

Formerly known as BIL Continental Ltd.

17/10/2016

The Corporate Services Department  
The BSE Limited  
Phiroze Jeejeebhoy Towers , Dalal Street  
Mumbai -400001

Subject: Submission of Annual Report for the year 2015-16

Dear Sir/ Madam

We herewith submit the Annual report under Regulation 34(1) of SEBI (LODR) Regulations, 2015 for the Financial Year 2015-16.

This is for your kind notice and record.

For Shri Bholanath Carpets Limited

Nupur Gupta

Company Secretary

Registered Office:  
G. T. Road, Kachhawan, Varanasi-221313, Uttar Pradesh, India  
Phone: +91-542-26 20 221 • Fax: +91-542-26 20 090  
Email: info@bholanath.biz • Website: www.bholanath.biz

CIN: L17226UP1973PLC003746

FORM A  
(Clause 31(a) of the Listing Agreement)

<b>1</b>	<b>NAME OF THE COMPANY</b>	SHRI BHOLANATH CARPETS LIMITED  (FORMARLY KNOWN AS BIL CONTINENTAL LIMITED)
<b>2</b>	<b>ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED</b>	31ST MARCH, 2016
<b>3</b>	<b>TYPE OF AUDIT OBSERVATION</b>	UN-QUALIFIED
<b>4</b>	<b>FREQUENCY OF OBSERVATION</b>	NOT APPLICABLE
<b>5</b>	<b>TO BE SIGNED BY –</b>	
	<b>• CEO / MANAGING DIRECTOR</b>	  SD/-  (BHOLANATH BARANWAL)
	<b>• CFO</b>	  SD/-  (VIVEK BARANWAL)
	<b>• AUDITOR OF THE COMPANY</b>	  SD/-  (O. P. TULSYAN)
	<b>• AUDIT COMMITTEE CHAIRMAN</b>	  SD/-  (AMARNATH PANDEY)

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT 43rd ANNUAL GENERAL MEETING OF THE MEMBERS OF SHRI BHOLANATH CARPETS LIMITED WILL BE HELD AT REGISTERED OFFICE OF THE COMPANY AT G. T. ROAD, KACHHAWAN, VARANASI - 221313, U. P. ON TUESDAY 27<sup>TH</sup> DAY OF SEPTEMBER, 2016 AT 3.00 P.M. TO TRANSACT THE FOLLOWING BUSINESSES:**

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**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st day of March, 2016 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Sri Harish Baranwal, who retires by rotation and being eligible to offers himself for re-appointment.
3. To ratify the appointment of M/s. O. P. Tulsyan & Co., Chartered Accountants as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the appointment of M/s. O. P. Tulsyan & Co., Chartered Accountants (ICAI Firm Registration No. 500028N) as the statutory Auditor of the Company be and hereby ratified, who was appointed as such up to the AGM to be held in year 2018, in the last AGM held in year 2014, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS:**

**4. REGULARIZATION OF ADDITIONAL DIRECTOR:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** for Regularization of Additional director (Independent), Dr. Kavita Shah:-  
“**RESOLVED THAT** Dr. Kavita Shah, who was appointed as an Additional Director (Independent) with effect from February 12,2016 on the Board of the company in terms of section 161 of the Companies Act ,2013 and Article 80 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting , and in respect of whom a notice has been received from a member in writing , under section 160 of the Companies Act, 2013, along with the requisite deposit, proposing her candidature for the office of a director, be and is hereby appointed as director of the company.”

**5. APPOINTMENT OF WOMEN CUM INDEPENDENT DIRECTOR:**

To consider and, if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION** for appointment of Dr. Kavita Shah as an independent director of the company:

“**RESOLVED THAT** pursuant to Section 149, 152 read with Schedule IV and such other provisions as applicable of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. Kavita Shah (DIN: 07414513), who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who

is eligible for appointment as women cum Independent Director, be and is hereby appointed as an women cum Independent Director of the Company for a term of five consecutive years with effect from the date of this meeting and that she shall not be liable to retire be rotation.”

The board passed the text of above resolution.

**On Behalf of the Board**

**Sd/-**

**Bholanath Baranwal**  
**(Chairman & Managing Director)**  
**DIN: 00306086**

**Date:** 29.08.2016

**Place:** Varanasi

**Registered Office:** Kachhawan, Varanasi

#### **NOTES**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. The instrument appointing proxy should, however, be deposited at the Registered Office/Corporate office of the Company not less than forty eight hours before the commencement of the meeting.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 21st day of September, 2016 to Tuesday, 27th day of September, 2016 (Both days inclusive).
4. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
5. The members, who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.
6. Please quote your folio number in all correspondence for each type of query/complaint.
7. Any queries relating to Accounts must be sent to the Company at least 10 days before the date of the meeting.
8. Members / Proxies are requested to bring the Attendance Slip, duly filled in, along with copy of the Annual Report to the meeting for attending the meeting. Members are requested to write their folio number in the attendance slip for attending the meeting.
9. Members holding shares in physical form are advised to make nomination in respect of their shareholding under section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014.

10. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members the facility to exercise their right to vote at the 43rd AGM of the Company by electronic means on all resolutions set forth in this Notice, through the e-voting services provided by NSDL. The Members, whose name appear in the Register of Members, holding shares in physical or in dematerialized form, as on 20<sup>th</sup> Sept, 2016 (End of Day), are entitled to cast their votes electronically on the resolutions set forth in this Notice. The e-voting will commence at 10.00 a.m. on Saturday, 24<sup>th</sup> day of September, 2016 and will end at 5.00 p.m. on Monday, 26<sup>th</sup> day of September, 2016.

**PROCESS AND MANNER FOR E-VOTING:**

The instructions for e-voting are as under:

**A. In case of members receiving e-mail from RTA/NSDL (for Members whose e-mail ids are registered with the Company/Depositories):**

1. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.

2. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

3. Click on “Shareholders” tab.

4. Now, select the “Electronic Voting Sequence Number (EVSN) – “105659” along with “Company Name – Shri Bholanath Carpets Limited” from the drop down menu and click on “Submit”.

5. Now, fill up the following details in the appropriate boxes:

	<b>FOR MEMBERS HOLDING SHARES IN DEMAT FORM FOR MEMBERS HOLDING SHARES IN PHYSICAL FORM</b>		<b>FOR MEMBERS HOLDING SHARES IN PHYSICAL FORM</b>
<b>User ID</b>	For NSDL:	8 character DP ID followed by 8 digits Client ID	Folio Number registered with the Company
	For CDSL:	16 digits beneficiary ID	
<b>PAN*</b>	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders): <ul style="list-style-type: none"> <li>- Members holding shares in physical form who have not updated their PAN with the Company are requested to use the first two letters of their name in ‘Capital Letter’ followed by 8 digit folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0’s before the folio number. For example: If your name is Suresh Kumar with folio number 1234 then enter SU00001234 in the PAN Field.</li> <li>- Members holding shares in Demat form who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in ‘Capital Letter’ followed by 8 digit CDSL/NSDL Client ID.</li> </ul> <p><b>FOR EXAMPLE:</b> If your name is Suresh Kumar and your CDSL Demat A/c. No. is 12058700 00001234 then enter SU00001234 or if your NSDL DPIDCLID is IN300100-10001234 then enter SU10001234 in the PAN field.</p>		

<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
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6. After entering these details appropriately, click on “SUBMIT” tab.
7. Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily change their login password, in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@#\$\$%&\* \_). Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. Click on the **EVSN– 105659** for Shri Bholanath Carpets Limited to vote.
9. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
10. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
11. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
12. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

**B. In case a Members receiving the physical copy of Notice of AGM (for Members whose e-mail ids are not registered with the Company/Depositories):**

Please follow all steps from Sl. No. (ii) To Sl. No. (xii) Above, to cast vote.

**C.** Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

**GENERAL INSTRUCTIONS:**

**Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than

- venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on 24<sup>th</sup> September, 2016 (09:00 am) and ends on 26<sup>th</sup> September, 2016 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - V. The process and manner for remote e-voting are as under:
    - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
      - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
      - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
      - (iii) Click on Shareholder - Login
      - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
      - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
      - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
      - (vii) Select “EVSN” of “**Shri Bholanath Carpets Ltd**”.
      - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
      - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
      - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
      - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer@gmail.com](mailto:scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

**EVEN (Remote e-voting Event Number)USER ID PASSWORD/PIN**

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20<sup>th</sup> September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](#).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.



- XIII. The Company has appointed Mr. Ajay Jaiswal, Practicing Company Secretary (Membership No. FCS – 5112) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company <http://www.bholanath.biz/> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### **EXPLANATORY STATEMENT**

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.

#### **ITEM NO.5**

Dr. Kavita Shah is well qualified, has done M.Sc., (B.Ed.), Ph.D., She is of 48yrs and has wide knowledge and expertise in the field of Environment and Sustainable Development. Dr. Kavita Shah being eligible and offering herself for appointment is proposed to be appointed as an Independent Director for a term of five consecutive years. In the opinion of the Board, Dr. Kavita Shah fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company. Having regard to his qualifications, knowledge and experience, her appointment as an Independent Director will be in the interest of the Company, Dr. Kavita Shah does not hold any shares in the company.

Copy of the draft letter for appointment of Dr. Kavita Shah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

- Consent in writing to act as an independent additional director of the company Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014.
- Intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.
- None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution, except Dr. Kavita Shah is concerned or interested in the resolution.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**On Behalf of the Board**

**Sd/-**

**Bholanath Baranwal**  
**(Chairman & Managing Director)**

**DIN: 00306086**

**Date:** 29.08.2016

**Place:** Varanasi

**Registered Office:** GT Road, Kachhawan, Varanasi

**BOARD OF DIRECTORS**

1. Shri Bholanath Baranwal, Chairman & Managing Director
2. Shri Amaranth Pandey
3. Smt. Veena Agnihotri
4. Dr. Kavita Shah
5. Shri Harish Baranwal
6. Shri Vivek Baranwal

**AUDITORS:**

M/S. O.P. Tulsyan & Co.  
Chartered Accountants  
Varanasi

**BANKER:**

Syndicate Bank, Mid Corporate Office, MaqboolAlam Road, Varanasi

**REGISTERED OFFICE:**

G. T. Road, Kachhawan  
Varanasi -221 313  
Phone: +542-2620323  
Fax: +542-2620090  
E-mail: bil@bholanath.biz  
Website: www.bholanath.biz

**REGISTRARS AND SHARE TRANSFER AGENTS**

MAS Services Limited  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110 020,  
Ph:- 26387281/82/83, Fax:- 26387384  
E-mail:- info@masserv.com  
website: www.masserv.com

**STATUTORY COMMITTEES**

**AUDIT COMMITTEE:**

1. Shri Amarnath Pandey, Chairman
2. Smt. Veena Agnihotri, Member
3. Dr. Kavita Shah, Member

**NOMINATION AND REMUNERATION COMMITTEE:**

1. Smt. Veena Agnihotri, Chairman
2. Shri Amarnath Pandey, Member
3. Dr. Kavita Shah, Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

1. Dr. Kavita Shah, Chairman
2. Sri Amarnath Pandey, Member
3. Smt. Veena Agnihotri, Member

**BOARD'S REPORT**

**TO,  
THE MEMBERS OF  
SHRI BHOLANATH CARPETS LIMITED,**

Your Directors have pleasure in presenting the 43rd Annual Report together with Audited Financial Statements of SHRI BHOLANATH CARPETS LIMITED for the Financial Year ended March 31, 2016.

**1. FINANCIAL RESULT**

The summarized financial performance of your Company for the financial year 2015-16 as compared to previous year 2014-15 has been as under:

<b>PARTICULARS</b>	<b>CURRENT YEAR ENDED 31.03.2016</b>	<b>PREVIOUS YEAR ENDED 31.03.2015</b>
<b>NET SALES</b>	297807584.72	321686746.70
<b>OTHER INCOME</b>	2616885.58	5004756.16
<b>TOTAL REVENUE</b>	300424470.30	326691502.86
<b>TOTAL EXPENDITURE</b>	299589447.44	326269328.50
<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>	835022.86	422174.36
<b>EXTRAORDINARY ITEMS (CERS RECEIVABLE WRITTEN OFF)</b>	0.00	0.00
<b>PROFIT / (LOSS) BEFORE TAX</b>	835022.86	422174.36
<b>PROVISION FOR TAXATION</b>		
<b>- CURRENT TAX</b>	699120.00	664038.00
<b>- DEFERRED TAX</b>	-406091.23	-534573.72
<b>- TAX ADJUSTMENTS RELATING TO EARLIER YEARS</b>	20425.00	6103.08
<b>NET PROFIT (NET LOSS)</b>	521569.09	286607.00

**2. FINANCIAL HIGHLIGHTS**

The Company has continued its growth story in terms of net profit during the year 2015-16, in spite of the income from sales has gone down from Rest. 3216.86 Lakhs to Rest. 2995.89 Lakhs.

The Company has recorded profit before exceptional and extraordinary items in the year 8.35 Lakhs as compared to Rest. 4.22 Lakhs in the previous year 2014-15.

Whereas the net profit after tax during the year is Rest. 5.22 Lakhs as compared to previous year 2014-15 is Rest. 2.86 Lakhs.

### **3. RESERVES**

The reserves of the Company stand at Rs.755.51 Lakhs during the year as compared to Rest. 795.59 Lakhs in the previous year ended on 2014-15. Rs.45.29 Lakhs was written off (treated as bad debts for the F.Y. 2013-14) from General reserve during the year 2015-16.

### **4. OPERATIONS**

During the year the total revenue from operations of the Company is Rs.2978.07 Lakhs.

### **5. EXPORT**

During the year the Company was exporting carpets outside India.

### **6. SHARE CAPITAL**

The paid up Equity Share Capital of the Company as on March 31, 2016 was 480.00 Lakhs. During the year under review, the Company has not issued any types of share capital.

### **7. DIVIDEND**

The Company has not proposed any dividend for the year 2015-16.

### **8. INSURANCE**

Your Company's assets continue to be fully insured against the risk of fire, riot, earthquake, terrorism etc.

### **9. OUTLOOK**

The organization has increased focus on cost reduction measures as well as production of value added products. It is expected that in the current year 2016- 17, the Company shall demonstrate better bottom line performance for value addition for the investors.

### **10. HUMAN RESOURCE AND WELFARE**

The well-disciplined workforce which has served the Company for more than three decades lies at the very foundation of the Company's major achievements and shall well continue for the years to come. The Management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

### **11. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate i.e. March 31, 2016 and the date of the report i.e. August 29, 2016.

### **12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **13. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Internal Auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

### **14. CORPORATE GOVERNANCE**

Corporate Governance Report, Management Discussion and Analysis statement and Business Responsibility Report and a certificate from the Auditors confirming compliance are annexed herewith to this report.

### **15. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the Company has adopted a vigil mechanism policy. This policy is explained in Corporate Governance Report and also posted on the website of company.

### **16. BUSINESS RISK MANAGEMENT**

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion. Therefore, in accordance with clause 49 of the Listing Agreement the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company. The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

### **17. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, a CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

### **18. DEPOSITS**

The Company has not accepted any deposit under Section 73 or Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

### **19. AUDITORS' OBSERVATION**

There were no adverse remarks in the auditor's report.

### **19.1 STATUTORY AUDITOR**

The Statutory Auditor of the Company has given unqualified report during the year under review.

### **19.2 SECRETARIAL AUDITOR**

There were no qualifying remarks in the Secretarial audit report.

## **20. DIRECTORS**

### **20.1 CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year 2015-16, Shri Ambarish Chatterjee and Shri Raj Kumar Dubey resigned from the office of the independent director and in order to maintain the constitution of committees Smt. Veena Agnihotri and Dr. Kavita Shah were appointed on the board. Whereas Dr. Kavita Shah was appointed as additional director (Independent) whose appointment shall be regularized in the ensuing Annual General Meeting.

Further Ms. Nupur Gupta was appointed as Company Secretary & Compliance officer of the company.

### **20.2 INDEPENDENT DIRECTOR(S) DECLARATION**

In pursuance of sub-section (7) of Section 149 of the Companies Act, 2013 all the Independent Directors have furnished the declaration that they meet the criteria of Independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

### **20.3 BOARD ANNUAL EVALUATION**

Pursuant to the provisions of companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"), the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

### **20.4 REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## **21. BOARD AND COMMITTEE MEETINGS**

### **21.1 BOARD MEETING**

During the year 2015-16, 08 meeting of the Board of Directors were held on May 30/2015, Aug 14/2015, August 31/2015, September 15/2015, September 30/2015, October 21/2015, November 16/2015, February12/2016. The maximum time gap between any two consecutive meetings was not exceeding four months.

### **21.2 AUDIT COMMITTEE MEETING**

The Chairman of the Audit Committee is Mr. Amarnath Pandey. During the year, 4 Audit Committee meetings were held on May 21, 2015, August 05, 2015, October12, 2015 and February 03, 2016. The composition of the Audit Committee and number of meetings attended by the Members are given below:

<b>Name of directors</b>	<b>Category</b>	<b>Number of meetings held during 2015-16</b>	<b>Meeting Attended</b>
--------------------------	-----------------	---	-------------------------

Mr. Amarnath Pandey	Independent	4	4
Mr. Ambarish Chatterjee	Independent	4	2
Mr. R. K. Dubey	Independent	4	1
Smt. Veena Agnihotri	Independent	4	1
Dr. Kavita Shah	Independent	4	0

The other details of Board and Committee Meetings are given in Corporate Governance Report forming part of the Annual Report.

## **22. AUDITORS**

### **22.1 STATUTORY AUDITORS**

M/s O. P. Tulsyan & Co. (Firm Registration No. 500028N), Chartered Accountants has been appointed as Statutory Auditors of the Company at the 41<sup>st</sup> Annual General Meeting held on August 9, 2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditor is being sought from the Members of the Company at the ensuing Annual General Meeting to be held on September 27, 2016.

### **22.2 SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ajay Jaiswal & Co. (CP No.:3684, FCS: 5112), Company Secretaries to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as ‘**Annexure A**’.

### **22.3 INTERNAL AUDITORS**

M/s A. C. Dutta & Co., Cost Accountant performs the duties of Internal Auditors of the Company and their report is reviewed by the Audit Committee from time to time.

## **23. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as “**Annexure B**”.

## **24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are disclosed in Form No. AOC - 2, is annexed herewith as “**Annexure C**”.

## **25. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure D**”.

## **26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report on financial condition and results of operations of the Company for the year under reviews required under Clause 49 of the Listing Agreement entered with the Stock Exchanges is given as separate statement forming part of the Annual Report.



**27. PARTICULARS OF EMPLOYEES**

**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**

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

**i. The percentage increase in remuneration of each Director, Chief Executive Officer and Chief Financial Officer during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows:**

<b>Name of Director / KMP</b>	<b>Remuneration of the Director / KMP in F.Y. 2015-16</b>	<b>Remuneration of the Director / KMP in F.Y. 2015-16</b>	<b>% Increase in F.Y. 2015-16</b>	<b>Ratio(times) of the remuneration of each director to the median remuneration of the employees</b>	<b>Comparison of the remuneration of the KMP against the performance of the company</b>
Bholanath Baranwal, Managing Director (KMP)	6,96,000.00	6,96,000.00	0.00	2.10	The turnover of the Company increase 5.97 %. There is a marginal increase in profit before tax and but the profit after tax has decreased.
Vivek Baranwal (CFO)	1,81,200.00	1,81,200.00	0.00		

**ii.** There were 2 permanent employees on the rolls of the Company during the financial year 2015-16.

**v. Relationship between average increase in remuneration and company performance:** The turnover of the Company increase 5.97 %. There is a marginal increase in profit before tax and but the profit after tax has decreased.

**vi. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:**

There is no change in total remuneration of Key Managerial Personnel during the year in comparison to last year whereas The turnover of the Company increase 5.97 %. There is a marginal increase in profit before tax and but the profit after tax has decreased.

**vii. a) Variations in the market capitalization of the Company:**

There were trading on the stock exchange.

**Following are the date wise market capitalization of the company:-**

Date of trading	price	total no. of shares of the company in the market	Market Capitalisation
14-05-15	7.7	4800000	36960000
27-10-15	8.08	4800000	38784000
23-11-15	8.48	4800000	40704000
22-02-16	8.9	4800000	42720000
24-02-16	9.34	4800000	44832000
02-03-16	8.88	4800000	42624000
03-03-16	8.44	4800000	40512000
04-03-16	8.1	4800000	38880000
15-03-16	8.08	4800000	38784000
16-03-16	7.68	4800000	36864000
17-03-16	7.3	4800000	35040000
23-03-16	6.94	4800000	33312000
28-03-16	6.6	4800000	31680000

**b) Price Earnings ratio of the Company:**

There were trading on the stock exchange, the price earnings ratio of the company as on 31.03.2016 is Rest. 60 per share.

**c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the Company came out with the last public offer in the year:**

There was no further offering of the shares (FPO).

**viii.** Average percentage increase made in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2015-16 was 7.06 % whereas the increase in the managerial remuneration for the same financial year was 0%.

**ix.** The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**x.** The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and

xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**xii. THE PARTICULARS OF THE EMPLOYEES WHO ARE COVERED BY THE PROVISIONS CONTAINED IN RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE:**

- a) Employed throughout the year Nil
- b) Employed for part of the year Nil

**28. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) That in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That the annual financial statements have been prepared on a going concern basis;

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

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

**29. COMPANIES WHICH CEASED TO BE HOLDING, SUBSIDIARY OR ASSOCIATE COMPANY**

There is no holding, subsidiary or associate Company of the Company.

**30. PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEE**

There is no loan, or guarantee but investment made pursuant to provisions of Section 186 of the Companies Act, 2013.

**31. ACKNOWLEDGEMENTS**

The Company has been very well supported from all quarters and therefore your Directors would like to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers, Credit Rating Agencies, Depositories, Stock Exchange, Registrar and Share Transfer Agents, Associates as well as our Shareholders at large during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment, abilities and hard work of all executives, officers and staff who enabled Company to consistently deliver satisfactory and rewarding performance even in the challenging economic conditions.

We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

### **32. CAUTIONARY STATEMENT**

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces another associated and incidental factors may however lead to variation in actual results.

**On Behalf of the Board**

**Sd/-**

**Bholanath Baranwal**  
(Chairman & Managing Director)  
DIN: 00306086

**Date:** 29.08.2016

**Place:** Varanasi

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT** (MDA)

The management discussion and analysis presents the industry overview, opportunities and threats, initiatives by the Company and overall strategy of becoming a market driven producer/exporter of various innovative models and ranges of products. The company is very optimistic of capturing a substantial share of export market in the midst of the threats faced due to the liberalization and increased competition from well established companies from India and abroad.

#### **OUTLOOK ON OPPORTUNITIES:**

The demand for contemporary carpets will continue to grow. The Company has eminent infrastructure for in-house production of hand-tufted carpet besides having access to additional facilities of Nkandla Rugs for contract market. The company is actively pursuing outsourcing of other products such as hand knotted, flat woven and shaggy to enhance its sales.

The Company is considering the domestic market for offline and online offering of its manufactured Carpets through ecommerce and trade channels as sees a good potential for its product in the domestic market as well.

#### **INDUSTRY STRUCTURE & DEVELOPMENTS:**

Carpet Industry is the one of the oldest industries not only in India but in world also. The major players on international levels are Iran, China and India. The prices in Iran have increased significantly and Chinese hand knotted carpet weavers have migrated to other occupation. This gives ample opportunity for Indian hand knotted carpets. It is expected that demand for these carpets will increase in the current financial year.

**RISK AND CONCERNS:**

The main business of your Company is export business. Thus uncertainties in global economy/International Market are major risk for your Company. To address this company is working to diversify its market base and enter the Chinese market which is a huge and remunerative market.

Any further change in duty drawback, DEPB & Exchange Rate policy would have a direct effect on the profitability of the Company. The management of your Company is hopeful on offsetting any adverse impact by better management abilities.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY:**

The company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. There is an Internal Auditors with clearly laid down powers and responsibilities that are entrusted to them to ensure that the Internal Audit works independently.

The company is maintaining various manuals which contain various controls and checklists that are to be carried out before execution of any activity. Internal checks are exercised so that the various procedures are laid at the time of delegation of authorities and other procedures are strictly followed. The delegation clearly indicates the powers along with the monetary limits, wherever necessary, that can be exercised by various levels of Managers in the Company.

Similarly, the Company has well defined manuals for all the functional areas, viz., Production, Sales, Administration, Personnel, etc. These manuals contain elaborate procedures and checklist for the related activities. Necessary controls and checks are exercised by strictly adhering to the various procedures and checklist prescribed in the Manuals. Also these are updated from time to time on ongoing basis, keeping in view the latest developments in different areas. Proper controls and checks are exercised by the company by following the procedures prescribed in the various manuals.

**HUMAN RESOURCES & INDUSTRIAL RELATION:**

The Industrial relations were very cordial throughout the year. Measures for safety of employees, training, welfare & Development continue to receive top priorities.

**ENVIRONMENT CARE, SOCIAL ACCOUNTABILITY AND QUALITY SYSTEM:**

Your Company has the certificate of ISO 9001: 2000 which has enabled your Company to market, its products in the international markets in better way. Since your company has fulfilled the social responsibility criteria, it has been recognized with SA- 8000 certification. In addition, it is also ISO 14001 certified, the Environment Protection System. These certifications instill confidence in all trade channel partners including suppliers and buyers.

**FUTURE PROSPECTS OF COMPANY:**

The Company recently participated in a trade fair in China and believes that there is a huge potential to offer our handmade carpet to their huge domestic market.

**On Behalf of the Board**

**Date:** 29.08.2016  
**Place:** Varanasi

**Sd/-**  
**Bholanath Baranwal**  
(Chairman & Managing Director)  
**DIN: 00306086**

**Annexure – A**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2016**

[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]

**TO,**  
**THE MEMBERS,**  
**SHRI BHOLANATH CARPETS LIMITED**  
**G. T. ROAD, KACHHAWAN, VARANASI - 221307**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shri Bholanath Carpets Limited. (Hereinafter called the company)

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) 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 of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

**(VI) We further report that**, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on text check basis, the Company has complied the law applicable specifically to the company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India. **(Secretarial Standards although notified are not applicable to the Company during the period under Audit as they are effective from July 1, 2015).**

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have relied on the representations made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts/Laws/Regulations to the company.

**We further report that** during the audit period, there were no instances of:

(i) Public/Right/Preferential issue of shares / debentures / sweat equity, etc.

(ii) Redemption / buy-back of securities.

(iii) No Major decisions except the mortgage on the properties of the companies from banks and financial Institutions and setting a limit on borrowings beyond paid up capital and free reserves taken by the members in pursuance to Section 180 of the Companies Act, 2013.

(iv) Merger / amalgamation / reconstruction, etc.

(v) Foreign technical collaborations.

**FOR AJAY JAISWAL & CO.**  
**COMPANY SECRETARIES**

**AJAY KUMAR JAISWAL**  
**FCS No. 5112**  
**CP No. 3684**

**Place: VARANASI**  
**Date: 29.08.2016**



**Annexure –B**

**ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided hereunder:

**1. CONSERVATION OF ENERGY**

**(A) ENERGY CONSERVATION MEASURES TAKEN**

During the year the company has taken required measures for the conservation of the energy. During the last financial year company has installed power capacitor to reduce the demand Charges. It will save substantial power expense, which is reflecting in monthly power bills.

**(B) ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY**

The company has its plan in the pipeline for the additional investment. Once it is finalized it will be intimated to exchange.

**(C) IMPACT OF THE MEASURES OF THE ABOVE**

This will impact positively to the environmental safety as well as workers safety.

**(D) STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCE OF ENERGY.**

Since inception the Company is using Biomass as a fuel for generating the Steam. In year 1995, the Company installed a 2.5 MW cogeneration power plant using biomass (rice husk and pith) as fuel. The Company has also installed a Black liquor (Pollutant generated during pulping of Agro waste raw material) fired Boiler, generating steam and thereby power.

**2. TECHNOLOGY ABSORPTION**

**EFFORTS MADE IN TECHNOLOGY ABSORPTION:**

**(A) Specific areas in which R & D carried out by the Company**

1. The company is making R & D in required field on a continuous basis.
2. Developments of new grades.
3. Usage of fines as a tool for development of higher strength carpets.
4. Enhancement of opacity level of product using alternative fillers & raw materials in furnish.
5. Trial of high purity lime to enhance caustic sing efficiency.

**(B) Benefits derived as a result of the above R & D**

By the evaluation & use of alternative aid, resins& specialty raw materials, the quality of product improved &reduced consumption resulting reduced energy& cost of production and improving the properties of carpets.

**(C) Future plan of action**

The future plans are under process and on finalization stage.

### **3. FOREIGN EXCHANGE EARNING AND OUTGO**

**(A) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;**

The Company has continued thrust on exports.

**(B) Total foreign exchange used and earned**

During the year the Company has earned 91150 Euro, 1286521 USD, 31454 GBP as compared to the in Foreign Currency through export of its finished products. There was Import or Expenses in Foreign Currency during the Financial Year of 15695 USD.

**On Behalf of the Board**

**Sd/-**

**Bholanath Baranwal**  
**(Chairman & Managing Director)**  
**DIN: 00306086**

**Date:** 29.08.2016

**Place:** Varanasi

**Annexure – C**

### **FORM AOC -2**

**(Pursuant to clause (h) of sub section (3) of the section 134 of the Act and Rules 8(2) of the Companies (Account) Rules, 2014)**

Form for Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso is given below:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
<b>1</b>	Name (s) of the related party	<b>NIL</b>
<b>2</b>	Nature of relationship	<b>NIL</b>
<b>3</b>	Nature of contracts/arrangements/transaction	<b>NIL</b>
<b>4</b>	Duration of the contracts/arrangements /transaction	<b>NIL</b>
<b>5</b>	Salient terms of the contracts or arrangements or transaction	<b>NIL</b>
<b>6</b>	Value of the contracts or arrangements or transaction	<b>NIL</b>
<b>7</b>	Date of approval by the Board	<b>NIL</b>
<b>8</b>	Amount paid as advances, if any	<b>NIL</b>

<b>9</b>	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	<b>NIL</b>
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**2. Details of contracts or arrangements or transactions at arm's length basis:**

Sl. No.	Particulars	Details
<b>1</b>	Name (s) of the related party	<b>Shri Bholanath Industries Limited</b>
<b>2</b>	Nature of relationship	<b>Directors are common</b>
<b>3</b>	Nature of contracts / Arrangements / transaction	<b>Purchase of goods</b>
<b>4</b>	Duration of the contracts / arrangements / transaction	<b>NIL</b>
<b>5</b>	Salient terms of the contracts or arrangements or transaction	<b>NIL</b>
<b>6</b>	Value of the contracts or arrangements or transaction	<b>Market price</b>
<b>7</b>	Date of approval by the Board	<b>Since incorporation of company</b>
<b>8</b>	Amount paid / received as advances, if any	<b>NIL</b>
<b>9</b>	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	<b>NIL</b>

Sl. No.	Particulars	Details
<b>1</b>	Name (s) of the related party	<b>Organic Weave Limited</b>
<b>2</b>	Nature of relationship	<b>Directors are common</b>
<b>3</b>	Nature of contracts / Arrangements / transaction	<b>Sale of Goods</b>
<b>4</b>	Duration of the contracts / arrangements / transaction	<b>NIL</b>
<b>5</b>	Salient terms of the contracts or arrangements or transaction	<b>NIL</b>
<b>6</b>	Value of the contracts or arrangements or transaction	<b>Market price</b>
<b>7</b>	Date of approval by the Board	<b>2013</b>

<b>8</b>	Amount paid / received as advances, if any	<b>NIL</b>
<b>9</b>	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	<b>NIL</b>

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
<b>1</b>	Name (s) of the related party	<b>Kaandla Rugs Limited</b>
<b>2</b>	Nature of relationship	<b>Directors Relative</b>
<b>3</b>	Nature of contracts / Arrangements / transaction	<b>Sale and Purchase of Goods</b>
<b>4</b>	Duration of the contracts / arrangements / transaction	<b>NIL</b>
<b>5</b>	Salient terms of the contracts or arrangements or transaction	<b>NIL</b>
<b>6</b>	Value of the contracts or arrangements or transaction	<b>Market price</b>
<b>7</b>	Date of approval by the Board	<b>-</b>
<b>8</b>	Amount paid / received as advances, if any	<b>NIL</b>
<b>9</b>	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	<b>NIL</b>

**ANNEXURE - D**

**FORM NO. MGT – 9**

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

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR  
ENDED ON 31.03.2016**

**I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	<b>CIN</b>	<b>L17226UP1973PLC003746</b>
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ii.	<b>Registration Date</b>	07/01/2005
iii.	<b>Name of the Company</b>	SHRI BHOLANATH CARPETS LIMITED
iv.	<b>Category / Sub-Category of the Company</b>	COMPANY LIMITED BY SHARES, INDIAN NON GOVERNMENT COMPANY
v.	<b>Address of the Registered office and contact details</b>	G. T. ROAD, KACHHAWAN, VARANASI - 221313, U. P., PHONE: +542-2620313, FAX: +542-2620090, EMAIL: CSCOMPLIANCE@BHOLANATH.BIZ  WEBSITE: <a href="http://WWW.BHOLANATH.BIZ">WWW.BHOLANATH.BIZ</a>
vi.	<b>Whether listed company</b>	YES, BOMBAY STOCK EXCHANGE (BSE)
vii.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	<b>MAS SERVICES LIMITED</b>  T-34, 2ND FLOOR, OKHLA INDUSTRIAL AREA, PHASE - II, NEW DELHI - 110 020, DELHI, PH: - 26387281/82/83, FAX:- 26387384, EMAIL: - INFO@MASSERV.COM  WEBSITE: <a href="http://WWW.MASSERV.COM">WWW.MASSERV.COM</a>

## **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:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Carpet Manufacture	13931	100%

## **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NA**

Sr. No.	Name And Address of The	CIN/GLN	Holding/ Subsidiary	% of shares	Applicable
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share capital up to Rest. 2 lakh	150000*	429100*	579100*	12.06	243400	589800	833200	17.35	
(ii) Individual shareholders holding nominal share capital in excess of Rest 2 lakh	133600**	239000**	372600**	7.76	47800	79600	127400	2.65	
c) Others(Specify)	0	703000	703000	14.65	0	703000	703000	14.65	0
Sub-total(B)(2)	528800	1739200	2268000	47.25	528300	1739700	2268000	47.25	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	628800	1742900	2371700	49.41	628300	1743400	2371700	49.41	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2318520	2481480	4800000	100	2318020	2481980	4800000	100	0

\*\*figures are of Individual shareholders holding nominal share capital in excess of Rest 1 lakh

**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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.	VIVEK BARANWAL	36400	0.76	0	36400	0.76	0	0
2.	HARISH BARANWAL	57500	1.20	0	57500	1.20	0	0



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3.	BHOLANATH BARANWAL	668680	13.93	0	668680	13.93	0	0
4.	ROMIT BARANWAL	31200	0.65	0	31200	0.65	0	0
5.	AMIT BARANWAL	31200	0.65	0	31200	0.65	0	0
6.	SUMIT BARANWAL	31200	0.65	0	31200	0.65	0	0
7.	BHOLANATH BARANWAL	188900	3.93	0	188900	3.93	0	0
8.	RENU BARANWAL	12800	0.26	0	12800	0.26	0	0
9.	DINANATH BARANWAL	257400	5.36	0	257400	5.36	0	0
10.	DINANATH BARANWAL	103900	2.16	0	103900	2.16	0	0
11.	HRIDAYNATH BARANWAL	27500	0.57	0	27500	0.57	0	0
12.	PHOOLMANI DEVI BARANWAL	117900	2.45	0	117900	2.45	0	0
13.	SURENDRANATH BARANWAL	357400	7.44	0	357400	7.44	0	0
14.	VIJAYABARANWAL	87800	1.82	0	87800	1.82	0	0
15.	RAGINIBARANWAL	204600	4.26	0	204600	4.26	0	0
16.	BINABARANWAL	112520	2.34	0	112520	2.34	0	0
17.	NIKHIL BARANWAL	101400	2.11	0	101400	2.11	0	0

	<b>TOTAL</b>	<b>242830</b>	<b>50.59</b>	<b>0</b>	<b>242830</b>	<b>50.59</b>	<b>0</b>	<b>0</b>
		<b>0</b>			<b>0</b>			

**iii. Change in Promoters' Shareholding (please specify, if there is no change)- NO CHANGE**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	<b>79,908,152.18</b>	<b>884,374.00</b>	<b>-</b>	<b>80,792,526.18</b>
<b>i) Principal Amount</b>				
<b>ii) Interest due but not</b>				

paid				
iii) Interest accrued but not				
Total(i+ii+iii)	<b>79,908,152.18</b>	<b>884,374.00</b>	<b>-</b>	<b>80,792,526.18</b>
<b>Change in Indebtedness during the financial year</b>			<b>-</b>	
- Addition				
- Reduction	<b>18373139.41</b>	<b>0.00</b>		<b>18373139.41</b>
	<b>(2276432.23)</b>	<b>(884,374.00)</b>		<b>(3160806.23)</b>
<b>Net Change</b>	<b>16096707.18</b>	<b>(884,374.00)</b>	<b>-</b>	<b>15212333.18</b>
<b>Indebtedness at the end of the financial year</b>	<b>96004859.36</b>	<b>0.00</b>	<b>-</b>	<b>96004859.36</b>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>96004859.36</b>	<b>0.00</b>	<b>-</b>	<b>96004859.36</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD /WTD/ Manager	Total
---------	-----------------------------	-----------------------------	-------

						Amount
<b>1.</b>	Gross salary  (a)Salary as per provisions contained in section17(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	Bholanath Baranwal				696000.00
<b>2.</b>	Stock Option	-	-	-	-	-
<b>3.</b>	Sweat Equity	-	-	-	-	-
<b>4.</b>	Commission - as % of profit - others, specify...	-	-	-	-	-
<b>5.</b>	Others, please specify	-	-	-	-	-
<b>6.</b>	Total(A)	-	-	-	-	696000
	Ceiling as per the Act	-	-	-	-	3000000.00

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**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
	<u>Directors</u>					
	· Fee for attending board / committee meetings	Amarnath Pandey				7500.00
	·	Ambarish Chatterjee				5000.00
	·	R. K. Dubey				2500.00
	·	Veena Agnihotri				8000.00
	·	Kavita Shah				3000.00
	Total(1)					26000.00
	<u>Other Non-Executive Directors</u>	NA	NA	NA	NA	0.00
	· Fee for attending board committee meetings					
	· Commission					
	· Others, please specify					
	Total(2)					0.00
	Total(B)=(1+2)					26000.00
	Total Managerial Remuneration					722000.00
	Overall Ceiling as per the Act					9000000.00

**C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD:**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company	CFO	Total

			Secretary		
<b>1.</b>	Gross salary  (a)Salary as per provisions contained in section17(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	-	-	181200.00	-
<b>2.</b>	Stock Option	-	-	-	-
<b>3.</b>	Sweat Equity	-	-	-	-
<b>4.</b>	Commission - as % of profit -others, specify...	-	-	-	-
<b>5.</b>	Others, please specify	-	-	-	-
<b>6.</b>	Total	-	-	<b>181200</b>	-

**VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
<b>Penalty</b>	-	-	-	-	-
<b>Punishment</b>	-	-	-	-	-

<b>Compounding</b>	-	-	-	-	-
<b>B. Directors</b>					
<b>Penalty</b>	-	-	-	-	-
<b>Punishment</b>	-	-	-	-	-
<b>Compounding</b>	-	-	-	-	-
<b>C. Other Officers In Default</b>					
<b>Penalty</b>	-	-	-	-	-
<b>Punishment</b>	-	-	-	-	-
<b>Compounding</b>	-	-	-	-	-

**Annexure - E**

**CORPORATE GOVERNANCE**

**CORPORATE GOVERNANCE COMPLIANCE REPORT**

In terms of Clause 49 of the Listing Agreement (Clause 49) entered into with the Stock Exchange, the Corporate Governance Compliance Report is provided hereunder:

**1.COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

Your Company is of the belief that sound Corporate Governance is vital to enhance and retain stakeholders’ trust. Good Governance underpins the success and integrity of the organisation, institutions and markets. It is one of the essential pillars for building efficient and sustainable environment, system and practices to ensure that the affairs of the Company are being managed in a way which ensure accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholder’s aspirations and societal expectation. Your Company is committed to the adoption of best governance practices and its adherence in the true spirit at all times and envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. The Company recognizes that good governance is a continuing exercise and thus reiterates its commitment to pursue highest standard of Corporate Governance in the overall interest of its stakeholders.

Your Company not only adheres to the prescribed corporate governance practices as per Clause 49 of the Listing Agreement but is also consistently working for the betterment of the governance system executed

with the Stock Exchanges. We are committed to doing things in the right way which includes but not limited to compliance with its applicable legal requirement.

**THE HIGHLIGHT OF THE CORPORATE GOVERNANCE SYSTEM INCLUDES:**

1. The Board of Directors of the Company is well represented with Executive, Non-Executive and Independent Non-Executive Directors with the Non-Executive Chairman and Managing Director.
2. The Board has constituted several Committees viz. Audit Committee, Remuneration Committee, Stakeholder Relationship Committee, etc. The Board is empowered to constitute additional functional Committee from time to time, depending on the business needs.
3. The Company has established a Code of Conduct and Corporate Disclosure Policy for prevention of Insider Trading for Directors and Employee of the Company.
4. Whistle Blower Policy wherein the Employee may have the direct access to the Chairman of Stakeholder Relationship Committee and Chairman of Audit Committee.
5. Risk Management framework to identify the risk for its business and to assess the probability of its occurrence. Its mitigation plans and information placed before the Audit Committee and Risk Management Committee periodically.

**2. BOARD OF DIRECTORS:**

The Company is managed and guided by the Board of Directors (“Board”). The Board formulates the strategy, regularly reviews the performance of the Company, determine the purpose and values of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director with the support of the senior executives overseeing the functional matters of the Company. The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

During the year, information as mentioned in Annexure- IA to Clause 49 of the Listing Agreement has been placed before the Board for its consideration. In addition to matters statutorily requiring Board’s approval, all major decision involving policy formulation, strategy and business plans, new investments, compliance with statutory / regulatory requirements and major accounting provisions are considered by the Board.

Minutes of the Board Meeting / Committees are circulated to Directors and confirmed at subsequent meetings.

**a) COMPOSITION OF THE BOARD:**

As on 31st March, 2016, the Board of Directors of the Company has 6 Directors out of which 3 are Executive and 3 are Independent Directors.

The present Board consists of 3 Executive Director and 3 Non-Executive Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise brings in their independent judgment to



the deliberations and decisions of the Board. The Non- Executive Directors did not have any material pecuniary relationship or transactions with the Company during the year 2015-16.

**b) INDEPENDENT DIRECTORS:**

The definition of independence of Directors is derived from Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement executed with the stock exchanges. All the independent Directors of the Company make declaration to the Company annually regarding their independence status. All such declarations were placed before the Board.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees across the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors pursuant to Clause 49 of the Listing Agreement.

**c) NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

The Non-Executive Directors are paid only sitting fee. No stock options were granted to Non-Executive Directors during the year under review.

**d) OTHER PROVISIONS AS TO BOARD AND COMMITTEE:**

During the year 2015-16, 08 meeting of the Board of Directors were held on May 30, 2015, Aug 14, 2015, August 31, 2015, September 15, 2015, September 30,2015, October 21, 2015,November 16, 2015 ,February 12, 2016. The maximum time gap between any two consecutive meetings was not exceeding four months.. Details of attendance of Directors at Board meeting and at the last Annual General Meeting held on September 30, 2015, with particulars of their other Directorships and Chairman / Membership of Board Committees of other Companies showing the position as on March 31, 2016 are given below:-

Name of Director and DIN	Designation	Category	Attendance at Board Meeting	Attendance at last AGM	No. of outside Directorship in Public Limited Company		No. of committees and positions held	
					Director	Chairman	Chairman	Member
Shri Bholanath Baranwal	Managing Director	Promoter , Executive, Non-Independent	8	Yes	2	0	0	0
Shri Amarnath Pandey	Non-Executive Independent	Non-Promoter , Non-Executive	3	Yes	0	0	1	2

	Director	e, Independ ent						
Shri Raj Kumar Dubey *	Non- Executive Independent Director	Non- Promoter , Non- Executiv e, Independ ent	1	No	1	0	0	2
Shri Harish Baranw al	Executive Director	Promoter , Executiv e, Non- Independ ent	6	Yes	2	0	0	0
Shri Vivek Baranw al	Executive Director	Promoter , Executiv e, Non- Independ ent	8	Yes	2	0	0	0
Shri Ambaris h Chatterj ee**	Non- Executive Independent Director	Non- Promoter , Non- Executiv e, Independ ent	2	No	3	0	0	3
Dr. Kavita Shah *	Non- Executive Independent Director	Non- Promoter , Non- Executiv e, Independ ent	1	No	0	0	1	3

Smt. Veena Agnihotri***	Non-Executive Independent Director	Non-Promoter, Non-Executive, Independent	3	No	0	0	1	3
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\*Shri Raj Kumar Dubey resignation accepted on 12th February 2016 , He was member of 2 Committee till he resigned from his office and Dr. Kavita Shah was appointed as Independent Director of the Company and appointed as Chairman and Members of Committees.

\*\* Shri Ambarish Chatterjee resignation accepted on 16th November 2016. He was member of 3 Committee till he resigned from his office.

\*\*\* Smt Veena Agnihotri was appointed as Independent Director of the Company in the Annual General Meeting 2015. She was appointed as Chairman and Member of 3 Committee

Other directorships do not include directorships of Private Limited Companies, Section 8 Companies and of Companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit, Nomination and Remuneration and Stakeholders Relationship Committees.

Mr. Bholanath Baranwal, Managing Director of the Company is father of Mr. Vivek Baranwal and Mr. Harish Baranwal, Directors of the Company and thus is related. No other Director of the Company is related to any other Director of the Company.

Particulars of the Non-Executive Directors who are retiring by rotation and eligible for re-appointment has been given in the attachment to the Notice and their profile is also appearing elsewhere in the Report.

**(e) CODE OF CONDUCT**

(A) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of the Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company – [www.bholanath.biz](http://www.bholanath.biz).

(B) The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2016. The Annual Report of the Company contains a Certificate by the Managing Director in this regard.

**3. AUDIT COMMITTEE**

**(A) QUALIFIED AND INDEPENDENT AUDIT COMMITTEE**

The Company complies with the provisions of Section 177 of the Companies Act, 2013 read with rules made thereunder as well as requirements under the Listing Agreement pertaining to the Audit Committee. Its functioning is as under:

(i) The Audit Committee presently consists of the 3 Non-Executive Directors / Independent Directors.

(ii) All members of the Committee are financially literate and having the requisite financial management expertise.

(iii) The Chairman of the Audit Committee is an Independent Director.

(iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 30, 2015.

(v) M/s O. P. Tulsyan & Co. has audited the accounts of the Company from the financial year 2015-16 will continue to audit in future years.

**(B) COMPOSITION, NAMES OF MEMBERS AND CHAIRPERSON, ITS MEETINGS AND ATTENDANCE:**

The Chairman of the Audit Committee is Mr. Amarnath Pandey. During the year, 4 Audit Committee meetings were held on May 21, 2015, August 05, 2015, October 12, 2015 and February 03, 2016.

The composition of the Audit Committee and number of meetings attended by the Members are given below:

<b>Name of directors</b>	<b>Position</b>	<b>Meeting Held during 2015-16</b>	<b>Meeting Attended</b>
Mr. Amarnath Pandey	Independent	4	4
Mr. Ambarish Chatterjee*	Independent	4	2
Mr. R. K. Dubey**	Independent	4	1
Smt. Veena Agnihotri***	Independent	1	1
Dr. Kavita Shah****	Independent	0	0

\* Mr. Ambarish Chatterjee had resigned and his resignation accepted on 16<sup>th</sup> Nov, 2016 in the Board Meeting.

\*\* Mr. R. K. Dubey had resigned and his resignation accepted on 12<sup>th</sup> Feb, 2016 in the Board Meeting.

\*\*\* Smt. Veena Agnihotri was appointed in the Board on 30<sup>th</sup> Sep, 2016 in the Annual General Meeting 2015.

\*\*\*\* Dr. Kavita Shah was appointed in the Board on 12<sup>th</sup> Feb, 2016 in the Board Meeting.

The Committee meetings are attended by invitation by the Managing Director, Chief Financial Officer, Unit Head, the representatives of Statutory Auditors and representatives of the Internal Auditors.

The internal and statutory auditors of the Company discuss their audit findings and update the Audit Committee and submit their views directly to the Committee. Separate meetings are held with the internal auditors to focus on competence issues and to conduct detailed reviews of the processes and internal controls in the Company.

**(C) FUNCTION AND TERMS OF REFERENCE**

The function and terms of reference of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement as well as Section 177 of the Companies Act, 2013. The broad terms of reference of the Committee include:-

**a) STATUTORY AUDITORS**

To recommend to the Board for the appointment and / or re-appointment of the Statutory Auditors, fixation of audit fee and to approve payment for any other services rendered by the statutory auditors.

**b) REVIEW INDEPENDENCE OF STATUTORY AUDITORS**

Reviewing the information provided by the management relating to the independence of firm, including, among other things, information relating to the non audit services provided and expected to be provided by the Statutory Auditors.

**c) REVIEW THE PERFORMANCE OF THE INTERNAL AND EXTERNAL AUDITORS**

Review with the management the performance of the statutory and internal auditors and adequacy of the internal control systems.

**d) REVIEW FINANCIAL STATEMENTS**

1. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013.

b) Changes, if any, in accounting policies and practices and reasons for the same

c) Major accounting entries involving estimates based on the exercise of judgment by management.

d) Significant adjustments made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements relating to financial statements.

f) Disclosure of any related party transactions.

g) Qualifications, if any in the draft audit report.

2. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

**e) REVIEW OF OTHER INFORMATION**

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operation.

2. Statement of significant related party transaction submitted by the management.

3. To look into the reasons for substantial defaults in the payment to the creditors.

4. To review the functioning of the Whistle Blower mechanism.

5. Seek legal or professional advice, if any

**4. NOMINATION AND REMUNERATION COMMITTEE**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Nomination Committee" as the "Nomination and Remuneration Committee".

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence

of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the Company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the Industry norms.

During the year only one Nomination and Remuneration Committee Meeting was held on August 14, 2015. The Composition of Nomination and Remuneration Committee and attendance of each member Director, at the Committee Meetings during the period is as under:

<b>Name of Directors</b>	<b>Position</b>	<b>Meeting Held during 2015-16</b>	<b>Meeting attended</b>
Mr. Amarnath Pandey	Chairman	1	1
Mr. Ambarish Chatterjee	Member	1	1
Mr. R. K. Dubey	Member	1	0

#### **REMUNERATION TO EXECUTIVE DIRECTORS**

The details of remuneration paid to all the Executives Directors during the year ended on March 31, 2016 are as follows:

<b>Name of Directors</b>	<b>Service contract / Notice Period</b>	<b>Remuneration Paid (Salaries, Perquisites and contribution to PF )</b>	<b>Total</b>
Mr. Bholanath Baranwal	Appointed was effective from 30.09.2015 and made for 5 years from the date of reappointment	6,96,000.00	6,96,000.00

#### **REMUNERATION TO NON-EXECUTIVE DIRECTORS**

No remuneration paid to any Non-Executives Directors during the year ended on March 31, 2016.

## **5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing “Shareholders / Investor Grievance Committee Meeting” as the “Stakeholder Relationship Committee”. The said Committee would also recommend measures for overall improvement of the quality of Investor Services.

The process of share transfer as well as review of Redressal of investors’/shareholders’ grievances is undertaken on fortnightly basis by the Registrar and Share Transfer Agents and the Compliance Officer.

However, the matters related to issue a fresh Share Certificates would be dealt with by the Stakeholder Relationship Committee.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities twice in months in accordance with Clause 49 (IV) (G).

During the year, 4 meetings of the Stakeholder Relationship Committee / Shareholders/Investors Grievance Committee were held on 30<sup>th</sup> May, 2015, 14th August, 2015, 21st October, 2015 and 12th February, 2015.

The composition of the Shareholders/Investors Grievance Committee and number of meetings attended by the Members are given on the next page:

The compliance officer of the company carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, R.B.I. in respect of implementing laws, rules and regulations, and directives of such authorities concerning investor service and complaints.

### **B) FUNCTIONS OF THE COMMITTEE TERMS OF REFERENCE OF THE COMMITTEE, INTER ALIA, AND INCLUDES THE FOLLOWING:**

1. Oversee and review all matters connected with the transfer of the Company’s securities.
2. Approve issue of the Company’s duplicate share / debenture certificates.
3. Consider, resolve and monitor Redressal of investors’/ shareholders’ / security holder’s grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
4. Oversee the performance of the Company’s Registrars and Transfer Agents.
5. Recommend methods to upgrade the standard of services to investors.
6. Monitor implementation and compliance with the Company’s Code of Conduct for Prohibition of Insider Trading.
7. Carry out any other function as is referred by the Board from time to time and /or enforced by any statutory notification / amendment or modification as may be applicable.
8. Perform such other functions as may be necessary or appropriate for the performance of its duties.
9. All other matters related to shares.

The Committee performs following tasks:-

1. Transfer / Transmission of Shares.
2. Issue of Duplicate Share Certificates.
3. Review of Share dematerialization and rematerialization.
4. Monitoring the expeditious Redressal of Investor Grievances.
5. Monitoring the performance of the Company’s Registrar & Transfer Agent.
6. All other matters related to Shares.

**C) NAME AND DESIGNATION OF THE COMPLIANCE OFFICER**

Ms. Nupur Gupta, a post graduate in Commerce has good knowledge and expertise in Finance, Audit, Legal and Secretarial. She is Company Secretary and Compliance Officer designated by the Board of Directors of the Company and can be contacted at:

Ms. Nupur Gupta, Company Secretary  
G. T. Road, Kachhawan, Varanasi - 221313, U. P.  
Ph. No.: +91542-26 20 221, Fax No.: +91542-26 20 090  
Email Id: [cs@bholanath.biz](mailto:cs@bholanath.biz) ,[cscompliance@bholanath.biz](mailto:cscompliance@bholanath.biz)

**D) NUMBER OF COMPLAINTS RECEIVED AND REDRESSED DURING THE YEAR 2014-15**

Opening Balance	Received during the year	Resolved during the year	Closing balance
0	0	0	0

As required under Clause 47 C of the Listing Agreement and in compliance of Reg. 40(9) of SEBI(LODR) Regulations ,2015, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

**E) SUSPENSE ACCOUNT FOR THE UNCLAIMED SHARES**

There is no such provision.

**6. INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on February 12, 2016, inter alia to discuss:

- i. Review the performance of non-independent directors and the Board as a whole;
- ii. Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

**1. CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS**

a) The Non- Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b) In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.



- c) The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d) The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
- i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e) In case of re-appointment of Non- Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## **2. REMUNERATION**

The Non -Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. Non -Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- iii. The payment of such commission would be at the discretion of board only and shall not exceed 1% of the net profit of the Company;
- iv. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

## **3. MANAGING DIRECTOR & WHOLE TIME DIRECTOR – CRITERIA FOR SELECTION / APPOINTMENT**

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

## **REMUNERATION FOR THE MANAGING DIRECTOR OR WHOLE TIME DIRECTOR**

- i. At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

iii. The remuneration of the Managing Director or Whole Time Director may be broadly divided into fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retrial benefits. The variable component shall comprise performance bonus.

iv. In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure / consider the following:

a. the relationship of remuneration and performance benchmarks is clear;

b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

c. responsibility required to be shouldered by the Managing Director or Whole Time Director, the industry benchmarks and the current trends.

### **REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES**

I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the following:

i. the relationship of remuneration and performance benchmark is clear;

ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

II. The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

## **7. RISK MANAGEMENT**

### **(A) RISK MANAGEMENT**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Board of Directors broadly comprises:

- (i) Oversight of risk management performed by the executive management;
- (ii) Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- (iii) Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- (iv) Defining framework for identification, assessment, monitoring, mitigation and reporting of risks. Within its overall scope as aforesaid, the Board shall review risks trends, exposure, potential impact analysis and mitigation plan.

## **8. DISCLOSURES**

### **(A) BASIS OF RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as on an arm's length basis.
- (iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

### **(B) COMPLIANCE WITH ACCOUNTING STANDARDS**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### **(C) BOARD DISCLOSURES - RISK MANAGEMENT**

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Board of Directors review these procedures periodically in view to minimize the risk and earn sustainability.

**(D) PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES ETC.**

The Company did not have any of the above issues during the year under review.

**(E) WHISTLE BLOWER POLICY**

In pursuit to maintain the highest ethical standards in the course of its business, the Company has put in place a mechanism for reporting of instances of conduct which is not in conformity with its Code. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations, unethical conduct, misuse of authority, financial irregularities etc. by way of e-mail directly to the Director and Chairman of Stakeholder Relationship Committee. The whistle blowers may also have direct access to the Chairman of Audit Committee. The Company has provided a dedicated e-mail address [cscpliance@bholanath.biz](mailto:cscpliance@bholanath.biz) for reporting such complaints. The whistle blower policy aims:

1. To create a window for the employees, who observe an unethical practice either organisationally or individually, to be able to raise it without any fear of victimisation or reprisal.
2. To encourage timely, safe and open reporting of alleged wrong doings or suspected impropriety.
3. To ensure consistent and timely institutional response.
4. To ensure appropriate reporting of whistleblower investigations; and
5. To encourage ethical and lawful conduct.

The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination. No employee was denied access to the Audit Committee.

**(F) ETHICS / GOVERNANCE POLICIES**

We strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

1. Code of Conduct
2. Code of Conduct for Prohibition of Insider Trading
3. Health, Safety and Environment (HSE) Policy
4. Vigil Mechanism and Whistle Blower Policy
5. Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions
6. Risk Management Policy
7. Corporate Social Responsibility Policy
8. Policy for Selection of Directors and determining Directors Independence
9. Remuneration Policy for Directors, Key Managerial Personnel and other Employees
10. Policy on Sexual Harassment

**(G) SECRETARIAL AUDIT REPORT**

The Company has obtained Secretarial Audit Report from the Company Secretary in practice for compliance with the applicable provisions of the Companies Act, 1956 (effective Section) and rules made thereunder, the Companies Act, 2013 and rules made thereunder (notified Sections), Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the said Report is annexed as Annexure 'A' of Board's Report.

**(H) MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

**(I) SHAREHOLDERS**

(i) The quarterly results made by the Company are put on the Company's website under the following link <http://www.bholanath.biz>.

(ii) Mr. Harish Baranwal, Director of the company is retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-election as Executive Director.

**9. CEO / CFO CERTIFICATION**

The Managing Director and Chief Financial Officer have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO Certification for the financial year ended March 31, 2015, published elsewhere in the Annual Report.

**10. COMPLIANCE ON CORPORATE GOVERNANCE**

The quarterly compliance report has been submitted to the Stock Exchange where the Company's equity shares are listed in the requisite format duly signed by the Compliance officer. Pursuant to the Clause 49 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

**11. GENERAL MEETINGS**

**(A) LOCATION AND TIME OF GENERAL MEETINGS HELD IN THE LAST 3 YEARS**

<b>YEAR</b>	<b>DATE &amp; DAY</b>	<b>LOCATION</b>	<b>TIME</b>	<b>SPECIAL RESOLUTION</b>
<b>2014-15</b>	30.09.2015 (Wednesday)	At Registered office of the Company	4.00 P.M.	NIL
<b>2013-14</b>	30.09.2014 (Tuesday)	At Registered office of the Company	4.00 P.M.	NIL
<b>2012-13</b>	30.09.2013 (Monday)	At Registered office of the Company	4.00 P.M.	NIL

**(B) POSTAL BALLOT**

**(I) DETAILS OF THE SPECIAL/ORDINARY RESOLUTIONS PASSED BY THE COMPANY THROUGH POSTAL BALLOT:**

During the financial year 2015-16 ended on March 31, 2016, no special/ordinary resolutions passed by the Company through Postal Ballot.

**(ii) WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT:**

There is no proposal for any special resolution to be put through postal ballot at the forthcoming Annual General Meeting for shareholders' approval.

**12. MEANS OF COMMUNICATION**

**(a) QUARTERLY RESULTS:** Unaudited quarterly financial results and the Annual Audited Financial Results of the Company are sent to all the Stock Exchanges where its equity shares are listed, and the same are generally published in Business Standard, leading National English and Hindi Newspapers.

**(b) WEBSITE: [www.bholanath.biz](http://www.bholanath.biz)**

Detailed information on the Company's business and products; quarterly/half yearly/ nine months and annual financial results, Investor brief and the quarterly distribution of Shareholding are displayed on the Company's website.

**(c) EXCLUSIVE EMAIL ID FOR INVESTORS:**

The Company has designated the email id [cs@bholanath.biz](mailto:cs@bholanath.biz), [cscompliance@bholanath.biz](mailto:cscompliance@bholanath.biz) of Ms. Nupur Gupta, Company Secretary of the Company exclusively for investor servicing and the same is prominently displayed on the Company's website [www.bholanath.biz](http://www.bholanath.biz).

**(d) ANNUAL REPORT:**

Annual Report contains inter-alia Audited Annual Accounts, Consolidated Financial Statement, Directors' Report, Auditors' Report. The Management Perspective, Business Review and Financial Highlights are also part of the annual report.

**(e) THE MANAGEMENT DISCUSSION & ANALYSIS:**

The Management Discussion & Analysis Report forms part of the annual report.

**(f) INTIMATION TO THE STOCK EXCHANGES:** The Company intimates stock exchanges all price sensitive information or such other information which in its opinion are material & of relevance to the shareholders.

**(g) CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES:**

The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code of conduct is available on the Company's website [www.bholanath.biz](http://www.bholanath.biz). All Board Members and Senior Management Personnel affirm compliance with the code of conduct annually. The Managing Director has given a declaration that all the Directors and senior management personnel have affirmed compliance with the Code of Conduct and same is annexed hereto.

**(h) CEO/CFO CERTIFICATION:**

A prescribed certificate as stipulated in clause 49(V) of the listing agreement duly signed by the Managing Director and Chief Financial Officer was placed before the Board along with the financial statements for the year ended March 31, 2016. The said certificate is provided elsewhere in the Annual Report.

**FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2016-17 (TENTATIVE)**

Financial Reporting for the quarter / three months ending 30th June, 2016	27th July, 2016
Financial Reporting for the quarter / half year	By mid of November 2016

ending 30th September, 2016	
Financial Reporting for the quarter / nine months ending 31st December, 2016	By mid of February 2016
Financial Reporting for the annual audited accounts for the financial year ending 31st March, 2017	By the end of May 2017

### 13. GENERAL SHAREHOLDER INFORMATION

#### (I) ANNUAL GENERAL MEETING

Date & Day	27.09.2016 (Tuesday)
Time	3.00 P.M.
Venue	G. T. Road, Kachhawan, Varanasi-221313, U. P.
Date of Book closure	19.09.2016 to 27.09.2016 (Both days inclusive)
Financial Year	1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016

#### (ii) UNCLAIMED DIVIDEND

The Company has not declared any dividend.

#### (iii) LISTING ON STOCK EXCHANGE

The Company's entire equity share capital comprising of 48,00,000 equity shares of 10/- each is listed at the following Stock Exchange: Bombay Stock Exchange.

#### (iv) LISTING AND CUSTODIAN FEES

The Company has paid listing fees for the Financial Year 2015-16 to the Bombay Stock Exchange. The Company has paid the annual custodial fee for the year 2015-16 to both the depositories namely NSDL and CDSL.

#### (v) SHAREHOLDING AS ON 31 MARCH, 2016

##### (a) DISTRIBUTION OF EQUITY SHAREHOLDING AS ON MARCH 31, 2016

No. of Equity Shares held for nominal value of Rest. 10/-	Shareholders		Equity Share amount	
	Number	% of total	Total amount (In Rest.)	% of total
1 – 5000	760	68.903	1911500	3.982
5001 – 10000	166	15.050	1126500	2.347

10001 – 20000	88	7.978	1231000	2.565
20001 – 30000	12	1.088	310000	0.646
30001 – 40000	8	0.725	277000	0.577
40001 - 50000	9	0.816	420000	0.875
50001 – 100000	12	1.179	999000	2.081
100001 & above	47	4.261	41725000	86.927
	<b>1102</b>	<b>100.00</b>	<b>48000000.00</b>	<b>100.00</b>

**(b) SHAREHOLDING PATTERN OF EQUITY SHARES AS ON MARCH 31, 2016**

Sl. No.	Categories of Shareholders	As on 31.03.2016	
		No. of shares	% of Shares
1	Promoters	2428300	50.59
2	Mutual Funds and UTI	3700	0.07
3	Banks, Financial Institutions	100000	2.08
4	Insurance Companies	0	0
5	Bodies Corporate	604400	14.64
6	Individuals	960600	20.00
7	Directors' Relatives	0.00	0.00
8	NRIs	703000	14.64
9	HUF	0	0
10	Foreign Nationals	0	0
11	Clearing Members/Public Trust	0	0
	<b>Total</b>	<b>4800000</b>	<b>100.00</b>

**(c) Promoters' Group Shareholding as on March 31, 2016**

Sl. No.	Name of Promoters	No. of shares held	% of total paid up share capital	No. of shares pledged	% of total shareholding of promoters



<b>1</b>	VIVEK BARANWAL	36400	0.76	0	0
<b>2</b>	HARISH BARANWAL	57500	1.20	0	0
<b>3</b>	BHOLANATH BARANWAL	662580	13.80	0	0
<b>4</b>	ROMIT BARANWAL	31200	0.65	0	0
<b>5</b>	AMIT BARANWAL	31200	0.65	0	0
<b>6</b>	SUMIT BARANWAL	31200	0.65	0	0
<b>7</b>	BHOLANATH BARANWAL HUF	188900	3.93	0	0
<b>8</b>	RENU BARANWAL	12800	0.26	0	0
<b>9</b>	DINA NATH BARANWAL HUF	257400	5.36	0	0
<b>10</b>	DINANATH BARANWAL	103900	2.16	0	0
<b>11</b>	HRIDAYNATH BARANWAL	27500	0.57	0	0
<b>12</b>	PHOOLMANI DEVI BARANWAL	117900	2.45	0	0
<b>13</b>	SURENDRA NATH BARANWAL	357400	7.44	0	0
<b>14</b>	VIJAYA BARANWAL	87800	1.82	0	0
<b>15</b>	RAGINI BARANWAL	204600	4.26	0	0
<b>16</b>	BINA BARANWAL	112520	2.34	0	0
<b>17</b>	NIKHIL BARANWAL	101400	2.11	0	0
	<b>TOTAL</b>	<b>2428300</b>	<b>50.59</b>		

**(d) CAPITAL OF THE COMPANY**

The Authorized and paid-up capital of your Company is Four Core Eighty Lakhs only (Rs. 4.80 Core) as on March 31, 2016. The Company has not changed its share capital (due to right, bonus, preferential issue, IPO, buyback, capital reduction, amalgamation, de-merger etc.) during the year under review.

**(e) TOP TEN SHAREHOLDERS AS ON 31 MARCH, 2016**

<b>Sl. No.</b>	<b>Name of shareholders</b>	<b>No. of Equity shares held</b>	<b>% of Equity shares held</b>
<b>1</b>	VAN DER EECKEN & CO. N.Y.	702000	14.63
<b>2</b>	BHOLANATH BARANWAL	668680	13.93
<b>3</b>	SURENDRA NATH BARANWAL	357400	7.45
<b>4</b>	DINA NATH BARANWAL HUF	257400	5.36
<b>5</b>	RAGINI BARANWAL	204600	4.26
<b>6</b>	KOHINOOR CREDIT PVT. LTD.	189300	3.94
<b>7</b>	GOOD MORNING COMMERCIALS LTD	188900	3.94
<b>8</b>	BHOLANATH BARANWAL HUF	188900	3.94
<b>9</b>	PHOOLMANI DEVI BARANWAL	117900	2.46
<b>10</b>	BINA BARANWAL	112520	2.34
	<b>Total</b>	<b>2987600</b>	<b>62.24</b>

**(vi) STOCK PRICE DATA/ STOCK PERFORMANCE: YEAR 2015-16**

During the year under report, the trading in the Company's equity shares was from April 1, 2015 to March 31, 2016. The high and low price during the period on the Bombay Stock Exchange Limited with comparison to Sensex was as under:-

<b>Month</b>	<b>High Rate (In Rest.)</b>	<b>Low Rate (In Rest.)</b>
<b>April, 2015</b>	Not Traded	Not Traded
<b>May, 2015</b>	7.70	7.70
<b>June, 2015</b>	Not Traded	Not Traded
<b>July, 2015</b>	Not Traded	Not Traded
<b>August, 2015</b>	Not Traded	Not Traded
<b>September, 2015</b>	Not Traded	Not Traded
<b>October, 2015</b>	8.08	8.08

<b>November, 2015</b>	8.48	8.48
<b>December, 2015</b>	Not Traded	Not Traded
<b>January, 2016</b>	Not Traded	Not Traded
<b>February, 2016</b>	9.34	8.90
<b>March, 2016</b>	8.88	6.60

**(vii) DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company's equity shares are compulsorily traded in the electronic form from 26th December, 2000. The Company entered into an Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of its shares for scripless trading. The system for getting the shares dematerialised is as under:

- Share Certificate(s) along with Demat Request Form (DRF) is to be submitted by the shareholder to the Depository Participants (DP) with whom he/she has opened a Depository Account.
- DP processes the DRF and generates a unique number DRN.
- DP forwards the DRF and share certificates to the Company's Registrar and Share Transfer Agent.
- The Company's Registrar and Share Transfer Agent after processing the DRF confirm or reject the request to the Depositories.
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

As on March 31, 2016, 48.29% of total equity share capital of the Company was held in dematerialised form (including 69.58% of the promoter holding). The ISIN allotted by NSDL/CDSL is **INE151F01012**. Confirmation in respect of the requests for dematerialisation of shares is sent to NSDL and CDSL within the stipulated period.

<b>Particulars</b>	<b>No. of shares</b>	<b>(%)</b>
Physical	2481980	51.71
NSDL	2318020	48.29
CDSL	0	0
<b>Total</b>	<b>4800000</b>	<b>100.00</b>

**(viii) OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**(ix) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

As required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, the audit for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital for each of the quarter in the financial year ended on March 31, 2016 was carried out.

The audit reports confirm that the total issued/ paid up share capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**(x) REGISTER AND SHARE TRANSFER AGENTS**

The Members are requested to correspond the Company's Registrars & Share Transfer Agents – M/s MAS Services Limited quoting their Folio Number, Client ID and DP ID at the following address:-

**MAS SERVICES LIMITED**

T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110 020, Delhi  
Ph: - 26387281/82/83, Fax:- 26387384  
Email: - info@masserv.com  
Website: [www.masserv.com](http://www.masserv.com)

**(xi) REGISTERED OFFICE**

G. T. Road, Kachhawan  
Varanasi - 221313, U. P.  
Phone: +542-2620313, Fax: +542-2620090  
Email: cscompliance@bholanath.biz  
Website: [www.bholanath.com](http://www.bholanath.com)

**(xii) PLANT LOCATIONS**

G. T. Road, Kachhawan  
Varanasi - 221313, U. P.  
Phone: +542-2620313, Fax: +542-2620090  
Email: info@bholanath.biz  
Website: [www.bholanath.biz](http://www.bholanath.biz)

**(xiii) ADDRESS FOR CORRESPONDENCE**

Please contact the Company Secretary of the Company at the following address regarding any questions or concerns:

Ms. Nupur Gupta (Company Secretary)  
Shri Bholanath Carpets Limited  
G. T. Road, Kachhawan  
Varanasi - 221313, U. P.  
Phone: +542-2620313, Fax: +542-2620090  
Email: [cs@bholanath.biz](mailto:cs@bholanath.biz), cscompliance@bholanath.biz  
Website: [www.bholanath.biz](http://www.bholanath.biz)

**(xiv) COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM THE AUDITOR**

The certificate dated August 31<sup>st</sup>, 2016 from Statutory Auditors of the Company, M/s O. P. Tulsyan & Co. confirming compliance with the Corporate Governance requirements as stipulated under Clause 49 of

the Listing Agreement is annexed hereto. The above report has been adopted by the Board of Directors at their meeting held on August 31<sup>st</sup>, 2016.

**On Behalf of the Board**

**Sd/-**

**Bholanath Baranwal**  
**(Chairman & Managing Director)**  
**DIN: 00306086**

**Date:** 29.08.2016

**Place:** Varanasi

**DECLARATION REGARDING COMPLIANCE TO CODE OF CONDUCT**

I hereby confirm that the Company has adopted code of conduct for the Board of Directors and Senior Management of the Company.

I hereby declare that the Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of the Company, in compliance of the requirements of Corporate Governance.

**On Behalf of the Board**

**Sd/-**

**Bholanath Baranwal**  
**(Chairman & Managing Director)**  
**DIN: 00306086**

**Date:** 29.08.2016

**Place:** Varanasi

**TO**  
**THE MEMBERS OF**  
**SHRI BHOLANATH CARPETS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Shri Bholanath Carpets Limited for the financial year ended on March 31, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the listing Agreement) issued by the Institute of Chartered Accountant of India and 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 explanations given to us and representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

**For O. P. Tulsyan & Co.**  
**Chartered Accountants**

**Sd/-**



**Place: Varanasi**  
**Date : 29<sup>st</sup> August, 2016**

**(Om Prakash Tulsyan)**  
**(Partner)**  
**M. No. 011165**



O.P. TULSYAN & CO. CHARTERED ACCOUNTANTS	Ph. 272903,272904 Fax : 033-2251642 E-mail : optandcompany@gmail.com
B.O. : B 38/3, Maharaja Nagar Colony, Mahmoorganj , Varanasi	
<u>INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS</u>	
TO THE MEMBERS OF SHRI BHOLANATH CARPETS LIMITED	
<u>REPORT ON THE FINANCIAL STATEMENTS</u> We have audited the accompanying (Standalone) financial statements of SHRI BHOLANATH CARPETS LIMITED, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.	
<u>MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS</u> 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 of these (Standalone) 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.	
<u>AUDITORS' RESPONSIBILITY</u> Our responsibility is to express an opinion on these (Standalone) 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 thereunder. 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.  Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 (Standalone) financial statements.	
Head Office: 1.B/7/10 2nd Floor D.S. Ramesh Nagar, New Delhi -110015 Ph. 25422346, 25422351 2. Room No.201-A, 2nd Floor, Prince Complex, Hazratganj, Lucknow, Ph. : 2217336 3. Suelha Villa, J.C. Road, 1st Lane, Lalpur, Ranchi-834001 (Jharkhand) 4. R.No.F-213, Kamalalaya Centre, 156-A, Lenin Sarani, Kolkata- 13, Ph. 2272903-904	



O.P. TULSYAN & CO.	Continuation Sheet
<b>OPINION</b>	
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/Loss and its Cash Flow for the year ended on that date.	
(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;	
(b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and	
(c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.	
<b>REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS</b>	
1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 paragraphs 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 purposes of our audit;	
(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.	
(c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.	
(d) In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.	
(e) On the basis of 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.	
(f) 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".	
(g) With respect to the other matters to be included in the Auditor's 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:	
1) The Company does not have any pending litigations which would impact its financial position	
2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.	
3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	
PLACE : VARANASI DATE :- 30.05.2016	 <p>For O.P. TULSYAN &amp; CO., CHARTERED ACCOUNTANTS FRN 500026N  O.P. TULSYAN (PARTNER) M.No. 011165</p>
Head Office: 1.B/7/10 2nd Floor D.S. Ramesh Nagar, New Delhi - 110015 Ph. 25422346, 25422351 2. Room No. 201-A, 2nd Floor, Prince Complex, Hazratganj, Lucknow, Ph. : 2217336 3. Sudha Villa, J.C. Road, 1st Lane, Lalpur, Ranchi-834001 (Jharkhand) 4. R.No.F-213, Kamalalaya Centre, 156-A, Lenin Sarani, Kolkata-13, Ph: 2272903-904	

Continuation Sheet

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1 a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on verification.
- c) Based upon the audit procedure performed and according to the records of the Company, title deeds of all the immovable properties are held in the name of the Company.
- 2 The Inventories of finished goods, stores, spare part and raw materials have been physically verified by the management. In our opinion the frequency of verification is reasonable. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- 3 The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order is not applicable to the Company.
- 4 In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security to the extent applicable to it.
- 5 The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public is not applicable to the company.
- 6 To the best of our knowledge and as explained, Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for the products of the Company. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- 7 a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were outstanding at the year end, for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.
- 8 Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank or government. The Company did not have any outstanding dues in respect of financial institution or debentures during the year.
- 9 We have verified that the end use of money raised by public issue is as disclosed in the notes to the financial statements. The Company did not have any term loans outstanding during the year.

O.P. TULSYAN & CO.	Continuation Sheet
10	Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
11	In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12	In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13	In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of Act, where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard.
14	The Company has not made any preferential allotment or private placement of shares or partly or fully convertible debentures during the year, therefore reporting under clause 3(xiv) shall not be applicable.
15	According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
16	In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
<b>Annexure 'B'</b>	
<b>Annexure to the independent auditor's report of even Shri Bholanath Carpets Limited</b>	
Report on the Internal Financial Controls under Clause (l) 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 Shri Bholanath Carpets Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.	
<b>Management's Responsibility for Internal Financial Controls</b>	
The Company's management is responsible for establishing and maintaining internal financial controls 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. 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 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 Act.	
<b>Auditors' Responsibility</b>	
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 Act, 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 require 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 was established and maintained and if such controls operated effectively in all material respects.	

O.P. TULSYAN & CO.	Continuation Sheet
<p>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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.</p>	
<p>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.</p>	
<p><b>Meaning of Internal Financial Controls Over Financial Reporting</b></p>	
<p>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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.</p>	
<p><b>Inherent Limitations of Internal Financial Controls Over Financial Reporting</b></p>	
<p>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.</p>	
<p><b>Opinion</b></p>	
<p>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 March 31, 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.</p>	
<p>PLACE :- VARANASI DATE :- 30.05.2016</p>	<p><p>FOR O.P.TULSYAN &amp; CO. Chartered Accountants FRN 500028N  (PARTNER) M.No. 011195</p></p>

O.P. TULSYAN & CO. CHARTERED ACCOUNTANTS		Ph. 272903,272904 Fax : 033-2251642 E-mail : optandcompany@gmail.com	
B 38/3 Maharaja Nagar Colony, Mahmoorganj, Varanasi-221010. Ph.-2362262, 23241746			
<b>M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOWN BIL CONTINENTAL LIMITED</b>			
<b>BALANCE SHEET AS ON 31ST MARCH, 2016</b>			
( IN RUPEES )			
Particulars	Note No.	Figures As At The End Of Current Reporting Period	Figures As At The End Of Previous Reporting Period
1	2	3	4.00
<b>I. EQUITY AND LIABILITIES</b>			
<b>A Shareholders' funds</b>			
(a) Share capital	1	4,80,00,000.00	4,80,00,000.00
(b) Reserves and surplus	2	7,55,51,380.83	7,95,59,039.75
Share application money pending allotment			
<b>B Non-current liabilities</b>			
(a) Long-term borrowings	3	-	8,84,374.00
(b) Deferred tax liabilities (Net)	4	32,34,279.85	36,40,371.08
<b>C Current liabilities</b>			
(a) Short-term borrowings	5	9,60,04,859.36	7,99,08,152.18
(b) Trade payables	6	2,71,41,222.65	5,53,49,269.11
(c) Other current liabilities	7	1,04,92,237.36	1,71,75,097.08
(d) Short-term provisions	8	6,99,120.00	6,64,038.00
<b>TOTAL</b>		<b>26,11,23,100.05</b>	<b>28,51,80,341.20</b>
<b>II. ASSETS</b>			
<b>A Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	9	2,48,42,128.63	2,68,32,853.80
(b) Non-current investments	6	2,15,15,999.99	2,15,15,999.99
(c) Long-term loans and advances	10	7,45,619.00	5,45,619.00
<b>B Current assets</b>			
(a) Inventories	11	10,26,82,762.89	10,83,65,301.00
(b) Trade receivables	12	9,68,87,306.24	11,00,00,242.19
(c) Cash and cash equivalents	13	59,84,237.46	26,25,534.32
(d) Short-term loans and advances	14	84,65,045.84	1,52,94,790.90
<b>TOTAL</b>		<b>26,11,23,100.05</b>	<b>28,51,80,341.20</b>
Additional notes		15	
SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.		FOR AND ON BEHALF OF THE BOARD OF DIRECTORS SHRI BHOLANATH CARPETS LIMITED	
FOR O.P. TULSYAN & COMPANY CHARTERED ACCOUNTANTS		 DIRECTOR	 DIRECTOR
			
(PARTNER)	PLACE: VARANASI DATED: 30/05/2016		

**M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED**  
**NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31 March 2016**

Note 1

Share Capital	31st March, 2016		31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised</b> 60,00,000 Equity Shares of Rs.10/- Each	60,00,000	6,00,00,000	60,00,000	6,00,00,000.00
<b>Issued Subscribed and Fully Paid Up</b> 48,00,000 Equity Shares of Rs. 10/- each	48,00,000	4,80,00,000	48,00,000	4,80,00,000.00
<b>Total</b>	48,00,000	4,80,00,000	48,00,000	4,80,00,000.00

Note 1(a) There is no Preference Share hence the same is not being reported

Note 1(b)

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	48,00,000	4,80,00,000.00
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	48,00,000	4,80,00,000.00

Note 1(c) Equity Shares held by the Holding Company

NIL Equity Shares (NIL) are held by , the holding company.

Note 1(d) Shareholders holding more than 5% of Share Holdings

Name of Shareholder	31st March, 2016		31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Surendranath Baranwal	3,57,400	7.45%	3,57,400	0.07
Vandar Eachan & Co.	7,02,000	14.63%	7,02,000	0.15
Bholanath Baranwal	6,68,680	13.93%	6,68,680	0.14
Dinanath Baranwal	2,57,400	5.36	2,57,400	5.36

Note 1(e) Disclosure for each class of Shares:

Particulars	Year (Aggregate No. of Shares)			
	2012-13	2013-14	2014-15	2015-16
<b>Equity Shares :</b>				
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL
<b>Preference Shares :</b>				
Fully paid up pursuant to contract(s) without payment being received in cash -				
Fully paid up by way of bonus shares				
Shares bought back				

<b>M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED</b>			
<b>NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31 March 2016</b>			
Note 2	<b>Reserves &amp; Surplus</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>a. General Reserves</b>		
	Opening Balance	4,91,00,000.00	4,91,00,000.00
	Less : W/Off ( 13-14)	45,29,228.00	
		<u>4,45,70,772.00</u>	
	(+) Current Year Transfer		-
	(-) Written Back in Current Year		-
	Closing Balance	4,45,70,772.00	4,91,00,000.00
	<b>b. Securities Premium Account</b>		
	Opening Balance	2,86,00,000.00	2,86,00,000.00
	Add : Securities premium credited on Share issue		
	Less : Premium Utilised for various reasons		
	Closing Balance	2,86,00,000.00	2,86,00,000.00
	<b>c. Surplus</b>		
Opening balance	18,59,039.75	14,06,366.60	
(+) Net Profit/(Net Loss) For the current year	5,21,569.09	2,86,607.00	
(+) Excess Depreciation Provision Written Back	-	1,66,066.15	
Closing Balance	<u>23,80,608.83</u>	<u>18,59,039.75</u>	
<b>Total</b>	<b>7,55,51,380.83</b>	<b>7,95,59,039.75</b>	
Note 3	<b>Long Term Borrowings</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
		₹	₹
	From Inter- Corporate Deposit	-	8,84,374.00
	<b>Total</b>	-	<b>8,84,374.00</b>
Note 4	<b>Deferred Tax Liabilities</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
		₹	₹
	Deferred Tax Liabilities	36,40,371.08	41,74,944.80
	Addition During The Year	(4,06,091.23)	(5,34,573.72)
<b>Total</b>	<b>32,34,279.85</b>	<b>36,40,371.08</b>	
Note 5	<b>Short Term Borrowings</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
		₹	₹
	<b>Secured</b>		
	Packing Credit From HDFC	-	17,63,408.00
	Packing Credit From Syndicate Bank	8,90,26,682.41	7,35,00,543.93
	Loan against foreign bills from Syndicate Bank	69,78,176.95	41,31,176.02
	HDFC A/C 14652790000021	-	9,411.58
	PNB BHADOHI C/A	-	5,03,612.65
	<b>Total</b>	<b>9,60,04,859.36</b>	<b>7,99,08,152.18</b>

Note 6	<u>Trade Payables</u>		31st March, 2016	31st March, 2015
			₹	₹
	Trade Payables		2,71,41,222.65	5,53,49,269.11
	<b>Total</b>		<b>2,71,41,222.65</b>	<b>5,53,49,269.11</b>
Note 7	<u>Other Current Liabilities</u>		31st March, 2016	31st March, 2015
			₹	₹
	Advance from customers		25,36,831.36	1,68,42,816.08
	Audit fees payable		20,241.00	1,08,021.00
	Service & T.D.S. Payable		40,234.00	28,029.00
	P.F. Payable		3,886.00	17,791.00
	Salary & other Payable		34,220.00	1,78,440.00
	Other Payables		78,56,825.00	-
	<b>Total</b>		<b>1,04,92,237.36</b>	<b>1,71,75,097.08</b>
Note 8	<u>Short term Provisions</u>		31st March, 2016	31st March, 2015
			₹	₹
	Provision for tax(A.Y 13-14)		6,99,120.00	6,64,038.00
	<b>Total</b>		<b>6,99,120.00</b>	<b>6,64,038.00</b>
Note 10	<u>Non Current Investments</u>		31st March, 2016	31st March, 2015
			₹	₹
	<u>Long term Unquoted</u>			
	Non Trade			
	Bholanath Industries		2,13,00,000.00	2,13,00,000.00
	Amari Investments (P) Ltd.		75,000.00	75,000.00
	<u>Quoted</u>			
Uma Petrofills Ltd.		1,40,999.99	1,40,999.99	
<b>Total</b>		<b>2,15,15,999.99</b>	<b>2,15,15,999.99</b>	
Note 11	<u>Long Term Loans And Advances</u>		31st March, 2016	31st March, 2015
			₹	₹
	<u>a. Security Deposits</u>			
	Secured, considered good			
	Unsecured, considered good		7,45,619.00	5,45,619.00
	Less: Provision for doubtful deposits			
<b>Total</b>		<b>7,45,619.00</b>	<b>5,45,619.00</b>	
Note 12	<u>Inventories</u>		31st March, 2016	31st March, 2015
	Raw Material		65,65,082.37	57,41,964.00
	Work in Progress			60,45,084.00
Finished Goods				
<small>Source: Statement of Assets and Liabilities</small>				



Note 13	<u>Trade Receivables</u>	31st March, 2016	31st March, 2015
		₹	₹
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Secured, considered good		
	Unsecured, considered good	9,61,32,146.94	5,87,89,924.86
	Unsecured, considered doubtful		
	Less: Provision for doubtful debts		
		9,61,32,146.94	5,87,89,924.86
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Secured, considered good		
	Unsecured, considered good	7,55,159.30	5,12,10,317.33
	Unsecured, considered doubtful		
	Less: Provision for doubtful debts		
		7,55,159.30	5,12,10,317.33
	<b>Total</b>	<b>9,68,87,306.24</b>	<b>11,00,00,242.19</b>

Note 14	<u>Cash and cash equivalents</u>	31st March, 2016	31st March, 2015
		₹	₹
	a. Balances with banks		
	In Fixed Deposits:		
	This includes		
	Balance with Nationalised Banks	7,96,570.12	7,51,888.12
	In Current Account:		
	Balance With Nationalised Banks	51,51,161.22	11,31,264.19
	Balance With Banks Other than Nationalised Banks		
	b. Cash on hand	36,508.12	7,42,382.01
	<b>Total</b>	<b>59,84,237.46</b>	<b>26,25,534.32</b>

Note 15	<u>Short Term Loans And Advances</u>	31st March, 2016	31st March, 2015
		₹	₹
	Advance to Parties		
	Advance for goods & services	3,89,509.70	66,19,760.49
	Staff advances	2,21,210.59	2,39,665.61
	Balance with revenue authorities	58,67,790.55	84,35,364.80
	Others	19,86,535.00	-
		84,65,045.84	1,52,94,790.90

O.P. TULSYAN & CO. CHARTERED ACCOUNTANTS		Ph. 272903,272904 Fax : 033-2251642 E-mail : optandcompany@gmail.com		
B 38/3 Maharaja Nagar Colony, Mahmoorganj, Varanasi-221010. Ph.-2362262, 23241746				
M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED				
Profit and loss statement for the year ended 31st March, 2016				
( IN INR)				
SL. No.	Particulars	Refer Note No.	Figures As At The End Of Current Reporting Period	Figures As At The End Of Previous Reporting Period
I.	Revenue from operations	PL-1	29,78,07,584.72	32,16,86,746.70
II.	Other Income	PL-2	26,16,885.58	50,04,756.16
III.	<b>Total Revenue</b>		<b>30,04,24,470.30</b>	<b>32,06,91,502.86</b>
	Cost of Materials consumed	PL-3	1,07,68,040.63	2,09,24,690.70
	Purchases of Stock-in-Trade	PL-4	25,10,17,941.00	26,29,87,860.17
	Changes in inventories of Stock-in-Trade	PL-5	51,54,855.61	40,19,497.00
	Employee Benefits Expense	PL-6	18,43,870.00	17,47,337.00
	Finance Costs	PL-7	34,04,034.13	62,67,596.24
	Depreciation and Amortization Expense	PL-8	20,76,539.17	27,61,545.85
	Payment to Auditors	PL-9	1,93,815.00	1,58,832.00
	Other expenses	PL-10	2,51,30,351.90	2,74,01,969.54
	<b>Total expenses</b>		<b>29,95,89,447.44</b>	<b>32,62,69,328.50</b>
	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>8,35,022.86</b>	<b>4,22,174.36</b>
V.	Exceptional items		-	-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>8,35,022.86</b>	<b>4,22,174.36</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>8,35,022.86</b>	<b>4,22,174.36</b>
X.	Tax expense:			
	(1) Current tax		6,99,120.00	6,64,038.00
	(2) Deferred tax		(4,06,091.23)	(5,34,573.72)
	(3) Interest on Self assessment tax		-	-
	(4) Earlier Tax Short Provision		20,425.00	6,103.08
XI.	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>5,21,569.09</b>	<b>2,86,607.00</b>
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XIV.	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>5,21,569.09</b>	<b>2,86,607.00</b>
XV.	Earnings per equity share:			
	(1) Basic		0.11	0.05

AUDITOR'S REPORT

SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

FOR O.P. TULSYAN & COMPANY  
CHARTERED ACCOUNTANTS

(PARTNER.)



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SHRI BHOLANATH CARPETS LIMITED

*[Signature]*

DIRECTOR

*[Signature]*

DIRECTOR

PLACE: VARANASI  
DATED: 30/05/2016

M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED			
NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS			
( IN INR)			
PL-1	<b>Revenue From Operations</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	Sale of products	294,342,601.72	318,233,850.70
	Sale of services	-	-
	Other Operating Revenues	3,464,983.00	3,452,896.00
	Less: Excise Duty	297,807,584.72	321,686,746.70
	<b>Total</b>	<b>297,807,584.72</b>	<b>321,686,746.70</b>
PL-2	<b>Other Income</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>Other Income</b>		
	Interest Income	49,647.00	53,902.12
	Miscellaneous Income	2,567,238.58	4,950,854.04
	<b>Total</b>	<b>2,616,885.58</b>	<b>5,004,756.16</b>
PL-3	<b>Cost of Materials Consumed</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	Purchases Raw Materials and Packing materials	11,591,159.00	16,016,674.70
	Add: Opening Balance of Stock	5,741,964.00	10,649,980.00
		17,333,123.00	26,666,654.70
	Less: Closing Balance of Stock	6,565,082.37	5,741,964.00
	<b>Total</b>	<b>10,768,040.63</b>	<b>20,924,690.70</b>
PL-4	<b>Purchase of Stock In Trade</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	Purchases of Traded goods	251,017,941.00	262,987,860.17
	<b>Total</b>	<b>251,017,941.00</b>	<b>262,987,860.17</b>
PL-5	<b>Changes in inventory</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>Finished Stock</b>		
	At the Beginning of Accounting Period	94,851,512.00	99,623,911.00
	At the End of Accounting Period	95,742,640.39	94,851,512.00
		(891,128.39)	4,772,399.00
	<b>Work-in-Progress</b>		
	At the Beginning of Accounting Period	6,045,984.00	5,293,082.00
At the End of Accounting Period	-	6,045,984.00	
	6,045,984.00	(752,902.00)	
	<b>Total</b>	<b>5,154,855.61</b>	<b>4,019,497.00</b>
PL-6	<b>Employee Benefit Expenses</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	Factory Salary & Wages	898,567.00	800,077.00
	Directors Remuneration	696,000.00	696,000.00
	Sitting Fee To Directors	26,000.00	72,000.00
	Bonus	-	9,000.00
	Contribution To Provident Fund	48,268.00	42,212.00
	Staff Welfare	175,035.00	128,048.00
	<b>Total</b>	<b>1,843,870.00</b>	<b>1,747,337.00</b>

M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED			
NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED			
PL-7	<b>Payment To Auditors</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	Payment To Auditors	1,93,815.00	1,58,832.00
	<b>Total</b>	<b>1,93,815.00</b>	<b>1,58,832.00</b>
PL-8	<b>Finance Costs</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	Interest To Bank	32,44,260.08	53,58,196.45
	ECGC Premium	-	-
	Bank Charges & Commission	1,59,774.05	9,09,399.79
	<b>Total</b>	<b>34,04,034.13</b>	<b>62,67,596.24</b>
PL-9	<b>Depreciation and Amortization Expense</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	Depreciation	20,76,539.17	27,61,545.85
	<b>Total</b>	<b>20,76,539.17</b>	<b>27,61,545.85</b>
PL-10	<b>Other Expenses</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>Manufacturing Expenses:</b>		
	Consumption Of Stores And Spare Parts		
	Opening Stock	17,25,841.00	9,14,944.00
	Add: Purchases	23,58,699.63	19,47,287.00
	Total	40,84,540.63	28,62,231.00
	Less: Closing Stock	3,75,040.13	17,25,841.00
		37,09,500.50	11,36,390.00
	Weaving Finishing & Other Job Charges	84,96,620.00	94,55,150.00
	Power & Fuel	4,38,334.00	5,78,485.00
	Manufacturing Expenses	10,47,496.00	24,40,994.00
	Dyeing Charges Woolen Yarn	9,34,543.00	21,91,365.00
	<b>Total</b>	<b>1,46,26,493.50</b>	<b>1,56,02,384.00</b>
	<b>Administrative Expenses:</b>		
	Insurance Charges	1,39,722.00	53,485.00
	Telephone, Telegram, Fax Charges	84,242.00	80,579.00
	Printing Stationery	1,41,938.60	1,52,990.00
	Registrartion & Membership	3,95,765.00	2,04,548.00
	Rates & Taxes	6,000.00	6,000.00
	Travelling-Directors	10,39,131.00	7,74,068.00
	Travelling-Others	1,14,367.00	1,55,803.00
	Vehicle Running & Maintenance Expenses	2,16,696.00	2,73,902.00
	Legal & Professional Fee/Expenses	5,25,155.00	2,90,745.00
	General Repair & Maintainance	2,78,107.00	5,11,983.00
	Watch And Wards	1,48,273.00	-
	Filing fees	1,31,153.00	3,80,936.00
	Gardening charges	1,50,345.00	-
	Exchange Rate Difference	1,56,454.19	-
	Miscellaneous Expenditure	2,37,747.00	1,00,942.54
		<b>37,65,095.79</b>	<b>29,85,981.54</b>
<b>Selling And Distribution Expenses:</b>			
Packing , Freight, Insurance & Forwarding Expenses	36,86,066.61	84,80,903.00	
Expenses On Trade Fair	-	1,29,000.00	
Export Promotion	-	3,701.00	
Selling Expenses	17,75,056.00	-	
Discount on sales	12,45,000.00	-	
Sample development & Quality	32,640.00	-	
	<b>67,38,762.61</b>	<b>86,13,604.00</b>	
<b>Grade Total</b>	<b>2,51,30,351.90</b>	<b>2,74,01,969.54</b>	

M/s SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOWN BIL CONTINENTAL LIMITED												
SCHEDULE OF FIXED ASSETS AS ON 31.03.16												
PARTICULARS	RATE	New Rate	GROSS BLOCK			DEPRECIATION			NOTE - 9			
			AS ON 01.04.2015	ADDITION	AS ON 31.03.2016	UP TO 01.04.2015	FOR THE YEAR	UP TO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2016		
Factory Building	3.34%	3.17%	30.00	43,101,855.00	-	43,101,855.00	24,406,106.88	972,979.73	25,379,086.61	17,722,768.39	18,695,748.12	
Plant & Machinery	4.75%	6.33%	15.00	20,779,363.00	18,884.00	20,798,227.00	18,052,186.41	141,037.01	16,193,223.42	2,605,003.58	2,727,176.59	
Electric Installation	7.07%	9.50%	10.00	1,253,714.00	1,950.00	1,255,664.00	924,608.92	44,531.19	969,140.11	286,523.89	329,105.06	
Other Machinery	4.75%	6.33%	15.00	8,372,424.00	25,000.00	8,397,424.00	7,842,310.12	23,060.88	7,666,271.10	731,152.90	730,113.88	
Loom with Artisan	4.75%	6.33%	15.00	3,327,083.00	-	3,327,083.00	3,088,883.54	5,528.10	3,094,391.64	232,691.36	238,219.46	
Computer & Allied Equipment	16.21%	31.67%	3.00	1,402,039.00	-	1,402,039.00	601,430.23	686,158.13	1,257,588.36	144,450.64	800,608.77	
Office & Other Equipment	4.75%	5.00%	18.00	3,784,974.00	40,000.00	3,824,974.00	2,328,206.08	115,229.02	2,443,435.10	1,381,538.90	1,456,757.62	
Furniture & Fixture	6.33%	9.50%	10.00	8,582,007.00	-	8,582,007.00	6,915,432.94	77,092.11	6,996,526.05	1,585,481.95	1,662,574.06	
Trade Mark	10.00%	-	-	48,300.00	-	48,300.00	48,300.00	-	48,300.00	-	-	
Vehicles	9.50%	11.88%	8.00	1,989,971.00	-	1,989,971.00	1,890,472.45	-	1,890,472.45	99,498.55	99,498.55	
Motor Cycle	100.00%	9.50%	10.00	52,985.00	-	52,985.00	3,314.46	4,702.13	8,016.59	44,968.41	49,670.54	
Assets Below Rs 5000/-	100.00%	100.00%	-	103,313.00	-	103,313.00	98,147.35	-	98,147.35	5,165.65	5,165.65	
Assets above Rs 50000/-	4.75%	6.33%	15.00	57,688.00	-	57,688.00	15,482.82	35,320.78	54,803.60	2,684.40	38,206.18	
<b>TOTAL (A)</b>				<b>92,855,716.00</b>	<b>85,814.00</b>	<b>92,941,530.00</b>	<b>66,022,862.20</b>	<b>2,076,539.17</b>	<b>68,099,401.37</b>	<b>24,842,128.63</b>	<b>26,632,853.80</b>	

**SHRI BHOLANATH CARPETS LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2016**

		Current year	
		AMOUNT (RS.)	AMOUNT (RS.)
<b>A.</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit Before tax		835,022.86
	Adjustments for :		
	Depreciation .....	2,076,539.17	
	Interest Received .....	(49,647.00)	
	Interest Paid .....	3,404,034.13	
	Bad Debts written off	(4,529,228.00)	
			901,698.30
	<b>Operating Profit before working capital changes</b>		<b>1,736,721.16</b>
	Adjustments for :		
	Trade Payables .....	(28,208,046.46)	
	Trade Receivables .....	13,112,935.95	
	Other current assets	6,829,745.06	
	Inventories .....	5,682,538.11	
	Other Liabilities .....	(7,053,868.95)	
	Long term loan and advances	(200,000.00)	(9,836,696.29)
	Cash Generated From Operation		(8,099,975.13)
	Interest On Income Tax W/O		(20,425.00)
	Deffered Tax		406,091.23
	Direct Taxes Paid .....		(699,120.00)
	Cash Flow Before Exceptional Item .....		(8,413,428.90)
	<b>Net Cash Flow from Operating Activities :</b>		<b>(8,413,428.90)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities :</b>		
	Purchase of Fixed Assets .....	(85,814.00)	
	Interest Received .....	49,647.00	
	<b>Net Cash used in Investing Activities</b>		<b>(36,167.00)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>		
	Interest Paid .....	(3,404,034.13)	
	Repayment of long term Borrowings .....	(884,374.00)	
	Proceeds from short term borrowing	16,096,707.17	11,808,299.04
	<b>Net Cash From Financing Activities</b>		
	Net Increase/(Decrease) in Cash & Cash equivalents		<b>3,358,703.14</b>
	Cash & Cash equivalents as at 1st April		<b>2,625,534.32</b>
	Cash & Cash equivalents as at 31st March		<b>5,984,237.46</b>

As per our report attached  
For O.P. TULSYAN & CO.  
CHARTERED ACCOUNTANTS

For SHRI BHOLANATH CARPETS LIMITED

sd/-  
PARTNER

sd/-  
Bholanath Baranwal  
DIRECTOR

sd/-  
Vivek Baranwal  
DIRECTOR

PLACE: VARANASI  
DATED : 30.05.2016

O.P. TULSYAN & CO.	Continuation Sheet
<u>Shri Bholanath Carpets Limited</u> <u>Formally Known BIL Continental Limited</u>	
SCHEDULE FORMING PARTS OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016	
Notes forming part of the financial statements	Note: 15
<b>1 Significant accounting policies</b>	
<b>A Basis of accounting and preparation of financial statements</b>	
a The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention on the assumption of going concern concept and in accordance with accounting standards as specified by the Institute of Chartered Accountants of India. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.	
b All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in Revised Schedule VI of Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of classification of current or non-current assets and liabilities.	
<b>B Use of estimates</b>	
The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known / materialize.	
<b>C Inventories</b>	
The inventories of raw materials and traded goods dealt with by the Company are valued at cost. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location. The inventories of finished goods and traded goods is valued at lower of cost or net realisable value.	
<b>D Prior Period items and Extraordinary items :</b>	
Prior period items and extraordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net Profit or Loss for the Period, Prior Period Items and changes in Accounting Policies' as notified under the Companies (Accounting Standards) Rules, 2006	
<b>E Cash and cash equivalents</b>	
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.	

O.P. TULSYAN & CO.	Continuation Sheet
(2)	
<b>G Revenue recognition</b>	
a Sale of Goods	Revenue from sale of products net of returns, is recognised on despatch or appropriation of goods in accordance with the terms of sale. Sales are recognised when substantial risks and reward of ownership in the goods are transferred to the buyer, upon supply of goods, and are recognised net of trade discount , rebates , excise duty and vat on goods manufactured.
b Sale of Services	Revenue from services is recognised in accordance with the specific terms of contract on performance.
c Other Operating Revenue	
i Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract	
ii Sundry creditors not to be paid as decided by the management is written off and accounted as misc. income.	
<b>H Tangible fixed assets, Depreciation and Impairment</b>	
a Fixed Asset is shown at Cost less accumulated depreciation. All direct cost relating to acquisition of assets is capitalised upto the date the assets are ready for their intended use. Depreciation / amortisation is provided on a pro-rata basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation / amortisation is provided upto the month of sale or disposal of the assets.	
b Till the Year ended March 31,2014, The company Depreciation was provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets at the rates prescribed under Schedule XIV to the Companies Act,1956. Depreciation is provided based on useful life of the assets on Straight Line Method as provided in Schedule II to the Companies Act, 2013.	
c Depreciation on additions to assets or on sale/discardment of assets on prorata from the month of such addition/sale/discardment as the case may be is provided as per Schedule II to the Companies Act, 2013.	
d Till the year ended March 31 , 2014, to comply with the requirements of schedule XIV to the Companies Act , 1956, The Company was charging 100% depreciation on assets costing less than Rs. 5000/- in the year of purchase . However , Schedule II to the Companies Act 2013 , applicable from the current year, does not recognise such practice . Hence , to comply with the requirement of schedule to the Companies Act , 2013 , the Company has changed its accounting policy for the depreciation of assets costing less than Rs. 5000/- . As per the revised policy , the company is depreciated such assets over their useful lives as assets by the management . The management has decided to apply the revised accounting policy prospectively from accounting periods on or after April 1, 2014.	
e The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount exceeds the recoverable amount.	
<b>I Investments</b>	Long-term and Short Term Investments (excluding investment properties), are carried individually at cost at which the same is purchased Cost of investments include acquisition charges such as brokerage, fees and duties and other charges Long term investments are carried individually at cost. However, provision for diminution is made to recognise a decline, if any, other than temporary, in the carrying value of the investment. Current investments are carried individually at lower of cost and fair value.
<b>J Employee benefits</b>	Short term benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related services is rendered. There are no post employment and long term benefits payable to the employees.
<b>K Borrowing costs</b>	Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.



O.P. TULSYAN & CO.

Continuation Sheet

(3)

**L Segment reporting**

The Company's primary segment is identified as business segment based on nature of product, risks, returns and the internal business reporting system and secondary segment is identified based on geographical location of the customers as per Accounting Standard – 17. The Company is principally engaged in a single business segment.

**M Earnings per share**

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard AS- 20 on 'Earnings per Share'. Basic EPS is computed by dividing the net profit or loss for the year 'by the weighted average number of equity shares outstanding during the year.

**N Taxes on income**

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

**O Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements. Provision for product warranties is made for contractual obligations in accordance with the policy in force and is estimated for the unexpired period.

**P Foreign Currency Translations**

Foreign Currency Transactions are accounted for the exchange rates prevailing at the date of transaction. Gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss. No provision for Exchange Fluctuation on monetary assets and liabilities denominated in foreign currencies as the year end has been made on the basis of exchange rates prevailing existed at the balance sheet date. Non monetary items has been carried at historical cost and any gains or losses, if any are recognised at exchange rate prevailing at the date of transaction.

**Q Miscellaneous Expenditure :**

Preliminary, Public Issue, Rights Issue Expenses and Expenses on Private Placement of shares are amortized as prescribed under the provisions of Income Tax Act 1961 at present it is amortised over a period of 5 years.

2 A. As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

Sl. No.	Nature of Transactions	KMP	Others
1	Directors Remuneration and Sitting Fees	877,200.00	26,000.00
2	Sale of finished goods		856,563.00
3	Recovery of Advance		20,086,696.00
3	Payment of Loan		884,374.00
4	Purchase of raw material & stock		91,191,302.00

3 Earnings in Foreign Exchange :

Particulars	As at 31.03.2016	As at 31.03.2015
	NIL	

O.P. TULSYAN & CO. Continuation Sheet

(4)

**4 Sundry Debtors, Loans and Advances :**

- i) In the opinion of Management and to the best of their knowledge and belief the value of realization of Loans, Advances and Current Assets in ordinary course of Business will not be less than the amount for which they are stated in the Balance Sheet.
- ii) Sundry Debtors represent the debt outstanding on sale of textile and madeups and is considered good. The Company holds no other securities other than the personal security of the debtors. The Balances of Sundry debtors are subject to confirmations from the parties.
- iii) Sundry Debtors and Loans and Advances shown under the head Current Assets includes the amounts due from concerns which are under same management or in which some of the Directors are interested as Directors/Trustees, which amounts Rs.NIL

**5 Expenditure in Foreign Currency :**

Particulars	31.03.2016 (Rs.)	31.03.2015
a) CIF Value of Imports		
(i) Machinery and Equipment	NIL	NIL
(ii) Stores and Spares	NIL	NIL
(iii) Other Consumables	NIL	NIL
b) Investments	NIL	NIL
c) Expenditure (Capital)	NIL	NIL

6 The previous financial year's figures have been reworked, regrouped and reclassified to the extent to the extent possible, wherever necessary to conform to current year presentation.

7 The Company is a Small and Medium Sized Company (SME) as defined in the General Instructions in respect of Accounting Standard notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized company.

Signature to the Schedules "1" to "7"

(As per our report of even date attached)

For O.P. TULSYAN & CO.  
CHARTERED ACCOUNTANTS

Shri Bholanath Carpets Limited

PLACE : Varanasi  
DATED : 30.05.2016

sd/-  
O.P. TULSYAN  
(PARTNER)

sd/- sd/-  
Bholanath Baranwal Vivek Baranwal  
(DIRECTOR) (DIRECTOR)