



BHILWARA SPINNERS LIMITED

CIN :- U17115 RJ 1980 PLCOO8217

Annual Report 2015 - 2016

CORPORATE INFORMATION

BOARD OF DIRECTOR

Ashok Kothari	DIN 00132801	Director
Anshul Kothari	DIN 02624500	Director
Hanuman Pokharna	DIN 03155927	Director
Smt Sushila Kothari	DIN 00132802	Director
Arvind Tater	DIN 07167125	Director

KEY EXECUTIVE

Ashok Kothari	Director & CEO
Bhopal Singh Choudhary	Chief Financial Officer

COMPANY SECRETARY

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	2013-2014	2014-2015	2015-2016
Turnover	281.19	20.95	291.51
Exports	0.00	0.00	0.00
PBIDT	20.69	244.23	392.57
Interest	0.35	0.00	0.00
PBDT	20.34	244.23	392.57
Depreciation	0.03	0.00	0.00
Taxation	8.52	58.31	78.10
PAT	11.79	185.92	314.47
Net Worth	552.03	737.95	1052.42
Capital Expenditure	0.00	140.13	12.18
Book Value Per Share Rs.	8.16	10.91	15.57

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DIRECTOR'S REPORT

To The Members,

The Directors of your Company have pleasure in presenting their 35th Annual Report along with audited annual statements of Accounts for the financial year ended on 31st March, 2016

FINANCIAL RESULTS

(Rs. in Lacs)

	Financial Year ended 31-3-2016	Previous Year ended 31-3-2015
Turnover	292	21
Profit/(Loss) before Depreciation	392	244
Depreciation	0	0
Profit/(Loss) before Tax	392	244
Provision for Income Tax		
- Current Tax	78	58
- Deferred Tax	0	0
Profit/(Loss) after Tax	314	186
Balance brought forward	(362)	(548)
Balance carried forward	(48)	(362)

OPERATIONS

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

Two of your Director namely Ansul Kothari & Hanuman Pokharna. 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.

CORPORATE SOCIAL RESPONSIBILITY

Your Directors inform the Members that your Company is not covered within the scope of Section 135 of Companies Act, 2013 and the Rules thereunder. However your Directors endeavour to contribute to such causes as and when deem

appropriate.

NUMBER OF MEETINGS OF THE BOARD

The particulars of the meetings held during the year along with the details regarding the meetings attended by the directors form part of the Corporate Governance Report.

The composition of the Board and its committees has also been given in detail in the report on Corporate Governance

ANNUAL RETURN

Pursuant to Section 92 of the companies Act, 2013 read with Rule 12 of The Companies (Management and administration) Rules 2014, the Extract of Annual Return is attached as Annexure-II.

DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

Pursuant to the provision of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Board of Directors on the recommendation of Nomination and Remuneration Committee has framed a policy for the appointment of Directors and Senior Management and their remuneration. The policy forms part of the Board Report as Annexure-III.

ANNUAL EVALUATION BY THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing agreement the annual evaluation has been made by the Board of its own performance, its committees and the individual directors. The manner of evaluation is mentioned in the Nomination and Remuneration policy which forms part of Board Report.

PARTICULARS OF INVESTMENTS

Details of Investments made in accordance with the requirements covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS of contracts or arrangements with related parties

Your Directors inform the Members that no contracts or arrangements were entered into with the related parties.

Significant And material orders passed by the Regulators or courts

There is no significant and material order passed by the regulators or courts.

RISK MANAGEMENT

Your Directors review the risks associated with the Company on a regular basis, but considering meager operations of the

DIRECTOR'S REPORT

Company there was negligible exposure to business risks.

CORPORATE GOVERNANCE

Your company has complied with all the requirements of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange, where the Company's shares are listed.

WHISTLE BLOWER POLICY

With the objective of pursuing the business in a fair and transparent manner by adopting the highest standards of professionalism honesty, integrity, integrity and ethical behavior and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behaviour, actual or suspected fraud or violation of Company's Code Of Conduct, the Company has adopted a Whistle Blower Policy. The Company has adopted a framework whereby the identity of the complainant is not disclosed.

INTERNAL CONTROL SYSTEMS

The Company has an internal control system commensurate with its size and nature of business. These systems provide a robust structure which in turn helps in the complying of various laws and statutes which automatically translates into Financial and Operational Development of the Company.

The Company's Audit Committee reviews adherence to internal control systems and legal compliances. This committee reviews all quarterly and yearly results of the Company and recommends the same to the Board for its approval.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be disclosed pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014 is given in Annexure -IV forming part of the Report.

PARTICULARS OF EMPLOYEES

The information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, of the employees is annexed as Annexure- V

Further your directors inform the members that pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee is drawing remuneration in excess of the limits prescribed under the said provision.

Directors'Responsibility statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 the Directors state that :

a) in the preparation of the Annual Accounts the applicable Accounting Standards have been followed and no material departures have been made from the same

b) 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, 2015 and of the Profit and Loss of Company for the year ended on that date ;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) proper internal financial controls were in place and that financial controls were adequate and were operating effectively.

f) systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors acknowledge the support and assistance extended by the stakeholders' bankers, Central Government & State Government including various other authorities. The Board also takes this Opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

for and on behalf of the Board

Place : Bhilwara
Date : 30th May 2016

Ashok Kothari
Director

ANNEXURE 1 TO DIRECTOR'S REPORT

FORM NO. MR-3

Secretarial Audit Report

(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014)

The Members,

Bhilwara Spinners Limited

26, Industrial Area

Gandhi Nagar

Bhilwara-311001 (Raj.)

I have Conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices practices by Bhilwara Spinners Limited ('the Company') The secretarial audit was conducted in a manner, that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering financial year ended on March 31,2016 ("Audit Period) complied with the statutory provision hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported herein after.

- (A). I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provision of-
1. The Companies Act, 2013 (the Act) and the Rules made there under that
 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act
 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
 4. The reserve Bank of India Act, 1934 and the curculars issued there under.
 5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 2011:
 - (b) The Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities)

Minutes of proceedings of General Meetings and of the Board and its Committte meetings;

- (i) Approvals of the Members, the Board of Directors. the Committees of Directors and the government authorities, wherever required:

(C) I further report that:

- a. (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contract and arrangements: shareholding / debenture holding and directorship in other companies and interests in other entities;
- b. (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- c. (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
- d. (d) There was no prosecution initiated and no fines or penalties were imposed (during the year under review under the Act, SEBI Act, SCRA Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and Officers.

Place - Bhilwara Camp
Dated-30 May 2016

FOR :- **AKASH AGARWAL & ASSOCIATES**
Company Secretaries

(Akash Agarwal)
Proprietor
M. No. FCS- 7291
COP No. : 7794

ANNEXURE A

To,
The Members, of
Bhilwara Spinners Ltd.- BHILWARA
CIN U17115 RJ 1980 PLC 00 8217

Our report of even date is to be read along with this Letter.

- (i) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- (iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (iv) Where ever required we have obtained the Management Representation about the Compliance of laws, rules and regulation and happening of events etc.
Further, our verification to the compliance of the laws applicable specifically to the company are limited to test check on random basis without going into the detailed technical scrutiny.
- (v) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- (vi) The Secretarial Audit Report is neither as assurance as to the future viability of the company not of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

Date : 30-5-2016
Place: Bhilwara

For **Akash Agarwal**
Associates
Company Secretaries

Akash Agarwal
Proprietor
M.No. - FCS - 7291
COP No. 7794

ANNEXURE -II TO DIRECTORS' REPORT

Form No MGT-9

EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31 March, 2016**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	:	CIN U 17115 RJ 1980 PL C00 8217
ii)	Registration Date	:	7 th June 1980
iii)	Name of the Company	:	BHILWARA SPINNERS LIMITED
iv)	Category/ Sub-Category of the Company	:	Public Company / Company limited by shares
v)	Address of the Registered office and contact detail	:	26, Industrial Area gandhi Nagar-BHILWARA Tel No. 91-1482-246601, 91-1482-246461 Email - bhilspinbs@gmail.com
vi)	Whether listed company	:	Yes
vii)	Name Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Ltd. f-65 1 st floor okhia Industrial Area, Phase- 1 New Delhi - 20 Phone 011 - 414061148, Fax-011 41709881 E mail :- mcscdel@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
NOT APPLICABLE			

III. SHARE HOLDING PATTERN (equity share capital breakup as percentage of total equity)

i) Category -wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
1 Indian									
(a) Individual / HUF	800	-	800	01	800	-	800	01	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	3531670	-	3531670	52.23	3531670	-	3531670	52.23	-
(e) Bank /FI		-	-	-	-	-	-	-	-
(f) Any Other		-	-	-	-	-	-	-	-
SUBtotal (A) (1)	3532470	-	3532470	52.24	3532470	-	3532470	52.24	-

Category of Shareholders		No. of Shares held at the beginning of the year 1.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Foreign									
(a)	NRIs - Individual	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/ FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	SUBtotal (A) (2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	3532470	-	3532470	52.24	3532470	-	3532470	52.24	-
(B)	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	-	2500	2500	.03	-	2500	2500	.03	-
(b)	Banks /FI	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt (s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Other	-	-	-	-	-	-	-	.03	-
	Sub- total (B) (1)	-	2500	2500	.03	-	2500	2500	.03	-
B-2	Non - institutions									
(a)	Bodies Corporate									
	i) Indial	1136226	-	1136226	16.81	1136226	-	1136226	16.81	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	i) Individual Shareholders holding nominal share capital up to Rs.1 lakh	1072461	974610	2047071	30.29	1074661	972410	2047071	30.29	-
	i) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	42863	-	42863	.63	42863	-	42863	.63	-
	Total Public	2251550	977110	3228660	47.76	2253750	974910	3228660	47.76	
	G. Total	5784020	977110	6761130	100	5786220	974910	6761130	100	

(ii) Shareholding of Promoters

S. No.	Shareholder's	Shareholding at the beginning of the year 01-04-2015			Shareholding at the end of the 31-3-2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	
1	Sushila Kothari	800	.01	-	800	.01	-	0.00
2	Ahinsa Infrastructure & Dovelooers Ltd.	3531670	52.23	-	3531670	52.23	-	0.00

(iii) Change in promoter's Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year 01-04-2015		Cumulative shareholding during the Year -31-03-2016	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3532470	52.24		
	Date wise Increase / decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.) :	#		#	
	At the end of the year	3532470	52.24		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors Promoters and Holders of GDRs and ADRs)

S. No.	Name	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during theyea (01-04-15 to 31-3-2016)	
		No. of Shares at the beginning (01-04-2014) End of the year (31-03-2015)	% of total Shares of the Company				No. of Shares	% of total shares of the company
1	FASHION SUITINGS PVT. LTD.	1000000	14.79				1000000	14.79
2	AASHKA HOLDINGS PRIVATE LIMITED	77906	1.15				77906	1.15
3	KOTTARU LAKSHMI PARAMESWARA RAO	30125	0.44				30125	0.44
4	PRAVIN KANTILAL VAKIL	25753	0.38				25753	0.38
5	SHANTILAL SANGHVI	15300	0.23				15300	0.23
6	VISVANATHAN RAJAN	14168	0.31				14168	0.31
7	UMA BALA KOTTARU	12398	0.18				12398	0.18
8	VINITA DUTT	12012	0.17				12012	0.17
9	MADHAV HARIDAS ASHER	11350	0.16				11350	0.16
10	SOM CHAND GUPTA	11000	0.16				11000	0.16

V) Shareholding of Directors any key managerial personnel

S. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during theyea (01-04-15 to 31-3-2016)	
		No. of Shares at the beginning (01-04-2015) End of the year (31-03-2015)	% of total Shares of the Company				No. of Shares	% of total shares of the company
1	B. S. Choudhary Chief Financial Officer & K.M.P	1427	.02	-	0	Nil movement during the year	1427	.02
		1427	.02	-			1427	.02

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not for payment

Sl. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A	Indebtedness at the beginning of the financial year				
(i)	Principal Amount				
(ii)	interest due but not paid				
(iii)	Interest accrued but not due				
	Total (i+ii+iii)				
B	Change in indebtedness during the financial year			NIL	
	* Addition				
	* Reduction				
	Net Change				
C	Indebtedness at the end the financial year				
(i)	Principal Amount				
(ii)	Interest due but not paid				
(iii)	Interest accrued but not due				
	Total (i+ii+iii)				

(VI) REMUNERATION OF DIRECTORS

A. Remuneration to Director

Sl. No.	Particulars of Remuneration	Shri Ashok Kothari Director & CEO*	Total Amount
1	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17 (1) of the Income - tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	-as% of profit		
	-others, specify		
5	Others, please specify		
	Total (A)		

* No remuneration paid to Shri Ashok Kothari Director & CEO of the Company

A. Remuneration to other director

S. No.	Particulars of Directors	Fee for attending board committee meetings	Commission	Others	Total Amount
1	Independent				
i	Shri Hanuman Pokharna	NIL	NIL	NIL	NIL
ii	Shri Arvind Tater	NIL	NIL	NIL	NIL
	Total B(1)	NIL	NIL	NIL	NIL
2	Other Non-Executive Directors				
i	Shri Ansul Kothari	NIL	NIL	NIL	NIL
ii	Smt. Sushila Kothari	NIL	NIL	NIL	NIL
	Total B (2)	NIL	NIL	NIL	NIL
	Total (1) + B (2)	NIL	NIL	NIL	NIL

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Shri Ashok Kothari Director & CEO*	B. S. Choudhary Chief Financial Officer & K.M.P	Neelu Mehta Company Secretary	Total
1	Gross salary	NIL			
	(a) Salary as per provisions contained in section 17 (1) of the Income - tax Act, 1961		649210	60000	709210
	(b) Value of parquisites u/s 17(2) Income-tax Act, 1961		49382	7200	56582
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	-as% of profit		-	-	-
	-others, specify		-	-	-
5	Others, please specify		-	-	-
	Total (A)	698592	67200	765792	

For and on behalf of The Board

**Sd-
Ashok Kothari**
Director & CEO
DIN 00132801

ANNEXURE-III TO DIRECTOR'S REPORT NOMINATION & REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, every Listed Company is required to constitute a Nomination and Remuneration Committee with at least two or more Non-Executive Directors, out of which not less than one half shall be independent Directors. The Company has a Nomination and Remuneration Committee with two Non Executive Independent Directors.

The Nomination and Remuneration Committee and its Policy being in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the applicable Rules so also, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applies to the Board of Directors, Key Managerial Personnel and the Senior management Personnel of the Company.

"Key managerial personnel (KMP) means and comprise-

- Managing Director & Chief Executive officer;
- Whole-time Director;
- Company Secretary;
- Chief Financial Officer;
- Such other Officer as may be prescribed.

Senior Management comprise the personnel of the Company who are members of its core management team, excluding the Board of Directors, so also, that would also include all members of management one level below the Executive Directors, including Functional Heads.

Role and Objective of the Committee:

1. To Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
2. Identify persons who are qualified to become Director and who may be appointed in senior management positions in accordance with the criteria laid down in the policy.
3. Recommend to the Board the appointment and removal of Directors and Senior Management.
4. Carry out evaluation of every Director's performance.
5. Formulate criteria for evaluation of independent Directors and the Board.
6. Recommend to the Board a Policy, relating to the remuneration for the directors, key managerial personnel and senior management.
7. To devise a policy on Board diversity.
8. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run Company successfully.

9. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
10. To develop a Succession Plan for the Board and to review is regularly.
11. To perform such other functions as may be referred by the Board or be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013 and Rules made thereunder.

Membership :

1. The committee shall comprise at least Two (2) Directors, all of whom shall be Non-Executive Directors and at least half of them shall be independent.
2. Minimum two (2) members shall constitute a Quorum for a Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman:

1. Chairman of the Committee shall be an independent Director.
2. Chairman of the Company may be appointed as a member of the committee but shall not Chair the Committee.
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
4. Chairman of the Nomination and Remuneration Committee should be present at the Annual General Meeting or may nominate some other member to answer the shareholder's queries.

Frequency of Meetings:

The meeting of the Committee shall be held at such regular intervals as may be required.

Committee Member's Interests:

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate to be present at the meetings of the committee.

Voting :

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes, be deemed to be a decision of the Committee.

2. In the case of equality of votes the Chairman of the meeting will have a casting vote.

Appointment of Directors/ KMP/Senior Officials:

While recommending a candidate for appointment, the Committee shall have regard to :

- Assessing the Appointee against a range of criteria which include but not limited to qualification, skills, experience, background and other qualities required to operate successfully;
- The experience and knowledge that the appointee brings to the role of KMP/Senior Officials, which, in turn, will enhance the skill sets and experience of the Board as a whole;
- The nature of existing positions held by the appointee including directorship and such other relationship and the impact of the same on the Company's welfare.

Letter of Appointment:

Each Director/KMP/Senior Official is required to sign the duplicate copy of the letter of appointment issued by the Company, which contains the terms and conditions of his/her appointment.

Policy on Board Diversity:

The Nomination and Remuneration Committee shall ensure that the Board of Directors have the Combination of Directors from different areas/fields or as may be considered appropriate in the best interests of the Company. The Board shall have at least one Board member who has accounting/financial management expertise.

Remuneration of Directors, Key Managerial Personnel and Senior Management:

The salaries of Directors, Key Management Personnel and other senior officials shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

1. Fixed Pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force. The salary paid need to be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities to be usually reviewed on an annual basis;

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior

approval of the Central Government.

3. Provision for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government where required, he/she shall refund such sums to the Company and until such sum is refunded, Hold it in trust for the company The Company shall not waive recovery of such sum refundable to it, unless permitted by the Central Government.

4. Increment:

Increments to the existing remuneration/Compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the Shareholders in the case of Managerial Person.

Remuneration to Non-Executive/Independent Director:

1. Remuneration/Commission:

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made there under for the time being in force.

2. Sitting Fees:

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee (s) there of, Provided that the amount of such fees shall not exceed the maximum amount as provided by the Companies Act, 2013 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Other Provisions:

- Section 197 (1) of the Companies Act, 2013 provides that the total managerial remuneration payable by the Company to its Directors. Including Managing Director and Whole time Director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the shareholders and Central Government, may authorise the payment of remuneration exceeding eleven percent of the net profit of the company. Subject to the provision of Schedule V.
- The Company may, with the approval of the shareholders, authorise the payment of remuneration upto five percent of the net profits of the Company to its any one Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its Director, other than managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a Managing Director or Whole Time Director or

Manager and three percent of the net profits in any other case.

- The independent Director Shall not be entitled to any stock Option.

Evaluation/Assessment of Director/KMPs /Senior Officials of the Company

The evaluation/assessment of the Director. KMP's and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Following Criteria may assist in determining how effective the performance of the Director/KMPs/Senior officials has been :

- Leadership & stewardship abilities
- Assess policies, structures & procedures
- Regular monitoring of corporate result against projections
- Contributing to define corporate objectives & plans
- Obtain adequate, relevant & timely information.
- Review achievement of strategic and operational

- plans, objectives, budgets
- Identify, monitor & mitigate significant corporate risks
- Directly monitor & evaluate KMPs, senior officials
- Review management's Sucession Plan
- Effective meetings
- Clearly defining role & monitoring activites of Committes
- Review of ethical conduct

Evaluation following the aforesaid parameters, will be conducted by the independent Director for each of the Executive/Non-independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-independent Directors along with the Independent Directors will evaluate/assess each of the Independent Director relative to the aforesaid paraments. Only the Independent Director being evaluated will not participate in the the said evaluation discussion.

DEVIATIONS FROM THIS POLICY :

Deviation on elements of this policy, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case

Date : 30-5-2016

Place: Bhilwara

For and on behalf of The Board

**Sd-
Ashok Kothari**
Director & CEO
DIN 00132801

ANNEXURE - IV to DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Abdorption and Foreign Exchange Earning and Outgo required under Companies (Accounts) Rules, 2014

I. Conservation of Energy	Not applicable
(a) Energy conservation measures taken:	
(b) Additional Investment & Proposals, if any, being Implemented for reduction of consumption of energy:	
(c) Impact of measures at (a) & (b) for reduction of energy consumption and consequent impact on the cost of production of goods.	
II. TECHNOLOGY ABSORPTION	NotApplicable
III. Foreign Exchange Earnings and Outgo.	
During the year there were no foreign exchange transactions.	

Date : 30-5-2016

Place: Bhilwara

For and on behalf of The Board

**Sd-
Ashok Kothari**
Director & CEO
DIN 00132801

ANNEXURE - V TO DIRECTOR'S REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) **the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

Median Salary for FY 2015-16

Since there is only Two Employee of the Company, the median cannot be calculate.

Name of the Director	Remuneration for the Financial Year 2015-16 (Rs. in lac)	Ratio
Sh. Ashok Kothari	0	0.00

*No remuneration is paid to Shri Ashok Kothari Director & CEO of the Company.

- (ii) **the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or manager, if any, in the financial year**

Name of the Director/ Manager	Remuneration for the Financial Year 2015-16 (Rs. in lac)	% Increase in remuneration
1 Shri Ashok Kothari	0	-
2. B.S. Choudhary	6.99	9%
3. Neelu Mehta	.67	-

No remuneration is paid to Shri Ashok Kothari director & CEO of the Company

- (iii) **the percentage increase in the median remuneration of employees in the financial year;**

% increase in the Median remuneration of the employees ion the FY

Since there is only two employees of the Company, the median cannot be calculate.

- (iv) **the number of permanent employees on the rolls of company;**

No. of Permanent Emoployees as on 31 March 2016 2

- (v) **The explanation on the relationship between average increase in remuneration and Company performance:**

Sh. Ashok Kothari Director of the Company does not draw any remuneration.

- (vi) **Comparison of the remuneration of the Key Managerial Parsonnel against the performance of the Company:**

The remuneration Paid to Key Managerial Personnel is in line with the performance of the Company.

- (vii) **varaitions in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of Listed Companies.**

	Capitalisation as on 31 st March 2016 (Rs in lac)	Capitalisation as on 31 st March 2015 (Rs in lac)	% variation
Variation in the market capitalisation of the Company (BSE)	916.13	273.83	234.57
	P/E ratio as on 31 st March 2016	P/E ratio as on 31 st March 2015	
BSE	2.91	1.47	98
Closing Market Price of Shares	13.55	4.05	

(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The Company has only Two employee, the said comparison cannot be done.

(ix) comparison of each remuneration of the Key Managerial Personnel against the performance of the Company;

The remuneration payable to the key Managerial Personnel is in line with the performance of the Company;

(x) the key parameters for any variable component of remuneration availed by the directors

None.

(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not director but receive remuneration in excess of the highest paid director during the year; and

None

(xii) affirmation that the remuneration is as per the remuneration policy of the company.

Yes, it is affirmed that the remuneration is as per the remuneration policy of the Company.

Place - Bhilwara Camp
Dated-30 May 2016

For and on behalf of The Board

Sd-
ASHOK KOTHARI
DIRECTOR
DIN 00132801

Corporate Governance 2015-16

Company's Philosophy on Corporate Governance

The Company adopts the best practices and highest standards of Corporate Governance through transparency in the information, highest standards of professionalism honesty, ethical behavior, accountability to the shareholders, stakeholders, customers etc. Good Corporate Governance underpins the success and integrity of the organizations, institutions and markets. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders. The Philosophy of the Company is to maintain the level of ethics in all its dealings in order to achieve its goal of building the trust of investors in the Company.

The Board of Directors of Bhilwara Spinners Limited (the "Company") sets high Standards and exercises its fiduciary responsibilities in the widest sense of the term.

Board of Directors

Composition of the Board

The Company is managed by its Board of Directors, which formulate strategies, policies and review its performance periodically. As on 31st March, 2016, BHILSPIN's Board comprises of 5 (five) Directors, out of which 4 (Four) Directors are Non-Executive. Among the Non- Executive, 2 (Two) Directors comprising 40 % of the total strength of the Board, are Independent Directors which were drawn from diverse fields / professions.

Number of Board Meetings

During 2015-2016 the Board of BHILSPIN met four times on 29th May, 2015 13th Aug, 2015 9th November, 2015, and 12th february, 2016 The maximum time gap between any two consecutive meetings was less than hundred and twenty days.

The Company in consultation with all the directors of the Company prepares a Tentative Calendar for the next Meetings of the Board/ Committee to ensure the presence of all the directors in the meetings. Agenda papers containing all the necessary information are sent well in advance to all the directors of the Company so as to enable the directors to become aware of all the facts on timely basis.

Directors' Attendance Record and Directorship Held

Sl. No.	Name Director	Category	No. of Meetings held in 2015-16 during tenure	No. of Meetings held in 2015-16 attended	No. of outside Director ships of public companies*	No. of Outside Board-level Committees where Chairperson or member #	
						member**	Chairperson
1	Mr. Ashok Kothari	Promoter - Executive	4	4	-	-	-
2	Mr. Anshul Kothari	Promoter - Non - Executive	4	4	-	-	-
3	Mr. Hanuman Pokharna	Independent-Non Executive	4	4	-	-	-
4	Mrs Sushila Kothari	Promoter - Non - Executive	4	4	-	-	-
5	Mr. Arving Tater	Independent-Non Executive	4	4	-	-	-

Note : * Excludes Directorships in private limited companies foreign companies memberships of management committees of various chambers, bodies and section 8 companies

Includes Audit and Stakeholders Relationship Committees only.

** Includes Committee Chairmanships

The Previous Annual General Meeting of the Company was held on 24th September, 2015 and was attended by sh. Ashok Kothari , Chairman Audit Committee.

None of the Directors is a member of more than 10 Board level committees and Chairman of 5 such committees across all the Public Companies in which he/ she is a Director.

Independent Director means Director as mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 149(6) of the Companies Act, 2013 All the Independent Directors have given the declaration of their independence at the beginning of the financial year or at the time of their co-option on the Board.

The information placed before the Board includes ;

The Board has complete access to all information about the Company. The following information is regularly provided to the Board :

- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Any material default in financial obligations to and by the Company or substantial nonpayment for goods sold by the Company.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer among others.

Shareholding of Non-executive Directors

Equity shares and Convertible Instruments held by Non-Executive Directors as on 31st March, 2016

Name of Director	Category	Number of Equity shares held	Convertible Warrants
Mr. Ansul Kothari	Promoter Non - Executive	NIL	NIL
Mr. Hanuman Pokharna	Independent - Non- Executive	NIL	NIL
Mrs Sushila Kothari	Promoter Non - Executive	800	NIL
Mr. Arvind Tater	Independent - Non- Executive	NIL	NIL

Board- Level Committees

I. Audit Committee

As on 31st March, 2016 Bhilspin Audit Committee comprised two members namely Mr. Ashok Kothari Mr. Hanuman Pokharna of whom, including the Chairman of the Committee are Promoter while the second is a Non-Executive Independent Director. The terms of reference of the Audit Committee are in conformity with those mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well

As Section 177 of the Companies Act, 2013 In 2015-16 the Audit Committee met times on 29th May, 2015 13th August , 2015, 9th November 2015 and 12th February, 2016.

Details of the Audit Committee

Name of the Member	Category	No. of Meetings held during tenure	No. of Meeting Attended
Sh. Ashok Kothari (Chairman)	Promoter, Executive	4	4
Shri Hanuman Pokharna	Independent, Non- Executive	4	4

Mr. B.S. Choudhary Chief Financial Officer of the Company was the Secretary to the Committee who has since been acting as Secretary to the Committee. Invitees to the Audit Committee include the representative of the Statutory Auditors.

The Chairman of the Audit Committee attended the Annual General Meeting held on 24th September 2015 and was available to answer shareholder queries.

Company has performed all functions mentioned in the terms of reference of the Audit Committee as listed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BHILSPIN has Systems and procedures in place to ensure that the Audit Committee mandatorily reviews wherever applicable:

- Management Discussion and Analysis of the financial condition and results of the Company
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors
- The uses/ applications of funds raised through public issues rights issues preferential issues by major category (capital expenditure, sales and marketing, working capital among others), as part of the quarterly declaration of financial results whenever applicable
- Statement certified by the Statutory Auditors, On an annual basis 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 if applicable

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

II. Nomination and remuneration Committee

a) Terms of reference

The terms of reference of Nomination and Remuneration Committee are in line with the Provision as contained in section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which included the following :-

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria and recommend to the Board their approval and removal.
- Carry out the evaluation of directors performance
- Formulate the criteria for determining qualification, positive attributes and independence of a director.
- Recommend to the Board a policy relating to the remuneration for the directors, KMP and other Employees.
- Carry out such other functions as are required or appropriate in discharging their duties.
- Devising a policy on diversity of Board of Directors.
- To determine whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors.

b) Composition of the Committee

As on 31st March 2016, BHILSPIN's Nomination and Remuneration Committee comprised Two members one of whom including the Chairman of the Committee, are independent while the second is a Executive promoter Director. The Nomination and Remuneration Committee met one times on 29th May 2015,

Sr. No.	Name of the Member	Category	No. of Meetings held during tenure	No. of Meeting Attended
1	Shri Hanuman Pokharna (Chairman)	Independent, Non- Executive	1	1
2	Sh. Ashok Kothari	Promoter, Executive	1	1

Nomination and Remuneration Policy

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of the Companies Act, 2013 the Company has framed a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management which is approved by the Board of Directors on the Recommendation of the Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes determination of salary, perquisites, commission to be paid to the Company's Managing Directors (s) and whole time Directors, recommend to the Board retirement benefits to be paid to the Managing Director (s) and whole time directors The compensation terms of Executive Directors are approved by the Board of Directors upon recommendation of the Nomination and Remuneration Committee and subsequently approved by the shareholders in the General Meeting The Nomination and Remuneration Committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance industry standards and various other factors.

Remuneration of Directors

Remuneration Paid to Directors for 2015-16

Name of Director	Category	Sitting fees	Salaries, allowances and Perquisites	Comission	Total
Mr. Ashok Kothari	Promoter- Non-Executive	-	-	-	-
Mr. Anshul Kothari	Promoter - Non - Executive	-	-	-	-
Mr. Hanuman Pokharna	Independent-Non Executive	-	-	-	-
Mrs Sushila Kothari	Promoter - Non - Executive	-	-	-	-
Mr. Arving Tater	Independent-Non Executive	-	-	-	-

During the year ended the 31st March, 2016 the Company did not advance any loans to any of its Directors. The Company does not have any Stock Option scheme.

III. Stakeholders Relationship & Investors' Grievances Committee

As on 31st March, 2016, the Company's Stakeholders' Relationship Committee comprised of three Directors Shri Anshul Kothari (Chairman) Shri Arvind Tater and Smt. Sushila Kothari.

The Committee mainly look into the matters pertaining to Redressal of the Stakeholders' grievances and related matters. The Committee received 6 complaint from the shareholders during the financial year under review.

No Stakeholders Grievance remained unattended / pending for more than 15 days There were no complaints pending disposal as on the 31st March, 2016 No request for dematerialization of Equity Shares of the Company was pending for approval as at the 31st March 2016.

During 2015-16, the Committee met four times on 29th May 2015, 13th August 2015, 19th November 2015 and 12th February, 2016

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 /Replacement of Share Certificates re-materialisation of shares etc.

The Share Transfer Committee presently comprises of :

- 1) Shri Anshul Kothari
- 2) Shri Arvind Tater

The Share Transfer Committee of the Company meets as often as required under the chairmanship of Shri Anshul Kothari Director. All valid requests for share transfer received during the year have been acted upon by the Company within the stipulated time limit.

To expeditiously approve tranfer of shares, Shri Anshul kothari Director and Shri B.S. Choudhary- Chief financial Officer also attend and approve the Share Transfer Requests on fortnightly basis under the delegated authorisation of the Board of Directors.

Nature of Requests	No. of requests Received during the year	No. of Shares Received during the year
Share Transfer	17	2200
Duplicate Share Certificates	0	0
Consolidated / Torn Certificates	0	0

Pursuant to Regulation 7 (3) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 certificate on half yearly basis, duly signed by the compliance officer and the authorized representative of the share transfer agent certifying that all activities in relation to both physical and electronic share transfer facility are maintained with Registrar to an issue and share transfer agent.

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges and Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certificate on half yearly basis, have been issued by a practicing Company Secretary for due compliance of share transfer formalities by the Company.

Reconciliation of Share Capital Audit :

A qualified practicing Company Secretary carries out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and central Depository Services (India) Limited (CDSL) and the total issued and listed capital and places the report for the perusal of the Board.

The report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

General Body Meetings

Details of the Previous Annual General Meetings

Year	Date	Time	Location	Special resolution (s) Passed
2012-13	24 th September ,2013	11.00 am	26 industrial area Bhilwara Rajasthan -311001	----
2013-14	24 th September ,2014	11.00 am	26 industrial area Bhilwara Rajasthan -311001	----
2014-15	24 th September ,2015	11.00 am	26 industrial area Bhilwara Rajasthan -311001	----

The following Special Resolutions were taken up in the last three Annual General Meetings :

POSTAL BALLOT/E-VOTING

During the year under review, no resolution was passed through Postal Ballot and e-voting.

DISCLOSURES

a) Related Party Disclosure

As required by the Accounting Standard AS-18, the details of Related Party Transactions are given in Note 24.ii to the Annual Accounts.

b) Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

c) Risk Management

The Company has a well-defined risk management framework in place. Under this framework, the Management identifies and monitors business risks on a continuous basis and initiates appropriate risk mitigation steps as and when deemed necessary. The Company has established procedures to periodically place before the Board the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate those risks through a properly defined framework

d) Details of Non- Compliance by the Company in Previous Years

with regard to the matters related to capital markets, the Company has complied with all requirements of the Listing Agreement as well as SEBI regulations and guidelines. No. penalties / strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last three years.

e) Initiatives on Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of BHILSPIN, and cautions them on consequences of violations

The Company follows closure of trading window prior to the publication of price sensitive information. The Company has been informing the directors, senior management personnel and other persons covered under the code and advice them not to trade in Company's securities during the closure of trading window period.

f) Compliance with Clause 49 and Regulation 34 (3) of SEBI (Listing Obligations and disclosure Requirements) regulation, 2015

The Company is fully compliant with the applicable mandatory requirements of the Clause 49 of the Listing Agreement till its applicability, The Company is also compliant with the requirements of SEBI (Listing Obligations and) Disclosure Requirements) Regulation, 2015 from its applicability from December 1, 2015 A certificate from Statutory Auditors to this effect is enclosed in the Annual Report.

Audit Qualifications.

The Company's Financial Statements are free from any qualifications by the Auditors and Company continues to adopt best practices to move towards a regime of Unqualified Financial Statements.

Management Discussion and Analysis

Senior Management personnel (Promoters, Directors, Management or relatives etc.) have made disclosure to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large.

Whistle Blower Policy

With the objective of pursuing the business in a fair and transparent manner by adopting the highest standards of professionalism honesty, integrity and ethical behavior and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct, the Company has adopted a Whistle Blower Policy. The Company has adopted a framework whereby the identity of the complainant is not disclosed. During the year, the Company did not receive any whistle Blower reference.

Director / CFO Certification

The director and CFO certification of the Financial Statements for the year form part of this Annual Report.

BHILSPIN's Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Company is committed to conduct its business in accordance with the pertinent laws, rules and regulations and with the highest standards of business ethics. Board Members and designated Senior Management Officials have affirmed compliance with the Code of Conduct for the current year.

Means of Communication

The effective communication of information is considered to be very essential component of Corporate Governance. The Company interact with its shareholders through various means of communication i.e., Print Media Annual Report etc.

Quarterly /Annual results :

The quarterly & annual audited results are forthwith sent to the stock exchanges where the Company's shares are listed after they are approved by the Board of Directors, The results of the Company are published in accordance with Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in at least one prominent national and one regional newspaper.

The Company has a dedicated investor email -id: bhilspinbs@gmail.com

Shareholders

i. Appointment or Reappointment of Non Independent Director and Promoter Director

One Non Independent and One Independent Directors of your Company are liable to retire by rotation. Of these Directors, at least one-third retires every year and if eligible, propose themselves for the re-appointment. This year, Shri Ansul kothari and Shri Hanuman Pokharna is retiring by rotation and being eligible, offer themselves for re-appointment in the Annual General Meeting.

ADDITIONAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date : 24th September, 2016
 Day : Saturday
 Time : 11.00 am
 Venue : 26, Industrial Area Gandhi Nagar Bhilwara (Rajasthan) 311001

Financial Results

Financial year : 1st April, 2015 to 31st March 2016

For the year ended 31st March, 2016 results were announced on :

- 13th August 2015 : First quarter
- 9th November, 2015 : Second quarter and Half year
- 12th February, 2016 : Third quarter and 9 months
- 30th May , 2016 : fourth quarter and Annual.

For the financial ending 31st March 2016 quarterly results will be announced within 45 days from the end of the each quarter except fourth quarter when the audited annual results will be published within 60 days.

Book Closure

The dates of book closure are from 17 Sep. 2016 (day) to 24 Sep. 2016 (day) (Both days inclusive)

Dividend Dates

No dividend has been recommended on the Equity Shares.

Listing and Stock Codes

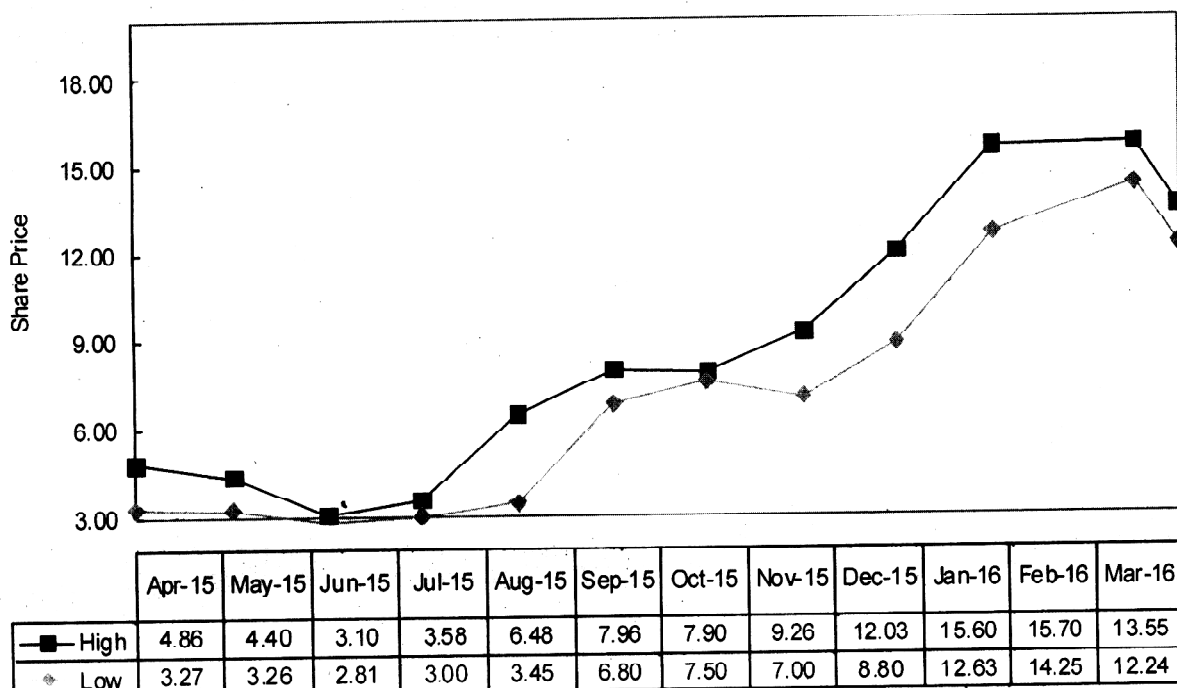
The Company's Equity shares are listed on Bombay Stock Exchange Limited (BSE) Listing fee a prescribed has been paid to the BSE up to 31st March, 2017. The scrip code of the Company at BSE is given below :

Scrip Code of the Company

Stock Exchange	Scrip ID	Scrip code
BSE	BHILSPIN	514272

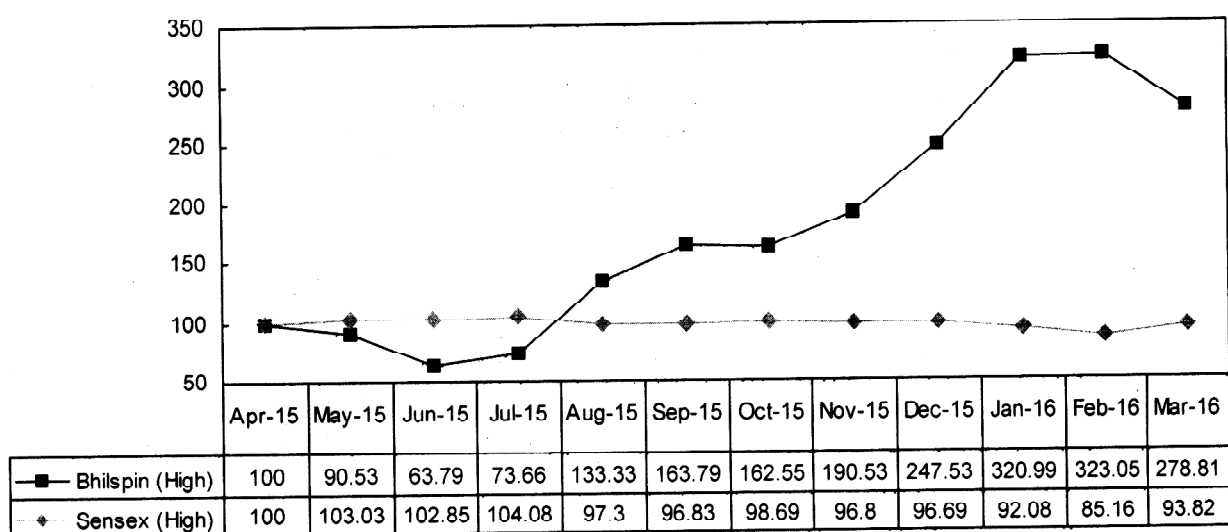
Stock Data

A. Stock Market Data: Monthly High Low (in `) at BSE:



Source : BSE Limited

B. Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2015)



Source : BSE Limited

Shareholding Pattern**Shareholding Pattern by Ownership as on 31st March, 2016**

Categories	No. of shares	Percentage
Promoters, Directors, Relatives and Associates	3532470	52.24
Foreign institutional Investors	-	-
Mutual funds	-	-
Nationalised and other banks	-	-
Financial Institution & Insurance Companies	-	-
Public	3228660	47.76
Total	6761130	100

Shareholding Pattern by Size-Class as on 31st March 2016

Categories	No. of Shareholders	% of Shareholding	No. of shares	% of Shareholding
Upto 500	7164	93.72	1239881	18.34
501-1000	286	3.74	233446	3.53
1001-10000	182	2.38	530911	7.85
10001 and above	12	0.16	4751892	70.28
Total	7644	100.00	6761130	100.00

Dematerialisation of Shares

As on 31st March, 2016, 5786220 Equity Shares representing 85.58 percent of the total equity capital were held in dematerialised form. Trading in shares of the Company is permitted in dematerialised form only.

The ISIN number for BHILSPIN's equity shares on NSDL and CDSL is INE436CO1014.

Share Transfer System

Matters related to share transfer and transmission are attended by the delegated authorities on a fortnightly basis. Share transfers are registered and returned within 15 days from the date of receipt if the documents are in order in all respects 2200 Equity shares were transferred during the year 2015-16

Details of Public Funding Obtained in the Last Three Years

BHILSPIN has not obtained any public funding in the previous years.

Investor Correspondence

Investor correspondence should be addressed to :

Registrar & Share Transfer Agent :

MCS Share Transfere Agent Limited

F-65, 1st Floor, OKhla Industrial Area

Phase-1,

New Delhi - 20

Phone No. : 011 - 414061148

Fax No. : 011 - 41709881

E-mail : mcscomplaintsdel@gmail.com

Compliance Officer

Bhilwara Spinners Limited
26, Industrial Area
Gandhi Nagar Bhilwara
Rajasthan -311001

Phone Nos. : 01482-246601
Fax Nos. : 01482-246461
E-mail : bhilspinbs@gmail.com

Registered Office

26, Industrial Area
Gandhi Nagar-Bhilwara
Rajasthan-311001

Other information to the Shareholders**Green Initiative**

As a responsible Corporate citizen, the Company welcome the Green Initiative by sending the communications/documents including Notices for General Meeting and Annual Reports from time to time in electronic mode to those members who have provided their e-mail addresses to their Depository Participants (DP).

Shareholders who have not registered their e-mail addresses are requested to register/ update their e-mail addresses in respect of equity shares held by them in demat form with their e-mail address in respect of equity shares held by them in demat form with their respective DPs and in case of physical form with the Company.

Internal Complaints Committee (ICC)

As per the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2014 which came into effect from the 9th of December 2014, the Company has formulated an Internal Complaints Committee that will ensure a work environment free of all forms of sexual harassment verbal, written, physical, visual or otherwise.

The Committee is formed as per the statute it is headed by a women Director, it has adequate independent representation of women from the social and legal fields. It lays down the whole procedure of filing complaint, enquiry, redressal of grievance and taking action against those who are found guilty by Committee in a fairly transparent manner. During the year under review no incident of sexual harassment was reported.

For and On Behalf of the Board

Place : Bhilwara
Dated : May 30, 2016

sd/-
ASHOK KOTHARI
Director
DIN : 00132801

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 of 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 : 30 May 2016

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, 2016 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

Place: Bhilwara
Date : 30-5-2016

For **CLB & ASSOCIATES**
Chartered Accountants
F.R. No. 124305W

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

INDEPENDENT AUDITOR'S REPORT

To,
The Members, of
Bhilwara Spinners Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **Bhilwara Spinners Limited** ('the Company') which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - f. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer to Note 20 to the financial statements;
 - ii. The company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: **Bhilwara**
Date : **30-5-2016**

For **CLB & ASSOCIATES**
Chartered Accountants
F.R. No. 124305W

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

Annexure A to the Auditor's Report

Referred in paragraph 1 of Our Report of even date to the members of Bhilwara Spinners Limited on the financial statements as of and for the year ended 31st March, 2016

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a). The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b). As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the record of the company, the title deeds of immovable properties are held in the name of company
- ii. a) The Management has conducted physical verification of inventory at reasonable interval.
- b) 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.
- c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification as compared to book records
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the company has not made any contravention with the provision of section 185 or 186 of the Companies act, 2013 In respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- vii. As informed to us, the Central Government has not prescribed maintenance of cost of cost records under sub-section (1) of Section 148 of the Act for any of the activities of the company
- viii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income- tax, Sales-tax, Wealth Tax, Service tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India.
- (b) 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 became payable.

- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us and based on our examination of the records of the company, the company paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the act
- xi. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xiv. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with director or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA or Reserve Bank of India Act 1934.

Place: Bhilwara
Date : 30-5-2016

For **CLB & ASSOCIATES**
Chartered Accountants
F.R. No. 124305W

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

Annexure B To the Auditor's Report

Report on Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Bhilwara Spinners Limited as of 31st March 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit Of Internal Financial Control over financial reporting issued by institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bhilwara
Date : 30-5-2016

For **CLB & ASSOCIATES**
Chartered Accountants
F.R. No. 124305W

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

BALANCE SHEET AS AT 31st MARCH, 2016

<i>in Rs.</i>					
Particulars	Note No.	As at 31.3.2016		As at 31.3.2015	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	67,880,800		67,880,800	
(b) Reserves and Surplus	3	37,317,881		5,871,176	
			105,198,681		73,751,976
		-		-	
(2) Current Liabilities					
(a) Trade payables	4	1,897,136		9,130,137	
(b) Other current liabilities	5	7,544,305		1,069,781	
(c) Short term provisions	6	8,400,000		5,900,000	
			17,841,441		16,099,918
TOTAL			<u>123,040,122</u>		<u>89,851,894</u>
II. ASSETS					
(1) Non - current assets					
(a) Fixed Assets	7	8,910,997		11,870,593	
(i) Tangible assets		8,910,997		11,870,593	
(b) Long term loans and advances	8	93,485,535		15,521,386	
(c) Other non current assets	9	8,146,231		8,146,231	
			110,542,762		35,538,210
(2) Current Assets					
(a) Inventories	10	-		8,140,950	
(b) Trade receivables	11	9,257,548		931,806	
(c) Cash and cash equivalents	12	3,119,812		8,446,632	
(d) Short term loans and advances	13	120,000		36,794,296	
			12,497,360		54,313,684
TOTAL			<u>123,040,122</u>		<u>89,851,894</u>

The notes attached form an integral part of the Financial Statements

For and behalf of the Board

As per our report of even date

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

S.SARUPRIA
Partner
Mem. No. 035783

Place : Bhilwara
Date : 30.05.2016

Ashok Kothari
Director, DIN 00132801

Anshul Kothari
Director, DIN 02624500

Hanuman Pokharna
Director, DIN 03155927

Smt. Sushila Kothari
Director, DIN 00132802

Arvind Tater
Director, DIN 07167125

Bhopal Singh Choudhary
Chief Financial Officer

Neelu Mehta
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	Note No.	For the Year ended 31st March 2016		For the Year ended 31st March 2015	
		Rs.	Rs.	Rs.	Rs.
I Revenue from Operations	14		29,151,173		2,095,725
II Other Income	15		42,995,826		25,956,923
III Total revenue (I + II)			<u>72,146,998</u>		<u>28,052,648</u>
IV Expenses					
Cost of materials purchase & consumed					
Purchases of stock in trade	16	22,100,396		9,015,553	
Changes in inventories of finished goods. work in progress and stock in trade	17	<u>8,140,950</u>		<u>(6,980,350)</u>	
			30,241,346		2,035,203
Employee benefits expense	18		765,792		738,141
Other expense	19		1,882,675		856,187
			-		-
Total Expenses			<u>32,889,813</u>		<u>3,629,531</u>
V Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)			39,257,185		24,423,117
VI Exceptional Items			-		-
VII Profit/ (Loss) before extraordinary items and tax (V-VI)			<u>39,257,185</u>		<u>24,423,117</u>
VIII Extraordinary Items			-		-
IX Profit before tax (VII-VIII)			<u>39,257,185</u>		<u>24,423,117</u>
X Tax expense				5,900,000	
(i) Current tax		8,400,000		(69,372)	
(ii) Tax Earlier Years		(589512)		-	
(iii) Mat Credit Available		-		-	
			<u>7,810,481</u>		<u>5,830,628</u>
XI Profit/ (Loss) for the period from continuing operations (VII-VIII)			<u>31,446,704</u>		<u>18,592,489</u>
XII Profit/ (Loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit/ (Loss) for the period (XI + XIV)			<u>31,446,704</u>		<u>18,592,489</u>
XVI Earning per equity share					
(i) Basic			4.65		2.75
(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

CA. S.SARUPRIA
Partner
Mem. No. 035783
Place : Bhilwara
Date : 30.05.2016

Ashok Kothari
Director, DIN 00132801

Anshul Kothari
Director, DIN 02624500

Hanuman Pokharna
Director, DIN 03155927

Smt. Sushila Kothari
Director, DIN 00132802

Arvind Tater
Director, DIN 07167125

Bhopal Singh Choudhary
Chief Financial Officer

Neelu Mehta
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

Particulars	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities				
Profit before taxation		39,257,185		24,423,117
Adjustments for:				
Depreciation and amortization expense	-		-	
Profit on sale of fixed asstes (Net)	(38,195,717)		(21,926,858)	
Interest received	(4,800,109)		(4,434,665)	
Liability no longer require written back				
Interest expenses	-			
Provision for taxes	(7,810,481)		(5,830,628)	
		<u>(50,806,307)</u>		<u>(32,192,151)</u>
		(11,549,121)		(7,769,034)
(Increase)/ decrease in trade and other receivables	(49,615,595)		(4,155,986)	
(Increase)/ decrease in inventories	8,140,950		(6,980,350)	
Increase/ (decrease) in trade payables	1,741,523		11,231,017	
		<u>(39,733,122)</u>		<u>94,741</u>
		(51,282,243)		(7,674,292)
Income taxes paid				
<i>Net cash from operating activities</i>		<u>(51,282,243)</u>		<u>(7,674,293)</u>
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,218,191)		(14,012,769)	
Proceeds from sale of property, plant and equipment	42,373,505		24,096,640	
Interest received	4,800,109		4,434,655	
Dividend received	-		-	
<i>Net cash from investing activities</i>		<u>45,955,423</u>		<u>14,518,536</u>
Cash flows from financing activities				
Interest paid				
<i>Net cash from financing activities</i>		-		-
Net increase/(decrease) in cash and cash equivalents				
		<u>(5,326,820)</u>		
Cash and cash equivalents at beginning of reporting period				
		<u>8,446,632</u>		<u>1,602,388</u>
Cash and cash equivalents at end of reporting period				
		<u>3,119,812</u>		<u>8,446,632</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:				
		1,333,407		6,795,889
Cash on hand and bank balances		<u>1,786,405</u>		<u>1,650,743</u>
Short term investments		<u>3,119,812</u>		<u>8,446,632</u>
Cash and cash equivalents as reported				
Effect on exchange rate changes		<u>3,119,812</u>		<u>8,446,632</u>
Cash and cash equivalents as restated				
In Accordance with our Report attached				
As per our report of even date attached				
For CLB & ASSOCIATES				
<i>Chartered Accountants</i>				
Firm's Regn No : 124305w				
Ashok Kothari		Smt. Sushila Kothari		Bhopal Singh Choudhary
Director, DIN 00132801		Director, DIN 00132802		Chief Financial Officer
CA. S.SARUPRIA		Arvind Tater		Neelu Mehta
Partner		Director, DIN 07167125		Company Secretary
Mem. No. 035783				
Place : Bhilwara		Hanuman Pokharna		
Date : 30.05.2016		Director, DIN 03155927		
For and on behalf of the Board				

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 Part -C of Schedule II of the Companies Act, 2013
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

(a) There is no foreign currency transactions arising during the year.

Note : 1. NOTES ON ACCOUNTS (Contd.....)**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.

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.

NOTES TO FINANCIAL STATEMENTS

2. SHARE CAPITAL :

Particulars	As at 31st March 2016		As at 31st March 2015	
	Number	Rs.	Number	Rs.
Authorized:				
Preference Shares of Rs. 100 /- each	1000	100,000	1000	100,000
Equity shares of Rs. 10 /- each	12,490,000	<u>124,900,000</u>	12,490,000	<u>124,900,000</u>
		<u>125,000,000</u>		<u>125,000,000</u>
Issued, subscribed and fully paid up:				
<i>Preference shares of Rs. 100 /- each</i>		-		-
<i>Equity shares of Rs. 10 /- each</i>		-		-
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:				
		-		-
		67,611,300		67,611,300
Add: Amount originally paid up on forfeited shares	53900	<u>269,500</u>	53900	<u>269,500</u>
Total		<u>67,880,800</u>		<u>67,880,800</u>

Other Information:

1 Equity shares include:

Particulars of equity share holders holding more than 5% of the total number of equity share capital:

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding
a. Ahinsa infrastructure & Devoplers ltd	3531670	52.23	3531670	52.23
b. Fashion Sutings Pvt.Ltd	1000000	14.79	1000000	14.79

3. RESERVES AND SURPLUS :

particulars	Capital Reserve	Capital redemption Reserve	Securities Premium Reserve	Surplus i.e. balance in statement of Profit & Loss	Total
At the beginning of the reporting period			42,230,500	(36,359,324)	(5,871,176)
Transferred from/to Profit & Loss Account				31,446,704	31,446,704
Adjustment relating to fixed asset					
Porvision towards dividend distribution tax					
At the close of the reporting period	-		42,230,500	(4,912,620)	37,317,881
At the close of the previous reporting period			42,230,500	(36,359,324)	(5,871,176)

NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs	Rs
4. Trade Payables		
i) To Micro, Small and Medium Enterprises	-	-
ii) Others	1,897,136	9,130,137
	<u>1,897,136</u>	<u>9,130,137</u>
5. Other current liabilities :		
a) Liabilities for Expenses	1,253,742	648,753
b) Deposits	3,700,000	25,633
C) Bank overdrafts	2,285,072	-
d) Others	305,491	395,395
	<u>7,544,305</u>	<u>1,069,781</u>
6. Short term provisions :		
a) Provision for employee benefits	-	-
b) Others : Provision for Tax	8,400,000	5,900,000
	<u>8,400,000</u>	<u>5,900,000</u>

7. Fixed Assets :

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION				As at 31.03.2016	NET BLOCK	
	As at 01.04.2015	Additions for the year	Deductions during the year	As at 31.03.2016	As at 01.04.2015	For the Year	Debuitions		As at 31.03.2016	As at 31.03.2016
Tangible Assets										
Own assets										
Land	11,850,962	1,218,191	4,177,788	8,891,365	-	-	-	-	8,891,365	11,850,961
Buildings	61,654	-	-	61,654	58,571	-	-	58,571	3,083	3,083
Plant & Machinery	256,985	-	-	256,985	244,137	-	-	244,137	12,848	12,848
Furniture & Fixtures	72,484	-	-	72,484	68,860	-	-	68,860	3,624	3,624
Office equipment	1,541	-	-	1,541	1,464	-	-	1,464	77	77
TOTAL	400,638	1,218,191	4,177,788	9,284,029	373,032			373,032	8,910,997	11,870,593
Previous Year	400,638	14,012,769	2,169,782	12,243,625	329,116	43,916		373,032	11,870,593	71,522

8. Long term loans and advances :**Unsecured, Considered Good**

i) Loans and advances	88,937,061	14,001,182
ii) Security Deposits	15,674	15,674
iii) Other loans & advances (TDS)	4,532,800	1,504,530
	<u>93,485,535</u>	<u>15,521,386</u>

9. Other non current assets**Unsecured, Considered Good**

i) Cenvat receivables	8,146,231	8,146,231
iii) Refund	-	-
	<u>8,146,231</u>	<u>8,146,231</u>

NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31st March 2016	As at 31st March 2015
	R s	R s
10 Inventories :		
i) Stock in trade Fabric	-	8,140,950
	<u>-</u>	<u>8,140,950</u>
11 Trade receivables :		
i) Trade receivables exceeding six months	3,921,156	3,921,156
ii) others	9,257,548	931,806
	<u>13,178,704</u>	<u>4,852,962</u>
Less: Provision for doubtful debts	3,921,156	3,921,156
	<u>9,257,548</u>	<u>931,806</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	8,741,548	931,806
ii) Unsecured, considered good	500,000	-
iii) Doubtful	3,937,156	3,921,156
Total	<u>13,178,704</u>	<u>4,852,962</u>
Less: Provision for doubtful debts	4,437,156	3,921,156
	<u>8,741,548</u>	<u>931,806</u>
12 Cash and cash equivalents :		
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	372,517	5,565,391
ii) Cheques, drafts on hand	-	-
iii) Cash on hand	960,890	1,230,498
iv) Others (Specify nature) Fdr with SBBJ Bhilwara	1,786,405	1,650,743
	<u>3,119,812</u>	<u>8,446,632</u>
13 Short term loans and advances :		
Unsecured, Considered Good		
i) Loans and advances	-	36,674,296
ii) Others	-	-
Staff Advance	120,000	120,000
Interest Receivable	-	-
	<u>120,000</u>	<u>36,794,296</u>
Less: Provision for doubtful advances	-	-
	<u>120,000</u>	<u>36,794,296</u>

NOTES TO FINANCIAL STATEMENTS

Particulars	For the Current Reporting Period	For the Previous Reporting Period
14. Revenue from operations :		
i) Sale of products		
Goods A YARN	18,647,487	887,433
Goods B FABRIC	10,503,686	1,208,292
Total	<u>29,151,173</u>	<u>2,095,725</u>
Less:		
Excise duty	-	-
	<u>29,151,173</u>	<u>2,095,725</u>
15. Other Income :		
i) Profit on sale of fixed assets (Net)	38,195,717	21,522,258
ii) Other non operating income (net of expenses directly attributable to such income)	4,800,109	4,434,665
	<u>42,995,826</u>	<u>25,956,923</u>
16. Cost of materials		
i) Purchase of goods - Yarn	18,100,315	874,603
- Fabric	4,000,018	8,140,950
	<u>22,100,396</u>	<u>9,015,553</u>
17. Changes in inventories of finished goods, work in progress and stock in trade :		
Stocks at the end of the year		
ii) Trading goods		
Fabric	-	8,140,950
Total	<u>-</u>	<u>8,140,950</u>
Less:		
Stocks at the beginning of the year		
ii) Trading goods	8,140,950	1,160,600
Fabrics	<u>8,140,950</u>	<u>1,160,600</u>
Others	<u>8,140,950</u>	<u>(6,980,350)</u>
Total	<u>8,140,950</u>	<u>(6,980,350)</u>
18. Employee Benefit Expenses :		
i) Salaries and wages	663,600	643,867
ii) Contribution to provident and other funds	45,000	41,990
iii) Staff welfare expenses	57,192	52,284
	<u>765,792</u>	<u>738,141</u>
19. Other expenses :		
i) Power and fuel	49,504	42,585
ii) Repairs others	441,745	3,715
iii) Payment to the auditors		
- as auditor	85,875	84,270
- for other services	33,708	33,708
- for reimbursement of expenses	-	-
iv) Legal and professional charges	654,239	401,527
v) Commission & Brokerage	-	-
vi) Miscellaneous expenses	617,604	290,382
	<u>1,882,675</u>	<u>856,187</u>

	<u>Current Year</u> (Rs.in lacs)	<u>Previous Year</u> (Rs.in lacs)
20. Contingent Liabilities not provided for in respect of:		
A) Claims against the company not acknowledged as debts:	1.01	1.6
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.	Nil	58.11
Matter pending in appeal with Appellate Authorities		
21. Estimated amount of contracts remaining to be executed on capital account and not provided for.,	Nil	Nil

22. 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 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 labourdues, 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.

23. 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.

24. 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 Kumar Kothari	Director	DIN 00132801
	Anshul Kothari	Director	DIN 02624500
	Hanuman Pokharna	Director	DIN 031555927
	Smt. Sushila Kothari	Director	DIN 00132802
	Arvind Tater	Director	DIN 07167125

- (ii) Enterprise over which Key Management Personnel and their relatives are able to exercise influences :
Ahinsa Suitings Bhilwara, Shree Bharka Synthetics Shree Bharka India

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	-	-	22598514.00	2140098.00
Purchase	-	-	0.00	0.00
Outstanding at the year end				
Receivable	-	-	4922352	6531806
Payables	-	-	0.00	0.00

Earnings per share :	(in Rs.)	
	Curent Year	Previous Year
Net Profit after tax	31,446,704	18,592,489
	<u>31,446,704</u>	<u>18,592,489</u>
Weighted average number of equity shares	6,761,130	6,761,130
Earning per share	4.65	2.75

25. 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.as on 31st March 2016 Further during the year no interest has been paid or payable under the terms of the said Act.

26. a) In View of absence of Profit in accordance with Section 197 (12) of the Companies Act 2013, no commission is payable to the Managing Director for the current year.

b) Directors' remuneration	-	
(i) Directors sitting fees	0	0

For and behalf of the Board

As per our report of even date

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

CA. S.SARUPRIA
Partner
Mem. No. 035783

Place : Bhilwara
Date : 30.05.2015

Ashok Kothari
Director, DIN 00132801

Anshul Kothari
Director, DIN 02624500

Hanuman Pokharna
Director, DIN 03155927

Smt. Sushila Kothari
Additional Director, DIN 00132802

Arvind Tater
Director, DIN 07167125

Bhopal Singh Choudhary
Chief Financial Officer

Neelu Mehta
Company Secretary

BOOK-POST



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CIN :- U17115 RJ 1980 PLCO08217

26, Industrial Area, Bhilwara - 311 001, Rajasthan