as the leading supplier of specialised Automotive fabric to all key automobile companies in India.

The Group has been servicing world class customers and several leading global brands for their knitted garments.

The domestic brands, Mayur Suitings, BSL Suitings, La Italia Fashions, Buddy Davis Leisurewears and Geoffrey Hammond superfine suitings have a long and prosperous association in India.

Fulfilling its promise of giving its customers the highest level of quality and world-class products has led to the Group receiving coveted top export awards in different fields for several years in a row.

The Group companies have also been awarded IS/ISO 9001:2000 certification for their continuous exemplary quality standards.

GROUP FINANCIAL HIGHLIGHTS

(Rs. in Crores)

PARTICULARS	2001-2002	2002-2003
Turnover	1682	1727
Export Sales	767	784
PBDT	158	186
PBT	50	73
PAT	41	63
Gross Fixed Assets	1899	1929
Net Worth	695*	729

* Net Worth had declined due to deferred tax liability fund of Rs. 141 crores, created out of net worth.

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**BSL LIMITED****FINANCIAL HIGHLIGHTS**

(Rs. in Crores)

PARTICULARS	2000-2001	2001-2002	2002-2003
Turnover	161.51	151.49	140.98
Exports	51.14	52.96	50.65
P B I D T	25.73	20.38	19.22
Interest	10.22	9.24	8.14
Depreciation	9.25	9.66	10.85
Taxation	0.43	0.48	(0.65)
PAT (Before Extra Ordinary item)	5.83	1.00	0.88
Gross Block	113.70	124.41	124.21
Less : Depreciation	54.97	60.09	70.59
Net Block	58.73	64.32	53.62
Net Worth	52.31	40.69	42.74



BSL LIMITED

BOARD OF DIRECTORS

Shri A.K. Churiwal, Chairman & Managing Director
 Shri Raví Jhunjhunwala
 Shri Shekhar Agarwal
 Shri R.P. Khaitan
 Shri B.D. Mundhra
 Shri O.P. Sodhani
 Shri Ritesh Kumar (Nominee-ICICI Bank)
 Shri Sushil Jhunjhunwala
 Shri R.N.Gupta
 Shri Riju Jhunjhunwala
 Shri Nivedan Churiwal, Executive Director

PRESIDENT

Shri M.D.Gagrani

KEY EXECUTIVES

Shri R.K. Garg, Vice President (Synthetic-Marketing)
 Shri P. Maheshwari, Vice President (Finance)
 Shri M.C. Maheshwari, Vice President (Exports)
 Shri Basant Kala, Vice President (Works)

COMPANY SECRETARY

Shri Praveen Jain

BANKERS

The Bank of Rajasthan Limited
 Oriental Bank of Commerce
 Bank of Baroda
 State Bank of India

AUDITORS

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

REGISTERED OFFICE

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

**BSL LIMITED****DIRECTORS' REPORT****To The Members,**

The Board of Directors have pleasure to present the 32nd Annual Report and Statement of Accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS

(Rs. in Crores)

Item	This Year	Previous Year
Total Turnover – a) Domestic	90.33	98.53
– b) Exports	50.65	52.96
	140.98	151.49
Profit before Interest and Depreciation	19.22	20.38
Less : Interest(Net)	8.14	9.24
Profit before Depreciation	11.08	11.14
Less : Depreciation	10.85	9.66
Profit before Income Tax	0.23	1.48
Provision for Income Tax	0.40	0.08
Provision for Deferred Tax	(1.05)	0.40
Profit after Tax and before Extra Ordinary Item	0.88	1.00
Less : Extra Ordinary Item - Diminution in value of investment	-	1.27
Net Profit / (Loss) after Extra Ordinary Item	0.88	(0.27)

2. OPERATIONS

The divisionwise performance is as under:-

Value (Rs. in Crores)

	This Year Qty.	This Year Value	Previous Year Qty.	Previous Year Value
(a) Fabrics (Lac Mtrs.)				
– Domestic	77.01	84.11	76.91	89.53
– Exports	36.18	48.75	38.95	50.48
Total	113.19	132.86	115.86	140.01
(b) Yarn (Tons)				
– Domestic	113	3.45	198	6.34
– Exports	48	1.90	46	2.01
Total	161	5.35	244	8.35

	This Year Qty.	This Year Value	Previous Year Qty.	Previous Year Value
(c) Readymade Garments	57687	2.47	70725	2.95
(No. of Pieces)				
(d) Others	-	0.30	-	0.18
Total		140.98		151.49

3. TEXTILE SCENARIO

The Textile Scenario for the year had twin negative factors. On the one hand the Raw material prices and fuel prices continued to rise, on the other hand the per unit realization was continuously declining.

The Raw wool is imported and prices of the raw wool nearly doubled during the year. The polyester fibre also increased by 50%.

The unorganized sector has made substantial improvements in technologies and therefore unorganized sector has been able to considerably narrow the technological gap vis-à-vis the organized sector. Further there was a fierce competition in the intra organized sector. These resulted in lower per mtr. prices.

The twin factors also had an impact on export market.

The imports of fabric from Far East is also denting the domestic market. The imported fabric cost is less than the production cost of even unorganized sector.

4. OUTLOOK FOR COMPANY'S ACTIVITIES**A) Fabrics****Domestic**

The turnover of domestic fabric division has reduced due to recessionary conditions and intense competition both from Organized & Unorganized sectors. The Company plans to focus on direct marketing to Readymade Garment Sector.

Exports

Competition in export market is also resulting in adverse impact on prices. The Company is trying to explore new markets in addition to traditional markets.