



BHILWARA SPINNERS LIMITED

Annual Report 2011 - 2012

CORPORATE INFORMATION

BOARD OF DIRECTOR

Ashok Kothari	Director
Anshul Kothari	Director
Hanuman Pokharna	Director

KEY EXECUTIVE

Bhopal Singh Choudhary	Chief Financial Officer
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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

- 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.
- 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."
- To appoint a Director in place of Shri Anshul Kothari who retire by rotation and being eligible offer himself for reappointment.

NOTES

- 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 forty eight hours before the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed 18th Sept. 2012 to 24th Sept. 2012 (both days inclusive)
- Members are requested to :
 - Quote their Folio No. / Credit ID No. in all correspondence with the company.
 - Notify immediately to the Company any change in their address and their mandate, if any. Members holding Shares in electronic form should send their respective Depository Participants.

- 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.
- 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/-

Place : Bhilwara
Date : 25 August 2012

Miss Neelu Mehta
Company Secretary

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

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 ensuing 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

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

		<u>Current Year</u>	<u>Previous Period</u>
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.

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. Anshul 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

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-Independent	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 convertible 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.

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>.

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

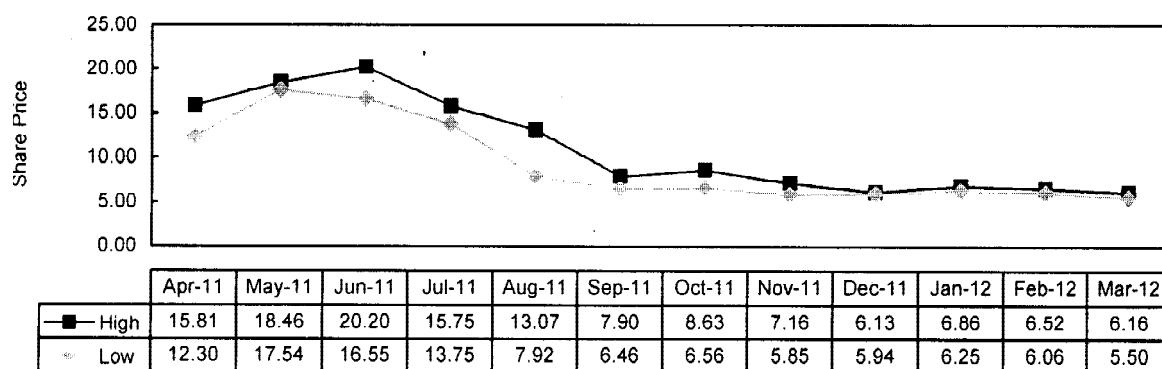
1) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400 001

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

6. Stock Code :

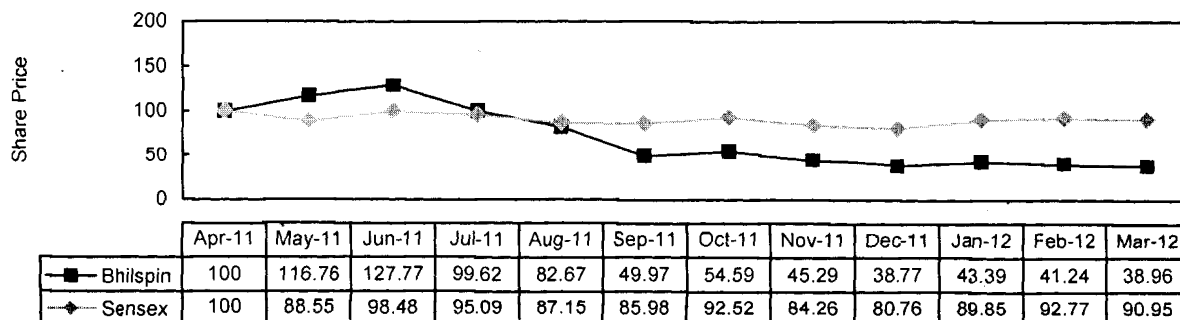
The Stock Exchange Mumbai : 514272

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



(Source : www.bseindia.com)

8. Performance in comparison with BSE Sensex (Both series indexed to 100 as on 1st April, 2011)



9. Registrar and Transfer Agents :

M/s MCS Limited acts as the Share Transfer Agent of the Company. The Shareholders may contact M/s MCS Ltd. for matters related to Share Transfer etc. at the following address:

MCS Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020

Phone No (s) : 011-41406149-52, Fax No : 011-41709881, E Mail : admin@mcsdel.com

10. Share Transfer System :

The matters related to share transfer and transmission, etc. are attended by the delegated authorities on Monthly basis. Share transfers are registered and returned within 30 days from the date of receipt, if the documents are in order in all respects. The total no. of shares transferred during the period 2011-12 were 5500.

11. Distribution of Shareholding as on 31st March, 2012

No. of Equity shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of share holding
1-500	7528	93.74	1314374	19.45
501-1000	312	3.88	258998	3.83
1001-10000	183	2.28	496600	7.34
10001 and above	8	.10	4691158	69.38
Shares in Transit	0	0	0	0
Total	8031	100.00	6761130	100.00

Shareholding Pattern as on 31st March, 2012

Categories	No. of shares	Percentage
Promoters, Directors, relatives and associates	3531670	52.23
Foreign institutional investors / mutual funds	-	-
Public financial institutions / State Financial Corporation	-	-
Mutual funds (Indian)	2500	0.04
Nationalised and other bank	-	-
Public	3226960	47.73
Total	6761130	100.00

12. Dematerialisation of Shares and liquidity :

4739120 shares were dematerialised till 31st March, 2012, which is 70.09 % of the total paid up Equity Share Capital of the Company. Trading in Shares of the Company is permitted in dematerialised form only.

13. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.:

The Company has not issued any GDR/ADR/warrants or any convertible instruments.

14. Plant Location : 26, Industrial Area, Bhilwara - 311 001, Rajasthan**15. Address for Correspondence:**

Investor correspondence should be addressed to:

1. *Share Transfer Agent :*

MCS Limited, F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020

Phone No (s) : 011-41406149, Fax No : 011-41709881, E Mail : mcscomplaintsdel@mcsdel.com

2. *Compliance Officer :*

Bhilwara Spinners Limited, 26, industrial area, Post Box No 6 Bhilwara 311001 (Rajasthan)

Phone No: 01482-246601, Fax No. : 01482-246461, Email : bhilspinbs@gmail.com

AUDITOR'S REPORT

To,
The Members,
Bhilwara Spinners Limited

1. We have audited the attached Balance Sheet of BHILWARA SPINNERS LTD., as at 31st March, 2012, the Profit and Loss Account and the cash flow statement for the year ended 31st March 2012 on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements bases on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) order, 2003 (Order) issued by the Company Law Board in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of audit, we annex hereto a Statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i). We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii). In our opinion, proper books of account, as required by law,

have been kept by the Company, so far, as appears from our examination of those books.

- iii). The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv). In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v). On the basis of written representations received from the Directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- vi). In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view : -
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - b) In the case of the statement of Profit & Loss, profit of the year ended on that date;
 - c) In the case of Cash Flow Statements, of the cash flows for the year ended on that date.

For CLB & ASSOCIATES
Chartered Accountants

CA. S. SARUPRIA
Partner
M.No. - 035783

Place : Bhilwara
Dated: 28-5-2012

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 3 of our report of even date to the shareholders of **Bhilwara Spinners Limited** on the accounts for the year ended 31st March, 2012

1. Fixed Assets

- i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - ii) As explained to us, all the fixed assets have been physically verified by the management in phase periodical manner, which is in our opinion reasonable. No material discrepancies were noticed on such verification.
 - iii) In our opinion the substantial part of fixed assets has been disposed off by the company however according to the information and explanation given to us the going concern status of the Company is not affected.
2. i) The Management has conducted physical verification of inventory at reasonable interval.
 - ii) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - iii) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification as compared to book records.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our

audit, we have not observed any major weakness in such internal control system.

5. In our opinion and according to the information and explanations given to us and record examined by us there was no transaction in pursuance of such contract with parties exceeding in value Rupees five lakhs have been made.
6. According to the information and explanation given to us the Company has not accepted any deposits from the public during the year and, consequently the directives issued by the Reserve Bank of India and the provision of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. In our opinion , the company has an internal audit system commensurate with the size and nature of its business.
8. According to the information given to us by the management Maintenance of cost records under section 209(1) (d) of The companies Act, 1956 are not applicable to the company.

9. Taxes and Duties :

- i) According to the books and records as examined by us and according to the information and explanation given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, cess and other statutory dues applicable to it.
- ii) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax wealth tax, sales tax, customs duty, and excise duty were outstanding, at the year end for a period of more than six months from the date they become payable.
- iii) As at 31st March 2012, according to the records of the company and the information and explanation given to us, the following are the particulars of dues on account of Sales Tax, Income tax, Custom duty and Excise duty, as applicable, that have not been deposited on account of disputes :

Name of the Statute	Nature of Dispute	Amount involved (Rs. in lacs)	Forum where dispute is pending
Central Excise Act 1944	Excise Duty	58.11	Appellate authority/ High Court

10. At the end of the current financial year Company's accumulated losses have exceeded 50% of its net worth however, the Company not incurred any cash losses in the current year and in the immediately preceding financial year.
11. Based on the audit procedures and according to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to bank. The company has neither taken any loans from a financial institution nor issued any debentures.
12. Based on our examination of records and information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provision of the clause 4 (xii) of the order are not applicable to the company.
13. The Company is not a chit fund / Nidhi/ Mutual benefit fund/ Society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. As per the information and explanations given to us, in our opinion the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Based on the examination of books of accounts no term loans taken during the year.
17. According to information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to the Parties or companies covered in the register maintained under Section 301 of The Companies Act, 1956.
19. The Company has not issued any debentures during the year and there are No debentures outstanding on at the year end, therefore the question of creation of Securities does not arise.
20. The Company has not raised any money through a public issue during the year.
21. According to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **CLB & ASSOCIATES**
Chartered Accountants

CA. S. Sarupria
Partner
M.No. - 035783

Place: Bhilwara
Date : 28-5-2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at end of current reporting period 31.3.2012		As at end of previous reporting period 31.3.2011	
		Rs.	Rs.	Rs.	Rs.
<i>in Rs.</i>					
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	67,880,800		67,880,800	
(b) Reserves and Surplus	3	(14,613,849)		(16,422,959)	
			53,266,951		51,457,841
(2) Non - current liabilities		-		-	
(3) Current Liabilities					
(a) Trade payables	4	2,999,172		1,443,299	
(b) Other current liabilities	5	1,358,465		2,008,540	
(c) Short term provisions	6	416,860		54,680	
			4,774,497		3,506,519
TOTAL			58,041,448		54,964,360
II. ASSETS					
(1) Non - current assets					
(a) Fixed Assets	7	77,016		79,942	
(i) Tangible assets		77,016		79,942	
(b) Long term loans and advances	8	10,231,176		10,204,118	
(c) Other non current assets	9	8,188,378		8,188,378	
			18,496,570		18,472,438
(2) Current Assets					
(a) Inventories	10	2,202,429		-	
(b) Trade receivables	11	29,497,952		25,562,462	
(c) Cash and cash equivalents	12	7,722,235		9,202,658	
(d) Short term loans and advances	13	1,22,262		1,726,802	
			39,544,878		36,491,922
TOTAL			58,041,448		54,964,360

The notes attached form an integral part of the financial statements

As per our report of even date attached

For **CLB & ASSOCIATES**

Chartered Accountants

Firm's Regn No : 124305w

Ashok Kothari

Director, DIN 00132801

Bhopal Singh Choudhary

Chief Financial Officer

CA. S.SARUPRIA

Partner

Mem. No. 035783

Anshul Kothari

Director, DIN 02624500

Miss Neelu Mehta

Company Secretary

Place : Bhilwara

Date : 28.05.2012

Hanuman Pokharna

Director, DIN 03155927

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	Current reporting period		Previous reporting period	
		Rs.	Rs.	Rs.	Rs.
I Revenue from Operations	14		30,981,220		13,490,207
II Other Income	15		3,295,969		3,134,383
III Total revenue (I + II)			34,277,189		16,624,590
IV Expenses					
Cost of materials purchase & consumed	16	32,599,159		13,150,326	
Purchases of stock in trade					
Changes in inventories of finished goods, work in progress and stock in trade	17	(2,202,429)		-	
			30,396,730		13,150,326
Employee benefits expense	18		727,313		886,702
Finance costs	19		1,080		1,549
Depreciation and amortization expense	20		2,926		41,189
Other expenses	21		9,04,840		2,251,446
Total Expenses			32,032,889		16,331,212
V Profit/Loss before exceptional and extraordinary items and tax (III-IV)			2,244,300		293,378
VI Exceptional Items					
VII Profit/Loss before extraordinary items and tax (V-VI)			2,244,300		293,378
VIII Extraordinary Items	22				
IX Profit before tax (VII-VIII)			2,244,300		293,378
X Tax expense					
(i) Current tax		416,860		54,680	
(ii) Tax Earlier Years		18,330		147,500	
			435,190		202,180
XI Profit/Loss for the period from continuing operations (VII-VIII)			1,809,110		91,198
XIII Tax expense of discontinuing operations					
XIV Profit/Loss from discontinuing operations (after tax) (XII-XIII)					
XV Profit/Loss for the period (XI + XIV)			1,809,110		91,198
XVI Earning per equity share					
(i) Basic			0.27		0.01
(ii) Diluted					

The notes attached form an integral part of the Financial Statements

In Accordance with our Report attached

For and on behalf of the Board

For **CLB & ASSOCIATES**
Chartered Accountants
Firm's Regn No : 124305w

Ashok Kothari
Director, DIN 00132801

Bhopal Singh Choudhary
Chief Financial Officer

CA. S.SARUPRIA
Partner
Mem. No. 035783

Anshul Kothari
Director, DIN 02624500

Miss Neelu Mehta
Company Secretary

Place : Bhilwara
Date : 28.05.2012

Hanuman Pokharna
Director, DIN 03155927

NOTE-1 : SIGNIFICANT ACCOUNTING POLICIES & PRACTICES AND NOTES ON ACCOUNTS**(A). SIGNIFICANT ACCOUNTING POLICIES****1. Accounting Conventions**

The Company follows the Mercantile system of accounting and recognizes Income and Expenditure on accrual basis. The accounts are prepared on historical cost basis, as a going concern and are consistent with generally accepted accounting principles.

2. Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect reportable amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

3. Revenue Recognition

- a) Income and expenditure are accounted for on accrual basis except :
- Interest charged in the invoices, which is accounted for at the time of raising of invoices.
 - Overdue interest on late payment, which is accounted for on cash basis.
 - Medical reimbursement to employees, which are accounted for on cash basis.
- b) Sales are inclusive of excise duty but exclude sales/vat tax.

4. Fixed Assets

- a) Fixed assets are stated at their original cost of acquisition including freight , incidental expenses and other non refundable taxes or levies related to acquisition and installation of the concerned assets. Interest on borrowed funds attributable to acquisition/construction of fixed assets and related pre-operative expenses upto the date of commencement of commercial production, net of sales of trial production, are also capitalised where appropriate. CENVAT availed has been deducted from the cost of respective assets.
- b) Project under Commissioning and other Capital Works-in-Progress are carried at cost, comprising direct cost, related incidental expenses and interest on borrowings there against.
- c) (i) The carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal /external factors.
- (ii) An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount and the same is recognized as an expense in the statement of Profit & Loss and Carrying amount of the asset is reduced to recoverable amount.
- (iii) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or have decreased.

5. Depreciation

On Straight line method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on assets costing upto Rs.5000/- is provided in full in the year of acquisition.

6. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

7. Foreign Exchange Transaction /Translation

There is no foreign currency transactions arising during the year.

8. Provisions, Contingent Liability & Contingent Assets

- (a) Provisions involving substantial degree of estimation in measurement, are recognized when the present obligation resulting from

past events given rise to probability of outflow of resources embodying economic benefits on settlement.

- (b) Contingent liabilities are not recognized and are disclosed in notes.
- (c) Contingent assets are neither recognized nor disclosed in financial statements.
- (d) Provisions are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

9. Employees Benefits

- (a) Retirement benefits in the form of Provident fund, Pension Schemes and Superannuation are defined contribution schemes and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- (b) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. However, the company is contributing to the company's Gratuity Trust covering the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with Gratuity Trust is provided for as liability in the books.
- (c) Provision for Leave encashment is accrued and provided for on the basis of an actual valuation made at the end of each financial year.
- (d) Actuarial gains / losses are immediately taken to Profit & Loss Account and are not deferred.
- (e) Expenses incurred on voluntary retirement of employees are charged off to the Profit & Loss Account in the year of incurrence.
- (f) Liability on account of short term employee benefits, comprising largely of performance incentives is recognized on an undiscounted, accrual basis during the period on the vesting period of benefit.

10. Tax Expenses

a) Current year charge

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961. However, where the tax is computed in accordance with the provision of Section 115JB of the Income Tax Act, 1961, as Minimum Alternate Tax (MAT), it is charged off to the Profit & Loss Account of the relevant year.

b) Deferred Tax

- i) Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.
- ii) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is deferred tax liabilities or there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(B) NOTES ON ACCOUNTS

	<u>Current Year</u> (Rs.in lacs)	<u>Previous Year</u> (Rs.in lacs)
1. Contingent Liabilities not provided for in respect of:		
A) Claims against the company not acknowledged as debts:	1.60	1.60
B). Contingent liabilities not provided for :		
a) Income Tax demand raised by Income tax Authorities.	Nil	Nil
b) Excise & Coustom duty demands raised by Excise Authorities.	58.11	58.11
Matter pending in appeal with Appellate Authorities		
2. Estimated amount of contracts remaining to be executed on capital account and not provided for.,	Nil	180.00
3. Prior period income (expense) amounting to Rs.0.80 Lac {previous period Rs. 4.63 Lac} have been debited / Credited to respective heads of Accounts.		

2. EMPLOYEES BENEFITS PLANS :

- 1) The Company makes contribution towards employees' Provident Fund, Pension Fund, Under the rules of these schemes, the

Company is required to contribute a specified percentage of payroll costs. During the year the Company has recognized Rs. .50 Lac as expenses towards contribution to these plans.

- 2) In view of the non viability in the existing set of operational and manufacturing setup, all the fixed assets have been disposed off settling almost all liabilities and labour dues, However, accounts continued to be prepared on the basis of going concern, as the management is exploring other business opportunities to be carried in the company. All the necessary provisions, losses and liabilities to the extent identified and assessed by the management have been provided for. Further management is of the view that the value in realization of current assets, loans & advances and current liabilities would not significantly differ from the position as stated in the books as on year end.
3. Debtors, Creditors and advances are subject to confirmations, Reconciliations and adjustments, if any. The Management does not expect any significant variation and in the process of taking the necessary steps in this regard in the current year.
- 4 Related party disclosure in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India is given below :

Sr.No.

1 Names of Related parties and nature of relationship where control exists

(i) Key Management Personnel and relative of such personnel

Ashok Kothari	Director
Anshul Kothari	Director
Hanuman Pokharna	Director

(ii) Enterprise over which Key Management Personnel and their relatives are able to exercise significant influences :
Ahinsa Suitings Bhilwara

2 The related party transaction are as under

	As mentioned in (i) above		As mentioned in (ii) above	
	C.Y.	P.Y.	C.Y.	P.Y.
Sales	-	-	30981219	3462400
Outstanding at the year end				
Receivable	-	-	19299268	3462400

5. Based on the information available with the Company, no balance is due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further during the year no interest has been paid or payable under the terms of the said Act.

6. a) In View of absence of Profit in accordance with Section 349 of the Companies Act 1956, no commission is payable to the Managing Director for the current year.

b) Directors' remuneration

(i) Directors sitting fees	0.28	0.25
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7. Additional information pursuant to Part II of Schedule VI of the Companies Act, 1956, to the extent applicable :

a) Capacity (As Certified by the Management)

	<u>Installed Capacity</u>	
	31.3.2012	31.3.2011
Spindles	Nil	Nil

A) Purchase, Turnover and stocks

(Rs. in lacs)

	Unit	Opening Stock		Production / Purchases		Turnover		Closing Stock	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Yarn									
Yarn Purchase	MT	0	0	180.01	303.97	180.01	309.98	0	0
		-	-	(17.50)	(31.89)	(17.50)	(32.97)	(-)	(-)
Fabric									
Fabric	MTR	0	0	31116	22.02	0	0	31116	22.02
		(-)	(-)	(115826.00)	(99.61)	(115826.00)	(101.93)	(-)	(-)

Previous period's figures are given in brackets.

(c) Raw Material consumed / Purchase

Yarn	Current Year		Previous Year	
	MT	(Rs.in lacs)	MT	(Rs.in lacs)
	180.01	303.97	17.50	31.89
	180.01	303.97	17.50	31.89

(d) Details of imported & indigenous raw material and spare parts and components consumed :

	Current Year		Previous Year	
	Value	%	Value	%
(i) Raw Materials				
- Imported	0.00	0.00	0.00	0.00
- Indigenous	303.97	100.00	31.89	100.00
(ii) Stores & spares				
- Imported	0.00	0.00	0.00	0.00
- Indigenous	0.00	0.00	0.00	0.00

(e) FOB Value of export

Nil Nil

(f) Value of Imports calculated on CIF basis in respect of

(i) Raw Materials	Nil	Nil
(ii) Capital Goods	Nil	Nil
(iii) Components and Spare parts	Nil	Nil

(g) Expenditure in Foreign Currency (Cash basis)

(i) Travelling expenses	Nil	Nil
(ii) Interest expenses	Nil	Nil

8. Earning per share

Profit/(Loss) after taxation as per profit and loss account	1809110.00	92836.00
Weighted average number of equity shares outstanding	6761130.00	6761130
Basic and diluted earning per share in rupees (face value - Rs. 10 per share)	0.27	0.01

9. Segment reporting

As the company's business activity falls within a single primary business segment - textile yarn, the disclosure requirements of Accounting Standard - 17 "Segment reporting" issued by the Institute of Chartered Accountants of India, are not applicable.

10. Figures for the previous Year have been restated / regrouped / rearranged wherever considered necessary.

11. Till the year ended the 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended the 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	2011-12	2010-11
Cash flows from operating activities		
Profit before taxation	2,244,300	293,378
Adjustments for:		
Depreciation and amortization expense	2,926	41,189
Profit on sale of fixed assets (Net)		(30,993)
Liability no longer require written back		(200,000)
Interest expenses	1,080	1,549
Provision for taxes	(435,190)	(202,180)
	<u>(431,184)</u>	<u>(390,435)</u>
	1,813,116	(97,057)
(Increase)/ decrease in trade and other receivables	(2,358,008)	(7,994,000)
(Increase)/ decrease in inventories	(2,202,429)	
Increase/ (decrease) in trade payables	1,267,978	774,960
	<u>(3,292,459)</u>	<u>(7,219,040)</u>
	(1,479,343)	(7,316,097)
Income taxes paid		
<i>Net cash from operating activities</i>	<u>(1,479,343)</u>	<u>(7,316,097)</u>
Cash flows from investing activities		
Interest received	3,208,617	2,891,531
<i>Net cash from investing activities</i>	3,208,617	11,743,371
Cash flows from financing activities		
Interest paid	(3,209,697)	(2,893,080)
<i>Net cash from financing activities</i>	(3,209,697)	(2,893,080)
Net increase/(decrease) in cash and cash equivalents	<u>(1,480,423)</u>	<u>1,534,194</u>
Cash and cash equivalents at beginning of reporting period	<u>9,202,658</u>	<u>7,668,464</u>
Cash and cash equivalents at end of reporting period	<u><u>7,722,235</u></u>	<u><u>9,202,658</u></u>
Cash & Cash equivalents:		
Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:		
Cash on hand and bank balances	5,722,235	6,702,658
Short term investments	2,000,000	2,500,000
Cash and cash equivalents as reported	<u>7,722,235</u>	<u>9,202,658</u>
Effect on exchange rate changes		
Cash and cash equivalents as restated	<u>7,722,235</u>	<u>9,202,658</u>
As per our report of even date attached		
For CLB & ASSOCIATES Chartered Accountants Firm's Regn No : 124305w	Ashok Kothari Director, DIN 00132801	Bhopal Singh Choudhary Chief Financial Officer
CA. S.SARUPRIA Partner Mem. No. 035783	Anshul Kothari Director, DIN 02624500	Miss Neelu Mehta Company Secretary
Place : Bhilwara Date : 28.05.2012	Hanuman Pokharna Director, DIN 03155927	

NOTES TO FINANCIAL STATEMENTS

2. SHARE CAPITAL :

Particulars	As at end of current reporting period		As at end of previous reporting period	
	₹		₹	
Authorized:				
Preference Shares of Rs. 100 /- each	1,000	100,000	1,000	100,000
Equity shares of Rs. 10 /- each	12,490,000	124,900,000	12,490,000	124,900,000
		<u>125,000,000</u>		<u>125,000,000</u>
Issued, subscribed and fully paid up:				
Preference shares of Rs. 100 /- each		-		-
Equity shares of Rs. 10 /- each				
At the beginning of the reporting period	6,761,130	67,611,300	6,761,130	67,611,300
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	6,761,130	<u>67,611,300</u>	6,761,130	<u>67,611,300</u>
Issued, subscribed but not fully paid up:		-		-
Add: Amount originally paid up on forfeited shares	53900	67,611,300 269,500	53900	67,611,300 269,500
Total		<u>67,880,800</u>		<u>67,880,800</u>

Other Information:

2 Equity shares include:

i Particulars of equity share holders holding more than 5% of the total number of equity share capital:	As at March 31, 2012		As at March 31, 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
a. Ahinsa Infrastructure & Devopers ltd	3531670	52.23	3531670	52.23
b. Fashion Suitings Pvt.Ltd	1000000	14.79	1000000	14.79

3. RESERVES AND SURPLUS :

Particulars	Capital Reserve	Capital redemption reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	Share option outstanding	Other reserves	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	-	-	42,230,500	-	-	-	-	(58,653,459)	(16,422,959)
Transferred from/to Profit & Loss Account	-	-	-	-	-	-	-	1,809,110	1,809,110
Allocation towards allotment of bonus shares	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	-	-	-
Provision towards dividend distribution tax	-	-	-	-	-	-	-	-	-
At the close of the reporting period	-	-	42,230,500	-	-	-	-	(56,844,349)	(14,613,849)

Debit balance in Profit and Loss Account shall be shown as a negative figure under the head ' Surplus'

4. Trade Payables

Particulars	As at end of current reporting period	As at end of previous reporting period
	₹	₹
i) To Micro, Small and Medium Enterprises	-	-
ii) Others	2,999,172	1,443,299
	<u>2,999,172</u>	<u>1,443,299</u>

5. Other current liabilities :

Particulars	As at end of current reporting period	As at end of previous reporting period
	₹	₹
a) Other payables	1,358,465	2,008,540
	<u>1,358,465</u>	<u>2,008,540</u>

6. Short term provisions :

a) Provision for employee benefits	-	-
b) Others Provision for MAT	416,860	54,680
	<u>416,860</u>	<u>54,680</u>

7 Fixed Assets:

₹

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at beginning of current reporting period	Additions for the year	Deductions during the year	As at end of current reporting period	As at beginning of current reporting period	For the year	Deductions	As at end of current reporting period	As at end of current reporting period	As at end of previous reporting period
Tangible Assets										
Own assets										
Land	7,974	-	-	7,974	-	-	-	-	7,974	7,974
Buildings	61,654	-	-	61,654	28,680	1,005	-	29,685	31,969	32,974
Plant & Machinery	256,985	-	-	256,985	243,958	179	-	244,137	12,848	13,027
Furniture & Fixtures	72,484	-	-	72,484	46,594	1,742	-	48,336	24,148	25,890
Office equipment	1,541	-	-	1,541	1,464			1,464	77	77
	<u>400,638</u>	-	-	<u>400,638</u>	<u>320,696</u>	<u>2,926</u>	-	<u>323,622</u>	<u>77,016</u>	<u>79,942</u>
TOTAL	400,638	-	-	400,638	320,696	2,926	-	323,622	77,016	79,942

8. Long term loans and advances :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Capital advances	9,000,000	9,000,000
ii) Security Deposits	178,146	179,120
iii) Loans and advances to related parties	-	-
iv) Other loans & advances	1,053,030	1,024,998
	<u>10,231,176</u>	<u>10,204,118</u>

Additional information:

1) Breakup of above:

i) Secured, considered good	10,231,176	10,204,118
ii) Unsecured, considered good	-	-
iii) Doubtful	-	-
Total	<u>10,231,176</u>	<u>10,231,176</u>
Less:	-	-
Provision for doubtful advances	-	-
	<u>10,231,176</u>	<u>10,231,176</u>

2) a) Debts due by directors or other officers of the company

-

b) Debts due by firm or private company in which any director is a partner or a director

-

9. Other non current assets

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Long term trade receivables	8,188,378	8,188,378
ii) Others	-	-
	<u>8,188,378</u>	<u>8,188,378</u>

Additional information:

1) Breakup of above:

i) Secured, considered good	8,188,378	8,188,378
ii) Unsecured, considered good	-	-
iii) Doubtful	-	-
Total	<u>8,188,378</u>	<u>8,188,378</u>
Less:	-	-
Provision for doubtful amounts	-	-
	<u>8,188,378</u>	<u>8,188,378</u>

2) a) Debts due by directors or other officers of the company

-

b) Debts due by firm or private company in which any director is a partner or a director

-

10 Inventories :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Stock in trade	2,202,429	-
	2,202,429	-

11 Trade receivables :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Trade receivables exceeding six months	14,119,840	3,927,156
ii) others	19,299,268	25,556,462
	33,419,108	29,483,618
Less: Provision for doubtful debts	3,921,156	3,921,156
	29,497,952	25,562,462

Additional information:

1) Breakup of above:

i) Secured, considered good	-	-
ii) Unsecured, considered good	29,497,952	25,562,462
iii) Doubtful	3,921,156	3,921,156
Total	33,419,108	29,483,618
Less:		
Provision for doubtful debts	3,921,156	3,921,156
	29,497,952	25,562,462

2) a) Debts due by directors or other officers of the company

-

-

b) Debts due by firm or private company in which any director is a partner or a director

-

-

12 Cash and cash equivalents :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Balances with banks		
- in unpaid dividend accounts		
- in margin money, security for borrowings, guarantees and other commitments		
- in deposit accounts exceeding 12 months maturity		
- in other accounts	5,715,321	6,696,623
ii) Cheques, drafts on hand		
iii) Cash on hand	6,914	6,035
iv) Others FDR with SBBJ	2,000,000	2,500,000
	7,722,235	9,202,658

Additional information:

In respect of following amounts there are repatriation restrictions:

13 Short term loans and advances :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Loans and advances to related parties	1,22,262.00	17,26,802.00
ii) Others	1,22,262.00	17,26,802.00
Less: Provision for doubtful advances	1,22,262.00	17,26,802.00

Additional information:

1) Breakup of above:

i) Secured, considered good	122,262	1,726,802
ii) Unsecured, considered good	-	-
iii) Doubtful	-	-
Total	122,262	1,726,802
Less:		
Provision for doubtful amounts	-	-
	122,262	1,726,802
2) a) Debts due by directors or other officers of the company	82,500	-
b) Debts due by firm or private company in which any director is a partner or a director	-	-

14 Revenue from operations :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Sale of products		
Yarn	30,981,220	3,297,523
Fabric	-	10,192,684
Total	30,981,220	13,490,207
Less:		
Excise duty	-	-
	30,981,220	13,490,207

15 Other Income :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
iii) Profit on sale of fixed assets (Net)	-	30,993
v) Provision no longer required withdrawn	87,352	200,000
vi) Other non operating income (net of expenses directly attributable to such income)	3,208,617	2,903,390
	3,295,969	3,134,383

16 Cost of materials consumed :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
a) i) Consumption of raw materials & Purchase of goods	32,599,159	13,150,326
ii) Consumption of stores and spare parts	-	-
	<u>32,599,159</u>	<u>13,150,326</u>

17 Changes in inventories of finished goods, work in progress and stock in trade :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
Stocks at the end of the year		
ii) Trading goods		
Others (Fabric)	(2,202,429)	-
Total	(2,202,429)	-
Less:		
Stocks at the beginning of the year	-	-
Total	(2,202,429)	-

18 Employee Benefit Expenses :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Salaries and wages	640,666	779,999
ii) Contribution to provident and other funds	50,655	63,349
iii) Expenses on the employee stock option scheme	-	-
iv) Remuneration to whole time directors	-	-
v) Staff welfare expenses	35,992	43,354
	<u>727,313</u>	<u>886,702</u>

19 Finance Costs :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Bank Charges	1,080	1,549
	<u>1,080</u>	<u>1,549</u>

20 Depreciation and amortization :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Depreciation	2,926	41,189
	<u>2,926</u>	<u>41,189</u>

21 Other expenses :

Particulars	As at end of current reporting period ₹	As at end of previous reporting period ₹
i) Power and fuel	35,255	186,606
ii) Repairs others	1,303	5,399
iii) Insurance	-	1,638
iv) Payment to the auditors		
- as auditor	75,000	150,000
- for other services	33,090	37,510
- for reimbursement of expenses	4,253	14,954
v) Legal and professional charges	455,792	1,100,004
vi) Directors sitting fees	28,000	25,000
vii) Remuneration to non whole time directors		
- Commission	-	-
- Others	-	-
viii) Miscellaneous expenses	272,147	730,335
	<u>904,840</u>	<u>2,251,446</u>

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**1. REGISTRATION DETAILS**

Registration No.	8217	State Code	17
Balance Sheet Date	31 3	2012	
	Date	Month	Year

2. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	-

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	58041448	Total Assets	58041448
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Sources of Funds

Paid-up Capital	67880800	Reserves & Surplus	-14613849
Secured Loans	0	Unsecured Loans	0
Deferred Tax Liabilities	0		

Application of Funds

Net Fixed Assets	77016	Investments	0
Net Current Assets	34770381	Misc. Expenditure	0
Accumulated Losses			

4. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover (Total Income)	34277189	Total Expenditure	32032889
Profit/(Loss) Before Tax	2244300	Profit/(Loss) After Tax	1809110
Earning per Share (Rs.)	0.27	Dividend Rate	-

5. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No. (ITC Code)	5509
Product Description	Synthetic Blended Yarn

As per our report of even date attached

For CLB & ASSOCIATES

Chartered Accountants

Firm's Regn No : 124305w

CA. S.SARUPRIA

Partner

Mem. No. 035783

Place : Bhilwara

Date : 28.05.2012

Ashok Kothari

Director, DIN 00132801

Anshul Kothari

Director, DIN 02624500

Hanuman Pokharna

Director, DIN 03155927

Bhopal Singh Choudhary

Chief Financial Officer

Miss Neelu Mehta

Company Secretary

CERTIFICATION BY DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We Ashok Kothari, Director and Bhopal Singh Choudhary, Chief Financial Officer, of Bhilwara Spinners Limited, hereby certify to the Board that :

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by Bhilwara Spinners Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Bhilwara Spinners Limited and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
- (i) Significant changes in internal control over financial reporting during the year.
- (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- (e) We affirm that we have not denied any personnel access to the Audit Committee of the company (in respect of matters involving alleged misconduct).
- (f) We further declare that all Board members and designated senior management have affirmed compliance with the Code of Conduct for the current year.

For **BHILWARA SPINNERS LIMITED**

ASHOK KOTHARI
Director

BHOPAL SINGH CHOUDHARY
CHIEF FINANCIAL OFFICER

Place : Bhilwara
Date : 28 May 2012

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of

Bhilwara Spinners Limited

We have examined the compliance of conditions of Corporate Governance by Bhilwara Spinners Limited, for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

As per our report of even date attached

For **CLB & ASSOCIATES**

Chartered Accountants

Firm's Regn No : 124305w

Ashok Kothari
Director, DIN 00132801

Bhopal Singh Choudhary
Chief Financial Officer

CA. S.SARUPRIA

Partner

Mem. No. 035783

Anshul Kothari
Director, DIN 02624500

Miss Neelu Mehta
Company Secretary

Place : Bhilwara
Date : 28.05.2012

Hanuman Pokharna
Director, DIN 03155927



PROXY FORM

Bhilwara Spinners Limited

Regd. Office : 26, Industrial Area, Bhilwara - 311 001, Rajasthan

DP Id* Folio No.

Client Id* No. of share(s) held

I/We

of

being a member / members of Bhilwara Spinners Ltd., hereby appoint

of failing him

of or failing him

of as my/our Proxy in my/our absence to attend and vote for me/us on

my/our behalf at the 31st Annual General Meeting of the Company to be held on Monday, the 24th day of September at 11.00 A.M. and at

any adjournment thereof As WITNESS my / our hand / hands this day of

.....2012.

Signed by the said

Address

* Applicable for investors holding Shares in electronics form.

Please affix
15 paise
Revenue
stamp here

Note :- The Proxy must be deposited at the Registered Office of the Company at 26, Industrial Area, Bhilwara - 311 001, Rajasthan, not less than forty eight before the time of holding the meeting.

ATTENDANCE SLIP

Bhilwara Spinners Limited

Regd. Office : 26, Industrial Area, Bhilwara - 311 001, Rajasthan

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional attendance slips on request.

DP Id* Folio No.

Client Id*

Name and address of the Shareholders :

Number of share held :

I hereby record my presence at the 31st Annual General Meeting of the Company held on Monday, the 24th day of September at 11.00 A.M. at 26, Industrial Area, Bhilwara - 311 001, Rajasthan.

* Applicable for investors holding Shares in electronics form.

** Strike out whichever is not applicable.

Signature of the Shareholder / Proxy / Representative

BOOK-POST



If undelivered, please return to :

Bhilwara Spinners Limited

26, Industrial Area, Bhilwara - 311 001, Rajasthan