



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

A BROADER PERSPECTIVE



GROWING & EXPANDING GLOBALLY



ANNUAL REPORT
2004-2005

BSL Limited



FOUNDATIONS THAT INSPIRE

"TO ME, THE LNJ
BHILWARA GROUP IS
NOT A BUSINESS HOUSE,
I SEE IT AS AN
INSTITUTION THAT IS
COMMITTED TO SEEKING
EXCELLENCE."

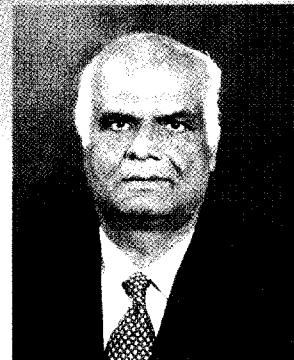
L. N. Jhunjhunwala



A PASSION THAT DRIVES

"THE LNJ BHILWARA
GROUP IS COMMITTED
TO ATTAIN THE HIGHEST
LEVELS OF
TRANSPARENCY,
ACCOUNTABILITY AND
EQUITY, IN ALL FACETS
OF ITS OPERATIONS AND
IN ALL ITS INTERACTIONS
WITH ITS
SHAREHOLDERS,
LENDERS, THE
GOVERNMENT AND
EMPLOYEES."

Ravi Jhunjhunwala



LOOKING TO THE FUTURE

"THE TEXTILE
INDUSTRY IN OUR
COUNTRY TODAY,
IS NOT ONLY OF INDIA,
BUT IS REGARDED AS
BY INDIA,
FOR THE WORLD...
WHICH TRANSLATES
TO INFINITE HORIZONS
FOR OUR COMPANY."

A. K. CHURIWAL

A Broader Perspective

Growing & Expanding Globally

The LNJ Bhilwara Group has astutely leveraged its core competencies, powered and guided by 4 key factors... an inspiring foundation, a passion for excellence in quality, a vision that searches beyond the obvious and dynamic leadership that propels the Group into the vistas that beckon us onward.

Together, Team Bhilwara travels a road that is widening its scope at a strong pace, stretching to every side, with a confident and decisive action plan. The strategy is simple... to grow and expand exponentially across the world.



GROUP SALIENT FEATURES

- The Group is one of the largest producers and exporters of Polyester / Viscose Blended Yarn in India.
- To enhance its operating capacity, Rajasthan Spinning & Weaving Mills Ltd. (RSWM) acquired Jaipur Polyspin Ltd., to manufacture Synthetic Blended Yarn.
- RSWM is acquiring a state-of-the-art Process House at Mordī, Banswara.
- RSWM is set to introduce Ready-to-Wear Apparels manufactured at its new unit based at Bangalore.
- Modernisation, Upgradation, Forward Integration, New Product Development and Value-addition, are all ongoing efforts at all the Group units.
- Maral has integrated units, increasing production capacities and also expanding its market-base globally.
- HEG has the largest Graphite Electrodes manufacturing plant in South and South-East Asia and the Middle East.
- Production capacity of Graphite Electrodes at HEG, Mandideep, increased from 30,000 to 52,000 MT p.a., making the Company one of the largest single-site manufacturers of Graphite Electrodes in the world.
- A new 30 MW Captive Power Plant was commissioned at HEG, Mandideep.
- HEG has set up a Steel Billets project at Durg, MP, due to be operational by mid 2005.
- HEG won a mandate to provide technical know-how to the Iranian Company – National Iranian Steel Co. – for establishing a Graphite Electrode manufacturing plant in Iran.
- An 86 MW Malana Hydro-Electric project at Kullu was commissioned in a record low time of 30 months, at a cost of Rs. 3.75 crore per MW.
- Six Wind Energy projects (amounting to a total capacity of 3.60 MW) were commissioned at Jaisalmer, Rajasthan.
- Work on the 200 MW Allain-Duhangan Hydro-Electric project was commenced at Manali, HP.
- The Group also entered into a joint venture with global power player Statkraft Norfund Invest AS (SN POWER), Norway, for setting up Hydro Power Generation projects in India.
- The Group added another prestigious partner – International Finance Corporation, Washington, as Equity Holders in the AD Hydro Power Project.
- The Group envisions its Power Generation capacity to touch 2000 MW by 2015.

GROUP'S FINANCIAL HIGHLIGHTS

(Rs. in Crores)

PARTICULARS	2002-2003	2003-2004	2004-2005
Turnover	1727	1815	2049
Export Sales	784	792	893
PBIDT	288	259	274
PBDT	186	201	208
PBT	73	81	96
PAT	62	72	79
Gross Fixed Assets	1929	1953	2494
Net Worth	729	768	969

CONTENTS

Directors' Report	4
Report On Corporate Governance	9
Auditors' Report	16
Balance Sheet	18
Profit & Loss Account	19
Schedules	20
Accounting Policies and Notes on Accounts	27
Cash Flow Statement	36
Balance Sheet Abstract and Company's General Business Profile	37
Statistics	38
Corporate Social Responsibility	41
Particulars of Subsidiary Company BSL Wulffng Limited	43



FINANCIAL HIGHLIGHTS

(Rs. in Crores)

PARTICULARS	2002-2003	2003-2004	2004-2005
Turnover	140.98	137.44	151.49
Exports	50.65	50.91	67.28
P B I D T	19.22	16.37	16.58
Interest	8.14	5.38	7.05
Depreciation	10.85	10.62	9.48
Taxation	(0.65)	(0.16)	(1.08)
PAT	0.88	0.53	1.13
Gross Block	124.21	136.93	156.56
Less : Depreciation	70.59	80.82	89.89
Net Block	53.62	56.11	66.67
Net Worth	42.74	44.06	45.98

**BSL LIMITED****BOARD OF DIRECTORS**

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

PRESIDENT

Shri M.D.Gagrani

KEY EXECUTIVES

Shri P. Maheshwari Vice President (Finance)
 Shri M.C. Maheshwari Vice President (Marketing)
 Shri S. Sengupta Vice President (spg.)

COMPANY SECRETARY

Shri Praveen Jain

BANKERS

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



DIRECTORS' REPORT

To The Members,

The Board of Directors have pleasure to present the 34th Annual Report and Statement of Accounts for the year ended 31st March, 2005.

1. FINANCIAL RESULTS

(Rs. in Crores)

Item	This Year	Previous Year
Total Turnover – a) Domestic	84.21	86.53
– b) Exports	67.28	50.91
	151.49	137.44
Profit before Interest and Depreciation		16.58
	16.37	
Less : Interest(Net)	7.05	5.38
Profit before Depreciation	9.53	10.99
Less : Depreciation	9.48	10.62
Profit before Income Tax	0.05	0.37
Provision for Income Tax	–	0.02
Provision for Deferred Tax	(1.65)	(0.18)
Tax Provision for earlier years	0.57	–
Profit after Tax	1.13	0.53

2. OPERATIONS

The divisionwise performance is as under:-

Value (Rs. in Crores)

	This Year		Previous Year	
	Qty.	Value	Qty.	Value
(a) Fabrics (Lac Mtrs.)				
– Domestic	74.78	77.08	73.22	81.98
– Exports	67.13	64.07	45.43	50.31
Total	141.91	141.15	118.65	132.29
(b) Yarn (Tons)				
– Domestic	100.01	3.23	85	2.34
– Exports	28.01	1.09	13	0.45
Total	128.02	4.32	98	2.79
(c) Readymade Garments (No. of Pieces)				
– Domestic	57236	1.85	52615	2.04
– Exports	40506	0.59	–	–
– Total		2.44		2.04

(d) Wind Power

– Generation (Lac Units)	38.85	1.32	0.82	0.03
(e) Others	–	2.26	–	0.29
Total		151.49		137.44

3. TEXTILE SCENARIO

There is an all round optimism of better days for Textile Industry, due to dismantling of quotas with effect from 1st January, 2005. In the first 3 months of the quota free regime such signals are still awaited. The domestic markets continue to remain sluggish due to over supply as well as increase in volumes for imports. Textile imports will continue to be challenge for the industry.

4. OUTLOOK FOR COMPANY'S ACTIVITIES

In the domestic market Company is trying to enter the niche market for better realization. It is trying to introduce the new textile products for various types of applications.

In the Export market the Company has registered 25% growth in the current year compared to corresponding period of previous year. Due to 25% exports growth the Company has been able to take the benefit of Target Plus Scheme of Foreign Trade Policy.

The Company is trying to enlarge its exports area by going into new markets as well as penetrating deeply in the existing markets.

5) WIND POWER PROJECT

Company's Wind Power Project at Jaisalmer had generated 38.70 Lac units during the year. The production was lower than expected due to very poor Wind Flow.

6) SYNTHETIC SPINNING UNIT

The Company has installed 8448 spindles during the year for production of Synthetic Yarn. The commercial production has been commenced w.e.f. 25th March, 2005.

This will help the Company in ensuring timely deliveries.

7. DELISTING OF EQUITY SHARES

As per SEBI (Delisting of Securities) Guidelines, 2003, Company had applied for delisting of its Equity Shares from Kolkata Stock Exchange which is under process. The permission for delisting from Jaipur Stock Exchange have been received.

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The Company's Shares would continue to be listed at NSE and BSE.

8. DIVIDEND

The Directors recommend dividend @7.50% on Equity Shares of the Company.

9. AUDIT COMMITTEE

As mentioned in the last year's Directors' Report, Audit committee is covering all the areas as provided for in the clause 49 of the listing Agreement and Companies Act, 1956 as amended and also any matter referred to it by the Board. Shri O.P. Sodhani is the Chairman of the Committee and Shri Ravi Jhunhunwala and Shri R.N. Gupta are other members of the Committee.

10. 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.

11. SUBSIDIARY COMPANY

There were no manufacturing operations in the subsidiary company BSL Wulfinf Limited during the year. The Audited Accounts for the year ended 31/03/2005 are enclosed herewith.

12. 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

There was no employee who was in receipt of remuneration in excess of ceiling prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

13. 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.

14. HUMAN RESOURCE DEVELOPMENT

Company's relations with the employees and workers at all levels have been cordial. Company has a full fledged HRD department at its works. Regular orientation and development courses for various disciplines are conducted by in-house as well as outside experts. The company endeavours to care for all its employees by providing medical and welfare facilities way beyond its statutory requirements.

15. DIRECTORS

Shri Sushil Jhunhunwala, Shri O.P. Sodhani and Shri R.N. Gupta retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

16. AUDITORS

M/s A.L. Chechani & Co. will cease to hold office as Auditors of the Company in the ensuing Annual General Meeting, and are eligible for reappointment.

17. 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 of Directors

Place : Noida

Date : 28th April, 2005

(A.K. Churiwal)

Chairman &

Managing Director



निदेशकों का प्रतिवेदन

सदस्यगण,

निदेशक मंडल आपके समक्ष 34 वीं वार्षिक रिपोर्ट एवं 31 मार्च, 2005 को समाप्त हुए वर्ष का लेखा विवरण सहर्ष प्रस्तुत कर रहे हैं।

1. वित्तीय परिणाम

(रुपये करोड़ में)

मद	इस वर्ष		गत वर्ष	
कुल बिक्री - घरेलू	84.21	86.53		
- निर्यात	67.28	151.49	50.91	137.44
ब्याज व मूल्यह्रास पूर्व लाभ	16.58			16.37
घटाया : शुद्ध ब्याज	7.05			5.38
मूल्यह्रास पूर्व लाभ	9.53			10.99
घटाया : मूल्यह्रास	9.48			10.62
आयकर पूर्व लाभ	0.05			0.37
आयकर हेतु प्रावधान	-			0.02
विलम्बित कर हेतु प्रावधान	(1.65)			(0.18)
गत वर्षों का कर हेतु प्रावधान	0.57			-
कर पश्चात् लाभ	1.13			0.53

2. संचालन

विभागानुसार विक्रय की स्थिति इस प्रकार है:-

मूल्य (रुपये करोड़ में)

मद	इस वर्ष		गत वर्ष	
	परिमाण	मूल्य	परिमाण	मूल्य
(अ) वस्त्र (लाख मीटर में)				
घरेलू	74.78	77.08	73.22	81.98
निर्यात	67.13	64.07	45.43	50.31
कुल	141.91	141.15	118.65	132.29
(ब) धागा (टनों में)				
घरेलू	100.01	3.23	85.00	2.34
निर्यात	28.01	1.09	13.00	0.45
कुल	128.02	4.32	98.00	2.79
(स) पोषाक (संख्या)				
घरेलू	57236	1.85	52615	2.04

निर्यात	40506	0.59	-	-
कुल		2.44		2.04
(द) पवन ऊर्जा				
ऊर्जा उत्पादन (लाख ईकाई)	38.85	1.32	0.82	0.03
(य) अन्य				
	-	2.26	-	0.29
कुल		151.49		137.44

3. वस्त्र व्यापार वातावरण

1 जनवरी, 2005 से कोटा प्रणाली हटने से यह आशा की जा रही है कि आने वाले समय में वस्त्र व्यापार की अच्छी संभावनाएँ हैं। कोटा प्रणाली के हटने के प्रथम तीन महिनो में ऐसे संकेतों का इंतजार है। आपूर्ति की अधिकता तथा बढ़ी हुई मात्रा में आयात की वजह से घरेलू बाजार में विपरीत प्रभाव पड़ा है। आयातित कपड़े घरेलू उद्योग के लिए हमेशा चुनौती बने रहेंगे।

4. कम्पनी की गतिविधियों पर दृष्टिकोण

घरेलू बाजार में प्रति मीटर विक्रय मूल्य बढ़ाने के लिए कम्पनी विशिष्ट बाजार में प्रवेश करने का प्रयास कर रही है। कम्पनी नये उत्पाद बाजार में ला रही है जो विभिन्न तरीके का उपयोगी हो।

इस वर्ष कम्पनी ने निर्यात व्यापार में पिछले वर्ष की तुलना में 25% से अधिक व्यापार किया है। जिससे कम्पनी को विदेश व्यापार नीति के अन्तर्गत (टारगेट प्लस स्कीम) का फायदा हुआ है। कम्पनी निर्यात बाजार बढ़ाने के लिये वर्तमान तथा नये बाजार को बढ़ाने की कोशिश कर रही है।

5. पवन ऊर्जा परियोजना

इस वर्ष कम्पनी के जैसलमेर स्थित पवन ऊर्जा उत्पादक संयंत्र का उत्पादन 38.70 लाख युनिट रहा है। हवा के कम दबाव के कारण उत्पादन आशा से कम रहा है।

6. सिन्थेटिक धागा इकाई

इस वर्ष कम्पनी ने सिन्थेटिक धागा बनाने के लिए 8448 तक्के स्थापित किए हैं। जिसका व्यावसायिक उत्पादन 25 मार्च, 2005 से प्रारम्भ हो गया है। जिससे कम्पनी समयानुकूल आपूर्ति कर सकेगी।

7. साधारण अंश असूचिबद्ध

कम्पनी ने सेबी के नियमों के अनुसार साधारण अंशों का कोलकाता स्टॉक एक्सचेंज से असूचिबद्ध करने के लिए आवेदन किया था जिसकी स्वीकृति प्रतिकारत है। जयपुर स्टॉक एक्सचेंज से असूचिबद्ध करने की स्वीकृति मिल गई है। कम्पनी के अंश तत्पश्चात् NSE व BSE पर सूचिबद्ध रहेंगे।

**8. लाभांश**

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

9. अंकेक्षण समिति

जैसा कि गत वर्ष के निदेशको.के प्रतिवेदन में उल्लेख किया गया था यह समिति सूचीबद्धता समझौते के नियम 49 एवम् कम्पनी अधिनियम 1956 (संशोधित) में सुझाये गये क्षेत्रों तथा अन्य कोई भी कार्य जो कि निदेशक मंडल द्वारा सौंपा जायेगा के अनुसार कार्य करेगी। श्री ओ.पी. सोढ़ाणी समिति के अध्यक्ष एवम् श्री रवि झुंझुनवाला एवम् श्री आर.एन. गुप्ता समिति के सदस्य है।

10. निदेशकों के उत्तरदायित्व का वर्णन

आपके निदेशक सुनिश्चित करते है-

- 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 है।
- 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 है।
- कि निदेशकों ने कम्पनी की सम्पत्तियों की सुरक्षा और धोखाधड़ी एवं अनियमितता की जाँच व रोक के संबंध में कम्पनी अधिनियम वर्णित नियमों का पालन करते हुए योग्य लेखांकन पुस्तको के रखरखाव के लिये यथोचित व पर्याप्त सावधानी का पालन किया।
- कि निदेशकों ने वार्षिक खाते, व्यवसाय की निरन्तरता के सिद्धांत को ध्यान में रखते हुए तैयार किये।

11. सहायक कम्पनी

इस वर्ष के दौरान सहायक कम्पनी, बी एस एल उल्फिंग लिमिटेड उत्पादन व व्यवसायिक संचालन में नहीं थी। कम्पनी का 31 मार्च, 2005 को समाप्त हुए वित्तीय वर्ष का अंकेक्षित विवरण संलग्न है।

12. कम्पनी अधिनियम 1956 की धारा 217 का विवरण

(अ) ऊर्जा, संरक्षण, तकनीक समावेशन एवम् 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) के अनुसार वर्ष के दौरान किसी भी कर्मचारी एवं श्रमिक ने धारा में उल्लेखित पारिश्रमिक से अधिक का भुगतान

प्राप्त नहीं किया है।

13. आन्तरिक नियन्त्रण पद्धति

कम्पनी के पास योग्य आन्तरिक नियन्त्रण पद्धति है जिससे आन्तरिक एवं प्रबन्ध अंकेक्षण, स्वतंत्र अंकेक्षक द्वारा नियमित रूप से किया जाता है।

14. 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 सुविधाएं उपलब्ध करने का मुख्य लक्ष्य रखती है।

15. निदेशक

श्री सुशील झुंझुनवाला, श्री ओ.पी. सोढ़ाणी एवं श्री आर. एन. गुप्ता आगामी वार्षिक साधारण सभा में क्रमानुसार अवकाश ग्रहण कर रहे है व पुनः नियुक्ति के योग्य है।

16. अंकेक्षक

सर्व श्री ए. एल. चेचाणी एण्ड कम्पनी आगामी वार्षिक साधारण सभा में अवकाश ग्रहण करेंगे व पुनः नियुक्ति के योग्य है।

17. आधार प्रदर्शन

निदेशक मंडल वित्तीय संस्थाओं, बैंको, केन्द्रीय व राज्य सरकारों के विभिन्न विभागों के प्रति सहयोग व मार्गदर्शन हेतु आधार व कृतज्ञता व्यक्त करता है।

निदेशक मंडल की ओर से

स्थान : नोएडा
दिनांक : 28 अप्रैल, 2005

अरुण कुमार चूड़ीवाल
अध्यक्ष व प्रबन्ध निदेशक



ANNEXURE-I

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, 2005.

A) POWER & FUEL CONSUMPTION

	Current year	Previous year
1. Electricity		
a) Purchased		
Units(Lacs)	3.63	3.44
Total Amount(Lac Rs.)	20.14	18.23
Rate/Unit	5.55	5.30
b) Own Generation		
(i) Through Diesel Generator		
Units(Lacs)	2.44	6.08
Units per litre of Diesel oil	3.39	3.44
Cost/Unit	8.90	5.83
(ii) Through HFO Generator		
Units(Lacs)	123.15	124.17
Units per litre of HFO / Diesel	4.10	4.07
Cost/Unit	3.78	3.11
2. Coal	N. A.	N. A.
3. Furnace oil		
Qty. in Kilo Litres	3006	3050
Total Amount (Lac Rs.)	350.32	329.62
Average Rate (Rs. / Ltr.)	11.65	10.81
4. Other /Integral Generation	N.A	N.A

B) CONSUMPTION PER UNIT OF PRODUCTION

Electricity Unit per Mtr.		
- Weaving	0.65	0.65
- Others	0.02	0.02
	0.67	0.67
Electricity Unit per kg.	7.10	6.92

2. TECHNOLOGY ABSORPTION

Expenditure incurred on Research and Development during the year is as follows :

	(Rs. in lacs)
Capital	0.86
Recurring	69.23
Total Expenditure as % of Total Turnover	0.46