

# 46th ANNUAL REPORT



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## CORPORATE INFORMATION

# SHRI BHOLANATH CARPETS LIMITED

**CIN: L17226UP1973PLC003746**

### **BOARD OF DIRECTORS:**

<b>Name of Director</b>	<b>Designation</b>
<b>Mr. Bholanath Baranwal</b>	Chairman & Managing Director
<b>Mr. Harish Baranwal</b>	Director
<b>Mr. Vivek Baranwal</b>	Director & CFO
<b>Mrs. Nisha Tripathi</b>	Director
<b>Mrs. Veena Agnihotri</b>	Director
<b>Mr. Shrinarayan Khemka</b>	Director

**Mr. Niraj Tripathi – Company Secretary & Compliance officer (resigned w.e.f. 04.04.2019)**

#### Bankers:

Syndicate Bank  
Mid Corporate Office,  
Maqbool Alam Road, Varanasi-221002

#### Statutory Auditors:

**M/s. O.P. Tulyan & Co.**  
Chartered Accountant,  
Varanasi- 221010

#### Secretarial Auditor

**Ajay Jaiswal & Co.,**  
Practicing Company Secretary  
Varanasi- 221010

#### Registered Office:

G.T. Road, Kachhawan,  
Varanasi- 221313, U.P.  
**Website:** www.bholanath.biz  
**Email ID:** cs@bholanath.biz  
**Phone:** 542-2620221

#### Internal Auditor:

**M/s. Shah Mukul Kumar & Associates**  
Chartered Accountant,  
Varanasi- 221005

#### Registrar & Transfer Agent:

**Mas Services Limited**  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area  
Phase No. II, New Delhi- 110020,  
E-mail: info@masserv.com  
Website: www.masserv.com

#### Listing of Equity Shares:

**BSE Limited**, Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai- 400001

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### NOTICE

**Notice** is hereby given that **46<sup>th</sup> Annual General Meeting** of the shareholders of the Company will be held on Saturday **28th September, 2019**, at **Registered office address at G.T. Road, Kachhawan, Varanasi- 221313** at **11:30 a.m.** to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2019, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Harish Baranwal (DIN: 01722061), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

#### REGISTERED OFFICE

G.T. Road, Kachhawan,  
Varanasi- 221313, U.P  
CIN: L17226UP1973PLC003746

Date: 21/08/2019

**BY ORDER OF THE BOARD**  
**SHRI BHOLANATH CARPETS LIMITED**

sd/-  
Bholanath Baranwal  
(Chairman & Managing Director)

#### IMPORTANT COMMUNICATION TO MEMBERS – GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by the Companies and has issued a circular stating that service of all documents including Annual Reports can be sent by email to its Members. Your Company believes that this is a remarkable and environment friendly initiative by MCA and requests all Members to support in this noble cause.

The Company has already embarked on this initiative and proposes to send documents including Annual Reports in electronic form to the members on the email address provided by them to the R&T Agent/ the Depositories.

The Members who hold shares in physical form are requested to intimate/update their email address to the Company/R&T Agent while members holding shares in Demat form can intimate/update their email address to their respective Depository Participants.

#### NOTES:

1. A member is entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself and a proxy need not be a member of the company. a person can act as proxy on behalf of member's up to and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company. Further, member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person may not act as a proxy for any other person or member. The instrument appointing proxy must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.



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2. Corporate Members are requested to send in advance duly certified copy of Board Resolution /power of attorney authorizing their representative to attend the annual general meeting.
3. Members/ proxies are requested to bring their copies of annual reports and the attendance slip duly completed and signed at the meeting, quote their respective folio numbers or DP ID and Client ID numbers for easy identification of their attendance at the meeting.
4. The Securities & Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat Account. Members holding their shares in Physical Form can submit their PAN details to the share transfer agent (Mas Services Limited) of the Company.
5. Members are requested to notify immediately any change in their address details to the Company's Registrar and share transfer agents for shares held in demat/physical form at: **Mas Services Limited T-32, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase- II, New Delhi – 110 020.**
6. Pursuant to the provisions of Sections 101 and 136 of the Act read with 'The Companies (Accounts) Rules, 2014' electronic copy of the Annual Report for financial year 2018-2019 along with Notice of 46<sup>th</sup> Annual General Meeting of the company (including the Attendance Slip & Proxy Form) is being sent to all the members whose email id is registered with the Registrar/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their e mail address, physical copies of the Annual Report for the financial year 2018-2019 along with the notice of the 46<sup>th</sup> Annual general Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Forms is being sent by other permissible modes.
7. Electronic copy of the Notice convening the 46<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members who hold shares in dematerialized mode and whose email addresses are registered with their respective Depository Participants. For those members who have not registered their email address, physical copies of the said Notice inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
8. Members may also note that the Notice of the 46<sup>th</sup> Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.bholanath.biz](http://www.bholanath.biz) which can be downloaded from the site. The physical copies of the aforesaid documents will also be available at the Company's registered office in Varanasi for inspection during normal business hours on all the working days except Saturdays and Sundays.
9. During the period beginning 24 hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
10. The Company has paid the annual listing fees for the financial year 2019-20 to BSE Limited.
11. Members holding the equity shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
12. Pursuant to section 91 of the Companies Act, 2013 The Register of Members and the Transfer Book of the Company will remain closed from 22/09/2019 to 29/09/2019 (both days inclusive).

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13. Brief details of the Directors, who are seeking appointment / re-appointment, are annexed hereto as per the requirements of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015.



### 14. Procedure and Instruction for E-Voting

In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 46<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.

The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**A detail on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL*

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eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

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7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. After you click on the "Login" button, Home page of e-Voting will open.
9. Now, you will have to click on "Login" button.

### **A Detail on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN 111802" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [carrsoni@gmail.com](mailto:carrsoni@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- i. The e-voting period commences on Wednesday, 25/09/2019 at 9:00 A.M. and ends on Friday, 27/09/2019 at 5:00 P.M. During this period, members of the company holding shares either in physical form or in dematerialized form, as on the cutoff / relevant date i.e. Saturday, 21/09/2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, he or she will not be allowed to change it subsequently.
- ii. Any person, who becomes a member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 21/09/2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cs@bholanath.biz](mailto:cs@bholanath.biz). However, if such member is already registered with NSDL for remote e-voting then he/she/it can use his/her/its existing user ID and password for casting the vote. The facility to reset the forgotten password is also provided by NSDL by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



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- iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., 21/09/2019 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- iv. Mr. Ajay Jaiswal, (Membership No.5112) of M/s. Ajay Jaiswal & Co., Practicing Company Secretary, Varanasi has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the voting and e-voting process in a fair and transparent manner.
- v. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
- vi. The Results declared along with the report of the Scrutinizer will be placed on the website of the Company www.bholanath.biz and on the website of NSDL immediately after the declaration of results by the Chairman or by a person duly authorized. The results shall also be immediately forwarded to the BSE Limited, where the equity shares of the Company are listed.

**REGISTERED OFFICE**

G.T. Road, Kachhawan,  
Varanasi- 221313

CIN: L17226UP1973PLC003746

Date: 21/08/20119

**BY ORDER OF THE BOARD  
SHRI BHOLANATH CARPETS LIMITED**

sd/-

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

**Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment/Appointment at the 46<sup>th</sup> Annual General Meeting**

Particulars	Mr. Harish Baranwal
<b>DIN</b>	01722061
<b>Date of Birth</b>	10/08/1972
<b>PAN</b>	ACEPB0693A
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	30/08/2008
<b>No. of Equity Shares held</b>	57500
<b>Qualifications</b>	B.Com
<b>Brief Profile</b>	Mr. Harish Baranwal is Graduate in Commerce. He has good interpersonal, communication skills and ability to lead as Directors. He has vast experience in the field of administration work.
<b>Directorship held in other entities</b>	1. Shri Bholanath Industries Limited 2. Organic Weave Limited
<b>Membership/Chairmanship of other Public Companies (includes only Audit Committee and Stakeholder Relationship Committee)</b>	NIL
<b>Relationships, if any between Directors, interest.</b>	Son of Bholanath Baranwal, chairman & Managing Director & Brother of Vivek Baranwal Director of the Company

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# **BOARDS' REPORT**

**To THE MEMBERS OF THE COMPANY**

Your Directors have pleasures in submitting their 46th Annual report of the company along with the Audited Financial Statements for the year ended 31st March, 2019.

**FINANCIAL RESULTS:**

<b>Particulars</b>	<b>2018-19 (Rs. In Lacs)</b>	<b>2017-18 (Rs. In Lacs)</b>
Revenue from Operations	2273.71	2723.92
Revenue from other income	28.13	27.06
<b>Total Revenue from Operation</b>	<b>2301.84</b>	<b>2750.98</b>
Profit before depreciation, Exceptional & tax	48.04	35
Depreciation	16.83	21.91
Exceptional Income	15.47	0
Profit after Depreciation & Exceptional Income but before Tax	15.74	13.09
Provision for Taxation (current)	5.26	3.42
Provision for Tax (deferred)	2.33	0
Tax Adjustment for earlier years	-	-
<b>Profit / Loss after Tax</b>	<b>8.15</b>	<b>9.67</b>
<b>Other equity excluding revaluation reserve</b>	<b>776.77</b>	<b>768.62</b>
<b>EPS</b>	<b>0.02</b>	<b>0.02</b>

**PERFORMANCE REVIEW:**

During the year under review your Company achieved total revenue of Rs. 2301.84 lacs as against Rs. 2750.98 in the previous year. This is mainly due to cost escalation of Raw materials and overall impact of the economy on textile sector and poor response of the buyers at international. The company have net profit after tax is Rs. 8.15 Lakhs as compared to net profit of 9.67 Lakhs in the previous year which is primarily due to less turnover and increase of taxes. The management of the Company is very optimistic with regards to the performance of the Company in future and they taking every suitable or necessary step required for the profitable future of the Company and its members.

**DIVIDEND:**

In order to conserve the reserve for a sustainable future, your Company do not recommended any dividend on Equity Shares for the year under review.

**RESERVES**

During the year of the Company stand at Rs. 776.77 Lakhs as compared to Rs. 768.62 in the previous year.

**CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Pursuant to Section 152 of the Companies Act, 2013 Mr. Harish Baranwal retire by rotation and being eligible offered himself for re- appointment. If re-appointed, he will continue as director of the Company.

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As required under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 with the stock exchanges, the information on the particulars of directors proposed for appointment/re-appointment has been given in the notice of annual general meeting.

### **DEPOSITS:**

During the year, Company has not invited/accepted any deposits from the public under the Companies Act, 2013.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

Details of investments covered under Section 186 of the Companies Act, 2013 ("the Act") will be produced for verification to the members at the Registered office of the company on their request.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2019 the applicable accounting standards have been followed.
- b) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the State of affairs of the corporation as at the end of March 31, 2019 and of the profit of the Company for the year ended on that date.
- c) Proper and sufficient care to the best of their knowledge and ability 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) The Annual Accounts of the Company have been prepared on the ongoing concern basis.
- e) That they have laid down internal financial controls commensurate with the size of the Company and that such financial controls were adequate and were operating effectively.
- f) That system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

### **HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company neither has any Holding and Subsidiary Company but have Associate Company.

### **TRANSFER TO INVESTOR'S EDUCATION AND PROTECTION FUND:**

During the year under review, the Company was not required to transfer any amount in the Investor's Education and Protection Fund.

### **DECLARATION OF INDEPENDENT DIRECTORS':**

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 as well as under SEBI (LODR) Regulations, 2015 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

### **POLICIES ON DIRECTORS' APPOINTMENT & REMUNERATION**

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The company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. The policy is available on the website of the company viz [www.bholanath.biz](http://www.bholanath.biz).

### **EVALUATION OF BOARD OF DIRECTORS':**

Pursuant to the provisions of the Act and Schedule V of SEBI (Listing Obligation & Disclosure Requirement) regulations, 2015, the Nomination and Remuneration Committee of the Board carried out the annual evaluation of the performance of the Board as a whole, the Directors individually as well as of various Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and non independent Directors was also carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

### **STATUTORY AUDITORS':**

M/s. O.P.Tulsyan & Co., [Firm Registration No. 500028N] Chartered Accountants had been appointed by the members at 44<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> Septemebr, 2017 to the conclusion of 48<sup>th</sup> Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting.

However Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 46th AGM.

As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. O.P. Tulsyan & Co. that their appointment, if made, would be in conformity with the limits specified in the said Section.

There are no qualifications, reservations or adverse remarks made Statutory Auditors in their report for the financial year ended March 31, 2019.

### **AUDITORS' REPORT:**

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 134(1) of the Companies Act, 2013.

### **SECRETARIAL AUDIT:**

Pursuant to the requirements of Section 204(1) of the Act, and Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Ajay Jaiswal, Company Secretary in Practice to conduct the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report as received from Mr. Ajay Jaiswal is appended to this Report as **Annexure I.**

### **COMMENTS/EXPLANATIONS/REMARKS/OBSERVATIONS/QULIFICATION MADE BY SECRETARIAL AUDITORS:**

Mr. Ajay Jaiswal, Company Secretary in Practice appointed for Secretarial Audit of your Company, in his Secretarial Audit Report for financial year 2018-19 have drawn the attention of the management on some the non-compliances, which have been marked as qualification in his report. In connection with the same management herewith give the explanation for the same as follows:

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit



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Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Director.

It monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action

in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### **BOARD MEETINGS:**

The Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. The Company also holds additional Board Meetings to address its specific requirements, as and when required. The decisions and urgent matters approved by way of circular resolutions, if any, are placed and noted at the subsequent Board meeting.

During the financial year 2018-19 **Five (5)** Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. For details of the meetings of the board along with the attendance of the respective Directors, please refer to the Corporate Governance Report forming part of this Annual Report.

### **BOARD COMMITTEES:**

The Company has a duly constituted Audit Committee as per the provisions of Section 177 of Companies Act, 2013 and regulation 18 of SEBI (Listing Obligation & Disclosure) Requirement Regulations, 2015 with the stock exchanges. The Board of Directors has constituted two other committees namely – Nomination and Remuneration Committee and Stakeholders' Relationship Committee, which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their responsibilities.

The details of the composition of the Audit Committee along with that of the other Board committees and their respective terms of reference are included in the Corporate Governance Report forming part of this Annual Report.

The Audit Committee and other Board Committees meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 are appended as **Annexure II**.

### **EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at March 31, 2019, in the prescribed form MGT 9, forms part of this report and is annexed as **Annexure III**.

### **POSTAL BALLOT:**

No postal Ballot was held during the year 2018-19.

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### **INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Ratio of remuneration of each director to the median remuneration of the employees of the company for the year 2018-2019

<b>Sr. No</b>	<b>Name &amp; Designation</b>	<b>Remuneration Received (In Rs. Lakh)</b>	<b>Ratio to median remuneration</b>
<b>1.</b>	Mr. Bholanath Baranwal – ED	696000	3.94
<b>2.</b>	Mr. Vivek Baranwal– ED & CFO	180000	1.02
<b>3.</b>	*Mr. Niraj Tripathi– CS	264000	1.49

Note:

- All appointments are / were non-contractual.
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Remuneration on Cash basis
- The median remuneration of employees of the Company during the financial year was Rs. 1.77 lakh
- There were 21 employees on the rolls of Company as on March 31, 2019.
- \* Mr. Niraj Tripathi resigned by the post of C.S on 04.04.2019.
- As per the Rules, the Company is required to arrive at the median remuneration of the employees of the Company on financial basis and it is not necessary for the Company to include the details of employees serving the company below the period of twelve months. Hence, Company consider only 5 employees out of 21 employees for the purpose of calculation of median remuneration as because the remaining employees is employed from the months of January, 2019.

### **REPORTS ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

As per SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, a separate section titled '**Report on Corporate Governance**' and '**Management Discussion and Analysis**' forming part of this Annual Report. The Report on Corporate Governance also includes certain disclosures that are required, as per Companies Act, 2013.

Auditors' Certificate confirming compliance with the conditions of Corporate Governance as stipulated under regulations of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 also forms part of this Annual Report.

### **SHARE CAPITAL**

During the year under review, the Company, neither increased nor decreased its Equity.

### **RISK MANAGEMENT POLICY:**

Your Company has formulated and adopted a Risk Management Policy which covers a formalized Risk Management Structure, along with other aspects of Risk Management i.e. Credit Risk Management, Operational Risk Management, Market Risk Management and Enterprise Risk Management. The Risk Management Committee of the Board, on periodic basis, oversees the risk management systems, processes and minimization procedures of the Company.

### **HUMAN RESOURCES:**

Your Company believes that its employees are one of the most valuable assets of the Company. During the year under review, the Company organized various training programs at all level to increase the skill of the employees. The employees are deeply committed to the growth of the Company.

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of

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Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, the Company has adopted a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases. The details of the same are provided in Corporate Governance Report forming part of this Annual Report. The policy is available on the website of the company [www.bholanath.biz](http://www.bholanath.biz)

During the financial year 2018-19, no cases under this mechanism were reported in the Company.

### **POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace. The primary objective of the said Policy is to protect the women employees from sexual harassment at the place of work and also provides for punishment in case of false and malicious representations. The policy is available on the website of the company [www.bholanath.biz](http://www.bholanath.biz)

During the financial year 2018-19, no cases in the nature of sexual harassment were reported at any workplace of the company.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The directors will be introduced to all the Board members and the senior management personnel such as Chief Financial Officer, Company Secretary and Various Department heads individually to know their roles in the organization and to understand the information which they may seek from them while performing their duties as a Director.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

The information pertaining to energy and technology absorption, foreign exchange earning & outgo as required under section 134(3) (m) of the Companies Act, 2013 and read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is **Annexure IV**.

### **CERTIFICATE ON NON DISQUALIFICATION OF DIRECTORS**

Company have taken Certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are disqualified as on 31.03.2019 in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **annexed as Annexure V**.

### **INDUSTRIAL RELATIONS:**

During the year under review, your company enjoyed cordial relationships with workers and employees at all the levels.

### **LISTING OF SHARES:**

The shares of the Company are listed on BSE. The Company has paid the listing fees as payable to the BSE Ltd for the financial year 2019-20 on time.

### **CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:**

The Chief Executive Officer and Chief Financial Officer Certification as required under SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and Chief Executive Officer declaration about the Code of Conduct is Annexed to this Report.

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### **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 not significant and material orders passed by the regulators or courts or tribunals that would impact on going concern of the Company and its future operations during the Financial Year 2018-19.

### **CORPORATE SOCIAL RESPONSIBILITY:**

As per the provisions of the companies Act, 2013 every company shall require to constitute a corporate social responsibility committee who cross the threshold limit as prescribed under the Act.

So accordingly these provisions, our company does not fall under the said limit as prescribed. Thus your company do not required to constitute the committee during the Financial Year 2018-19.

### **APPRECIATION &ACKNOWLEDGEMENT:**

Your Directors wish to place on record their gratitude to the Company's Customers, Bankers and others for their continued support and faith reposed in the Company. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels. The Directors would also like to thank BSE Ltd., National Securities Depository Limited, Central Depository Services (India) Limited, our RTA Mas Services Limited for their co-operation.

### **BY ORDER OF THE BOARD For Shri Bholanath Carpets Limited**

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

**Sd/-**  
**Vivek Baranwal**  
**(Director)**  
**DIN: 02076746**

**Place: Varanasi**  
**Date: 21/08/2019**



## Annexure to Director Report

**Secretarial Audit Report –Annexure –I**  
**For Financial Year Ended 31<sup>st</sup> March, 2019**  
**Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

To,  
The Member,  
**SHRI BHOLANATH CARPETS LIMITED**  
G.T. Road, Kachhawan,  
Varanasi -221313, U.P.

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 our 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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, generally 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 made available to us and maintained by the Company for the financial year ended on 31st March, 2019 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (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; (Not applicable to the Company during the audit period)

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- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.(Not applicable to the Company during the audit period)

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- II. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above. However, the Listing fees to the Bombay Stock Exchange for the year 2018-19 was paid late, as per regulation 14 of SEBI (LODR) Regulations 2015. The management explained that the late fees payment was only inadvertent.

We further report that in terms of SEBI (LODR) Regulations, 2015, there was delay in presenting the financial results, shareholding pattern and other legal compliance for the quarter ended and year ended of the financial year 2018-19, to the Stock Exchange. In this regard, the management of the company explained that the said delay was due to the resignation of Company secretary of the Company.

We further report that in terms of SEBI (LODR) Regulations, 2015, the listed entity is not regular in uploading the financial results and other basic documents on its website.

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 was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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. As per the minutes, the decisions at the Board Meetings were taken unanimously. 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 etc. We further report that during the audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Ajay Jaiswal & Company  
Company Secretaries**

sd/-

**Ajay Jaiswal**

**FCS No: 5112 CP No: 3684**

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

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### 'Annexure A'

**To,  
The Members  
Shri Bholanath Carpets Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Ajay Jaiswal & Company  
Company Secretaries**

**sd/-  
Ajay Jaiswal  
FCS No: 5112 CP No: 3684**

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**Annexure –II Form AOC- 2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) 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 Act including certain arm's length transactions under third proviso thereto**

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

**2. Details of contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship.	Nature of contracts/ arrangements/ Transactions.	Duration of contracts/ Arrangements/ Transactions.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the boards, if any.	Amount paid as advances, if any.
Mr. Bholanath Baranwal (Chairman & Managing Director)	Salary paid	12 months	Rs. 690,000 per annum	4 <sup>th</sup> June, 2018	N.A
Mr. Vivek Baranwal (Director & CFO)	Salary paid	12 months	Rs. 180,000 per annum	4 <sup>th</sup> June, 2018	N.A
Mr. Shrinarayan Khemka (Independent Director)	Sitting fees for attending the meetings	12 months	Rs. 7000 per annum	4 <sup>th</sup> June, 2018	N.A
*Mr. Niraj Tripathi (Company Secretary) resigned w.e.f. 04 <sup>th</sup> April, 2019	Salary paid	12 months	Rs. 264,000 per annum	4 <sup>th</sup> June, 2018	N.A
Shri Bholanath Industries Limited (Associate Company)	Purchase of goods (Woolen Yarn)	Ongoing	Rs. 14,43,41,488	4 <sup>th</sup> June, 2018	N.A
Organic Weave Limited (Group Company)	Sale of Carpets	Ongoing	Rs. 2,12,58,562	4 <sup>th</sup> June, 2018	N.A
Kaandla Rugs Limited (Group Company)	Purchase of mulberry raw silk	Ongoing	Rs. 381,48,011	4 <sup>th</sup> June, 2018	N.A
	Sale of carpets & woolen yarn	Ongoing	Rs. 581,503	4 <sup>th</sup> June, 2018	N.A

**BY ORDER OF THE BOARD**  
**For Shri Bholanath Carpets Limited**

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

Sd/-  
Vivek Baranwal  
(Director)  
DIN: 02076746

Date: 21/08/2019  
Place: Varanasi



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**Annexure –III (FORM NO. MGT-9)**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on March 31, 2017**
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

<b>I REGISTRATION &amp; OTHER DETAILS :</b>	
1. <b>CIN</b>	L17226UP1973PLC003746
2. <b>Registration Date</b>	21/07/1973
3. <b>Name of the Company</b>	<b>Shri Bholanath Carpets Limited</b>
4. <b>Category/Sub-category of the Company</b>	Company Limited By Shares/Indian Non Govt Company
5. <b>Address of the Registered office &amp; contact details</b>	G.T. Road, Kachhawan, Varanasi- 221313 Tel-542-2620221 Email id:cs@bholanath.biz Website: www.bholanath.biz
6. <b>Whether listed company</b>	Yes
7. <b>Name , Address &amp; contact details of the Registrar &amp; Transfer Agent, if any</b>	<b>Mas Services Limited</b> T-34, IInd Floor, Okhla Industrial Area, Phase- II, New Delhi- 110020 Tel: 011-26387281 Email: info@maserv.com

<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
<b>All the business activities contributing 10% or more of the total turnover of the company shall be stated</b>			
<b>Sr. No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product /service</b>	<b>% to total turnover of the company</b>
1	Carpets Manufacture	13931	100

<b>III PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>					
<b>Sr. No</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
1	Shri Bholanath Industries Limited	U74899DL1992PLC051145	Associate	33.43	2(6)

<b>IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)</b>									
<b>A. Category-wise Shareholding</b>									
<b>Category of Shareholders</b>	<b>No. of Shares held at the beginning of the year</b>				<b>No. of Shares held at the end of the year</b>				<b>% of Change during the year</b>
	<b>01/04/2018</b>				<b>31/03/2019</b>				
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total share</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total share</b>	
<b>A. PROMOTERS</b>									

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<b>(1) Indian</b>									
(a) Individuals/ HUF	2031730	397870	2429600	50.60	2133000	299400	2432400	50.68	0.08
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt.(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	0	0	0	0	0	0	0	0	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any Other....									
* Directors	0	0	0	0	0	0	0	0	0
*Directors Relatives	0	0	0	0	0	0	0	0	0
* Person Acting in Concern	0	0	0	0	0	0	0	0	0
<b>Sub Total</b>	<b>2031730</b>	<b>397870</b>	<b>2429600</b>	<b>50.60</b>	<b>2133000</b>	<b>299400</b>	<b>2432400</b>	<b>50.68</b>	<b>0.08</b>
<b>(A)(1):-</b>									
<b>(2) Foreign</b>									
(a) NRI Individuals	0	0	0	0	0	0	0	0	0
(b) Other Individuals									
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....									
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(A)(2):-</b>									
<b>Total shareholding of Promoter(A)= (A)(1)+(A)(2)</b>	<b>2031730</b>	<b>397870</b>	<b>2429600</b>	<b>50.60</b>	<b>2133000</b>	<b>299400</b>	<b>2432400</b>	<b>50.68</b>	<b>0.08</b>
<b>B.PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	3700	3700	0.08	0	3700	3700	0.08	0.00
(b) Banks FI	100000	0	100000	2.08	100000	0	100000	2.08	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIs	0	0	0	0	0	0	0	0	0
(h) Foreign Ven Cap Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)									
* U.T.I.	0	0	0	0	0	0	0	0	0
*Financial Institutions	0	0	0	0	0	0	0	0	0
* I.D.B.I.	0	0	0	0	0	0	0	0	0
* I.C.I.C.I.	0	0	0	0	0	0	0	0	0
*Government Companies	0	0	0	0	0	0	0	0	0
*State Financial Corp	0	0	0	0	0	0	0	0	0

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*Qualified Foreign Investor	0	0	0	0	0	0	0	0	0	0
* Any Other	0	0	0	0	0	0	0	0	0	0
*OTC Dealers (Bodies Corporate)	0	0	0	0	0	0	0	0	0	0
* Private Sector Banks	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>100000</b>	<b>3700</b>	<b>103700</b>	<b>2.16</b>	<b>100000</b>	<b>3700</b>	<b>103700</b>	<b>2.16</b>	<b>0</b>	
<b>(2) Non-Institutions</b>										
<b>(a) Bodies Corp.</b>										
(i) Indian	131100	293100	424200	8.84	125300	293100	418400	8.72	-0.12	
(ii) Overseas	0	0	0	0	0	0	0	0		
<b>(b) Individuals</b>										
(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	235200	586200	821400	17.10	241700	582900	824600	17.18	0.08	
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	238300	79600	317900	6.62	238300	79600	317900	6.62	0.00	
<b>(c) Others (specify)</b>										
* N.R.I.(Repat)	0	703000	703000	14.65	0	703000	703000	14.65	0	
* LLP	0	0	0	0	0	0	0	0	0	
* Foreign Corporate Bodies	0	0	0	0	0	0	0	0	0	
* Trust	0	0	0	0	0	0	0	0	0	
* Hindu Undivided Family	0	0	0	0	0	0	0	0	0	
* Employee	0	0	0	0	0	0	0	0	0	
* Clearing Members	200	0	200	0.00	0	0	0	0	0	
* Depository Receipts	0	0	0	0	0	0	0	0	0	
<b>Sub-total (B)(2):-</b>	<b>604800</b>	<b>1661900</b>	<b>2266700</b>	<b>47.19</b>	<b>605300</b>	<b>1658600</b>	<b>2263900</b>	<b>47.17</b>	<b>-0.04</b>	
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>704800</b>	<b>1665600</b>	<b>2370400</b>	<b>49.30</b>	<b>705300</b>	<b>1662300</b>	<b>2367600</b>	<b>49.33</b>	<b>0.04</b>	
<b>C. Total shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Grand Total(A + B + C)</b>	<b>2736530</b>	<b>2063470</b>	<b>4800000</b>	<b>100</b>	<b>2838300</b>	<b>1961700</b>	<b>4800000</b>	<b>100</b>	<b>00.00</b>	

**B. SHAREHOLDING OF PROMOTERS**

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Sr. No	ShareHolder's Name	ShareHolding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% change in share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	Mr. Bholanath Baranwal	672780	14.02	0	672780	14.02	0	0
2	Mr. Harish Baranwal	57500	1.20	0	57500	1.20	0	0
3	Mr. Vivek Baranwal	36400	0.76	0	36400	0.76	0	0
4	M/s. Bholanath Baranwal HUF	188900	3.94	0	188900	3.94	0	0
5	Mr. Romit Baranwal	31200	0.65	0	31200	0.65	0	0
6	Mr. Amit Baranwal	31200	0.65	0	31200	0.65	0	0
7	Mr. Sumit Baranwal	31200	0.65	0	31200	0.65	0	0
8	Mrs. Renu Baranwal	12800	0.27	0	12800	0.27	0	0
9	Mr. Dina Nath Baranwal	257400	5.36	0	257400	5.36	0	0
10	Mr. Hirdiyanath Baranwal	27500	0.57	0	27500	0.57	0	0
11	Mr. Dinanath Baranwal	103900	2.16	0	103900	2.16	0	0
12	Mrs. Phoolmani Devi Baranwal	117900	2.46	0	117900	2.46	0	0
13	Mr. Surendranath Baranwal	357400	7.45	0	357400	7.45	0	0
14	Mrs. Vijaya Baranwal	87800	1.83	0	87800	1.83	0	0
15	Mrs. Ragini Baranwal	204600	4.26	0	204600	4.26	0	0
16	Mrs. Bina Baranwal	112520	2.34	0	112520	2.34	0	0
17	Mr. Nikhil Baranwal	101400	2.11	0	101400	2.11	0	0

**C. CHANGES IN SHAREHOLDING OF PROMOTERS**

Sr. No.	ShareHolder's Name	ShareHolding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			% change in share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	

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-	-	-	-	-	-	-	-	-
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<b>D. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS</b>					
<b>Sr. No.</b>	Shareholders Name	Shareholding at the Beginning/ Transactions During the year		Cumulative Shareholding at the end of the Year	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
<b>1</b>	<b>Van Der Eecken &amp; Co. N.Y</b>				
	Opening Balance	702000	14.63	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-
	Closing Balance	702000	14.63	702000	14.63
<b>2</b>	<b>Bholanath Baranwal</b>				
	Opening Balance	668680	13.93	-	-
	Transactions during the year ended 31/03/2019	-	-	4100	0.09
	Closing Balance	672780	14.02	672780	14.02
<b>3</b>	<b>Surendra Nath Baranwal</b>				
	Opening Balance	357400	7.45	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-
	Closing Balance	357400	7.45	357400	7.45
<b>4</b>	<b>Dina Nath Baranwal</b>				
	Opening Balance	257400	5.36	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-
	Closing Balance	257400	5.36	257400	5.36
<b>5</b>	<b>Ragini Baranwal</b>				
	Opening Balance	204600	4.26	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-
	Closing Balance	204600	4.26	204600	4.26
<b>6</b>	<b>Pratik Rajendra Gandhi</b>				
	Opening Balance	190500	3.97	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-
	Closing Balance	190500	3.97	190500	3.97
<b>7</b>	<b>Kohinoor Credit Pvt. Ltd</b>				
	Opening Balance	189300	3.94	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-



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	Closing Balance	189300	3.94	189300	3.94
<b>8</b>	<b>Bholanath Baranwal HUF</b>				
	Opening Balance	188900	3.94	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-
	Closing Balance	188900	3.94	188900	3.94
<b>9</b>	<b>Phoolmani Devi Baranwal</b>				
	Opening Balance	1179000	2.46	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-
	Closing Balance	1179000	2.46	1179000	2.46
<b>10</b>	<b>Bina Baranwal</b>				
	Opening Balance	112520	2.34	-	-
	Transactions during the year ended 31/03/2019	-	-	-	-
	Closing Balance	112520	2.34	112520	2.34
<b>11</b>	<b>Nikhil Baranwal</b>				
	Opening Balance	101400	2.11	-	-
	Transactions during the year ended 13/07/2018	-	-	-	-
	Closing Balance	101400	2.11	101400	2.11

### E. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No	ShareHolder's Name	ShareHolding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in share holding during the year	
1	<b>Bholanath Baranwal</b>	668680	13.93	672780	14.02	Equity
2	<b>Harish Baranwal</b>	57500	1.20	57500	1.20	Equity
3	<b>Vivek Baranwal (CFO)</b>	36400	0.76	36400	0.76	Equity

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<b>V. INDEBTEDNESS</b>				
<b>INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>	101158602.49	NIL	NIL	101158602.49
<b>ii) Interest due but not paid</b>	NIL	NIL	NIL	NIL
<b>iii) Interest accrued but not due</b>	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>101158602.49</b>	<b>NIL</b>	<b>NIL</b>	<b>101158602.49</b>
<b>Change in Indebtedness during the financial year</b>				
<b>Additions</b>	77816941.20	10000000	NIL	87816941.20
<b>Reduction</b>	(79271944.90)	(1287000)	(NIL)	(80558944.90)
<b>Net Change</b>	<b>(1455003.70)</b>	<b>8713000</b>	<b>NIL</b>	<b>7257996.30</b>
<b>Indebtedness at the end of the financial year</b>				
<b>i) Principal Amount</b>	99703598.80	8713000	NIL	108416599
<b>ii) Interest due but not paid</b>	NIL	NIL	NIL	NIL
<b>iii) Interest accrued but not due</b>	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>99703598.80</b>	<b>8713000</b>	<b>NIL</b>	<b>108416599</b>

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>			
<b>Sr. No</b>	<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>	<b>Name of MD/WTD/Manager</b>	<b>Total Amount (In Rs. Lakh)</b>
		<b>Mr. Bholanath Baranwal (C. &amp; M.D)</b>	
<b>1</b>	Gross salary	6,90,000	6,90,000
<b>A</b>	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
<b>B</b>	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
<b>C</b>	Profits in lieu of salary under section 17(3) I. T. Act, 1961	Nil	Nil
<b>2</b>	Stock Option	Nil	Nil
<b>3</b>	Sweat Equity - -	Nil	Nil
<b>4</b>	Commission	Nil	Nil
	- as % of profit	Nil	Nil
	- others, specify...	Nil	Nil
<b>5</b>	Others, please specify	Nil	Nil
	<b>Total (A)</b>	6,90,000	6,90,000
	<b>Ceiling as per the Act</b>	-	-

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<b>B. REMUNERATION TO OTHER DIRECTORS</b>						
<b>Sr. No</b>	<b>Particulars of Remuneration</b>	<b>Name of Directors</b>				<b>Total Amount</b>
<b>1</b>	<b>Independent Directors</b>	<b>Mrs. Nisha Tripathi</b>	<b>Mrs. Veena Agnihotri</b>	<b>Mr. Shrinaray an Khemka</b>	<b>-</b>	<b>-</b>
	Fee for attending board committee meetings	0	0	7,000	0	7,000
	Commission	0	0	0	0	0
	Others (Fee for attending meeting)	0	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>7,000</b>	<b>0</b>	<b>7,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>Mr. Harish Baranwal (Non – Independent Director)</b>	<b>NA</b>
	Fee for attending board committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>0</b>	<b>0</b>	<b>7,000</b>	<b>0</b>	<b>7,000</b>
	Total Managerial Remuneration**	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Overall Ceiling as per the Act</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>				
<b>Sr. No</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>		<b>Total Amount</b>
		<b>Mr. Niraj Tripathi (CS) (resigned w.e.f. 04.04.2019)</b>	<b>Mr. Vivek Baranwal (Executive Director &amp; CFO)</b>	
				<b>-</b>
<b>1</b>	Gross salary	2,64,000	180,000	4,44,000
<b>A</b>	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
<b>b</b>	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
<b>c</b>	Profits in lieu of salary under section 17(3) I.T Act, 1961	0	0	0
<b>2</b>	Stock Option	0	0	0
<b>3</b>	Sweat Equity - -	0	0	0
<b>4</b>	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify...	0	0	0
<b>5</b>	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>2,64,000</b>	<b>180,000</b>	<b>4,44,000</b>
	Ceiling as per the Act	<b>-</b>	<b>-</b>	<b>-</b>

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<b>VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019</b>					
<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalties / Punishment / Compounding fees imposed</b>	<b>Authority (RD/NCL T/ COURT)</b>	<b>Appeal made, if any (give details)</b>
<b>A. Company</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			<b>NIL</b>		
Punishment					
Compounding					

**BY ORDER OF THE BOARD  
For Shri Bholanath Carpets Limited**

**Sd/-  
Bholanath Baranwal  
(Chairman & M.D)  
DIN: 00306086**

**Sd/-  
Vivek Baranwal  
(Director)  
DIN: 02076746**

**Place: Varanasi  
Date: 21/08/2019**

**ANNEXURE IV OF THE BOARD'S REPORT****A. CONSERVATION OF ENERGY:**

In line with the Company's commitment towards the conservation of energy, all units continue with their endeavor to make more efficient use of energy through improved operational and maintenance practices. The measures taken in this direction at the units are as under:

- Replaced inefficient motors with energy efficient motors;
- Installed power factor capacitor banks to save energy;
- Heat recovery from CRP hot water to boiler feed;
- Increase in temperature of feed water for saving on coal consumption in boilers;
- Shades were covered by installing Natural ventilation equipment;
- Made use of waste water generated by cooling coil moisture;
- Trimming of impellers to save on power consumption in chilled water pumps;
  
- **Power & Fuel Consumption:**

In this regard the management of the company taken the following measures to reduce the power & fuel consumption:

- ✓ Develop an Energy Management Team by pulling a representative from each department. Bring in those who already have an incentive to keep costs low, or build in a bonus that can be tied to the amount of energy the team saves. Together, they can work to monitor energy usage throughout the facility and implement ways to reduce waste.
- ✓ Conducted energy audits using an energy audit guidebook and assistance from facility experts. A useful energy audit will quantify how much energy each department is consuming and will help identify peak consumption times throughout the year.
- ✓ With help of the energy audit, Company's found the some machinery requires the most energy to run. Accordingly, we schedule operation of these machines outside of peak hours. Peak hours can constitute up to 30 percent of a manufacturing facilities monthly utility bill.
- ✓ Company's do all its efforts to Optimize Air Compressors because Industrial air compressors are to blame for huge amounts of energy consumption and waste. Company maintained or designed the air compressors in a such way which reduce the consumption of power.

**B. TECHNOLOGY ABSORBTION:**

Regarding Research & Development and Technology absorption your Company's make all efforts on regularly or continuous basis since incorporation. However, right now your Company is not enclosed due to the fact that there is no scope for R & D and Absorbing in any new technology in view of type of product due to the slow of markets but Company's shall certainly go for it in future if any new development in technologies takes places.

**C. FOREIGN EXCHNAGE EARINGS AND OUTGO:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual out flows are as under;



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<b>Particulars</b>	<b>31.03.2019 (Rs.)</b>	<b>31.03.2018 (Rs.)</b>
Foreign Exchange Earnings (FOB Value)	105043364	103861645
Foreign Exchange Outgo	NIL	NIL

**BY ORDER OF THE BOARD**  
**For Shri Bholanath Carpets Limited**

**Sd/-**  
**Bholanath Baranwal**  
**(Chairman & M.D)**  
**DIN: 00306086**

**Sd/-**  
**Vivek Baranwal**  
**(Director)**  
**DIN: 02076746**

**Place: Varanasi**  
**Date: 21/08/2019**

**ANNEXURE- V**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

{Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.}

We have examined and verified the records of the Board of Directors available and maintained on the online portal of Ministry of Corporate Affairs of **SHRI BHOLANATH CARPETS LIMITED** (hereinafter will known as "the Company"), having its Registered Office at G.T. Road, Kachhawan, Varanasi -221313, U.P., India incorporated vide its Company Registration Number L17226UP1973PLC003746 on 21st July, 1973 under the jurisdiction of Registrar of Companies, Kanpur, Uttar Pradesh.

On the basis of examination and verification, *we hereby state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Securities Exchange Board of India / MCA or any such statutory authority for the Financial Year ending on 31<sup>st</sup> March,2019.*

The Board of Directors of the Company comprises of 6 (Six) Directors and the Board is composed as follows:

<i>Sr.No</i>	<i>Name of the Director</i>	<i>DIN</i>	<i>Type of the Director</i>	<i>Status of the Director</i>
1	BHOLANATH BARANWAL	00306086	Managing Director	Active
2	HARISH BARANWAL	01722061	Executive Director	Active
3	VIVEK BARANWAL	02076746	Executive Director	Active
4	NISH TRIPATHI	08151050	Independent Director	Active
5	VEENA AGNIHOTRI	07293343	Independent Director	Active
6	SHRINARAYAN KHEMKA	08207158	Independent Director	Active

Ensuring the eligibility for the appointment/ continuity of each director on the board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on the verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. This Certificate is being issued at the request of the Company for the rightful compliance with Para 3(x) (c) (iii) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

**For AJAY JAISWAL & CO.,  
Company Secretaries**

**Place: Varanasi  
Date: 11/08/2019**

**(Ajay Jaiswal)  
Partner  
M. No. F-5112  
COP No.3684**

# **REPORT ON CORPORATE GOVERNANCE**

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and include the rules and procedures for making decisions in corporate affairs. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders. Corporate governance practices are affected by attempts to align the interests of stakeholders

The convergence of governance practices brings to the fore the critical role played by the Board to ensure governance framework enjoins higher level of transparency and effective governance standards to enhance the competitiveness and to protect long term interests of all stakeholders. Corporate Governance, which assumes great deal of importance at SBCL. SBCL is intended to ensure consistent value creation for all its stakeholders. We believe that the governance practices must ensure adherence and enforcement of the sound principles of Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations.

The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis. The Board has approved and implemented a comprehensive Corporate Governance Manual, containing guidelines covering decision making, authority levels, the policies and processes, which provide an effective and flexible governance framework in the Company realizing the need to ensure an effective mechanism of checks and balances with transparency and accountability as the hallmark.

## **BOARD OF DIRECTORS**

### **Composition**

The Board of Directors comprises of Six directors as on 31<sup>st</sup> March, 2019, who bring in a wide range of skills and experience to the board. The Board consists of Six Directors, out of these three i.e. Mrs. Nisha Tripathi, Mrs. Veena Agnihotri and Mr. Shrinarayan Khemka are Non – Executive and Independent Directors. Mr. Bholanath Baranwal is appointed as the Executive Director, Mr. Harish Baranwal Executive Director and Mr. Vivek Baranwal is appointed as the Director cum Chief Financial Officer on the Board of the Company. The independent directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in the provisions of the Section 149(6) of the Companies Act, 2013. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company. None of the directors of the Company are related to each other.

The Directors bring to the Board a wide range of experience and skills. Brief profiles of the directors, are set out elsewhere in the annual report. The composition of the board is in conformity with SEBI (LODR) Regulations, 2015. As per the SEBI (LODR) Regulations, 2015, no Director can be a member in more than 10 committees or act as chairman of more than 5 committees across all public companies in which he is a director. Necessary Disclosures regarding committee positions in other public companies as on 31<sup>st</sup> March, 2019 have been

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made by the Directors. The Details of the Board of Directors in terms of their Directorships and Memberships/Chairmanship in committees held by the Directors in other public companies are as under:

Sr. No.	Name of Director	DIN	No. of other Directorships	No. of Committees		Category of Director
				Member	Chairman	
1.	Mr. Bholanath Baranwal	00306086	2	0	0	Executive Director
2.	Mr. Harish Baranwal	01722061	2	0	0	Executive Director
3.	Mr. Vivek Baranwal	02076746	2	1	0	Executive Director & CFO
4.	Mrs. Nisha Tripathi	08151050	Nil	3	0	Independent Non - Executive
5.	Mrs. Veena Agnihotri	07293343	Nil	3	0	Independent Non - Executive
6.	Mr. Shrinarayan Khemka	08207158	Nil	3	2	Independent Non - Executive
7.	*Mr. Niraj Tripathi	-	Nil	-	-	Company Secretary

Note: \* resigned w.e.f. 04.04.2019

All Directors and Senior Management Personnel have re-affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.

### **BOARD MEETINGS HELD**

The Board of Directors formulates the broad business and operational policies, periodically reviews the performance and engages itself with strategic issues concerning the Company.

During the year under review, 05 meetings of the Board of Directors were held at Registered Address of the Company.

04 <sup>th</sup> June, 2018	30 <sup>th</sup> August, 2018	13 <sup>th</sup> February, 2019
14 <sup>th</sup> August, 2018	12 <sup>th</sup> November, 2018	-

Particulars of Meetings of Board Meetings held during the year along with details of Directors attendance at such Committee Meeting(s) are detailed herein:

NAME OF DIRECTORS'	MEETINGS ATTENDED
<b>No. of Meetings held</b>	<b>5</b>
Bholanath Baranwal	5/5
Harish Baranwal	5/5
Vivek Baranwal	5/5
Nisha Tripathi	3/5
Veena Agnihotri	4/5
Shrinarayan Khemka	4/5

### **BOARD PROCEDURE**

The Board Meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the registered office of the Company at Varanasi. The Director/Company Secretary finalizes the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s)

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to enable the Board members to take informed decision. Any Board Member may, in consultation with the Chairman of the meeting, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited from time to time to the Board meetings to make requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

### **CODE OF CONDUCT**

The Company has also adopted a Code of Conduct for the Members of the Board of Directors and Senior Management and all the Directors and senior functionaries as defined in the Code provide their annual confirmation of compliance with the Code. Copy of the Code is available on the website of the Company [www.bholanath.biz](http://www.bholanath.biz). A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below.

**DECLARATION OF COMPLIANCE OF THE CODE OF CONDUCT**  
**[Pursuant to Schedule V OF SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

**Declaration by the Director**

In the above regards as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I declare as follows:

1. The Company does have a Code of Conduct approved by its Boards, which is posted on the company website [www.bholanath.biz](http://www.bholanath.biz)
2. All the members of the Boards and senior management personnel of the Company to whom the code of conduct is applicable have affirmed the compliance of the said code during the financial year ended 31st March, 2019

**For Shri Bholanath Carpets Ltd**  
**Sd/-**  
**Bholanath Baranwal**  
**(Chairman & MD)**

**Place: Varanasi**  
**Date: 30.07.2019**

### **RELATED PARTY TRANSACTION POLICY**

In compliance with the requirements of Regulation 23 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate Management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on [www.bholanath.biz](http://www.bholanath.biz)

### **BOARD COMMITTEES**

Particulars of Meetings of Board Committees held during the year along with details of Directors attendance at such Committee Meeting(s) are detailed herein:

<b>Committee Members</b>	<b>Audit Committee</b>	<b>Nomination &amp; Remuneration Committee</b>	<b>Stakeholders Grievance Committee</b>
<b>No. of Meetings held</b>	<b>4</b>	<b>2</b>	<b>2</b>
Mr. Shrinarayan Khemka	3/4	2/2	2/2
Mrs. Veena Agnihotri	3/4	2/2	2/2
Mrs. Nisha Tripathi	4/4	2/2	2/2
Mr. Vivek Baranwal	4/4	-	-



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### **Details of Board Committees are as mentioned herein:**

#### **AUDIT COMMITTEE**

Apart from all the matters provided in Regulation 18 of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and section 177 of the Companies Act, 2013, the Audit Committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company.

#### **Constitution**

As at March 31, 2019, the Audit Committee of the Board comprised of four (4) Directors viz, Mr. Shrinarayan Khemka as the Chairman and member of the committee and Mrs. Nisha Tripathi, Mr. Vivek Baranwal and Mrs. Veena Agnihotri as the Members of the committee.

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and interacts with the statutory auditors. Besides, the Committee reviews the audit plans, interim and annual financial results, management discussion and analysis of financial condition, observations of the management and external auditors on internal control and follow-up reports of the management.

During the year under review, four (4) meetings of the Audit Committee were held on 25<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 10<sup>th</sup> November, 2018 and 08<sup>th</sup> February, 2019.

#### **Terms of reference**

The Terms of reference and role of the Audit Committee are as per guidelines set out in Regulation 18 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and Section 178 of Companies Act, 2013. The Committee meets periodically and inter alia reviews:

- Accounting and financial reporting process of the Company;
- Audited and Un-audited financial results; risk management policies and reports on internal control system;
- Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations;
- Transactions proposed to be entered into by the Company with related parties and approves such transactions including any subsequent modifications thereto;
- Functioning of Whistle Blower & Vigil Mechanism Policy; and
- Recommends proposals for appointment and remuneration payable to the Statutory Auditor, Internal Auditors and Chief Financial Officer.

#### **NOMINATION & REMUNERATION COMMITTEE**

##### **Constitution**

In compliance with requirements of Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and Section 178 of the Companies Act, 2013, during financial year 2018-19 the Board had combined and renamed the existing Remuneration Committee and Nomination Committee as 'Nomination and Remuneration Committee' which comprises of Mr. Shrinarayan Khemka as the Chairman and member of the committee and Mrs. Nisha Tripathi and Mrs. Veena Agnihotri as the Members of the committee.

During the year under review, two (2) meetings of the Stakeholders Relationship Committee were held on 10<sup>th</sup> November, 2018 and 08<sup>th</sup> February, 2019.

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The Nomination and Remuneration Committee has formulated criteria for evaluation of the Board and non-independent directors for the purpose of review of their performance at a separate meeting of the Independent Directors. Further, the Committee has recommended a policy relating to the remuneration of the directors, key managerial personnel and other employees which, inter alia, includes the principles for identification of persons who are qualified to become directors.

The criteria laid down for evaluation of the directors and the remuneration policy, as approved and adopted by the Board, and is available on the website of the company [www.bholanath.biz](http://www.bholanath.biz)

### **Terms of reference**

The terms of reference of the Nomination and Remuneration Committee include:

- Formulation of guidelines for evaluation of candidature of individuals for nominating and/ or appointing as a Director on the Board including but not limited to recommendation on the optimum size of the Board, age / gender / functional profile, qualification / experience, retirement age, number of terms one individual can serve as Director, suggested focus areas of involvement in the Company, process of determination for evaluation of skill sets, etc.
- Formulation of the process for evaluation of functioning of the Board – individually and collectively and making recommendation as to the Board remuneration including the salary and/or commission payable to the Directors;
- Recommend nominations / appointments to the Board, including Executive Directors /Independent Directors and suggest the terms of such appointments;
- Recommend all elements of remuneration package of Whole-time Directors including increment/ incentives payable to them within the limits approved by the Board / Members; and
- Decide and approve issuance of Stock Options, including terms of grant etc under the Company's Employee Stock Option Scheme

### **Shareholding of the Directors in the Company as on 31<sup>st</sup> March, 2019**

<b>Name of Director</b>	<b>No. of Shares held</b>
Mr. Bholanath Baranwal	672780
Mr. Harish Baranwal	57500
Mr. Vivek Baranwal	36400
Mrs. Veena Agnihotri	Nil
Mrs. Nisha Tripathi	Nil
Mr. Shrinarayan Khemka	Nil

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

#### **Constitution**

In compliance with Section 178 of the Companies Act, 2013, and Regulation 20 of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 during financial year 2018-19 the Stakeholders Relationship Committee, comprises of Mrs. Veena Agnihotri as the Chairman and member of the committee and Mr. Shrinarayan Khemka and Mrs. Nisha Tripathi as the Members of the committee.

During the year under review, two (2) meetings of the Stakeholders Relationship Committee were held on 10<sup>th</sup> November, 2018 and 08<sup>th</sup> February, 2019.

## **ANNUAL REPORT 2018-19**

The Stakeholders Relationship Committee:

- Approves and monitors transfers, transmission, splits and consolidation of securities of the Company,
- Reviews the Redressal of grievances / complaints from shareholders and debenture holders on matters relating to Transfer of shares, non-receipt of annual report, dividends, interest etc., and
  
- Reviews the compliances with various statutory and regulatory requirements.

### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

A Separate Meeting of Independent Directors was held on 15<sup>th</sup> March, 2019 without the attendance of non-independent directors and members of management. All the Independent Directors attended the meeting and:

- Reviewed the performance of non-independent directors and the Board as a whole.
- Reviewed the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- Assessed 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.

### **GENERAL BODY MEETINGS**

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2017-2018	29/09/2018	11:30 A.M	G.T. Road, Kachhawan, Varanasi-221313, U.P.
2016-2017	29/09/2017	11:30 A.M	G.T. Road, Kachhawan, Varanasi-221313, U.P.
2015-2016	27/09/2016	03:00 P.M	G.T. Road, Kachhawan, Varanasi-221313, U.P.

### **DISCLOSURES:**

During the period, there were no transactions materially significant with Company's promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large.

Details of Non Compliance by the Company, penalties strictures imposed on the Company by Stock Exchanges or any statutory authority, on any matter related to capital markets, during the last three years – None.

### **DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary Company and but have associate company as on 31st March, 2019.

### **POLICY FOR PROHIBITION OF INSIDER TRADING:**

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of the Company's shares by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company or its securities.

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The Compliance Officer of the company ensures the compliance of the said Code by all the Directors, Senior Management Personnel and employees who likely to have access to unpublished price sensitive information. The Policy is available on the website of the company [www.bholanath.biz](http://www.bholanath.biz)

### **GENERAL INFORMATION FOR MEMBERS:**

**I. Annual General Meeting** – The 46th Annual General Meeting of the Company will be held on Saturday, 28th September, 2019 at its Registered Office at G.T. Road, Kachhawan, Varanasi-221313 at 11:30 am

### **II. Financial Calendar (2019-2020)**

Financial Year	April 1 to March 31
<b>For Consideration of Unaudited/Audited Financial results</b>	
<b>Results for quarter ending 30<sup>th</sup> June, 2019</b>	On or before 15 <sup>th</sup> August, 2019
<b>Results for quarter ending 30<sup>th</sup> September, 2019</b>	On or before 15 <sup>th</sup> November, 2019
<b>Results for quarter ending 31<sup>st</sup> December, 2019</b>	On or before 15 <sup>th</sup> February, 2019
<b>Results for quarter ending 31<sup>st</sup> March, 2020</b>	On or before 30 <sup>th</sup> May, 2020
<b>Annual general Meeting for the year ending 31<sup>st</sup> March, 2020</b>	On or before 30 <sup>th</sup> September, 2020

**III. Book Closure date** : 22/09/2019 to 29/09/2019 (Both day inclusive)

**IV. Dividend payment date** : Not applicable

**V. a) Listing of Equity Shares:** Bombay Stock Exchange

b) Listing fees is duly paid to the Bombay stock exchange Limited as per listing agreement.

**VIa) BSE Scrip Code:** 530841

b) **Demat ISIN Numbers in NSDL & CDSL** INE151F01012 for Equity Shares

### **STOCK MARKET DATA AT BSE**

Month	High	Low	Close	No. of Shares
April 2018	7.76	7.50	7.50	200
May 2018	7.50	7.20	7.20	400
June 2018	-	-	-	-
July 2018	7.56	7.56	7.56	600
Aug 2018	-	-	-	-
Sept 2018	-	-	-	-
Oct 2018	-	-	-	-
Nov 2018	-	-	-	-
Dec 2018	-	-	-	-
Jan 2019	-	-	-	-
Feb 2019	7.56	7.19	7.19	1300
March 2019	-	-	-	-

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**SHAREHOLDING PATTERN AS ON 31<sup>st</sup> March, 2019**
**DISTRIBUTION OF SHAREHOLDING AS ON 30th June, 2019**

Shareholders			Shareholding	
No. of Shares	No. of shareholders	%	Holding in Rs.	%
Up to 5000	748	68.877	1875500	3.907
5001 - 10000	162	14.917	1097500	2.286
10001 - 20000	86	7.919	1208000	2.517
20001 - 30000	15	1.381	387000	0.806
30001 - 40000	8	0.737	277000	0.577
40001 - 50000	8	0.737	366000	0.763
50001 - 100000	13	1.197	1007000	2.098
100001- and above	46	4.236	41782000	87.046
<b>Total</b>	<b>1086</b>	<b>100.00</b>	<b>48000000</b>	<b>100.00</b>

Category		No. of Shares held	% of Shareholding
<b>A</b>	<b>Promoter's Holding</b>		
1	Promoters		
	- Indian Promoters	2432400	50.68
	- Foreign Promoters	0	0
2	Persons acting in concert	0	0
<b>I</b>	<b>Sub - Total (A)</b>	<b>2432400</b>	<b>50.68</b>
<b>B</b>	<b>Non-Promoter's Holding</b>		
3	Institutional Investors	0	0
a)	Mutual Funds and UTI	3700	0.08
b)	Banks/Financial Institutions i.e. Allahabad Bank	100000	2.08
c)	Venture Capital Funds	0	0
	(Central/State Govt. Institutions / Non-Government Institutions)	0	0
<b>C</b>	<b>FII's</b>	<b>0</b>	<b>0</b>
<b>II</b>	<b>Sub - Total (B+C=D)</b>	<b>103700</b>	<b>2.16</b>
<b>E</b>	<b>Others</b>		
a)	Private Corporate Bodies	418400	8.72
b)	Indian Public	1142500	23.80
c)	NRI's ( Repate)	703000	14.65
d)	Any Other (Please specify) - Clearing Members	0	0
<b>III</b>	<b>Sub-Total (E)</b>	<b>2263900</b>	<b>100.00</b>
	<b>Grand Total (I+II+III)</b>	<b>4800000</b>	<b>100.00</b>

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### **DEMATERIALIZATION OF SHARES:**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Percentages of Shares held in physical and dematerialized form as on 31st March, 2019 are as follows:

<b>Mode</b>	<b>No. of Shares</b>	<b>% shares</b>
Electronic Form with NSDL	2838800	49.662
Electronic Form with CDSL	0	0
Physical	1961200	40.858
<b>Total</b>	<b>4800000</b>	<b>100.00</b>

### **MEANS OF COMMUNICATION:**

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's corporate website, [www. Bholanath.biz](http://www.Bholanath.biz). The quarterly, half yearly and annual financial results and other statutory information were generally communicated to the shareholders by way of an advertisement in a English newspaper viz. 'Business standard and in a vernacular language newspaper viz. 'Business standard (Hindi)' as per requirements of the Listing Agreement. The financial and other information are filed by the Company Corporate Filing platforms of BSE.

### **INVESTOR CORRESPONDENCE:**

All documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the R & T Agents at its following address for transfer/dematerialization of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the company.

### **MAS SERVICES LIMITED**

T-34, 2<sup>ND</sup> Floor, Okhla Industrial Area,  
II Phase, New Delhi - 110020  
Ph: 011-26387384  
Email: info@masser.com

### **ANY OTHER QUERY:**

#### **SHRI BHOLANATH CARPETS LIMITED**

G.T. Road, Kachhawan, Varanasi -221313, U.P.  
Ph: 542-2620221

**Email: [cs@bholanath.biz](mailto:cs@bholanath.biz)**

**Website: [www. Bholanath.biz](http://www.Bholanath.biz)**

### **OTHER DISCLOSURE**

#### **Details of Non Compliance**

Details of Non Compliance by the Company, penalties, and structures imposed on the Company by Stock Exchanges or the Board or any statutory authority, on any matter related to capital markets, during the last three years – None.

#### **Details of Subsidiary and Associate Companies:**

The Company does not have any Subsidiary and but have Associate Companies as on 31st March, 2019.



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### **Policy determining Material Subsidiaries and Related Party Transactions:**

The Company has adopted the policy on determining material subsidiaries is hosted on its website at [www.bholanath.biz](http://www.bholanath.biz) And Policy on dealing with related party transactions is hosted on its website at [www.bholanath.biz](http://www.bholanath.biz)

### **Disclosure on Material Related Party Transactions**

All material transactions entered into with related parties as defined under the Act and Regulation 23(1) of the SEBI (LODR) Regulations 2015 during the financial year 2018-19 were in the ordinary course of business. No materially significant related party transactions have been entered into during financial year 2018-19 having potential conflict with the interest of the Company at large. A list of related parties as per the Accounting Standard 18 and the transactions entered into with them in prescribed Form AOC-2 is given separately in this Annual Report.

### **Policy for Prohibition of Insider Trading:**

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of the Company's shares by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company or its securities.

The Company has appointed the Compliance Officer to ensure compliance of the said Code by all the Directors, Senior Management Personnel and employees likely to have access to unpublished price sensitive information. The policy is available at website of the company at [www.bholanath.biz](http://www.bholanath.biz)

### **Vigil Mechanism/Whistle Blower Policy:**

The Vigil Mechanism/Whistle Blower Policy has been adopted to provide appropriate avenues to the employees to bring to the attention of the management, the concerns about any unethical behavior, by using the mechanism provided in the Policy. In cases related to financial irregularities, including fraud or suspected fraud, the employees may directly approach the Chairman of the Audit Committee of the Company. We affirm that no director or employee has been denied access to the Audit Committee during financial year 2018-19. The Policy provides that no adverse action shall be taken or recommended against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such employees from unfair or prejudicial treatment by anyone in the Group. The policy is available at company's website [www.bholanath.biz](http://www.bholanath.biz)

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**Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulation**

Sr. No.	Particulars	Regulation	Compliance status Yes/No/N.A.	Compliance observed for the following:
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>• Board Composition</li> <li>• Meeting of Board of Directors</li> <li>• Review of compliance reports</li> <li>• Plans for orderly succession for appointments</li> <li>• Code of Conduct</li> <li>• Fees / compensation</li> <li>• Minimum information to be placed before the Board</li> <li>• Compliance Certificate</li> <li>• Risk Assessment &amp; Management</li> <li>• Performance Evaluation of Independent Directors</li> </ul>
2.	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Meeting of Audit Committee</li> <li>• Role of Audit Committee and review of information by the Committee</li> </ul>
3.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>
4.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>
5.	Risk Management Committee	21	Not Applicable	<ul style="list-style-type: none"> <li>• The Company is not in the list of top 100 listed entities by market capitalization</li> </ul>
6.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>• Formulation of Vigil Mechanism for Directors and employees</li> <li>• Direct access to Chairperson of Audit Committee</li> </ul>
7.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>• Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions</li> <li>• Related Party Transactions of the Company are pursuant to contracts duly approved by the Audit Committee, Board of Directors and Shareholders of the Company</li> <li>• Review of transactions pursuant to aforesaid contracts</li> </ul>
8.	Corporate Governance requirements with respect to subsidiary	24	Not Applicable	<ul style="list-style-type: none"> <li>• The Company does not have any subsidiary</li> </ul>

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	of listed entity			
<b>9.</b>	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• Maximum Directorship and Tenure</li> <li>• Meeting of Independent Directors</li> <li>• Familiarization of Independent Directors</li> </ul>
<b>10.</b>	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> <li>• Memberships / Chairmanships in Committees</li> <li>• Affirmation with compliance to Code of Business Conduct and Ethics from Directors and Management Personnel</li> <li>• Disclosure of shareholding by Non-executive Directors</li> <li>• Disclosures by Senior Management about potential conflicts of interest</li> </ul>
<b>11.</b>	Other Corporate Governance requirements	27	Not Applicable	<ul style="list-style-type: none"> <li>• Compliance with discretionary requirements</li> <li>• The Company does not fall the threshold limit prescribed the regulation</li> </ul>
<b>12.</b>	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>• Terms and conditions of appointment of Independent Directors</li> <li>• Composition of various Committees of Board of Directors</li> <li>• Code of Business Conduct and Ethics for Directors and Management Personnel</li> <li>• Details of establishment of Vigil Mechanism/ Whistle Blower Policy</li> <li>• Policy on dealing with Related Party Transactions</li> <li>• Details of familiarization programmes imparted to Independent Directors</li> </ul>

## MANAGEMENT DISCUSSION AND ANALYSIS

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

As we know that the current situation is a developing mixed economy. The India's 2019-20 Interim budget marks a set of comprehensive reforms aimed at "realizing a New India by 2022" and had a strong focus on sustainable growth and achieving a better quality of life for all citizens of India. The thrust of this Budget was on social infrastructure, ease of living and technology led governance aimed at inclusive and equitable growth.

We applauds the Budget 2019, because the budget is focusing on state of economy, tax reforms and GST, unorganized sectors, assured income to farmers, developing infrastructure, real estate, carpets industry, textiles industries, MSME sector, rural health and sanitation and such many other areas. The budget tries to benefit to all the three constituents of our economy the laborer's, the salaried and the business.

Budget 2019-20 is a progressive budget and paved the path towards expansion of employment and high growth rate. It is a well-balanced budget with its primary focus on farm economy along with transformational reforms to address socio-economic challenges to ensure that the Indian economy is on a solid track. The main focus of this year budget was the ambitious "10-dimensional vision for 2030"- a roadmap for India to become a US\$ 5 trillion economy in the next 5 years and a 10 trillion economy in the next 8 years thereafter. Under this vision, India is envisaged to become a modern, technologically driven, innovative, transparent and equitable nation backed by strong reforms.

The country witnessed its best phase of macro- economic stability during the last 5 year period. India is 6<sup>th</sup> largest economy in the world as compared to 11<sup>th</sup> position in 2013-14. The average inflation brought down to 4.6%, the fiscal deficit has been brought down to 3.4% in 2018-19 and the current account deficit (CAD) is likely to be only 2.5% of the GDP this year.

As we know Carpet weaving is an ancient Indian tradition, with the industry flourishing in the country 16<sup>th</sup> century onwards. Today, India is the world's largest producer and exporter of handmade carpets in terms of value and volume. Around 75-85 per cent of carpets manufactured in India are exported. Indian carpets are known worldwide for their excellent design, fascinating colours and quality. The handmade carpet industry in India has about a 1% share of the total Global demand of Carpets. In recent years the handmade carpet sector has shown great improvement in relevant areas such as: competitiveness, capacities, delivery time and standardization.

### **OPPORTUNITIES AND THREATS:**

Some of the key trends of the industry that are favorable to the company to exploit these emerging opportunities are:

- Clients are more comfortable with uniform high quality and quick service and process across the enterprise.
- There are good prospects for expanding further activities in this direction.

### **Some of the key changes in the industry unfavorable to the company are:**

- Heightened competition
- Increasing Compliances
- Attraction and retention of human capital.
- Regulatory changes

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### **RISK & CONCERNS**

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization with increasing integration of markets, newer and more complex products and transactions and an increasingly stringent regulatory framework has exposed organizations to and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. The sustainability of the business is derived from the following:

- Identification of the diverse risks faced by the company.
- The evolution of appropriate systems and processes to measure and monitor them.
- Risk Management through appropriate mitigation strategies within the policy framework.
- Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- Reporting these risk mitigation results to the appropriate managerial levels.
- There is the risk of loss from inadequate or failed systems, processes or procedures. These may be attributed to human failure or technical problems given the increase use of technology and staff turnover. Your company has in place suitable mechanisms to effectively reduce such risks.
- All these risks are continuously analyzed and reviewed at various levels of management through an effective information system.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal control systems are embedded in the processes across all functions in the Company. These systems are being regularly reviewed and wherever necessary are modified or redesigned to ensure better efficiency and effectiveness. The systems are subjected to supervision by the Board of Directors and the Audit Committee, duly supported by Corporate Governance. Company complies with all Applicable statutes, policies, procedures, listing requirements and management guidelines. It adheres to applicable accounting standards and polices.

### **HUMAN RESOURCES**

Your Company treats its human resources as its important asset and believes in its contribution to the all-round growth of your Company. Your Company takes steps, from time to time, to upgrade and enhance the quality of this asset and strives to maintain it in agile and responsive form. Your Company is an equal opportunity employer and practices fair employment policies. Your Company is confident that its Human Capital will effectively contribute to the long term value enhancement of the organization. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **SEGMENT-WISE PERFORMANCE**

The Company operates in single segments i.e. carpets business. Hence, The Business Segments reporting in accordance with Accounting Standard 17 'Segment Reporting' is not applicable.

### **SUBSIDIARY COMPANY**

As there are no subsidiaries of the Company but have associate company

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### **CAUTIONARY STATEMENT**

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements may differ from those expressed or implied in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking.

### **BY ORDER OF THE BOARD For Shri Bholanath Carpets Limited**

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

**Sd/-  
Vivek Baranwal  
(Director)  
DIN: 02076746**

**Date: 21/08/2019  
Place: Varanasi**



# **AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

**(In terms of Regulation 34(3) and Schedule V (E) of SEBI (LODR) Regulations, 2015)**

**To  
The Members of  
Shri Bholanath Carpets Limited**

We have examined the compliance of conditions of Corporate Governance by Shri Bholanath Carpets Limited (the 'Company'), for the year ended March 31, 2019, as stipulated Chapter IV of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 pursuant to Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to the procedures and implementation thereof adopted by the company to ensure compliance with the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance, as stipulated as stipulated Chapter IV of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 pursuant to Listing Agreement of the said company with stock exchanges.

We 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  
FRN No. 500028N**

**Sd/  
(Partner)  
Membership No. 070672**

**Place: Varanasi  
Date: 12.08.2019**

## **CEO/CFO CERTIFICATE**

**[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

**To  
The Members of  
Shri Bholanath Carpets Limited**

- A. I Vivek Baranwal have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that there is no:
- Significant changes in internal control over financial reporting during the year;
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein; if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Shri Bholanath Carpets Limited**

**Sd/-  
Vivek Baranwal  
CFO & Director  
(DIN: 02076746)  
Place: Varanasi  
Date: 30/07/2019**

## ANNUAL REPORT 2018-19

<p><b>O.P. TULSYAN &amp; CO.</b> <b>CHARTERED ACCOUNTANTS</b></p> <p style="text-align: center;"><b>Branch : B 38/3, Maharaja Nagar Colony, Mahmoorganj, Varanasi -221010</b></p> <p><b>INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS</b></p> <p><b>TO THE MEMBERS OF</b> <b>SHRI BHOLANATH CARPETS LIMITED</b></p> <p><b>REPORT ON THE FINANCIAL STATEMENTS</b></p> <p>We have audited the accompanying (Standalone) financial statements of <b>SHRI BHOLANATH CARPETS LIMITED</b>, which comprise the Balance Sheet as at March 31, 2019 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.</p> <p>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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit (or Loss)* and cash flows for the year ended on that date.</p> <p><b>Basis for opinion</b></p> <p>We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.</p> <p>We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.</p> <p><b>Key audit matters</b></p> <p>Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.</p> <p><b>A. Revenue Recognition</b></p> <p>The accounting policies of the company for revenue recognition are set out in the Financial Statement. The auditors of company have reported revenue recognition as a key audit matter due to the high volume of the transactions, high degree of manufacturing process, labour involvement and considering that accounting involve exercise of judgments and estimates, thereby affecting occurrence and accuracy assertions in respect of revenue recognition. The company is engaged in manufacturing , export and trading carpets on a principal basis and recognizes full value of consideration on transfer of control of traded goods to the customers which most of the time coincides with collection of cash or cash equivalent.</p> <p><b>Auditors Response</b></p> <p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the financial statements of the company to identify whether the revenue recognition policies are followed in the financial statement of the company.</li> <li>• We performed audit the following procedures as under:-             <ol style="list-style-type: none"> <li>i. involvement of IT environment and testing of the IT environment inter-alia for access controls and change management controls over company's billing and other relevant support systems.</li> <li>ii. evaluation and testing of the design and operating effectiveness of the relevant business process controls, inter-alia controls over the capture, measurement and authorization of revenue transactions and involvement of IT specialists for testing the automated controls therein.</li> <li>iii. Evaluation of substantive testing involved, testing collections, testing the reconciliation between revenue per the billing system and the financial records and testing supporting documentation for manual journal entries posted in revenue to ensure veracity thereof.</li> <li>iv. Validation of the judgements and estimates exercised by the management regarding the application of revenue recognition accounting standard.</li> </ol> </li> </ul> <p><b>2. Inventory</b></p> <p>The auditors Company have reported existence of inventory as a key audit matter due to involvement of high risk and high volumes .</p>
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**ANNUAL REPORT 2018-19**

O.P.TULSYAN & CO.	CONTINUATION SHEET
<b>Auditors Response</b>	
Our audit procedures included and were not limited to the following:	
We performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the subsidiary auditor, the following procedures have been performed by them:-	
i. Evaluation of the design and testing of the implementation of internal controls relating to physical inventory counts on a test basis;	
ii. Performance of test of controls over verification of documentary evidences of controls including the calculation of consumption of raw material in relation to manufacturing process and its loss occurred during manufacturing ..	
iii. Performance of test of details through sample selection of stores as part of the inventory verification program, including verification of inventory with documentary evidence and verification of shrinkage and moisture gain or loss.	
<b>3. Litigation matters</b>	
The company has certain significant open legal proceedings with the Income tax , continuing from earlier years, which are as under:	
Due to complexity involved in these litigation matters, management's judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined. Accordingly, it has been considered as a key audit matter	
<b>Auditors Response</b>	
Our audit procedures included and were not limited to the following:	
i. Assessing management's position and judgement through discussions (where considered necessary) on legal precedence and other ruling in evaluating managements position on these uncertain tax positions and the probability of success in the aforesaid cases, and the magnitude of any potential loss.	
ii. Discussion with the management on the development in these litigations during the year ended March 31, 2019. Review of the disclosures made in the financial statements in this regard.	
iii. Obtained representation letter from the management on the assessment of these matters.	
<b>Information other than the financial statements and auditors' report thereon</b>	
The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.	
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.	
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.	
Based on the work we have performed, we conclude that there is no any material misstatement of this other information and concluded that we have nothing to report in this regard.	
<b>MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS</b>	
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.	

<b>O.P.TULSYAN &amp; CO.</b>	<b>CONTINUATION SHEET</b>
<p>In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.</p>	
<p>The board of directors are also responsible for overseeing the Company's financial reporting process.</p>	
<p><b><u>Auditor's Responsibilities for the Audit of the Financial Statements</u></b></p>	
<p>Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements</p>	
<p>As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:</p>	
<p>Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</p>	
<p>Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls</p>	
<p>Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.</p>	
<p>Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.</p>	
<p>Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.</p>	
<p>We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.</p>	
<p>We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.</p>	
<b>O.P.TULSYAN &amp; CO.</b>	<b>CONTINUATION SHEET</b>

## ANNUAL REPORT 2018-19

<b>Report on other legal and regulatory requirements</b>	
1	As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the " <b>Annexure A</b> " a statement on the matters specified in paragraphs 3 and 4 of the Order;
2	As required by section 143(3) of the Act, we report that
(a)	We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
(b)	In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
(c)	The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
(d)	In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 refer to our separate Report .
(e)	On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
(f)	With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in " <b>Annexure B</b> ".
(g)	With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1)	The Company does not have any pending litigations which would impact its financial position
2)	The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3)	There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
	<b>For O.P. TULSYAN &amp; CO., CHARTERED ACCOUNTANTS</b>
	<b>FRN 500028N</b>
<b>PLACE : VARANASI</b>	<b>sd/-</b>
<b>DATE :- 29.06.2019</b>	<b>(S.N.GARG)</b>
	<b>(PARTNER)</b>
	<b>M.No. 052740</b>



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

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2019

- 1
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c) The title deeds of immovable properties are held in the name of the company.
- 2
  - a) The management has conducted the physical verification of inventory at reasonable intervals.
  - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3 The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4 In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5 The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6 As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

<b>O.P. TULSYAN &amp; CO.</b>		<b>Continuation Sheet</b>
7	<p>a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.</p> <p>b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.</p>	
8	In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.	
9	Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.	
10	Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.	
11	Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;	
12	In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.	
13	In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.	
14	Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.	

<b>O.P. TULSYAN &amp; CO.</b>		<b>Continuation Sheet</b>
15	Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.	
16	In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.	
		<b>For O.P. TULSYAN &amp; CO., CHARTERED ACCOUNTANTS FRN 500028N</b>
		<b>sd/- S.N GARG (Partner) M .No. 052740</b>
	<b>PLACE : VARANASI DATE: 29.06.2019</b>	

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE STANDALONE FINANCIAL STATEMENTS**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Shri Bholanath Carpets Limited, ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

<b>O.P. TULSYAN &amp; CO.</b>	<b>Continuation Sheet</b>
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**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019.

**For O.P. TULSYAN & CO.,  
CHARTERED ACCOUNTANTS  
FRN 500028N**

**PLACE :-VARANASI  
DATE : 29.06.2019**

sd/-  
**S.N.GARG  
(PARTNER)  
M.N. 052740**

**ANNUAL REPORT 2018-19**

SHRI BHOLANATH CARPETS LIMITED		Ph. 0542-2420323		
Regd. Office : G.T. ROAD, KACHHAWAN, VARANASI, UTTAR PRADESH, 221306		E-mail : finance@bholanath.biz		
PART I – Form of BALANCE SHEET				
SHRI BHOLANATH CARPETS LIMITED ( FORMERLY KNOW BIL CONTINENTAL LIMITED)				
BALANCE SHEET AS ON 31ST MARCH, 2019				
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.	<b>EQUITY AND LIABILITIES</b>			
A	<b>Shareholders' funds</b>			
	(a) Share capital	1	48,000,000.00	48,000,000.00
	(b) Reserves and surplus	2	78,361,804.03	76,862,343.57
	Share application money pending allotment			
B	<b>Non-current liabilities</b>			
	(a) Deferred tax liabilities (Net)	3	2,447,742.21	2,461,394.79
	(b) Other Long-Term Liabilities		22,727,844.94	31,200,853.58
C	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	88,887,461.16	101,158,602.49
	(b) Trade payables	6	63,941,536.89	52,840,012.28
	(c) Other current liabilities	7	35,649,250.20	4,955,283.53
	(d) Short-term provisions	8	560,667.00	680,246.00
	<b>TOTAL :</b>		<b>340,576,306.43</b>	<b>318,158,736.25</b>
II.	<b>ASSETS</b>			
A	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	9	21,628,452.68	21,924,370.74
	(b) Non-current investments	10	21,375,000.00	21,515,999.99
	(c) Long-term loans and advances	11	443,707.00	443,707.00
B	<b>Current assets</b>			
	(a) Inventories	12	100,101,651.31	95,728,034.44
	(b) Trade receivables	13	138,708,571.79	105,583,696.70
	(c) Cash and cash equivalents	14	1,429,389.93	35,872,913.62
	(d) Short-term loans and advances	15	56,889,533.72	37,090,013.76
	<b>TOTAL :</b>		<b>340,576,306.43</b>	<b>318,158,736.25</b>
	<b>Additional notes</b>	16		130,728,034.44
				153,998,614.77
				0.85
<b>SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE.</b>		<b>FOR AND ON BEHALF OF THE BOARD OF DIRECTORS SHRI BHOLANATH CARPETS LIMITED</b>		
<b>FOR O.P. TULSYAN &amp; COMPANY CHARTERED ACCOUNTANTS</b>		<i>sd/-</i> <b>Bholanath Baranwal CMD</b>		<i>sd/-</i> <b>Vivek Baranwal DIRECTOR</b>
<i>sd/-</i> <b>(PARTNER)</b>	<b>PLACE: VARANASI</b>			
	<b>DATED: 29.06.2019</b>			
<b>H.O. : B.27/5, D.S., Near Raja Garden, Ramesh Nagar, NEW DELHI-110015, Ph. :25422346,25422351</b>				
<b>B.O.: 1. Kamalalaya Centre, Room No. 214, 156-A, Lenin Sarani, Kolkata-700013, Ph.2272903, 2272904</b>				
<b>2 Room No. 201-A, 2nd Floor, Prince Complex, Hazratganj, LUCKNOW; Ph. : 2217336, 2281977</b>				
<b>3.Sudha Villa,J.C.Road, 1st Lane,Laipur,Ranchi-834001 Ph.0651-3254707</b>				



**ANNUAL REPORT 2018-19**

**SHRI BHOLANATH CARPETS LIMITED**  
**NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31 March 2019**

SHRI BHOLANATH CARPETS LIMITED					
NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31 March 2019					
Note	1				
	<b>Share Capital</b>	<b>Figures As At The End Of Current Reporting Period</b>		<b>Figures As At The End Of Previous Reporting Period</b>	
		<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	
				<b>Amount</b>	
	<b>Authorised</b>				
	60,00,000 Equity Shares of Rs. 10/- Each	6,000,000.00	60,000,000.00	6,000,000.00	
	<b>Issued Subscribed and Fully Paid Up</b>				
	48,00,000 Equity Shares of Rs. 10/- each	4,800,000.00	48,000,000.00	4,800,000.00	
	<b>Total</b>	<b>4,800,000.00</b>	<b>48,000,000.00</b>	<b>4,800,000.00</b>	
		<b>48,000,000.00</b>			
Note	1(a)	There is no Preference Share hence the same is not being reported			
		<b>Figures As At The End Of Current Reporting Period</b>		<b>Figures As At The End Of Previous Reporting Period</b>	
	<b>Particulars</b>	<b>Equity Shares</b>		<b>Equity Shares</b>	
		<b>Number</b>	<b>Value</b>	<b>Number</b>	
				<b>Value</b>	
	Shares outstanding at the beginning of the year	4,800,000.00	48,000,000.00	4,800,000.00	
	Shares Issued during the year	-	-	-	
	Shares bought back during the year	-	-	-	
	Shares outstanding at the end of the year	4,800,000.00	48,000,000.00	4,800,000.00	
Note	1(c)	<b>Equity Shares held by the Holding Company</b>			
		NIL Equity Shares (NIL) are held by , the holding company.			
Note	1(d)	<b>Shareholders holding more than 5% of Share Holdings</b>			
	<b>Name of Shareholder</b>	<b>Figures As At The End Of Current Reporting Period</b>		<b>Figures As At The End Of Previous Reporting Period</b>	
		<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	
				<b>% of Holding</b>	
	Surendranath Baranwal	357,400.00	7.45%	357,400.00	
	Vandar Eachan & Co.	702,000.00	14.63%	702,000.00	
	Bholanath Baranwal	668,680.00	13.93%	668,680.00	
	Dinanath Baranwal	257,400.00	5.36%	257,400.00	
	<b>Total</b>	<b>4,800,000.00</b>	<b>100.00%</b>	<b>4,800,000.00</b>	
				<b>100.00%</b>	
Note	1(e)	<b>Disclosure for each class of Shares:</b>			
	<b>Particulars</b>	<b>Year (Aggregate No. of Shares)</b>			
		<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
	<b>Equity Shares :</b>				
	Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL
	Fully paid up by way of bonus shares	NIL	NIL	NIL	NIL
	Shares bought back	NIL	NIL	NIL	NIL
	Preference Shares :	N.A.	N.A.	N.A.	N.A.
	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

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<b>SHRI BHOLANATH CARPETS LIMITED</b>				
<b>NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31 March 2019</b>				
<b>Note</b>	<b>2</b>	<b>Reserves &amp; Surplus</b>	<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		<b>a. General Reserves</b>		
		Opening Balance	44,570,772.00	44,570,772.00
		Addition / (Written off)	-	-
		Closing Balance	44,570,772.00	44,570,772.00
		<b>b. Securities Premium Account</b>		
		Opening Balance	28,600,000.00	28,600,000.00
		Addition during the year	-	-
		Closing Balance	28,600,000.00	28,600,000.00
		<b>c. Surplus</b>		
		Opening balance	3,691,571.57	2,725,268.71
		(+) Net Profit/(Net Loss) For the current year	1,499,460.46	966,302.86
		(-) Transfer to Reserves	-	-
		Closing Balance	5,191,032.03	3,691,571.57
		<b>Total</b>	<b>78,361,804.03</b>	<b>76,862,343.57</b>
		Note:		
<b>Note</b>	<b>3</b>	<b>Deferred Tax Liabilities</b>	<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Deferred Tax Liabilities	2,461,394.79	2,873,286.51
		Addition During The Year	13,652.59	411,891.72
		<b>Total</b>	<b>2,447,742.21</b>	<b>2,461,394.79</b>
<b>Note</b>	<b>4</b>	<b>Other Long Term Liabilities</b>	<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Trade Payables	14,014,844.94	31,200,853.58
		Unsecured Loan	8,713,000.00	-
		<b>Total</b>	<b>22,727,844.94</b>	<b>31,200,853.58</b>
<b>Note</b>	<b>5</b>	<b>Short Term Borrowings</b>	<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		<b>Secured</b>		
		Packing Credit From Syndicate Bank PCFC (SECURED AGAINST HYPOTHECATION OF STOCK AND BOOK-DEBTS)	88,887,461.16	101,158,602.49
		<b>Total</b>	<b>88,887,461.16</b>	<b>101,158,602.49</b>
<b>Note</b>	<b>6</b>	<b>Trade Payables</b>	<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Trade Payables	63,941,536.89	52,840,012.28
		<b>Total</b>	<b>63,941,536.89</b>	<b>52,840,012.28</b>
<b>Note</b>	<b>7</b>	<b>Other Current Liabilities</b>	<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Advance from customers	15,158,297.97	4,080,792.16
		GST Payable	-	211,112.37
		Other Liabilities	20,490,952.23	663,379.00
		<b>Total</b>	<b>35,649,250.20</b>	<b>4,955,283.53</b>
<b>Note</b>	<b>8</b>	<b>Short term Provisions</b>	<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Provision for current year tax	560,667.00	680,246.00
		<b>Total</b>	<b>560,667.00</b>	<b>680,246.00</b>

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<b>SHRI BHOLANATH CARPETS LIMITED</b>					
<b>NOTES TO AND FORMING PART OF BALANCE SHEET AS ON 31 March 2019</b>					
Note	10	<b>Non Current Investments</b>		<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Long term Unquoted Non Trade			
		Bholanath Industries		21,300,000.00	21,300,000.00
		Amari Investments (P) Ltd.		75,000.00	75,000.00
		Quoted Trade			
		Uma Petrofills Ltd.			140,999.99
		<b>Total</b>		<b>21,375,000.00</b>	<b>21,515,999.99</b>
Note	11	<b>Long Term Loans And Advances</b>		<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		a. Security Deposits			
		Secured, considered good			
		Unsecured, considered good		443,707.00	443,707.00
		Less: Provision for doubtful deposits			
		<b>Total</b>		<b>443,707.00</b>	<b>443,707.00</b>
Note	12	<b>Inventories</b>		<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Raw Material		9,275,277.66	10,129,017.83
		Work in Progress		2,765,271.49	343,354.00
		Finished Goods		87,763,140.16	84,776,058.49
		Stores, Spares And Loose Tools		297,962.00	479,604.12
		<b>TOTAL</b>		<b>100,101,651.31</b>	<b>95,728,034.44</b>
Note	13	<b>Trade Receivables</b>		<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Trade receivables outstanding for a period less than six months from the date they are due for payment			
		Unsecured, considered good		59,644,685.87	55,648,965.78
		Less: Provision for doubtful debts			
		<b>Total</b>		<b>59,644,685.87</b>	<b>49,934,730.92</b>
		Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
		Unsecured, considered good		79,063,885.92	105,583,696.70
		Less: Provision for doubtful debts			
		<b>Total</b>		<b>79,063,885.92</b>	<b>105,583,696.70</b>
		<b>Total</b>		<b>138,708,571.79</b>	<b>105,583,696.70</b>
Note	14	<b>Cash and cash equivalents</b>		<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		a. Balances with banks			
		In Fixed Deposits:			
		This includes			
		Balance with Nationalised Banks			-
		In Current Account:			
		Balance With Nationalised Banks		968,660.71	1,509,687.62
		b. Cheques, drafts on hand		-	34,000,000.00
		b. Cash on hand		460,729.22	363,226.00
		<b>Total</b>		<b>1,429,389.93</b>	<b>35,872,913.62</b>
Note	15	<b>Short Term Loans And Advances</b>		<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
		Advance for goods & services	7,624,085.80	1,753,204.25	9,377,290.05
		Staff advances		340,772.59	391,462.59
		Balance with revenue authorities	19,579,231.82	9,606,185.26	29,185,417.08
		Others	-	17,935,364.00	17,935,364.00
		<b>TOTAL</b>	<b>-</b>	<b>29,635,526.10</b>	<b>56,889,533.72</b>
				<b>200,018.00</b>	<b>14,494.00</b>
				<b>22,065,141.95</b>	<b>14,810,359.81</b>
				<b>37,090,013.76</b>	<b>37,090,013.76</b>

**ANNUAL REPORT 2018-19**

<b>SHRI BHOLANATH CARPETS LIMITED</b>	Ph. 0542-2420323
Regd. Office : G.T. ROAD, KACHHAWAN, VARANASI, UTTAR PRADESH, 221306	
	E-mail : finance@bholanath.biz

**PART II - Form of STATEMENT OF PROFIT AND LOSS**
**SHRI BHOLANATH CARPETS LIMITED  
(FORMERLY KNOWN BIL CONTINENTAL LIMITED)**
**Profit and Loss Statement For The Year Ended 31st March, 2019**

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	231,692,936.27	272,391,794.61
II.	Other Income	PL-2	1,589,545.75	2,705,883.00
III.	Total Revenue		<b>233,282,482.02</b>	<b>275,097,677.61</b>
			22,292,599.19	19,840,611.43
			9.62	7.28
	Cost of Materials consumed	PL-3	22,727,114.78	8,532,349.76
	Purchases of Stock-in-Trade	PL-4	176,139,455.46	223,105,808.51
	Changes in inventories of Stock-in-Trade	PL-5	-5,408,999.16	5,607,589.13
	Employee Benefits Expense	PL-6	2,993,280.00	3,767,967.00
	Finance Costs	PL-7	5,230,388.47	4,416,903.87
	Depreciation and Amortization Expense	PL-8	828,871.12	2,190,655.91
	Payment to Auditors	PL-9	72,000.00	72,000.00
	Other expenses	PL-10	28,588,140.47	26,095,658.29
	Total expenses		<b>231,170,251.14</b>	<b>273,788,932.47</b>
V.	Profit before exceptional and extraordinary items and tax (III-IV)		2,112,230.88	1,308,745.14
VI.	Exceptional items			
VII.	Profit before extraordinary items and tax (V - VI)		2,112,230.88	1,308,745.14
VIII.	Extraordinary Items			
IX.	Profit before tax (VII- VIII)		2,112,230.88	1,308,745.14
X.	Tax expense:			
	(1) Current tax		560,667.00	680,246.00
	(2) Deferred tax		13,652.59	411,891.72
	(3) Interest on Self assessment tax		65,756.00	77,178.00
	(4) Earlier Tax Short / (Excess) Provision		-	-3,090.00
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)		1,499,460.46	966,302.86
XII.	Profit/(loss) from discontinuing operations			
XIII.	Tax expense of discontinuing operations			
XIII.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			
XIV.	Profit (Loss) for the period (XI + XIV)		<b>1,499,460.46</b>	<b>966,302.86</b>
XV.	Earnings per equity share:			
	(1) Basic		0.31	0.20

**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**

sd/- <b>(PARTNER)</b>	sd/- <b>Bholanath Baranwa CMD</b>	sd/- <b>Vivek Baranwal DIRECTOR</b>
<b>PLACE: VARANASI</b>		
<b>DATED: 29.06.2019</b>		

H.O. : B.27/5, D.S., Near Raja Garden, Ramesh Nagar, NEW DELHI-110015, Ph. :25422346,25422351  
 B.O.: 1. Kamalalaya Centre, Room No. 214, 156-A, Lenin Sarani, Kolkata-700013, Ph.2272903, 2272904  
 2 Room No. 201-A, 2nd Floor, Prince Complex, Hazratganj, LUCKNOW; Ph. : 2217336, 2281977  
 3.Sudha Villa,J.C.Road, 1st Lane,Lalpur,Ranchi-834001 Ph.0651-3254707

**ANNUAL REPORT 2018-19**

<b>SHRI BHOLANATH CARPETS LIMITED</b>				
<b>NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST</b>				
<b>MARCH,2019</b>				
	<b>Revenue From Operations</b>		<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
<b>PL-1</b>	Sale of products		227,618,385.87	265,172,992.57
	Sale of services			-
	Other Operating Revenues		4,074,550.40	7,218,802.04
			231,692,936.27	272,391,794.61
	Less: Excise Duty		-	-
	<b>Total</b>		<b>231,692,936.27</b>	<b>272,391,794.61</b>
<b>PL-2</b>	<b>Other Income</b>			
	Other Income			
	Interest Income		1,539,570.00	399,723.00
	Foreign Currency Fluctuation		-	-
	Miscellaneous Income		7,017.75	2,306,160.00
	input tax credit		42,958.00	
	<b>Total</b>		<b>1,589,545.75</b>	<b>2,705,883.00</b>
<b>PL-3</b>	<b>Cost of Materials Consumed</b>			
	Purchases Raw Materials		21,873,374.61	8,759,843.14
	Add: Opening Balance of Stock		10,129,017.83	9,901,524.45
			32,002,392.44	18,661,367.59
	Less: Closing Balance of Stock		9,275,277.66	10,129,017.83
	<b>Total</b>		<b>22,727,114.78</b>	<b>8,532,349.76</b>
<b>PL-4</b>	<b>Purchase of Stock In Trade</b>			
	Purchases of Traded goods		176,139,455.46	223,105,808.51
	<b>Total</b>		<b>176,139,455.46</b>	<b>223,105,808.51</b>
<b>PL-5</b>	<b>Changes in inventory</b>			
	Finished Stock			
	At the Beginning of Accounting Period		84,776,058.49	89,026,711.42
	At the End of Accounting Period		87,763,140.16	84,776,058.49
			-2,987,081.67	4,250,652.93
	Work-in-Progress			
	At the Beginning of Accounting Period		343,354.00	1,700,290.20
	At the End of Accounting Period		2,765,271.49	343,354.00
			-2,421,917.49	1,356,936.20
	<b>Total</b>		<b>-5,408,999.16</b>	<b>5,607,589.13</b>
<b>PL-6</b>	<b>Employee Benefit Expenses</b>			
	Factory Salary & Wages		1,962,099.00	2,772,875.00
	Directors Remuneration		696,000.00	696,000.00
	Sitting Fee and Medical Exp.to Directors		8,990.00	14,000.00
	Bonus		-	28,000.00
	Contribution To Provident Fund		85,010.00	61,536.00
	Staff Welfare		241,181.00	195,556.00
	<b>Total</b>		<b>2,993,280.00</b>	<b>3,767,967.00</b>

**ANNUAL REPORT 2018-19**

<b>SHRI BHOLANATH CARPETS LIMITED</b>			
<b>NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST</b>			
<b><u>MARCH,2019</u></b>			
<b>PL-7</b>	<b>Payment To Auditors</b>	<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
	Payment To Auditors	72,000.00	72,000.00
	<b>Total</b>	<b>72,000.00</b>	<b>72,000.00</b>
<b>PL-8</b>	<b>Finance Costs</b>		
	Interest To Bank	4,277,952.10	3,658,877.62
	Bank Charges & Commission	952,436.37	758,026.25
	<b>Total</b>	<b>5,230,388.47</b>	<b>4,416,903.87</b>
<b>PL-9</b>	<b>Depreciation and Amortization Expense</b>		
	Depreciation	828,871.12	2,190,655.91
	<b>Total</b>	<b>828,871.12</b>	<b>2,190,655.91</b>
<b>PL-10</b>	<b>Other Expenses</b>		
	<b>Manufacturing Expenses:</b>		
	Consumption Of Stores And Spare Parts		
	Opening Stock	479,604.12	783,018.23
	Add:Purchases	3,626,517.86	3,061,634.01
	Total	4,106,121.98	3,844,652.24
	Less:Closing Stock	297,962.00	479,604.12
		<b>3,808,159.98</b>	<b>3,365,048.12</b>
	Weaving Finishing & Other Job Charges	10,120,339.10	9,017,460.36
	Power & Fuel	342,735.00	942,961.00
	Manufacturing Expenses	558,051.17	826,780.30
	Dyeing Charges Woolen Yarn	1,113,480.75	1,153,186.00
	<b>Total</b>	<b>15,942,766.00</b>	<b>15,305,435.78</b>
	<b>Administrative Expenses:</b>		
	Admintrative Charges P.F.	7,208.00	-
	Insurance Charges	222,587.96	95,867.00
	Telephone, Telegram, Fax Charges	34,497.00	59,304.00
	Printing & Stationery	187,269.94	201,252.00
	Registraration & Membership	53,394.41	329,718.00
	Rates & Taxes	-	3,005.00
	Travelling-Directors	364,732.33	786,100.47
	Travelling-Others	42,247.00	130,853.00
	Vehicle Running & Maintenance	157,920.71	299,668.00
	Legal & Professional Fee/Expenses	678,764.00	390,521.00
	Repair & Maintainance	35,116.00	129,355.00
	Watch And Wards	1,550.00	2,361.00
	Filing fees	15,000.00	55,000.00
	Gardening charges	-	240,990.00
	Advertisement	50,950.00	79,200.00
	Sundry Balances W/o	1,070,233.55	96,418.00
	Internal/Stock Audit Fees	17,500.00	25,000.00
	Taxes W/o & Late Fees GST	18,378.00	5,392.00
	Intt. On Tax /TDS	14,265.00	-
	Foreign Exchange Fluctuation	1,259,035.45	-
	Miscellaneous Expenses	497,245.62	322,071.20
	Business Promotion	43,917.70	-
	<b>Total :</b>	<b>4,771,812.67</b>	<b>3,252,075.67</b>
		-	

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<b>SHRI BHOLANATH CARPETS LIMITED</b>			
<b>NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019</b>			
		<b>Figures As At The End Of Current Reporting Period</b>	<b>Figures As At The End Of Previous Reporting Period</b>
<b>Selling And Distribution Expenses:</b>			
Packing , Freight, Insurance & Forwarding Exp.		6,302,403.66	5,880,916.38
ECGC Premium		705,910.09	414,025.29
Selling Expenses		77,400.00	1,124,026.17
Sample development & Quality		21,223.00	119,179.00
Commission		766,625.05	-
		<b>7,873,561.80</b>	<b>7,538,146.84</b>
<b>Grade Total</b>		<b>28,588,140.47</b>	<b>26,095,658.29</b>

<b>SHRI BHOLANATH CARPETS LIMITED FORMERLY KNOW BIL CONTINENTAL LIMITED</b>											
<b>SCHEDULE OF FIXED ASSETS AS ON 31.03.19</b>											
2018-19											
PARTICULARS	RATE		GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Rate	AS ON 01.04.2018	ADDITION		AS ON 31.03.2019	UP TO 01.04.2018	FOR THE YEAR	UP TO 31.03.2019	AS ON 31.03.2019	AS ON 31.03.2018
Factory Building	3%	3.17%	43,101,855.00	0.00	-	43,101,855.00	27,325,046.07	972,979.73	28,298,025.80	14,803,829.20	15,776,808.93
Plant & Machinery	5%	6.33%	20,798,227.00	344,371.00	-	21,142,598.00	18,480,302.93	148,352.78	18,628,655.71	2,513,942.29	2,317,924.07
Plant & Machinery, 2016			0.00			-					
			0.00			-					
Electric Installation	7%	9.50%	1,255,664.00	0.00	-	1,255,664.00	1,058,317.07	44,588.48	1,102,905.55	152,758.45	197,346.93
Other Machinery	5%	6.33%	8,372,424.00	0.00	-	8,372,424.00	7,714,193.05	23,960.98	7,738,154.03	634,269.97	658,230.95
Loom with Artisan	5%	6.33%	3,379,583.00	0.00	-	3,379,583.00	3,108,552.57	8,851.35	3,117,403.93	262,179.07	271,030.43
Computer & Allied Equipment	16%	31.67%	2,124,098.00	107,107.07	-	2,231,205.07	2,711,925.19	249,538.16	922,908.17	2,038,555.17	192,649.90
Office & Other Equipment	19%	19.00%	4,156,260.24	74,725.00	-	4,230,985.24	2,730,446.14	192,331.58	2,922,777.72	1,308,207.52	1,425,814.10
Furniture & Fixture	6%	9.50%	8,886,298.00	6,750.00	-	8,893,048.00	7,164,368.24	106,474.10	7,270,842.34	1,622,205.66	1,721,929.76
Trade Mark	10%	0.00%	48,300.00	0.00	-	48,300.00	48,300.00	-	48,300.00	-	0.00
Vehicles	10%	11.88%	1,989,971.00	0.00	-	1,989,971.00	1,890,472.45	-	1,890,472.45	99,498.55	99,498.55
Motor Cycle		9.50%	52,985.00	0.00	-	52,985.00	17,420.85	4,702.13	22,122.98	30,862.02	35,564.15
Assets Below Rs.5000/-	100%	0.00%	103,313.00	0.00	-	103,313.00	98,147.35	-	98,147.35	5,165.65	5,165.65
Assets above Rs.50000/-	5%	6.33%	57,688.00	0.00	-	57,688.00	54,803.60	-	54,803.60	2,884.40	2,884.40
<b>TOTAL :</b>			<b>94,326,666.24</b>	<b>532,953.07</b>	<b>-</b>	<b>94,859,619.31</b>	<b>72,402,295.51</b>	<b>1,751,779.29</b>	<b>922,908.17</b>	<b>73,231,166.63</b>	<b>21,628,452.68</b>



**ANNUAL REPORT 2018-19**

<b>SHRI BHOLANATH CARPETS LIMITED</b>			
<b>Cash Flow Statement For The Year Ended 31st March, 2019</b>			
		<b>Current year</b>	
		<b>AMOUNT (RS.)</b>	<b>AMOUNT (RS.)</b>
<b>A.</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit Before tax		2,112,231
	Adjustments for :		
	Deffered Tax Liabilities		
	Depreciation .....	828,871	
	Depreciation Reserve W/o .....	-	
	Pre-operative Expenses .....	-	
	Adjustment For Employees Contribution		
	Capital Gain/ Loss On Sale Of Fixed Assets		
	Excess Provision for Income Tax Written Back		
	Interest On Income Tax		
	Interest Recd to Profit and Loss Account .....	(1,539,570)	
	Interest charged to Profit and Loss Account .....	4,277,952	
		<b>3,567,253</b>	<b>3,567,253</b>
	<b>Operating Profit before working capital changes</b>		<b>5,679,484</b>
	Adjustments for :		
	Trade and Other Receivable .....	(33,124,875)	
	Short Term Loans and Advances	(19,799,520)	
	Inventories .....	(4,373,617)	
	Loan And Advances		
	Trade Payables and other Liabilities .....	41,795,491	
			(15,502,521)
	Cash Generated From Operation		(9,823,037)
	Interest On Income Tax		65,756
	Direct Taxes Paid .....		680,246
	Deffered Tax Liabilities		
	Mat credit entitlement		
	Cash Flow Before Exceptional Item .....		(10,569,039)
	<b>Net Cash Flow from Operating Activities :</b>		<b>(10,569,039)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities :</b>		
	Purchase of Fixed Assets .....	(532,953)	
	Sale of Fixed Assets .....		
	Purchase of Investments .....		
	Payment for Capital in Progress.....		
	Sale of Investment .....	141,000	
	Proceeds from Long term Loan And Advances.....		
	Dividend Received .....		
	Interest Received .....	1,539,570	
	<b>Net Cash used in Investing Activities</b>		<b>1,147,617</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>		
	Proceeds from Share Application Money .....		
	Proceeds from Share Application .....		
	Proceeds from Borrowings .....		
	Repayment of Borrowings .....	(20,744,150)	
	Increase In Share Capital		
	Interest Paid .....	(4,277,952)	
	<b>Net Cash From Financing Activities</b>		<b>(25,022,102)</b>
	Net Increase/(Decrease) in Cash & Cash equivalents		<b>(34,443,524)</b>
	Cash & Cash equivalents as at 1st April		<b>35,872,914</b>
	Cash & Cash equivalents as at 31st March		<b>1,429,390</b>

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

For **SHRI BHOLANATH CARPETS LIMITED**

sd/-  
**PARTNER**

Place : Varanasi  
Date: 29.06.2019

sd/-  
Bholanath Baranwal  
CMD

sd/-  
Vivek Baranwal  
DIRECTOR

**ANNUAL REPORT 2018-19**

O.P. TULSYAN & CO. Continuation Sheet

**Shri Bholanath Carpets Limited**  
**Formally Known BIL Continental Limited**

SCHEDULE FORMING PARTS OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

Note: 16

**Notes forming part of the financial statements**
**1 Significant accounting policies**
**A Basis of accounting and preparation of financial statements**

- a The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention on the assumption of going concern concept and in accordance with accounting standards as specified by the Institute of Chartered Accountants of India. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- b All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in Revised Schedule VI of Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of classification of current or non-current assets and liabilities.

**B Use of estimates**

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known / materialize.

**C Inventories**

The inventories of all textiles items traded and dealt with by the Company are valued at cost. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

**D Prior Period items and Extraordinary items :**

Prior period items and extraordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net Profit or Loss for the Period, Prior Period items and changes in Accounting Policies' as notified under the Companies (Accounting Standards) Rules, 2006

**E Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## ANNUAL REPORT 2018-19

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

## ANNUAL REPORT 2018-19

O.P. TULSYAN & CO. Continuation Sheet

(3)

**L Segment reporting**

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

**M Earnings per share**

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

**N Taxes on income**

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

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

**O Provisions and contingencies**

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

**P Foreign Currency Translations**

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

**Q Miscellaneous Expenditure :**

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

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

Sl. No	Nature of Transactions	KMP	Others
1	Directors Remuneration	696,000.00	
2	Sale of finished goods		14,059,800.28
3	Payment Received		31,792,037.23
4	payment Made		189,322,449.00
4	Purchase of raw material		180,205,866.93

**3 Earnings in Foreign Exchange :**

Particulars	As at 31.03.2019	As at 31.03.2018
	NIL	

(4)

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

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

**5 Expenditure in Foreign Currency :**

Particulars		31.03.2019 (Rs.)	31.03.2018 (Rs.)
a)	CIF Value of Imports		
(i)	Machinery and Equipment	NIL	NIL
(ii)	Stores and Spares	NIL	NIL
(iii)	Other Consumables	NIL	NIL
b)	Investments	NIL	NIL
c)	Expenditure (Capital)	NIL	NIL

- 6 The previous financial year's figures have been reworked, regrouped and reclassified to the extent to the extent possible, wherever necessary to conform to current year presentation.
- 7 The Company is a Small and Medium Sized Company (SME) as defined in the General Instructions in respect of Accounting Standard notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a small and medium sized company.

**Signature to the Schedules "1" to "7"**

(As per our report of even date attached)

**For O.P. TULSYAN & CO.  
CHARTERED ACCOUNTANTS**

**SHRI BHOLANATH CARPETS LIMITED**

sd/-  
PARTNER

PLACE: Varanasi  
DATED : 29.06.2019

sd/-  
Bholanath Baranwal  
CMD

sd/-  
Vivek Baranwal  
DIRECTOR

## ANNUAL REPORT 2018-19

### SHRI BHOLANATH CARPETS LIMITED

CIN: L17226UP1973PLC003746 | Registered Office: G.T. Road, Kachhawan, Varanasi- 221313, U.P.  
ATTENDANCE SLIP

46<sup>th</sup> Annual General Meeting, \_\_\_\_\_ at \_\_\_\_\_

Regd. Folio No.		* DP ID:	
No. of Equity Shares held		* Client ID:	
Name of the Shareholder			
Name of Proxy			

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 46<sup>th</sup> Annual General Meeting of the Company on Saturday, 28<sup>th</sup> September, 2019 at its Registered Office at G.T. Road, Kachhawan, Varanasi - 221313 at 11:30 A.M.

#### SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

\_\_\_\_\_

If Member, please sign here

If Proxy, please sign here

Note: This form should be signed and handed over at the Meeting Venue

#### Form No. MGT – 11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 (the Act) and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
Email Id:	
Folio No./Client Id:	
DP ID:	

I/we being the member(s) holding \_\_\_\_\_ shares of the above mentioned company, hereby appoint the following as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 28<sup>th</sup> September, 2019 at 11.30 A.M. at its Registered Office at G.T. Road, Kachhawan, Varanasi- 221313 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Mr./Ms..... of ..... in the district of ..... or failing him / her
2. Mr./Ms..... of ..... in the district of ..... or failing him / her
3. Mr./Ms..... of ..... in the district of .....

Signed this ..... day of ....., 2019

Signature of the Member

Please Affix  
Re.1/-  
Revenue  
Stamp and  
sign  
Across

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.

**ANNUAL REPORT 2018-19**

**Form No. MGT – 12**

**Ballot Paper**

**[Pursuant to Section 109(5) of the Companies Act, 2013 (the Act) and Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]**

**CIN:** L17226UP1973PLC003746

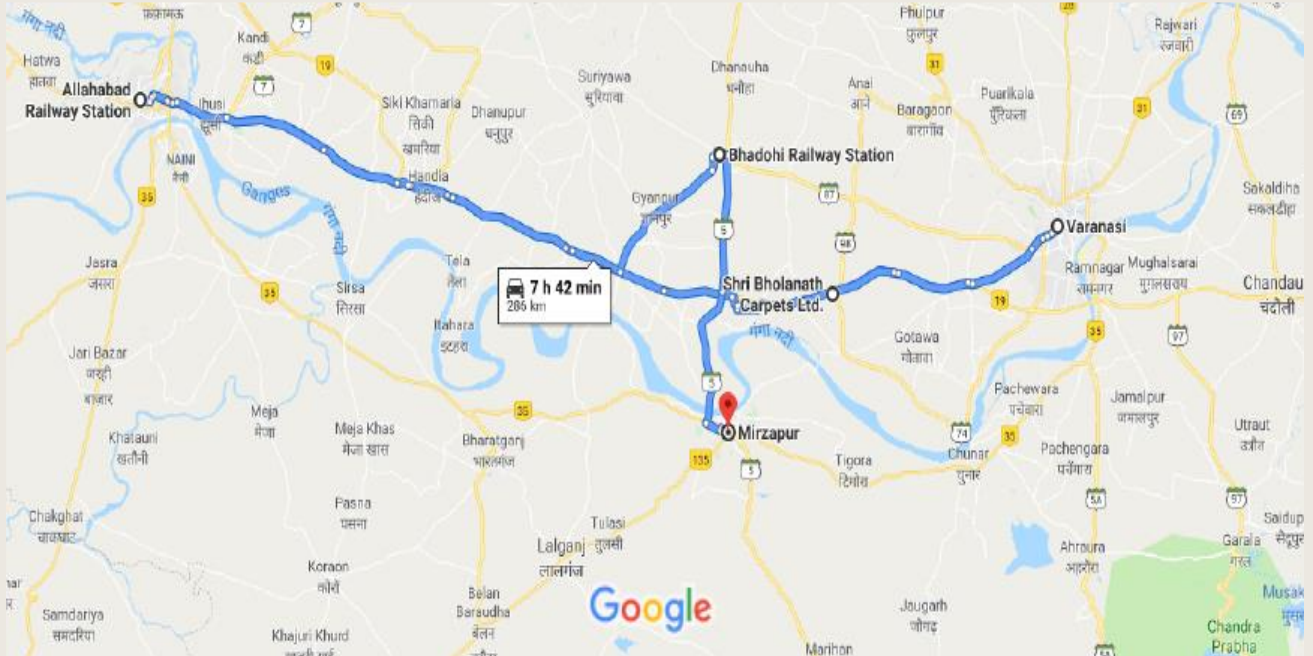
**Name of Company:** Shri Bholanath Carpets Limited

**Registered Office:** G.T. Road, Kachhawan, Varanasi – 221313,U.P.

<b>Poll Paper</b>				
<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>		
1	Name of the First Named Shareholder (In block letters)			
2	Postal Address			
3	Registered Folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)			
4	Class of Share			
I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in following manner:				
<b>Sr. No.</b>	<b>Item No.</b>	<b>No. of Shares held by me</b>	<b>I assent to the resolution</b>	<b>I dissent from the resolution</b>
1	To receive, consider and adopt the Audited Standalone Financial Statements consisting of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the reports of the Board of Directors and the Auditors thereon			
2	To appoint a Director in place of Mr. Harish Baranwal (DIN: 01722061), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.			
<b>Place: Varanasi</b> <b>Date:</b> _____ <span style="float: right;"><b>(Signature of Shareholder)</b></span>				



**ROUTE MAP**



**Venue to AGM** : G.T. Road, Kachhawan, Varanasi – 221313, U.P.  
**Land Mark:** Near to Reliance Petrol Pump

**By Couriered**

**If undelivered please return to:**

**REGISTERED OFFICE**  
SHRI BHOLANATH CARPETS LIMITED  
G.T. ROAD, KACHHAWAN,  
VARANASI- 221313, U.P. Ph: 542-2620221  
Email: cs@bholanath.biz  
Website: www.bholanath.biz