

CORPORATE INFORMATION

BOARD OF DIRECTOR

| | |
|-----------------------|--------------------------|
| L.N. Jhunjhunwala** | <i>Chairman-Emeritus</i> |
| Ravi Jhunjhunwala** | <i>Chairman</i> |
| B.P. Singh** | <i>Director</i> |
| B.N. Fitkariwala** | <i>Director</i> |
| Ravindra Bhandari** | <i>Director</i> |
| Ashok Kumar Kothari* | <i>Director</i> |
| Anshul Kumar Kothari* | <i>Director</i> |
| Hanuman Pokharna* | <i>Director</i> |

* Appointed w.e.f. 22.07.2010

** Resigned w.e.f. 22.07.2010

KEY EXECUTIVE

| | |
|----------------|--------------------------------|
| B.S. Choudhary | <i>Chief Financial Officer</i> |
|----------------|--------------------------------|

COMPANY SECRETARY

Miss Neelu Mehta

BANKERS

State Bank of Bikaner & Jaipur
State Bank of Patiala
The Bank of Rajasthan Ltd.

AUDITORS

M/s. KSMN & Co., New Delhi

REGISTERED OFFICE

26, Industrial Area
Bhilwara - 311 001, Rajasthan

FINANCIAL HIGHLIGHTS

(Rs. in lac)

| Particulars | 2007-2008 | 2008-2009 | 2009-2010 |
|----------------------------|-----------|-----------|-----------|
| Turnover | 8501.32 | 5261.41 | 735.12 |
| Exports | 0.00 | 0.00 | 0.00 |
| PBIDT | 690.05 | (155.91) | 184.36 |
| Interest | 283.45 | 235.50 | 215.67 |
| PBDT | 406.60 | (391.41) | (31.31) |
| Depreciation | 307.45 | 254.50 | 72.59 |
| Taxation | 0.21 | (271.73) | 0.00 |
| PAT | 98.94 | (374.18) | (103.90) |
| Net Worth | 991.74 | 611.26 | 513.66 |
| Capital Expenditure | 26.68 | 23.86 | 0.00 |
| Book Value per Share (Rs.) | 14.67 | 9.04 | 7.60 |

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MANAGEMENT DISCUSSION & ANALYSIS

The Indian Textile Industry had gone through a rough patch during the last few years due to the global recessionary trend, increased input cost, reduced scale of operations, realization pressures etc. Despite the Government initiatives the industry got affected by the volatility in the foreign exchange, increased inventory with the yarn manufacturers and increased cost of finance. Nevertheless, the industry is now in the revamping mode and market players are taking various steps to re-establish their businesses. The global textile markets are on their way to upsurge as the demand from US and UK markets have shown the upward trends. The industry at present is severely affected by inadequate and expensive power, quality of transportation facilities including roads and ports. On the positive side, the Indian Textile Industry, which has advantage of lower wages and lower cost of production, is attracting investments in the sector and raising its capacities.

OPPORTUNITIES AND THREATS

With increase in population having taste for fashion, the consumer is getting more and more inclined towards Man-made fabrics, as a result the synthetic blended yarn industry has wide prospects. The yarn produced by the Company is an intermediary product, and is dependent on other segments of industry in value chain. The other threats to the segment in which the Company operates are the intensified competition, pricing pressures and stricter environmental laws. The Company is focused on the quality of its products and systems to overcome competitive and pricing challenges.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Since the Company is engaged primarily in the business of synthetic blended yarn, the operations of the Company are only for this product segment. The Management has put in efforts to improve the operational performance by improving product mix, controlling operating cost and better operational efficiencies.

OUTLOOK

Due to the global recessionary trend the business of the Company was heavily affected. Debt servicing and statutory liabilities mounted lot of pressure on the financials of the Company. In view of this the operations of the Company came to a stand-still and the plant & machinery of the Company at Bhilwara Plant were disposed-off to enable the Company to pay-off the debts and statutory liabilities.

RISKS AND CONCERNS

The raw material prices are market driven and considerably

impact the performance and profitability of the Company. Shift in consumer preferences and fashion trends also affect the industry as a whole and the Company in particular. Continuous rising labour cost and also its availability are also serious concerns. In view of poor financial health leading to its inability to keep pace with technological changes, operational flexibility and locational disadvantage remains serious concern.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has comprehensive systems of internal control in all operational areas and these are proper, adequate and commensurate with the size and level of operations of the Company. These are supplemented by internal/management audits conducted on a regular basis by independent auditors. The Top Management and Audit Committee reviews the recommendations of the Independent Auditors regularly and implements them wherever found desirable.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Since the Company has closed its operations and disposed off major portion of its plant and machinery, the Company did not have any workers on its roll as at the financial year end and there is skeleton staff to take care of its statutory obligations. There are only 3 employees as at the year end.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on 'Risk Management'. 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 Directors of your Company have pleasure in presenting their 29th Annual Report along with audited annual statements of Accounts for the financial year ended on 31st March, 2010.

FINANCIAL RESULTS

| | (Rs. in crore) | |
|--|---|--------------------------------------|
| | Financial Year ended 31st March 2010 | Previous Year ended 31st March, 2009 |
| Turnover | 7.35 | 52.61 |
| Profit/(Loss) before Depreciation | (0.31) | (3.91) |
| Depreciation | 0.73 | 2.55 |
| Profit/(Loss) before Tax | (1.04) | (6.46) |
| Provision for Income Tax | | |
| – Current Tax | 0.00 | 0.03 |
| – Deferred Tax | 0.00 | (2.75) |
| Profit/(Loss) after Tax | (1.04) | (3.74) |
| Balance brought forward | (4.83) | (1.09) |
| Balance carried forward | (5.87) | (4.83) |

OPERATIONS

Due to the exodus of labour and non-viability of the plant, being very old and inability of the Company to incur capex in view of continuous losses being incurred for the past ten years and severe recessionary trend prevalent in the textile industry due to global melt down, the manufacturing operations of the Company have come to a stand still.

During the year under review the plant and machinery, land and building of the Company at Bhilwara were disposed off to set off its liabilities including term loans and working capital liabilities with your approval vide postal ballot, the results of which were declared on August 25, 2009.

DIVIDEND

Your Directors are unable to recommend any Dividend on the Equity Shares in view of the financial position of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors state that :

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and they have 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 on 31st March, 2010 and

of the profit or loss of the Company for the financial year ended 31st March, 2010;

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A Statement of Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, is given in Annexure to the Directors' Report.

DIRECTORS

Mr. B.N. Fitkariwala and Mr. Ravindra Bhandari, Director retires by rotation and being eligible, offer themselves for reappointment. Further, the term of Mr. R.N. Gupta as Managing Director of the Company expired on March 31, 2010 and he ceased to be director of the Company.

The Board places on record its deep appreciation for the services rendered by Mr. R.N. Gupta during his tenure as Managing Director of the Company.

AUDITORS

The Company's Auditors, M/s. KSMN & Co., will hold office till the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

The observations in the Auditors' Report are dealt within the notes to the accounts at appropriate places and are self-explanatory.

PERSONNEL

There was no employee drawing remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975.

ACKNOWLEDGEMENTS

Your Directors appreciate the valuable cooperation and continued support extended by the Customers, Financial Institutions, Bankers, State and Central Government. The Board also wishes to place on record its appreciation for the dedicated services of employees at all levels of the Company.

for and on behalf of the Board

Place : Noida
Date : 29th April 2010

Ravi Jhunjunwala
Chairman

Statement of particulars pursuant to Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

1. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

1. Monitoring and tracking of all energy usage for continuous improvements.
2. Usage of treated water for gardening and plantation.
3. Improvement in power factor through operation of capacitor banks and installation of energy efficient lightings.

(b) Impact of the measures at (a) for reduction of energy consumption and consequent impact on the cost of production of goods:

The estimated saving on account of above measures is expected to be about Rs 0.01 Lac per month

(A) POWER AND FUEL CONSUMPTION

| | | Current Year | Previous Period |
|---------------------------------------|--------|----------------|-----------------|
| 1. Electricity | | | |
| (a) Purchased units | (No.) | 1998950 | 14148720 |
| Total Amount | (Rs.) | 8895320 | 61775355 |
| Rate per unit | (Rs.) | 4.45 | 4.37 |
| (b) Own generation | | | |
| Through Diesel | | | |
| Generator units | (No.) | 0 | 3236 |
| Units per liter of Diesel/Oil | (No.) | 0.00 | 3.10 |
| Cost per unit | (Rs.) | 0 | 10.62 |
| Through Furnace oil | | | |
| Generator units | (No.) | 0 | 79283 |
| Units per liter of furnace oil/diesel | (No.) | 0.00 | 3.12 |
| Cost per unit | (Rs.) | 0.00 | 5.96 |
| 2. Furnace Oil | | | |
| Quantity | (Ltr.) | 0 | 24213 |
| Total Cost | (Rs.) | 0 | 450802 |
| Average Rate/ltr. | (Rs.) | 0.00 | 18.61 |

(B) CONSUMPTION PER UNIT OF PRODUCTION

1. Products

| | | | |
|--------------|-----------|--------------|-------|
| Blended yarn | (lac kgs) | 46.72 | 46.72 |
|--------------|-----------|--------------|-------|

2. Electricity Consumption

| | | | |
|--------------|-----------|-------------|------|
| Blended yarn | (unit/kg) | 3.05 | 3.05 |
|--------------|-----------|-------------|------|

II. TECHNOLOGY ABSORPTION

1. RESEARCH AND DEVELOPMENT

The Company has a R & D department equipped with the sophisticated machines to monitor the quality parameters at each stage of production. This ensures consistently good quality of yarn.

2. TECHNOLOGY ABSORPTION

The Company is not using imported technology. Emphasis is on continuous improvement of the quality and development of new types of yarns.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned during the period foreign exchange of Rs.Nil at FOB price against an outgo on CIF basis of Rs.0.00 crore compared to previous period foreign exchange earning of Rs.NI crores and outgo of Rs.0.29 crore.

CORPORATE GOVERNANCE

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

The Company follows sound principles of Corporate Governance through a corporate culture of transparency, accountability and equity within the dynamics of business scenario and diverse interests of various stakeholders viz. Shareholders, customers, employees, creditors, government, etc.

2. **Board of Directors**

The Company has six Directors on the Board of which five are non-executive including the Chairman Emeritus and the Chairman. Three directors are 'Independent' Directors.

The Composition of the Board of Directors and their attendance at the meetings during the financial year ended 31st March, 2010 and other relevant details are as follows:

| Name | Category | No. of Meetings | | No. of other Directorships and Committee membership/chairmanship# | | |
|---|--------------------------|--------------------|----------|---|------------------------|--------------------------|
| | | Held during tenure | Attended | Director-ships* | Committee member-ships | Committee chairman-ships |
| Mr. L. N. Jhunjhunwala (Chairman Emeritus) | Promoter – Non-Executive | 5 | 0 | 7 | 2 | 1 |
| Mr. Ravi Jhunjhunwala (Chairman) | Promoter – Non-Executive | 5 | 5 | 9 | 4 | 2 |
| Mr. R. N. Gupta (Managing Director) | Non – Promoter-Executive | 5 | 5 | – | – | – |
| Mr. B. N. Fitkariwala (Director) | Independent | 5 | 4 | – | – | – |
| Mr. B. P. Singh (Director) | Independent | 5 | 5 | 4 | – | – |
| Mr. Ravindra Bhandari (Director) | Independent | 5 | 5 | – | – | – |

* Excludes Directorships held in private limited companies, Foreign Companies, Membership of Management Committee of various chambers/bodies/section 25 Companies

Includes only Audit and Shareholders'/Investors' Grievance Committee

The meetings of the Board of Directors during the financial year ended 31st March, 2010 were held on 29th April, 2009, 20th July, 2009, 30th July, 2009, 29th October, 2009 and 28th January, 2010.

The last Annual General Meeting of the Company held on 25th September, 2009 was attended and chaired by Mr. R.N. Gupta, Managing Director. The Chairman of Audit Committee, Mr. B. N. Fitkariwala attended the Annual General Meeting. There were no clarifications sought relating to Audit by any member of the Company.

3. **Audit Committee**

The Audit Committee comprises of three Directors, namely, Mr. B. N. Fitkariwala, Mr. Ravindra Bhandari and Mr. B. P. Singh. All of them are non-executive and independent Directors. Mr. B. N. Fitkariwala, Independent Director is Chairman of the Audit Committee. The Company Secretary of the Company is Secretary to the Committee.

The Audit Committee during the financial year ended 31st March, 2010, functioned in accordance with the prescribed terms of reference in Listing Agreement with Stock Exchanges and the Companies Act, 1956.

The Audit Committee met four times during the financial year under review. The Audit Committee meetings were held on 29th April, 2009, 30th July, 2009, 29th October, 2009 and 28th January, 2010. Attendance of the Committee Directors was as under.

| Name of the Member | Position | No. of Meetings held During tenure | No. of Meetings Attended |
|-----------------------|-------------|------------------------------------|--------------------------|
| Mr. B. N. Fitkariwala | Independent | 4 | 4 |
| Mr. B. P. Singh | Independent | 4 | 4 |
| Mr. Ravindra Bhandari | Independent | 4 | 4 |

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the Management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditor any significant findings and follow up there on
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors
- Carrying out any other function as desirable

Bhilwara Spinners Limited has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses

- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results
- If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice

With regard to information on related party transactions, whenever applicable, the Audit Committee is presented with the following information:

- A statement in summary form of transactions with related parties in the ordinary course of business
- Details of material individual transactions with related parties which are not in the normal course of business
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

Pursuant to its terms of reference, the Audit Committee is empowered to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary

4. **Remuneration Committee**

The Company pays remuneration only to Managing Director. The remuneration of Managing Director is approved by Board of Directors apart from Remuneration Committee and subsequently by the shareholders at the Annual/Extra Ordinary General meeting.

The Remuneration Committee of the Company comprises of Mr. B. N. Fitkariwala, Mr. B. P. Singh and Mr. Ravindra Bhandari, all of whom are non-executive and independent Directors. Mr. B. N. Fitkariwala, Independent Director is the Chairman of this Committee.

During the financial year, no meeting of the Remuneration Committee was held.

Remuneration paid or payable to individual directors is as per table below: (in Rs.)

| Name | Category | Sitting Fee | Salaries, allowances and perquisites* | Total |
|--|--------------------------|-------------|---------------------------------------|---------|
| Mr. L. N. Jhunjunwala (Chairman Emeritus) | Promoter – Non–Executive | – | – | – |
| Mr. Ravi Jhunjunwala (Chairman) | Promoter – Non–Executive | 5,000 | – | 5,000 |
| Mr. R. N. Gupta (Managing Director) | Non–Promoter – Executive | – | 5948130 | 5948130 |
| Mr. B. N. Fitkariwala (Director) | Independent | 8,000 | – | 8,000 |
| Mr. B. P. Singh (Director) | Independent | 16,000 | – | 16,000 |
| Mr. Ravindra Bahndari (Director) | Independent | 12,000 | – | 12,000 |

* Includes retirement benefits

The Company does not pay any remuneration to its non-executive Directors apart from sitting fees for attending the meetings of the Board/Committee thereof. The Company does not have any Stock Option Scheme.

As on 31st March, 2010, none of the non-executive directors hold any convertible instruments or equity shares in the Company.

5. Code of Conduct

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company. All Board members and designated senior management personnel have affirmed compliance with this Code of Conduct. The Code of Conduct is displayed on the website i.e. www.lnjbhilwara.com and www.bhilspin.com. A declaration signed by Mr., Director, to this effect is enclosed at the end of this report.

6. Management

- (a) The Annual Report has separate section on Management Discussion and Analysis.
- (b) Material related party transactions : During the financial year ended 31st March, 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.

7. Shareholders'/Investors' Grievance Committee

The Shareholders/Investors Grievance Committee of the Company consists of the following Directors as its members:

- a) Mr. B. N. Fitkariwal
- b) Mr. B.P. Singh

Mr. P.S. Puri, Chief Financial Officer, is the Compliance Officer. The composition of the committee is in conformity with clause 49(IV)(G)(iii) of the listing agreement.

Shareholders/Investors Grievance Committee of the Company met four times during the financial year under review. The meetings were held on 29th April, 2009, 30th July, 2009, 29th October, 2009 and 28th January, 2010 and were attended by both the directors on the committee. Shareholders/Investors Grievances were redressed on priority. The Company received 11 complaints during the financial year ended 31st March, 2010 from shareholders which were replied/ resolved to the satisfaction of the shareholders.

As at 31st March, 2010, no request for dematerialisation of Equity Shares of the Company was pending for approval. Also no complaint was pending at the end of the financial year ended on 31st March, 2010.

Share Transfer Committee

The Company also has a Share Transfer Committee to deal with the requests of transfer/ transmission of equity shares, issue of duplicate share certificates and consolidation/split/ replacement of share certificates etc. As a concern to expeditious approval of transfer of shares, Mr. B.P. Singh, Director and/or Mr. P. S. Puri also severally attend and approve the share transfer requests on fortnightly basis under delegated authorization of the Board of Directors.

All valid requests for share transfer received during the year have been acted upon by the Company within the stipulated time limit.

8. General Body Meetings

The last three Annual General Meetings (AGM) were held at the Registered Office as per details given below:

| Date of AGM | Relevant Financial Year | Venue/Location where held | Time of Meeting |
|----------------------------------|-------------------------|--|-----------------|
| 27 th September, 2007 | 2006–2007 | 26, Industrial Area, Bhilwara, Rajasthan | 3:30 P.M. |
| 26 th September, 2008 | 2007–2008 | 26, Industrial Area, Bhilwara, Rajasthan | 11.00 A.M. |
| 25 th September, 2009 | 2008–2009 | 26, Industrial Area, Bhilwara, Rajasthan | 11.00 A.M. |

The Company has unanimously passed special resolutions relating to amendment in Articles of Association and re-appointment of Mr. R. N. Gupta as Managing Director at the Annual General Meetings held on 27th September, 2007 and 26th September, 2008 respectively.

POSTAL BALLOT

During the year under review, the Company passed a resolutions through postal ballot, in which the shareholders provided their consent to the Board of Directors under section 293(1)(a) of the Companies Act, 1956, relating to selling or disposing off the whole or any part of Company's undertaking of its unit at Bhilwara, Rajasthan.

The result of postal ballot was declared on 25th August, 2009. Following are the details of the voting pattern.

DETAILS OF VOTES

| Sl. No. | Particulars | Total No. of Ballot |
|---------|--|---------------------|
| 1. | Total Postal Ballot Forms received (A) | 87 |
| 2. | Less : Invalid Postal Ballot Forms (B) | 12 |
| 3. | Net Valid Postal Ballot Forms received (A–B) | 75 |

DETAILS OF VOTING PATTERN

| Sl. No. | Particulars | Resolution No. 1 | |
|---------|---|------------------|-----------|
| | | Assent | Dissent |
| 1. | No. of valid votes cast | 4122635 | 2600 |
| 2. | Value of valid votes cast (@ Rs.10/– per Share) | 4,12,26,350.00 | 26,000.00 |
| 3. | Percentage of Value of votes cast | 99.94% | 0.06% |

The postal ballot exercise was scrutinized by Mr. V.P. Kapoor, a practicing Company Secretary. The Company followed a transparent postal ballot process, in which all members/beneficiaries on the books as of 23rd July, 2009 were sent a postal ballot form along with postage pre-paid business reply envelope. All business reply envelopes received up to close of working hours on 24th August, 2009 were considered. All these postal forms were kept under the scrutiny of the scrutiniser, Mr. V.P. Kapoor.

9. Compliances

The Company has been complying with all the requirements and there were no penalties, strictures 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.

10. Compliance with clause 49

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49.

Adoption of Non-Mandatory Requirements

Although it is not mandatory, the Board of Bhilwara Spinners Limited has constituted a Remuneration Committee. The details of the Remuneration Committee have been provided under the Section 'Remuneration Committee'. Also, the Company's Financial Statements are free from any qualifications by the Auditors.

11. Means of Communication

The Quarterly and Annual results of the Company are published within 48 hours in at least one prominent national and one regional newspaper usually in The Pioneer and Rajasthan Patrika. These results are also displayed on the website <http://www.sebidifar.nic.in>

SHAREHOLDER INFORMATION

1. Annual General Meeting

Date and Time : Tuesday, 21st September, 2010 at 11.00 A.M
Venue : 26, Industrial Area, Bhilwara, Rajasthan

2. Financial Calendar :

Financial year
Under review : April 2009 to March, 2010
Current : April 2010 to March, 2011
Quarterly Financial reporting : Within one month from the end of each quarter except fourth quarter when Annual results are published within two months

3. Dates of Book Closure : 14th September, 2010 to 21st September, 2010 (Both days inclusive)

4. Dividend Payment Date : N/A

5. Listing of Shares on Stock Exchange

1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI – 400 001
Listing fees as prescribed has been paid to the "The Stock Exchange, Mumbai" upto, 31st March 2011.