

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

1	NAME OF THE COMPANY	SHRI BHOLANATH CARPETS LIMITED (FORMARLY KNOWN AS BIL CONTINENTAL LIMITED)
2	ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED	31ST MARCH, 2015
3	TYPE OF AUDIT OBSERVATION	UN-QUALIFIED
4	FREQUENCY OF OBSERVATION	NOT APPLICABLE
5	TO BE SIGNED BY –	
	• CEO / MANAGING DIRECTOR	SD/- (BHOLANATH BARANWAL)
	• CFO	SD/- (VIVEK BARANWAL)
	• AUDITOR OF THE COMPANY	SD/- (O. P. TULSYAN)
	• AUDIT COMMITTEE CHAIRMAN	SD/- (AMARNATH PANDEY)

NOTICE

NOTICE IS HEREBY GIVEN THAT 42ND 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 WEDNESDAY THE 30TH DAY OF SEPTEMBER, 2015 AT 4.00P.M. TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st day of March,2015 and Profit and LossAccount 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 Vivek Baranwal, who retires by rotation and being eligible to offers himself for reappointment.
3. To appoint M/s. O. P. Tulsyan& Co., Chartered Accountants as Statutory Auditors, who shallhold office from the conclusion of this Annual General Meeting until the conclusion of the nextAnnual General Meeting and to fix their remuneration.

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, ofthe 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 appointedas such upto 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 theBoard of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. 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:**

“**RESOLVED THAT** pursuant to Section 149, 152 read with Schedule IV and such other provisions as applicable ofthe Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) Smt. VeenaAgnihotri (DIN: 07293343), who has submitted a declaration that she meets the criteriafor 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 effectfrom 31.08.2015 up to 30.08.2020.”

5. RE - APPOINTMENT OF SRI BHOLANATH BARANWAL AS CHAIRMAN & MANAGING DIRECTOR (CMD) OF THE COMPANY

To consider and, if thought fit, to pass with or without modification, the following Resolution as **SPECIALRESOLUTION:**

The tenure of Sri Bholanath Baranwal, Chairman & Managing director (CMD) of the company is about to expire on 30.09.2015 and in view of the contribution made by Sri Bholanath Baranwal in the progress of the company the board of directors of the company proposed that subject to the approval of the members in Annual General Meeting of the company, Sri Bholanath Baranwal, the existing Chairman & Managing director (CMD) of the company, be re - appointed as Chairman & Managing director (CMD) of the company for a period of 5 Years from 1st October, 2015 to 30th September, 2020.

The text of resolution for appointment of Sri Bholanath Baranwal as Chairman & Managing director (CMD) of the company was placed before the board and the board approved the said resolution, which is noted hereunder, to be placed before the shareholder in the ensuing Annual General Meeting.

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Bholanath Baranwal (DIN: 00306086) as Chairman & Managing director (CMD) of the Company, on the terms and conditions of appointment as contained in the agreement entered into with him, for a period of 5 (five) years with effect from 01.10.2015 to 30.09.2020, at a remuneration as mentioned in the explanatory statement annexed herewith and with authority to the Nomination and Remuneration Committee of the Board to alter and vary the remuneration as it may deem fit and to fix the quantum, composition and periodicity of the remuneration payable to the Chairman & Managing director (CMD) and that the annual remuneration does not exceed the limit prescribed under the Companies Act, 2013.”

“RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, Chairman & Managing director (CMD) shall be paid the minimum remuneration as may be determined by the Nomination and Remuneration Committee which shall also have the authority to decide on the quantum, composition and periodicity of payment of such minimum remuneration and that such minimum remuneration shall not exceed the limit prescribed under Section II, Part II of Schedule V of the Companies Act, 2013.”

The board passed the text of above resolution.

Shri Bholanath Baranwal is directly interested in the above, as it pertains to his reappointment and Sri Harish Baranwal and Shri Vivek Baranwal being relatives of Sri Bholanath Baranwal are also interested in the resolution.

On Behalf of the Board

Sd/-

Bholanath Baranwal
(Chairman & Managing Director)

DIN: 00306086

Date: 31.08.2015

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 Tuesday, 22nd day of September, 2015 to Wednesday, 30th day of September, 2015 (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, alongwith 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 42nd AGM of the Company by electronic means on all resolutions set forth in this Notice, through the e-voting services provided by CDSL. The Members, whose name appear in the Register of Members, holding shares in physical or in dematerialised form, as on 21st Sept, 2015 (End of Day), are entitled to cast their votes electronically on the resolutions set forth in this Notice. The e-voting will commence at 9.00 a.m. on Tuesday, 22nd day of September, 2015 and will end at 6.00 p.m. on Thursday, 24th day of September, 2015.

PROCESS AND MANNER FOR E-VOTING:

The instructions for e-voting are as under:

A. In case of members receiving e-mail from RTA/CDSL (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 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.

3. Click on “Shareholders” tab.

4. Now, select the “Electronic Voting Sequence Number (EVSN)- **103511**” along with “**Company Name – ShriBholanath Carpets Limited**” from the drop down menu and click on “**Submit**”.

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

	FOR MEMBERS HOLDING SHARES IN DEMAT FORM FOR MEMBERS HOLDING SHARES IN PHYSICAL FORM		FOR MEMBERS HOLDING SHARES IN PHYSICAL FORM
User ID	For NSDL:	8 character DP ID followed by 8 digits Client ID	Folio Number registered with the Company
	For CDSL:	16 digits beneficiary ID	
PAN*	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"> - 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. - 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. <p>FOR EXAMPLE: 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>		
DOB	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.		

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 uppercase (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- 103511** 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-mailids 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:

1. The e-voting period shall commence at 9.00 a.m. on Sunday, 27th September, 2015 and shall end at 6.00 p.m. on Tuesday, 29th September, 2015. During this period members of the Company, holding shares either in physical or in dematerialised form, as on 21st Sept, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

2. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cdslindia.com Or contact RTA Mr. Sarwan Mangla, Manager of M/s MAS Services Limited, New Delhi Ph:- 26387281/82/83 Fax:- 26387384, email:- info@masserv.com.

3. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 21st September, 2015.

4. 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.

5. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not

inemployment of the Company and make a Scrutinizer's Report of the votes cast in favour or against,if any, forthwith to the Chairman of the Company.

6.The results shall be declared on or after the AGM of the Company. The results declared alongwiththe Scrutinizer's Report shall be placed on the Company's website www.bholanath.biz and on thewebsite of CDSL within two (2) days of the passing of the resolutions at the 42ndAGM of theCompany to be held on Wednesday, 30th September, 2015.

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

EXPLANATORY STATEMENT

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

ITEM NO.4

Smt. VeenaAgnihotri is a Graduate. She has varied experience in the field of Business Administration.In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Smt. VeenaAgnihotri being eligible and offering herself for appointment, is proposed to be appointed as anIndependent Director for a term of five consecutive years. In the opinion of the Board, Smt. VeenaAgnihotri fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for hisappointment as an Independent Director of the Company. Having regard to his qualifications, knowledgeand experience, her appointment as an Independent Director will be in the interest of the Company. Copyof the draft letter for appointment of Smt. VeenaAgnihotri as an Independent Director setting out theterms and conditions would be available for inspection without any fee by the members at the RegisteredOffice of the Company during normal business hours on any working day, excluding Saturday. The Boardrecommends his appointment as an Independent Director in the interest of the Company, to utilize hisexpertise.

Smt. VeenaAgnihotri does not hold any shares in the company. Further none of the Director and manager, Key Managerial Personnel and / or their relatives, except Smt. VeenaAgnihotri is concerned or interested in the resolution.

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

ITEM NO. 5

The term of Sri Bholanath Baranwal as the Chairman &Managing Director (CMD) of the Company comes to an end thisyear therefore in accordance with the Provisions of Section 196, 197 and 203 read with Schedule V and all otherapplicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of ManagerialPersonnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force)ShriBholanath Baranwal is proposed to be re-appointed as the Chairman &Managing Director (CMD) of the company forfurther period of five years w.e.f. 01.10.2015 to 30.09.2020, subject to approval of themembers.

The main terms and conditions of the re-appointment of ShriBholanath Baranwal, as Managing Director are as under:

(1) As Managing Director he shall be responsible for the conduct and Management of the whole of the business of the Company.

(2) As the Managing Director he shall be entitled for remuneration at a salary of Rs. 58,000/- (Rupees Fifty Eight Thousands only) per month.

PROFILE OF SRI BHOLANATH BARANWAL (IN PURSUANCE OF CLAUSE 49 OF LISTING AGREEMENT):

NAME : ShriBholanath Baranwal
FATHER'S NAME : Sri Damodar Das Baranwal
DATE OF BIRTH : January 6, 1954

QUALIFICATION & EXPERIENCE :

Mr. Baranwal is Commerce Graduate. He possesses the experience of more than 45 years in the business of carpets, rugs, handicrafts and other related items. He has traveled worldwide extensively in business capacity. He is director of the company since incorporation.

DIRECTORSHIP OF OTHER COMPANIES:

- (1) SHRI BHOLANATH INDUSTRIES LIMITED
- (2) ORGANIC WEAVE LIMITED

ShriBholanath Baranwal is directly interested in Item No. 5 of Notice, as it pertains to his reappointment and Sri Harish Baranwal and ShriVivek Baranwal being relatives of Sri BholanathBaranwal are also interested in the resolution.

On Behalf of the Board

Sd/-

Bholanath Baranwal
(Chairman & Managing Director)
DIN: 00306086

Date: 31.08.2015

Place: Varanasi

Registered Office: Kachhawan, Varanasi

BOARD OF DIRECTORS

1. ShriBholanath Baranwal, Chairman & Managing Director
2. ShriAmarnathPandey
3. ShriAmbarishChatterjee
4. Shri Raj Kumar Dubey
5. Shri Harish Baranwal
6. ShriVivek 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.com

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. Sri AmarnathPandey, Chairman
2. Shri Raj Kumar Dubey, Member
3. ShriAmbarishChatterjee, Member

NOMINATION AND REMUNERATION COMMITTEE:

1. Sri AmarnathPandey, Chairman
2. Shri Raj Kumar Dubey, Member
3. ShriAmbarishChatterjee, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

1. ShriBholanath Baranwal, Chairman
2. Sri AmarnathPandey, Member
3. ShriAmbarishChatterjee, Member

BOARD'S REPORT

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

Your Directors have pleasure in presenting the 42nd Annual Report together with Audited Financial Statements of SHRI BHOLANATH CARPETS LIMITED for the Financial Year ended March 31, 2015.

1. FINANCIAL RESULT

The summarized financial performance of your Company for the financial year 2014-15 as compared to previous year 2013-14 has been as under:

(Rs. In Lakhs)

PARTICULARS	CURRENT YEAR ENDED 31.03.2015	PREVIOUS YEAR ENDED 31.03.2014
NET SALES	3182.34	3003.13
OTHER INCOME	84.57	217.69
DECREASE AND (INCREASE) IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS	40.19	-155.61
TOTAL EXPENDITURE	3132.20	3004.72
FINANCE COST	62.68	328.62
DEPRECIATION	27.62	39.58
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	4.22	3.51
EXTRAORDINARY ITEMS (CERS RECEIVABLE WRITTEN OFF)	0.00	0.00
PROFIT / (LOSS) BEFORE TAX	4.22	3.51
PROVISION FOR TAXATION		
- CURRENT TAX	6.64	-0.73
- DEFERRED TAX	-5.35	0.00
- TAX ADJUSTMENTS RELATING TO EARLIER YEARS	0.06	0.00
NET PROFIT (NET LOSS)	2.87	4.24

2. FINANCIAL HIGHLIGHTS

The Company has continued its growth story during the year 2014-15, the income from sales grew from Rs. 3003.13 Lakhs to Rs. 3182.34 Lakhs, the highest ever sales for the first time. There was an increase of 5.97%.

The Company has recorded profit before exceptional and extraordinary items in during the year 3.49 Lakhs as compared to Rs. 3.51 Lakhs in the previous year 2013-14.

The Net Profit of the company for the year ended as on 31.03.2015 is Rs. 2.86 Lakhs as compared to Rs. 4.24 Lakhs last year.

3. RESERVES

The reserves of the Company stand at 795.55 Lakhs during the year as compared to Rs. 791.06 Lakhs in the previous year ended on 2013-14. Rs. Lakhs (net of taxes) was adjusted from General reserve during the year 2014-15 in accordance with Schedule II to the Companies Act, 2013.

4. OPERATIONS

During the year the turnover of the Company has increased by approx 5.97%.

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, 2015 was 480.00Lakhs. 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 2014-15.

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 2015- 16, 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, 2015 and the date of the report i.e. August 31, 2015.

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

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the Company follows good Corporate Governance practices and complies with mandatory provisions as applicable. As stipulated in Clause 49 of the Listing Agreement, Corporate Governance Certificate obtained from M/s O.P. Tulsyan & Co., Chartered Accountants is annexed with the 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

The replies of qualifications of Secretarial Auditor by the Board of Directors are given below:-

1. The cost auditor has been appointed and the audit is under process and on completion stage.
2. The Board has appointed women director on 28.03.2015 but she has not provided the Director Identification Number (DIN) till the date of this report.

20. DIRECTORS

20.1 CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

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 clause 49 of the Listing Agreement, 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 2014-15, 08 meeting of the Board of Directors were held on May 30, 2014, July 21, 2014, August 14, 2014, September 1, 2014, November 15, 2014, January 8, 2015, 14th February, 2015 and 28th March, 2015. 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. AmarnathPandey. During the year, 4 Audit Committee meetings were held on May 30, 2014, August 14, 2014, November 15, 2014 and February 14, 2015. The composition of the Audit Committee and number of meetings attended by the Members are given below:

Name of directors	Category	Number of meetings held during 2014-15	Meeting Attended
Mr. AmarnathPandey	Independent	4	4
Mr. AmbarishChatterjee	Independent	4	2
Mr. R. K. Dubey	Independent	4	2

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 have been appointed as Statutory Auditors of the Company at the last i.e. 34th 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 Auditors is being sought from the Members of the Company at the ensuing 35th Annual General Meeting to be held on July 25, 2015. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 for their re-appointment as Statutory Auditors of the Company.

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 outgostipulated 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 arrangement 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 2014-15, 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:

Name of Director / KMP	Remuneration of the Director / KMP in F.Y. 2014-15	Remuneration of the Director / KMP in F.Y. 2014-15	% Increase in F.Y. 2014-15	Ratio(times) of the remuneration of each director to the median remuneration of the employees	Comparison of the remuneration of the KMP against the performance of the company
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.
--	--	--	--	--	---

ii. The median remuneration of employees of the Company during the financial year was 3.32Lakhs.

iii. There were 2 permanent employees on the rolls of the Company during the financial year 2014-15.

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 whereasThe 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 capitalisation of the Company:

There was no trading on the stock exchange.

b) Price Earnings ratio of the Company:

There was no trading on the stock exchange.

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 theyear:

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. 2014-15 was 34.51 % whereas the increase in the managerial remuneration for the same financial year was 0%.The CEO and CFO were appointed on 28.03.2015 as per requirement of Companies Act, 2013.

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 – NotApplicable; and

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

xii. THE PARTICULARS OF THE EMPLOYEES WHOARE COVERED BY THE PROVISIONS CONTAINEDIN RULE 5(2) AND RULE 5(3) OF THE COMPANIES(APPOINTMENT AND REMUNERATION OFMANAGERIAL 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 belief 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 and other 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: 31.08.2015

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 beside having access to additional facilities of Kaandla 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.

FINANCIAL / OPERATIONAL PERFORMANCE:

(Rs. In Lakhs)

PARTICULARS	CURRENT YEAR ENDED 31.03.2015	PREVIOUS YEAR ENDED 31.03.2014
NET SALES	40.19	3003.13
OTHER INCOME	3132.20	217.69
DECREASE AND (INCREASE) IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS	62.68	-155.61
TOTAL EXPENDITURE	27.62	3004.72
FINANCE COST	4.22	328.62
DEPRECIATION	0.00	39.58
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX	4.22	3.51
EXTRAORDINARY ITEMS (CERS RECEIVABLE WRITTEN OFF)		0.00
PROFIT / (LOSS) BEFORE TAX	6.64	3.51
PROVISION FOR TAXATION	-5.35	
- CURRENT TAX	0.06	-0.73

- DEFERRED TAX	2.87	0.00
- TAX ADJUSTMENTS RELATING TO EARLIER YEARS	40.19	0.00
NET PROFIT (NET LOSS)	3132.20	4.24

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

Sd/-

Bholanath Baranwal
(Chairman & Managing Director)

DIN: 00306086

Date: 31.08.2015

Place: Varanasi

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2015**

[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 31.03.2015 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 31.03.2015 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 subject to the following observations:

1. The company has not provided any records related to Cost Audit, Form 23C or Cost Audit report during the period under review. However the company has appointed cost auditor for the period under review.
2. The company has appointed Mrs. Suchismita Purkait as women cum Independent Director on the meeting of the board of director held on 28.03.2015 without obtaining the DIN from her.

Further the company has yet to file the form DIR – 12 with ROC, Kanpur.

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

Place: VARANASI
Date: 31.08.2015

AJAY KUMAR JAISWAL
FCS No. 5112
CP No. 3684

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 finalised 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 causticising 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 andimproving 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 Rs 21.34 Crore as compared to the Earnings of Rs. 19.29 Crore of previous financial year in Foreign Currency through export of its finished products. There was no any Import or Expenses in Foreign Currency during the Financial Year.

On Behalf of the Board

Sd/-

Bholanath Baranwal
(Chairman & Managing Director)

DIN: 00306086

Date: 31.08.2015

Place: Varanasi

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 arms length transactions under third proviso is given below:

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

Sl. No.	Particulars	Details
1	Name (s) of the related party	NIL
2	Nature of relationship	NIL
3	Nature of contracts/arrangements/transaction	NIL
4	Duration of the contracts/arrangements /transaction	NIL
5	Salient terms of the contracts or arrangements or transaction	NIL
6	Value of the contracts or arrangements or transaction	NIL
7	Date of approval by the Board	NIL
8	Amount paid as advances, if any	NIL
9	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at arm's length basis:

Sl. No.	Particulars	Details
1	Name (s) of the related party	Shri Bholanath Industries Limited
2	Nature of relationship	Directors are common
3	Nature of contracts / Arrangements /	Purchase of goods

	transaction	
4	Duration of the contracts / arrangements / transaction	NIL
5	Salient terms of the contracts or arrangements or transaction	NIL
6	Value of the contracts or arrangements or transaction	Market price
7	Date of approval by the Board	Since incorporation of company
8	Amount paid / received as advances, if any	NIL
9	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

[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 31.03.2015**

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L17226UP1973PLC003746
ii.	Registration Date	07/01/2005
iii.	Name of the Company	SHRI BHOLANATH CARPETS LIMITED
iv.	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES, INDIAN NON GOVERNMENT COMPANY
v.	Address of the Registered office and contact details	G. T. ROAD, KACHHAWAN, VARANASI - 221313, U. P., PHONE: +542-2620313, FAX: +542-2620090, EMAIL: CSCOMPLIANCE@BHOLANATH.BIZ WEBSITE: WWW.BHOLANATH.COM
vi.	Whether listed company	YES, BOMBAY STOCK EXCHANGE (BSE)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

for GDRs & ADRs									
Grand Total (A+B+C)	2129620	2670380	4800000	100	2318520	2481480	4800000	100	0

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	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	
1.	VIVEK BARANWAL	36400	0.76	0	36400	0.76	0	0
2.	HARISH BARANWAL	57500	1.20	0	57500	1.20	0	0
3.	BHOLANATH BARANWAL	662580	13.80	0	668680	13.93	0	0.92
	Total	10000	15.76	0	762580	15.89	0	0.92

iii. Change in Promoters' Shareholding (please specify, if there is 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	662580	13.80	-	-
	Date wise Increase / Decrease in Promoters	-	-	662580	13.80

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	-	-	662580	13.80	

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	122,978,602.28	884,374.00	-	123,862,976.28
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total(i+ii+iii)	122,978,602.28	884,374.00	-	123,862,976.28
Change in Indebtedness during the financial year				
- Addition	43,070,450.10	0.00		43,070,450.10
- Reduction				

Net Change	-	-	-	-
Indebtedness at the end of the financial year	79,908,152.18	884,374.00	-	80,792,526.18
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	79,908,152.18	884,374.00	-	80,792,526.18

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
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Bholanath Baranwal	696000.00
	(b) Value of perquisites u/s 17(2) Income – tax Act,		

	1961 (c)Profits in lieu of salary under section 17(3) Income- tax Act,1961					
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total(A)	-	-	-	-	696000
	Ceiling as per the Act	-	-	-	-	3000000.0 0

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				24,000.00
	· Commission	Ambarish Chatterjee				24,000.00
	· Others, please specify (Remuneration)	R. K. Dubey				24,000.00
	Total(1)					72000.00
	<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)					72000.00
	Total Managerial Remuneration					72000.00
	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 Secretary	CFO	Total

1.	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	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES:

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

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compoundi ng	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compoundi ng	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compoundi ng	-	-	-	-	-

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, 2015, the Board of Directors of the Company has 7 Directors out of which 3 are Executive and 4 are Independent Directors.

The present Board consists of 3 Executive Director and 4 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 2014-15.

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 2014-15, 08 meeting of the Board of Directors were held on May 30, 2014, July 21, 2014, August 14, 2014, September 1, 2014, November 15, 2014, January 8, 2015, 14th February, 2015 and 28th March, 2015. 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, 2014, with particulars of their other Directorships and Chairman / Membership of Board Committees of other Companies showing the position as on March 31, 2015 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	1	0
Shri Amarnath Pandey	Non-Executive Independent Director	Non-Promoter, Non-Executive, Independent	8	Yes	0	0	2	0
Shri Raj Kumar Dubey	Non-Executive Independent Director	Non-Promoter, Non-Executive, Independent	1	No	1	0	0	3
Shri Harish Baranwal	Executive Director	Promoter, Executive, Non-Independent	8	Yes	2	0	0	0
Shri Vivek Baranwal	Executive Director	Promoter, Executive, Non-Independent	8	Yes	2	0	0	0
Shri Ambarish Chatterjee	Non-Executive Independent Director	Non-Promoter, Non-Executive, Independent	8	No	3	0	0	3

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 have 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.

(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, 2015. 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, 2014.

(v) M/s O. P. Tulsyan & Co. has audited the accounts of the Company from the financial year 2014-15 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 30, 2014, August 14, 2014, November 15, 2014 and February 14, 2015.

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

Name of directors	Category	Number of meetings held during 2014-15	Meeting Attended
Mr. Amarnath Pandey	Independent	4	4
Mr. Ambarish Chatterjee	Independent	4	2
Mr. R. K. Dubey	Independent	4	2

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 March 29, 2015. The Composition of Nomination and Remuneration Committee and attendance of each member Director, at the Committee Meetings during the period is as under:

Name of Directors	Position	Meeting Held during	Meeting attended
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		2014-15	
Mr. Amarnath Pandey	Chairman	1	1
Mr. Ambarish Chatterjee	Member	1	1
Mr. R. K. Dubey	Member	1	1

REMUNERATION TO EXECUTIVE DIRECTORS

The details of remuneration paid to all the Executives Directors during the year ended on March 31, 2015 are as follows:

Name of Directors	Service contract / Notice Period	Remuneration Paid (Salaries, Perquisites and contribution to PF)	Total
Mr. Bholanath Baranwal	Appointed was effective from 01.10.2010 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, 2015.

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 27th June, 2014, 14th October, 2014, 6th February, 2015 and 27th March, 2015.

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

Name of Directors	Position	Meeting Held during 2014-15	Meeting attended
Mr. Bholanath Baranwal	Chairman	4	4
Mr. Amarnath Pandey	Member	4	2
Mr. Ambarish Chatterjee	Member	4	2

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

Mr. Vinit Kumar Dalmia, a graduate in Commerce and Post Graduate in Management has a rich experience of about 4 years in Finance, Audit, Legal and Secretarial. He is Head of Finance & Secretarial of the Company and designated by the Board of Directors as the Compliance Officer of the Company and can be contacted at:

Mr. Vinit Kumar Dalmia, Company Secretary
G. T. Road, Kachhawan, Varanasi - 221313, U. P.
Ph. No.: +91542-26 20 221, Fax No.: +91542-26 20 090
Email Id: cocompliance@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, 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 6, 2015, 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 retiral 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 COMMITTEE

(A) RISK MANAGEMENT COMMITTEE

The Company complies with the provisions of Clause 49 of the Listing Agreement pertaining to the Risk Management Committee. The Risk Management Committee was constituted Its functioning is as under:

- (i) The Risk Management Committee presently consists of the 2 Independent Directors and Managing Director of the Company.
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise.
- (iii) The Chairman of the Risk Management Committee is an Independent Director.

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

The Chairman of the Risk Management Committee is Mr. Amarnath Pandey. During the year, 1 Risk Management Committee meetings were held on November 7, 2014.

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

Name of Directors	Category	Meeting Held during 2014-15	Meeting attended
Mr. Bholanath Baranwal	Executive	1	1
Mr. AmarnathPandey	Independent	1	1
Mr. AmbarishChatterjee	Independent	1	1

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 Risk Management Committee 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 Committee 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 Risk Management Committee, Audit Committee and Board of Directors review these procedures periodically.

(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 cscompliance@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. Vivek 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 BODY MEETINGS

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

YEAR	DATE & DAY	LOCATION	TIME	SPECIAL RESOLUTION
2013-14	30.09.2014 (Tuesday)	Kachhawan, Varanasi	4.00 P.M.	NIL
2012-13	30.09.2013 (Monday)	Kachhawan, Varanasi	4.00 P.M.	NIL
2011-12	29.09.2012 (Saturday)	Kachhawan, Varanasi	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 2014-15 ended on March 31, 2015, 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:

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 cscompliance@bholanath.biz of Mr. Vinit Kumar Dalmia, Company Secretary of the Company exclusively for investor servicing and the same is prominently displayed on the Company's website 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. 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, 2015. The said certificate is provided elsewhere in the Annual Report.

FINANCIAL CALENDAR FOR THE FINANCIAL YEAR 2015-16 (TENTATIVE)

Financial Reporting for the quarter / three months ending 30th June, 2015	14th August, 2015
Financial Reporting for the quarter / half year ending 30th September, 2015	By mid of November 2015
Financial Reporting for the quarter / nine months ending 31st December, 2015	By mid of February 2016

Financial Reporting for the annual audited accounts for the financial year ending 31st March, 2016	By the end of May 2016
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13. GENERAL SHAREHOLDER INFORMATION

(I) ANNUAL GENERAL MEETING

Date & Day	30.09.2014 (Wednesday)
Time	4.00 P.M.
Venue	G. T. Road, Kachhawan, Varanasi-221313, U. P.
Date of Book closure	22.09.2015 to 30.09.2015 (Both days inclusive)
Financial Year	1 st April to 31 st March

(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 to pay the annual custodial fee for the year 2015-16 to both the depositories namely NSDL and CDSL as the Invoice has not been received till yet.

(v) SHAREHOLDING AS ON 31 MARCH, 2015

(a) DISTRIBUTION OF EQUITY SHAREHOLDING AS ON MARCH 31, 2015

No. of Equity Shares held for nominal value of Rs. 10/-	Shareholders		Equity Share amount	
	Number	% of total	Total amount (In Rs.)	% of total
1 – 5000	734	68.34	1856500	3.87
5001 – 10000	162	15.08	1099500	2.29
10001 – 20000	89	8.29	1251000	2.61
20001 – 30000	12	1.12	310000	0.64
30001 – 40000	8	0.75	277000	0.58

40001 - 50000	10	0.93	465000	0.97
50001 – 100000	13	1.21	1016000	2.11
100001 & above	46	4.28	41725000	86.93
	1074	100.00	48000000.00	100.00

(b) SHAREHOLDING PATTERN OF EQUITY SHARES AS ON MARCH 31, 2015

Sl. No.	Categories of Shareholders	As on 31.03.2015	
		No. of shares	% of Shares
1	Promoters	762580	15.89
2	Mutual Funds and UTI	3700	0.08
3	Banks, Financial Institutions	100000	2.08
4	Insurance Companies	0	0
5	Bodies Corporate	613300	12.78
6	Individuals	951700	19.82
7	Directors' Relatives	1665720	34.70
8	NRIs	703000	14.65
9	HUF	0	0
10	Foreign Nationals	0	0
11	Clearing Members/Public Trust	0	0
	Total	4800000	100.00

(c) Promoters' Group Shareholding as on March 31, 2015

Sl. No.	Name of Promoters	No. of shares held	% of total paid up share capital	No. of shares pledged	% of total shareholding of promoters
1	VIVEK BARANWAL	36400	0.76	0	0
2	HARISH BARANWAL	57500	1.20	0	0
3	BHOLANATH BARANWAL	668680	13.93	0	0

	Total	762580	15.89	0	0
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(d) CAPITAL OF THE COMPANY

The Authorized and paid-up capital of your Company is Four Crore Eighty Lakhs only (Rs. 4.80 Core) as on March 31, 2015. 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, 2015

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

(vi) STOCK PRICE DATA/ STOCK PERFORMANCE: YEAR 2014-15

a. During the year under report, the trading in the Company's equity shares was from April 1, 2014 to March 31, 2015. The high and low price during the period on the Bombay Stock Exchange Limited with comparison to Sensex was as under:-

Month	Highest		Lowest		BSE Sensex	
	Rate (In Rs.)	Date	Rate (In Rs.)	Date	High	Low
April, 2014	Not Traded	-	Not Traded	-	22,939.31	22,197.51
May, 2014	Not Traded	-	Not Traded	-	25,375.63	22,277.04

June, 2014	Not Traded	-	Not Traded	-	25,735.87	24,270.20
July, 2014	Not Traded	-	Not Traded	-	26,300.17	24,892.00
August, 2014	Not Traded	-	Not Traded	-	26,674.38	25,232.82
September, 2014	Not Traded	-	Not Traded	-	27,354.99	26,220.49
October, 2014	Not Traded	-	Not Traded	-	27,894.32	25,910.77
November, 2014	Not Traded	-	Not Traded	-	28,822.37	27,739.56
December, 2014	Not Traded	-	Not Traded	-	28,809.64	26,469.42
January, 2015	Not Traded	-	Not Traded	-	29,844.16	26,776.12
February, 2015	Not Traded	-	Not Traded	-	29,522.86	28,044.49
March, 2015	Not Traded	-	Not Traded	-	30,024.74	27,248.45

b. PERFORMANCE IN COMPARISON TO BSE SENSEX

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

	01.04.2014	31.03.2015	% Change
Company Share Price (High)	7.07	7.07	0
SENSEX (High)	22,485.77	28,180.64	25.33%

(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, 2015, 97.85% of total equity share capital of the Company was held in dematerialised form (including 100% 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.

Particulars	 Holders	No. of shares	(%)
Physical	214	2481480	51.70
NSDL	860	2318520	48.30
CDSL	0	0	0
Total	1074	4800000	100.00

(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, 2015 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

(xi) REGISTERED OFFICE

G. T. Road, Kachhawan
Varanasi - 221313, U. P.
Phone: +542-2620313, Fax: +542-2620090
Email: cscpliance@bholanath.biz
Website: 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

(xiii) ADDRESS FOR CORRESPONDENCE

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

Mr. Vinit Kumar Dalmia (Company Secretary)

Shri Bholanath Carpets Limited

G. T. Road, Kachhawan

Varanasi - 221313, U. P.

Phone: +542-2620313, Fax: +542-2620090

Email: cscompliance@bholanath.biz

Website: www.bholanath.com

(xiv) COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM THE AUDITOR

The certificate dated August 31st, 2015 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 31st, 2015.

On Behalf of the Board

Sd/-

Bholanath Baranwal

(Chairman & Managing Director)

DIN: 00306086

Date: 31.08.2015

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: 31.08.2015

Place: Varanasi

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

We have examined the compliance of conditions of Corporate Governance by ShriBholanath Carpets Limited for the financial year ended on March 31, 2015 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 : 31st August, 2015**

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

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

TO THE MEMBERS OF SHRI BHOLANATH CARPETS LIMITED

FORMERLY KNOW BIL CONTINENTAL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LTD. which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the statement of cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) In case of Balance Sheet, of the state of affairs of the Company as at March 31, 2015; and
- b) In the case of the Statement of profit and loss, of the profit for the year ended on that date.
- c) In the case of the Statement of cash flow for the year ended on that date.

Head Office:.B 7/10 2nd Floor D.S. Ramesh Nagar, New Delhi -110015 Ph. 25422346, 25422351

Branch Office:.B 38/3 Maharaja Nagar Colony, Mahmoorganj, Varanasi-221010. Ph.-2362262, 23241746

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)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1 As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the order.

2 As required by section 143(3) of the Act, we report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- c) The Balance Sheet, the statement of Profit & Loss Account and Statement of Cash Flow dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Statement of cash flow dealt with by this report comply with the Accounting Standards referred to in 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 31ST MARCH, 2015, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31ST MARCH, 2015 from being appointed as a director in terms of Section 164(2) of the Act;

**For O.P. TULSYAN & CO.,
CHARTERED ACCOUNTANTS
SD/-**

**PLACE : VARANASI
DATED : 30/05/2015**

**O.P TULSYAN
(PARTNER)
M.No. 011165**

**ANNEXURE
TO THE AUDITORS REPORT**

M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED

- 1 a) As per the Explanation provided by management the records of Fixed Assets are under preparation.
- b) The fixed assets have not been physically verified during the year by the management
- c) Based on scrutiny of the records of the company and the information and explanations received by us, we report that there was no sale of fixed assets during the financial year ended 31st March, 2015 substantial or otherwise. Hence the question of reporting whether the sale of any substantial part of fixed assets has affected the going concern of the company does not arise.
- 2 a) The inventory of the company has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given by the management, the procedures followed are reasonable and adequate in relation to size of the company and nature of its business.
- c) In our opinion the company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the book records.
- 3 In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 189 of the companies act, 2013;
 - a. The company has not taken loans.
 - b. In respect of loan taken / granted by the company, the principal is repayable on demand.

There are no overdue amounts in respect of loan taken / granted by the company.
- 4 In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory & fixed assets.
- 5 Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that there were no transactions during the year that need to be entered in the register maintained under section 189 of the the Companies Act, 2013.
- 6 The company has not accepted any deposits from the Public
- 7 In our opinion the company has an adequate Internal Audit System commensurate with the size and nature of its business.
- 8 We have been informed by the management, no cost records have been prescribed under Section 209(I)(d) of the Companies Act, 1956 in respect of products manufactured by the Company.

- 9 a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, Employee's State Insurance, Income tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, cess and other statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31ST MARCH, 2015 for a period of more than six months from the date they became payable.
- c) According to the records of the company there are no dues of sales tax, income tax, customs tax/wealth tax, excise duty/cess, which have not been deposited on account of any dispute.
- 10 The company has not incurred cash loss in current year and preceding Financial year, so provision of clause is not applicable.
- 11 According to information and explanations given to us and on the basis of our audit, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12 According to the records of the company, the company has not granted any loans and advances on the basis of security byway of pledge of shares, debentures or other securities.
- 13 In our opinion company is neither a chit fund nor a nidhi/mutual benefit society. Hence in our opinion Para -4(xiii) of the Companies (Auditors') Report Order, 2003 as amended by 2004 is not applicable.
- 14 As per the records of the company and according to information and explanations given to us by the management, company has no earned profit in delivery based sale & purchase of equity shares of listed companies.
- 15 As per the records of the company and according to information and explanations given to us by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16 The Company has not obtained any term loan during the period under audit.
- 17 According to information and explanations given to us, and on overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment by the company.
- 18 As per the records of the company and according to information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19 As per the records of the company, the company has not issued any debentures.
- 20 The company has not raised any money by public issues during the period covered by our audit report.
- 21 In our opinion and according to information and explanations given to us, no fraud on or by the company have been noticed or reported during the course of our audit.

For O.P. TULSYAN & CO.
Chartered Accountants

PLACE:VARANASI
DATE: 30/05/2015

O.P.TULSYAN
(PARTNER)

B 38/3 Maharaja Nagar Colony, Mahmoorganj, Varanasi-221010. Ph.-2362262, 23241746

M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED
BALANCE SHEET AS ON 31ST MARCH, 2015

(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
I. EQUITY AND LIABILITIES			
A Shareholders' funds			
(a) Share capital	1	48,000,000.00	48,000,000.00
(b) Reserves and surplus	2	79,559,039.75	79,106,366.60
Share application money pending allotment		-	-
B Non-current liabilities			
(a) Long-term borrowings	3	884,374.00	884,374.00
(b) Deferred tax liabilities (Net)	4	3,640,371.08	4,174,944.80
C Current liabilities			
(a) Short-term borrowings	5	79,908,152.18	122,978,602.28
(b) Trade payables	6	55,349,269.11	73,042,179.19
(c) Other current liabilities	7	17,175,097.08	12,063,672.53
(d) Short-term provisions	8	664,038.00	811,521.92
TOTAL		285,180,341.20	341,061,661.32
II. ASSETS			
A Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	26,832,853.80	28,794,090.50
(b) Non-current investments	6	21,515,999.99	21,515,999.99
(c) Long-term loans and advances	10	545,619.00	452,402.00
B Current assets			
(a) Inventories	11	108,365,301.00	116,481,887.08
(b) Trade receivables	12	110,000,242.19	132,475,376.31
(c) Cash and cash equivalents	13	2,625,534.32	18,877,322.01
(d) Short-term loans and advances	14	15,294,790.90	22,464,583.43
TOTAL		285,180,341.20	341,061,661.32

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**

**BHOLANATH BARANWAL
DIRECTOR**

**VIVEK BARANWAL
DIRECTOR**

(PARTNER)

**PLACE: VARANASI
DATED: 30/05/2015**

M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED
NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31 March 2015

Note 1

<u>Share Capital</u>	31st March, 2015		31st March, 2014	
	No. of Shares	Amount	No. of Shares	Amount
<u>Authorised</u> 60,00,000 Equity Shares of Rs. 10/- Each	6,000,000	60,000,000	6,000,000	60,000,000
<u>Issued Subscribed and Fully Paid Up</u> 48,00,000 Equity Shares of Rs. 10/- each	4,800,000	48,000,000	4,800,000	48,000,000
Total	4,800,000	48,000,000	4,800,000	48,000,000

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

Note 1(b)

Particulars	Equity Shares	
	Number	Value
Shares outstanding at the beginning of the year	4,800,000	48,000,000.00
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	4,800,000	48,000,000.00

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, 2015		31st March, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Surendranath Baranwal	357,400	7.45%	357,400	7.45%
Vandar Eachan & Co.	702,000	14.63%	702,000	14.63%
Bholanath Baranwal	668,680	13.93%	668,680	13.93%
Dinanath Baranwal	257,400	5.36	257,400	5.36

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

Particulars	Year (Aggregate No. of Shares)			
	2011-12	2012-13	2013-14	2014-15
Equity Shares :				
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
Preference Shares :				
Fully paid up pursuant to contract(s) without payment being received in cash	N.A.	N.A.	N.A.	N.A.
Fully paid up by way of bonus shares				
Shares bought back				

M/s. SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED
NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31 March 2015

Note 2	<u>Reserves & Surplus</u>	31st March, 2015	31st March, 2014
	a. General Reserves		
	Opening Balance	49,100,000.00	49,100,000.00
	(+) Current Year Transfer		-
	(-) Written Back in Current Year		-
	Closing Balance	49,100,000.00	49,100,000.00
	b. Securities Premium Account		
	Opening Balance	28,600,000.00	28,600,000.00
	Add : Securities premium credited on Share issue		
	Less : Premium Utilised for various reasons		
	Closing Balance	28,600,000.00	28,600,000.00
	c. Surplus		
	Opening balance	1,406,366.60	982,610.53
	(+) Net Profit/(Net Loss) For the current year	286,607.00	423,756.07
(+) Excess Depreciation Provision Written Back	166,066.15	-	
Closing Balance	1,859,039.75	1,406,366.60	
Total	79,559,039.75	79,106,366.60	
Note 3	<u>Long Term Borrowings</u>	31st March, 2015	31st March, 2014
		-	-
	A. Secured		
	B. Unsecured		
	From Inter- Corporate Deposit	884,374.00	884,374.00
Total	884,374.00	884,374.00	
Note 4	<u>Deferred Tax Liabilities</u>	31st March, 2015	31st March, 2014
		-	-
	Deferred Tax Liabilities	4,174,944.80	5,057,246.80
	Addition During The Year	(534,573.72)	(882,302.00)
Total	3,640,371.08	4,174,944.80	
Note 5	<u>Short Term Borrowings</u>	31st March, 2015	31st March, 2014
		-	-
	<u>Secured</u>		
	Packing Credit From HDFC	1,763,408.00	78,397,850.00
	OD Loan against from PNB	-	6,538,066.00
	Loan against foreign bills from PNB	-	27,242,284.00
	Loan against foreign bills from HDFC		10,800,402.28
	Packing Credit From Syndicate Bank	73,500,543.93	
	Loan against foreign bills from Syndicate Bank	4,131,176.02	
	HDFC A/C 14652790000021	9,411.58	
	PNB BHADOHI C/A	503,612.65	
	(SECURED AGAINST HYPOTHECATION OF STOCK AND BOOK-DEBTS)		
	Total	79,908,152.18	122,978,602.28

Note 6	<u>Trade Payables</u>	31st March, 2015	31st March, 2014
		-	-
	Trade Payables	55,349,269.11	73,042,179.19
	Total	55,349,269.11	73,042,179.19

Note 7	<u>Other Current Liabilities</u>	31st March, 2015	31st March, 2014
		-	-
	Advance from customers	16,842,816.08	11,173,160.03
	Audit fees payable	108,021.00	28,605.00
	Service & T.D.S. Payable	28,029.00	34,138.00
	P.F. Payable	17,791.00	3,324.50
	Salary & other Payable	178,440.00	208,481.00
	Other Payables		615,964.00
	Total	17,175,097.08	12,063,672.53

Note 8	<u>Short term Provisions</u>	31st March, 2015	31st March, 2014
		-	-
	Provision for tax(A.Y 13-14)		811,521.92
	Provision for current tax	664,038.00	
	Total	664,038.00	811,521.92

Note 10	<u>Non Current Investments</u>	31st March, 2015	31st March, 2014
		-	-
	<u>Long term Unquoted</u>		
	Non Trade		
	Bholanath Industries	21,300,000.00	21,300,000.00
	Amari Investments (P) Ltd.	75,000.00	75,000.00
	<u>Quoted</u>		
	Trade		
Uma Petrofills Ltd.	140,999.99	140,999.99	
	Total	21,515,999.99	21,515,999.99

Note 11	<u>Long Term Loans And Advances</u>	31st March, 2015	31st March, 2014
		-	-
	a. Security Deposits		
	Secured, considered good		
	Unsecured, considered good	545,619.00	452,402.00
	Less: Provision for doubtful deposits		
	Total	545,619.00	452,402.00

Note 12	<u>Inventories</u>	31st March, 2015	31st March, 2014
	Raw Material	5,741,964.00	10,649,980.00
	Work in Progress	6,045,984.00	5,293,082.00
	Finished Goods	94,851,512.00	99,623,911.00
	Stores, Spares And Loose Tools	1,725,841.00	914,914.08
		Total	108,365,301.00

Note 13	<u>Trade Receivables</u>	31st March, 2015	31st March, 2014
			-
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Secured, considered good		
	Unsecured, considered good	58,789,924.86	132,066,228.31
	Unsecured, considered doubtful		
	Less: Provision for doubtful debts		
		58,789,924.86	132,066,228.31
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Secured, considered good		
	Unsecured, considered good	51,210,317.33	409,148.00
	Unsecured, considered doubtful		
	Less: Provision for doubtful debts		
		51,210,317.33	409,148.00
	Total	110,000,242.19	132,475,376.31

Note 14	<u>Cash and cash equivalents</u>	31st March, 2015	31st March, 2014
			-
	a. Balances with banks		
	<u>In Fixed Deposits:</u>		
	This includes		
	Balance with Nationalised Banks	751,888.12	713,110.00
	<u>In Current Account:</u>		
	Balance With Nationalised Banks	1,131,264.19	17,527,230.07
	Balance With Banks Other than Nationalised Banks		
	b. Cash on hand	742,382.01	636,981.94
	Total	2,625,534.32	18,877,322.01

Note 15	<u>Short Term Loans And Advances</u>	31st March, 2015	31st March, 2014
			-
	Advance to Parties		
	Advance for goods & services	6,619,760.49	493,054.00
	Staff advances	239,665.61	24,863.02
	Balance with revenue authorities	8,435,364.80	3,867,504.09
	Others	-	18,079,162.32
		15,294,790.90	22,464,583.43

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, 2015 (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	321,686,746.70	305,011,200.32
II.	Other Income	PL-2	5,004,756.16	17,070,641.97
III.	Total Revenue		326,691,502.86	322,081,842.29
IV.	Expenses:			
	Cost of Materials consumed	PL-3	20,924,690.70	13,334,948.49
	Purchases of Stock-in-Trade	PL-4	262,987,860.17	262,828,350.73
	Changes in inventories of Stock-in-Trade	PL-5	4,019,497.00	(15,561,477.56)
	Employee Benefits Expense	PL-6	1,747,337.00	3,217,038.00
	Finance Costs	PL-7	6,267,596.24	32,861,882.28
	Depreciation and Amortization Expense	PL-8	2,761,545.85	3,958,334.12
	Payment to Auditors	PL-9	158,832.00	79,416.00
	Other expenses	PL-10	27,401,969.54	21,012,440.44
	Total expenses		326,269,328.50	321,730,932.50
	Profit before exceptional and extraordinary items and tax (III-IV)		422,174.36	350,909.79
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		422,174.36	350,909.79
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		422,174.36	350,909.79
X.	Tax expense:			
	(1) Current tax		664,038.00	811,521.92
	(2) Deferred tax		(534,573.72)	(882,302.00)
	(3) Interest on Self assessment tax		-	-
	(4) Earlier Tax Excess Provision Written Back		6,103.08	(2,066.20)
	Profit (Loss) for the period from continuing operations (VII-VIII)		286,607.00	423,756.07
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XIV.	Profit (Loss) for the period (XI + XIV)		286,607.00	423,756.07
XV.	Earnings per equity share:			
	(1) Basic		(0.05)	(0.10)
AUDITOR'S REPORT		FOR AND ON BEHALF OF THE BOARD OF DIRECTORS		
SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.		SHRI BHOLANATH CARPETS LIMITED		
FOR O.P. TULSYAN & COMPANY				
CHARTERED ACCOUNTANTS				
(PARTNER.)	BHOLANATH BARANWAL	VIVEK BARANWAL		
	DIRECTOR	DIRECTOR		
PLACE: VARANASI				
DATED: 30/05/2015				

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	Revenue From Operations	31st March, 2015	31st March, 2014
	Sale of products	318,233,850.70	300,312,771.32
	Sale of services		-
	Other Operating Revenues	3,452,896.00	4,698,429.00
	Less: Excise Duty	321,686,746.70	305,011,200.32
	Total	321,686,746.70	305,011,200.32
PL-2	Other Income	31st March, 2015	31st March, 2014
	Other Income		
	Interest Income	53,902.12	921,553.00
	Miscellaneous Income	4,950,854.04	16,149,088.97
	Total	5,004,756.16	17,070,641.97
PL-3	Cost of Materials Consumed	31st March, 2015	31st March, 2014
	Purchases Raw Materials and Packing materials	16,016,674.70	15,174,141.00
	Add: Opening Balance of Stock	10,649,980.00	8,810,787.49
		26,666,654.70	23,984,928.49
	Less: Closing Balance of Stock	5,741,964.00	10,649,980.00
	Total	20,924,690.70	13,334,948.49
PL-4	Purchase of Stock In Trade	31st March, 2015	31st March, 2014
	Purchases of Traded goods	262,987,860.17	262,828,350.73
	Total	262,987,860.17	262,828,350.73
PL-5	Changes in inventory	31st March, 2015	31st March, 2014
	Finished Stock		
	At the Beginning of Accounting Period	99,623,911.00	88,459,898.75
	At the End of Accounting Period	94,851,512.00	99,623,911.00
		4,772,399.00	(11,164,012.25)
	Work-in-Progress		
	At the Beginning of Accounting Period	5,293,082.00	895,616.69
	At the End of Accounting Period	6,045,984.00	5,293,082.00
	(752,902.00)	(4,397,465.31)	
	Total	4,019,497.00	(15,561,477.56)
PL-6	Employee Benefit Expenses	31st March, 2015	31st March, 2014
	Factory Salary & Wages	800,077.00	2,253,279.00
	Directors Remuneration	696,000.00	696,000.00
	Sitting Fee To Directors	72,000.00	72,000.00
	Bonus	9,000.00	-
	Contribution To Provident Fund	42,212.00	48,495.00
	Staff Welfare	128,048.00	147,264.00
	Total	1,747,337.00	3,217,038.00

**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	Payment To Auditors	31st March, 2015	31st March, 2014
	Payment To Auditors	158,832.00	79,416.00
	Total	158,832.00	79,416.00
PL-8	Finance Costs	31st March, 2015	31st March, 2014
	Interest To Bank	5,358,196.45	31,206,481.63
	ECGC Premium		341,139.00
	Bank Charges & Commission	909,399.79	1,314,261.65
	Total	6,267,596.24	32,861,882.28
PL-9	Depreciation and Amortization Expense	31st March, 2015	31st March, 2014
	Depreciation	2,761,545.85	3,958,334.12
	Total	2,761,545.85	3,958,334.12
PL-10	Other Expenses	31st March, 2015	31st March, 2014
	<u>Manufacturing Expenses:</u>		
	Consumption Of Stores And Spare Parts		
	Opening Stock	914,944.00	38,184.71
	Add:Purchases	1,947,287.00	4,753,895.00
	Total	2,862,231.00	4,792,079.71
	Less:Closing Stock	1,725,841.00	914,944.00
		1,136,390.00	3,877,135.71
	Weaving Finishing & Other Job Charges	9,455,150.00	7,183,839.70
	Power & Fuel	578,485.00	549,325.00
	Manufacturing Expenses	2,440,994.00	963,759.00
	Dyeing Charges Woolen Yarn	2,191,365.00	1,421,405.00
	Total	15,802,384.00	13,995,464.41
	<u>Administrative Expenses:</u>		
	Insurance Charges	53,485.00	110,250.00
	Telephone, Telegram, Fax Charges	80,579.00	29,423.00
	Printing Stationery & Computer Training	152,990.00	91,140.00
	Registraration & Membership	204,548.00	16,009.00
	Rates & Taxes	6,000.00	15,275.00
	Travelling-Directors	774,068.00	168,932.00
	Travelling-Others	155,803.00	125,910.00
	Vehicle Running & Maintenance Expenses	273,902.00	174,866.00
	Legal & Professional Fee/Expenses	290,745.00	232,709.00
	General Repair & Maintainance	511,983.00	566,643.00
	Watch And Wards	-	1,617.00
	Filing fees	380,936.00	
	Miscellaneous Expenditure	100,942.54	396,742.98
		2,985,981.54	1,929,516.98
	<u>Selling And Distribution Expenses:</u>		
	Packing , Freight,Insurance & Forwarding Expenses	8,480,903.00	4,712,888.05
	Expenses On Trade Fair	129,000.00	-
	Export Promotion	3,701.00	374,571.00
		8,613,604.00	5,087,459.05
	Grade Total	27,401,969.54	21,012,440.44

M/s SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED
SCHEDULE OF FIXED ASSETS AS ON 31.03.15

NOTE - 9

PARTICULARS				GROSS BLOCK			DEPRECIATION				NET BLOCK	
	RATE			AS ON	ADDITION	AS ON	UP TO	FOR THE		UP TO	AS ON	AS ON
				01.04.2014		31.03.2015	01.04.2014	YEAR		31.03.2015	31.03.2015	31.03.2014
Factory Building	3.34%	3.17%	30.00	43,101,855.00	-	43,101,855.00	23,133,748.78	1,272,358.10	-	24,406,106.88	18,695,748.12	19,968,106.22
Plant & Machinery	4.75%	6.33%	21.00	20,630,665.00	148,698.00	20,779,363.00	17,267,103.97	785,082.44	-	18,052,186.41	2,727,176.59	3,363,561.03
Electric Installation	7.07%	6.33%	21.00	1,253,714.00		1,253,714.00	897,966.98	26,641.94	-	924,608.92	329,105.08	355,747.02
Other Machinery	4.75%	6.33%	21.00	8,298,424.00	74,000.00	8,372,424.00	7,400,656.70	241,653.42	-	7,642,310.12	730,113.88	897,767.30
Loom with Artisan	4.75%	6.33%	21.00	3,327,083.00		3,327,083.00	3,016,998.22	71,865.32	-	3,088,863.54	238,219.46	310,084.79
Computer & Allied Equipmer	16.21%	31.67%	3.00	1,228,039.00	174,000.00	1,402,039.00	626,986.67	35,845.51	61,401.95	601,430.23	800,608.77	601,052.33
Office & Other Equipment	4.75%	6.33%	21.00	3,736,214.00	48,760.00	3,784,974.00	2,173,163.10	155,042.98	-	2,328,206.08	1,456,767.92	1,563,050.90
Furniture & Fixture	6.33%	9.50%	21.00	8,446,207.00	135,800.00	8,582,007.00	6,752,214.17	167,218.77	-	6,919,432.94	1,662,574.06	1,693,992.83
Trade Mark	10.00%	9.50%	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	1,989,971.00	-	99,498.55	1,890,472.45	99,498.55	(0.00)
Motor Cycle		9.50%	10.00	-	52,985.00	52,985.00	-	3,314.46	-	3,314.46	49,670.54	-
Assets Below Rs.5000/-	100.00%	100.00%		103,313.00	-	103,313.00	103,313.00	-	5,165.65	98,147.35	5,165.65	-
Assets above Rs.50000/-	4.75%	6.33%	21.00	57,688.00	-	57,688.00	16,959.91	2,522.91	-	19,482.82	38,205.18	40,728.09
TOTAL (A)				92,221,473.00	634,243.00	92,855,716.00	63,427,382.50	2,761,545.85	166,066.15	66,022,862.20	26,832,853.80	28,794,090.51

Note: Excess depreciation of Previous year adjusted during the year

O.P. TULSYAN & CO.
CHARTERED ACCOUNTANTS

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Shri Bholanath Carpets Limited

Formally Known BIL Continental Limited

Cash Flow Statement for the year ended 31st March, 2015

	Current year	
	Amount	Amount
A. Cash Flow from Operating Activities :		
Net Profit Before tax		422,174.36
Adjustments for :		
Depreciation	2,761,545.85	
Interest Received	(53,902.12)	
Interest charged to Profit and Loss Account	5,358,196.45	
		8,065,840.18
Operating Profit before working capital changes		8,488,014.54
Adjustments for :		
Trade receivables	22,475,134.12	
Loans and Advances.....	7,076,575.53	
Inventories	8,116,586.08	
Trade Payables and other Liabilities	(55,778,994.55)	
		(18,110,698.82)
Cash Generated From Operation		(9,622,684.28)
Direct Taxes Paid		(684,463.00)
Interest On Income Tax		(6,103.08)
Cash Flow Before Exceptional Item		(10,313,250.36)
Net Cash Flow from Operating Activities :		(10,313,250.36)
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(634,243.00)	
Interest Received	53,902.12	
Net Cash used in Investing Activities		(580,340.88)
C. Cash Flow from Financing Activities :		
Interest Paid	(5,358,196.45)	
Net Cash From Financing Activities		(5,358,196.45)
Net Increase/(Decrease) in Cash & Cash equivalents		(16,251,787.69)
Cash & Cash equivalents as at 1st April		18,877,322.01
Cash & Cash equivalents as at 31st March		2,625,534.32

As per our report attached

For O. P. TULSYAN & CO.
Chartered Accountants

For and on behalf of the Board
Shri Bholanath Carpets Limited

BHOLANATH BARANWAL

VIVEK BARANWAL

(PART

DIRECTOR

DIRECTOR

PLACE : VARANASI

DATE :30.05.2015