BHILWARA SPINNERS LIMITED

Annual Report 2011 - 2012

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CORPORATE INFORMATION

BOARD OF DIRECTOR

Ashok Kothari	Director
Anshul Kothari	Director
Hanuman Pokharna	Director

KEY EXECUTIVE

Bhopal Singh Choudhary	*Chief Financial Officer*

COMPANY SECRETARY

Miss Neelu Mehta

BANKERS

State Bank of Bikaner & Jaipur

ICICI Bank Ltd.

AUDITORS

M/s CLB & ASSOCIATES MUMBAI

REGISTERED OFFICE

26, Industrial Area

Bhilwara - 311 001, Rajasthan

FINANCIAL HIGHLIGHTS

(Rs. in lac)

Particulars	2009-2010	2010-2011	2011-2012
Turnover	735.12	134.91	309.81
Exports	0.00	0.00	0.00
PBIDT	184.36	3.36	22.48
Interest	215.67	0.02	0.01
PBDT	(31.31)	3.34	22.47
Depreciation	72.59	0.40	0.03
Taxation	0.00	2.02	4.35
PAT	(103.90)	0.92	18.09
Net Worth	531.66	514.58	532.67
Capital Expenditure	0.00	0.00	0.00
Book Value Per Share Rs.	7.60	7.61	7.88

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NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Members of the Company will be held on Monday, the 24 day of September, 2012 at 11.00 A.M. at the Registered Office of the Company at 26, Industrial Area, Bhilwara - 311 001, Rajasthan, to transact the following Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the period ended on that date and Report of Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration and for that purpose to consider and if thought fit to pass with or without modification the following resolution as an ORDINARY RESOLUTION :
   "RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956 and other applicable provisions, if any, for the time being in force, M/s. CLB & Associates Chartered Accountants, Mumbai, the retiring Auditors of the Company be and are hereby reappointed as Auditors of the Company to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors plus out of pocket expenses as may be incurred by them for the purpose of Audit."
3. To appoint a Director in place of Shri Anshul Kothari who retire by rotation and being elegible offer himself for reappointment.

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 that forty eight hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed 18th Sept. 2012 to 24th Sept. 2012 (both days insclusive)
3. Members are requested to :
   (i) Quote their Folio No. / Credit ID No. in all correspondence with the company.
   (ii) Notify immediately to the Company any change in their address and their mandate, if any. Members holding Shares in electronic from should sent their respective Depository Participants.
4. Members seeking any information / clarification with regard to account and audit are requested to write to the Company in advance and their queries should reach the Company at least seven day prior to the date of meeting, so as to enable the Management to keep the information / clarification ready.
5. Members who are holding Company's shares in electronic form are required to bring details of their Depository Account Number for identification.

By Order of the Board
For Bhilwara Spinners Limited
Sd/-
Miss Neelu Mehta
Company Secretary

Place : Bhilwara
Date : 25 August 2012

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Ansul Kumar Kothari
Category	Promoter - Non Executive
Interse relationship	Son of Shri Ashok Kothari
Date of Birth	25.09.1990
Date of Appointment	22.07.2010
Qualification	M.B.A.
Expertise in Specific functional areas	Textile & Real Estate
List of other Public Companies in which Directorships held	None
Chairman/Member of the Committee of the Board of Directors of the Company	None
Chairman/Member of the Committees of Directors of other Companies :	
a) Audit Committee	--
b) Shareholder's/Investor's Grievances Committee	--
No. of Equity Shares held in Company	NIL

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DIRECTOR'S REPORT

To The Members,

The Directors of your Company have pleasure in presenting their 31st Annual Report along with audited annual statements of Accounts for the financial year ended on 31st March, 2012.

FINANCIAL RESULTS

		(Rs. in Lacs)
	Financial Year ended 31-3-2012	Previous Year ended 31-3-2011
Turnover	310	135
Profit/(Loss) before Depreciation	**22**	**4**
Depreciation	**0**	**1**
Profit/(Loss) before Tax	**22**	**3**
Provision for Income Tax		
- Current Tax	4	2
- Deferred Tax	0	0
Profit/(Loss) after Tax	**18**	**1**
Balance brought forward	(586)	(587)
Balance carried forward	**(568)**	**(586)**

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. But trading in yarn and fabric still continue in the year.

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, 2012 and of the profit or loss of the Company for the financial year ended 31st March, 2012;
- 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 Director's Report.

DIRECTORS

One of your Director namely Anshul Kothari shall retire by rotation at the ensuring Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

AUDITORS

The Company's Auditors, M/s. CLB & ASSOCIATES., 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 : Bhilwara
Date : 28th May 2012

Ashok Kothari
Director

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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 :

No Specific Investment

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

No Specific Investment

(A) POWER AND FUEL CONSUMPTION

			Current Year	Previous Period
1.	Electricity			
(a)	Purchased units	(No.)	-	**31345**
	Total Amount	(Rs.)	-	**139486**
	Rate per unit	(Rs.)	-	**4.45**

(B) CONSUMPTION PER UNIT OF PRODUCTION

No Specific Production

II. TECHNOLOGY ABSORPTION

1. RESEARCH AND DEVELOPMENT

No Specific Investment

2. TECHNOLOGY ABSORPTION

No Specific Investment

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.NIL Lacs and outgo of Rs. NIL Lacs.

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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 Three Directors on the Board of which all are non-executive and One director is 'Independent' Director.

The Composition of the Board of Directors and their attendance at the meetings during the financial year ended 31st March, 2012 and other relevant details are as

Name	Category	No. of Meetings		No. of other Directorships and Committee membership/chairmanship#		
		Held during tenure	Attended	Directorships*	Committee memberships	Committee chairmanships
Mr. Ashok Kothari	Non-Executive Non-Independent	4	4	-	-	-
Mr. Anshul Kothari	Non-Executive Non-Independent	4	4	-	-	-
Mr. Hanuman Pokharna	Independent	4	4	-	-	-

** Excludes Directorships held in private limited companies, Foreign Companies, Membership of Management*

The meetings of the Board of Directors during the financial year ended 31st March, 2012 were held on 14th May, 2011, 29th July, 2011, 11th Nov, 2011, 8th Feb, 2012.

The last Annual General Meeting of the Company held on 26th September, 2011 was attended and chaired by Mr. Ashok Kothari Director. Mr.Ansul Kothari,Mr Hanuman Pokharna 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 two Directors, namely, Mr. Ashok Kothari, Mr. Hanuman Pokharna. One of them are non-executive and Non Independent And One independent Directors. Mr. Ashok Kothari, Non 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, 2012, 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 14th May, 2011, 29th July, 2011, 11th Nov, 2011, 8th Feb, 2012.. Attendance of the Committee Directors was as under.

Name of the Member	Position	No. of Meetings held During tenure	No. of Meetings Attended
Mr. Ashok Kothari	Non Independent	4	4
Mr. Hanuman Pokharna	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

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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. Ashok Kothari, Mr. Hanuman Pokarna all of whom are non-executive and Non Independent and independent Directors. Mr. Ashok Kothari, Promoter 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:

Name	Category	Sitting Fee	Salaries, allowances and perquisites*	Total
Mr. Ashok Kothari (Director)	Non-Executive Non-Indpendent	12000	-	12000
Mr. Ansul Kothari (Director)	Non-Executive Non-Independent	8000	-	8000
Mr. Hanuman Pokharna (Director)	Independent	8000	-	8000

As on 31st March 2012, none of the non-executive directors hold any covertible instruments or equity shares in 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. A declaration signed by Mr.Ashok Kothari (Director) to this effect is enclosed at the end of this report.

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6. Management

(a) Material related party transactions : During the financial year ended 31st March, 2012, 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. Ashok Kothari
b) Mr. Ansul Kothari

Miss. Neelu Mehta, Company Secretary, 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 14th May, 2011, 29th July, 2011, 11th Nov, 2011, 8th Feb, 2012. and were attended by both the directors on the committee. Shareholders/Investors Grievances were redressed on priority. The Company received 4 complaints during the financial year ended 31st March, 2012 from shareholders which were replied/ resolved to the satisfaction of the shareholders.

As at 31st March, 2012, 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, 2012.

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. Ashok Kothari, Director and/or Mr. B. S. Choudhary also severally attend and approve the share transfer requests on Monthly 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 Meetings
25th September, 2009	2008 - 2009	26 Industrial Area, Bhilwara, Rajasthan	11.00 A.M.
21st September, 2010	2009 - 2010	26 Industrial Area, Bhilwara, Rajasthan	11.00 A.M.
26th September, 2011	2010 - 2011	26 Industrial Area, Bhilwara, Rajasthan	11.00 A.M.

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 Daily Lokjeewan. These results are also displayed on the website http://www.bseindia.com.

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SHAREHOLDER INFORMATION

1. Annual General Meeting

Date and Time : 24th September, 2012 at 11.00 A.M

Venue : 26, Industrial Area, Bhilwara, Rajasthan

2. Financial Calendar :

Financial year

Under review : April 2011 to March, 2012

Current : April 2012 to March, 2013

Quarterly Financial reporting : Within one & half month from the end of each quarter except fourth quarter when Annual results are published within two months

3. Dates of Book Closure : 18th September, 2012 to 24th September, 2012 (Both days inclusive)

4. Dividend Payment Date : N/A

5. Listing of Shares on Stock Exchange

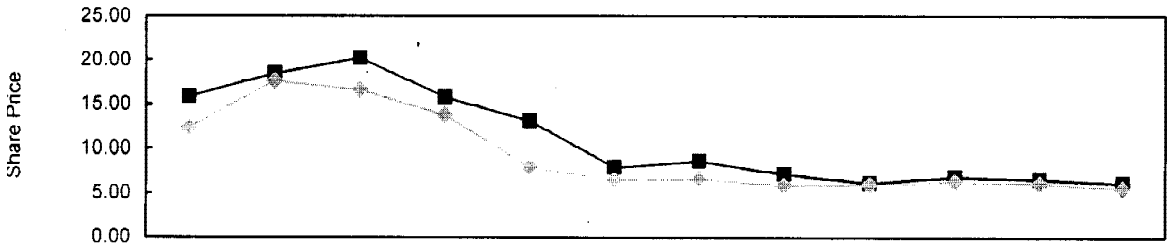
1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400 001

Listing fees as prescribed has been paid to the " The Stock Exchange, Mumbai" upto, 31st March 2013.

6. Stock Code :

The Stock Exchange Mumbai : 514272

7. Stock Market Data : Monthly High Low (in Rs.) at BSE :



	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
High	15.81	18.46	20.20	15.75	13.07	7.90	8.63	7.16	6.13	6.86	6.52	6.16
Low	12.30	17.54	16.55	13.75	7.92	6.46	6.56	5.85	5.94	6.25	6.06	5.50

(Source : www.bseindia.com)

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