



BHILWARA SPINNERS LIMITED

CIN :- U17115 RJ 1980 PLC008217

Annual Report 2016 - 2017

CORPORATE INFORMATION

BOARD OF DIRECTOR

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

KEY EXECUTIVE

| | |
|------------------------|-------------------------|
| Ashok Kothari | Director & CEO |
| Bhopal Singh Choudhary | Chief Financial Officer |

COMPANY SECRETARY

Neelu Mehta

BANKERS

Central Bank of India
State Bank of Bikaner & Jaipur
ICICI Bank Ltd.

AUDITORS

M/s CLB & ASSOCIATES MUMBAI

REGISTERED OFFICE

26, Industrial Area
Bhilwara - 311 001, Rajasthan

FINANCIAL HIGHLIGHTS

(Rs. in lac)

| Particulars | 2014-2015 | 2015-2016 | 2016-2017 |
|--------------------------|-----------|-----------|-----------|
| Turnover | 20.95 | 291.51 | 485 |
| Exports | 0.00 | 0.00 | - |
| PBIDT | 244.23 | 392.57 | 228.16 |
| Interest | 0.00 | 0.00 | 0.00 |
| PBDT | 244.23 | 392.57 | 228.16 |
| Depreciation | 0.00 | 0.00 | 0.00 |
| Taxation | 58.31 | 78.10 | 50.00 |
| PAT | 185.92 | 314.47 | 178.15 |
| Net Worth | 737.95 | 1052.42 | 1230.57 |
| Capital Expenditure | 140.13 | 12.18 | 23.14 |
| Book Value Per Share Rs. | 10.91 | 15.57 | 18.20 |

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DIRECTOR'S REPORT

To The Members,

The Directors of your Company have pleasure in presenting their 36th Annual Report along with audited annual statements of Accounts for the financial year ended on 31st March, 2017

FINANCIAL RESULTS

(Rs. in Lacs)

| | Financial Year ended 31-3-2017 | Previous Year ended 31-3-2016 |
|--|--------------------------------------|-------------------------------------|
| Turnover | 485 | 292 |
| Profit/(Loss) before Depreciation | 228 | 392 |
| Depreciation | 0 | 0 |
| Profit/(Loss) before Tax | 228 | 392 |
| Provision for Income Tax | | |
| - Current Tax | 50 | 78 |
| - Deferred Tax | 0 | 0 |
| Profit/(Loss) after Tax | 178 | 314 |
| Balance brought forward | (48) | (362) |
| Balance carried forward | 130 | (48) |

OPERATIONS

the manufacturing operations of the Company have come to a stand still. But trading in yarn and fabric still continue in the year.

DIVIDEND

Your Directors are unable to recommend any Dividend on the Equity Shares in view of the financial position of the Company.

DIRECTORS

Two of your Director namely Sushila Kothari & Arvind Tater shall retire by rotation at the ensuring Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

AUDITORS

The Company's Auditors, M/s. CLB & ASSOCIATES., will hold office till the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

The observations in the Auditors' Report are dealt within the notes to the accounts at appropriate places and are self-explanatory.

CORPORATE SOCIAL RESPONSIBILITY

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

appropriate.

NUMBER OF MEETINGS OF THE BOARD

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

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

ANNUAL RETURN

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

DIRECTORS' APPOINTMENT AND REMUNERATION POLICY

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

ANNUAL EVALUATION BY THE BOARD

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

PARTICULARS OF INVESTMENTS

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

PARTICULARS of contracts or arrangements with related parties

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

Significant And material orders passed by the Regulators or courts

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

RISK MANAGEMENT

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

DIRECTOR'S REPORT

Company there was negligible exposure to business risks.

CORPORATE GOVERNANCE

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

WHISTLE BLOWER POLICY

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

INTERNAL CONTROL SYSTEMS

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

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

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

Directors'Responsibility statement

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

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

b) appropriate Accounting Policies have been selected and applied consistently and they have made Judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company on 31st March, 2015 and of the Profit and Loss of Company for the year ended on that date ;

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

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

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

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

ACKNOWLEDGEMENTS

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

for and on behalf of the Board

Place : Bhilwara
Date : 30th May 2017

Ashok Kothari
Director

ANNEXURE 1 TO DIRECTOR'S REPORT

FORM NO. MR-3

Secretarial Audit Report

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

The Members,

Bhilwara Spinners Limited

26, Industrial Area

Gandhi Nagar

Bhilwara-311001 (Raj.)

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering financial year ended on March 31,2017("Audit Period) complied with the statutory provision hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported herein after.

(A). We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provision of-

1. The Companies Act, 2013 (the Act) (to the extent sections schedules notified) and the Rules made there under including Amendements, Circulars, Notifications and Removal of Difficulties Orders passed by the Ministry of Corporate Affairs from time to time
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under to the extent applicable.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
4. The reserve Bank of India Act, 1934 and the curculars issued there under.
5. Foreign Exchange Management Act, 1999 and the Rules & Regulation made there under to the extent of Foreign Direct Investment
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act') as amended:
 - a) The Securities and Exchange Board of India (Substantial Acquisiition 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 and Listing of Debt Securities) Regulation 2008
 - d) The Securities and Exchange Board of India (Issue of capital and disclosures requirement) Regulation 2009
 - e) The Securities and Exchange Board of Inia (Registrar to an issue and share transfer agent) Regulatio 1993 regarding the Companies Act:
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 1998 (Not applicable to the company during the Audit Period)
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 2009 (Not applicable to the company during the Audit Period)

h) The Securities and Exchange Board of India (Buy Back of Securities) Regulation 1998 (Not applicable to the company during the Audit period)

(B) We further report that during the period under review and as per the information received explanation given, process explained, records maintained, statutory compliance reports submitted to the Board on quarterly basis, 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, Regulation, Guidelines etc.

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

- (1) Secretarial Standards issued by the Institute of Company Secretaries of India
- (2) The listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015

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

We further report that the compliance by the company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by the statutory financial audit and other designated professional.

We further report that the

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

Adequate Notice is given to all directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least 7 days in advance and system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

That all the decisions are carried unanimously The members of the Board have not expressed dissenting views on any of the Agenda items.

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 compliances with applicable laws, rules, regulations, guidelines etc.

We further report that during the year under report the company has not undertaken event/action a major bearing on the company's affairs in pursuance of the above referred rules, regulations, guidelines, standards etc.

Place - Bhilwara Camp
Dated-30 May 2017

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

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

Note :- 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

ANNEXURE A

To,
The Members, of
Bhilwara Spinners Ltd.- BHILWARA

CIN U17115 RJ 1980 PLC 00 8217

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

- 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4 Where ever required we have obtained the Management Representation about the Compliance of laws, rules and regulation and happening of events etc.

Further, our verification to the compliance of the laws applicable specifically to the company are limited to test check on random basis without going into the detailed technical scrutiny.

- 5 The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- 6 The Secretarial Audit Report is neither as assurance as to the future viability of the company not of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

Date : 30-5-2017
Place: Bhilwara Camp

For **Akash Agarwal**
Associates
Company Secretaries

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

ANNEXURE -II TO DIRECTORS' REPORT

Form No MGT-9

EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31 March, 2017**

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

I. REGISTRATION AND OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

i) Category -wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year 01.04.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % Change during the year |
|--------------------------|--|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) Promoters | | | | | | | | | |
| 1 Indian | | | | | | | | | |
| (a) Individual / HUF | 800 | - | 800 | 01 | 800 | - | 800 | 01 | - |
| (b) Central Govt | - | - | - | - | - | - | - | - | - |
| (c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| (d) Bodies Corporate | 3531670 | - | 3531670 | 52.23 | 3531670 | - | 3531670 | 52.23 | - |
| (e) Bank /FI | | - | - | - | - | - | - | - | - |
| (f) Any Other | | - | - | - | - | - | - | - | - |
| SUBtotal (A) (1) | 3532470 | - | 3532470 | 52.24 | 3532470 | - | 3532470 | 52.24 | - |

| Category of Shareholders | | No. of Shares held at the beginning of the year 1.04.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % Change during the year |
|--------------------------|--|---|---------------|----------------|-------------------|--|---------------|----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2 | Foreign | | | | | | | | | |
| (a) | NRIs - Individual | - | - | - | - | - | - | - | - | - |
| (b) | Other - Individuals | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) | Banks/ FI | - | - | - | - | - | - | - | - | - |
| (e) | Any Other | - | - | - | - | - | - | - | - | - |
| | SUBtotal (A) (2) | - | - | - | - | - | - | - | - | - |
| | Total Shareholding of Promoters (A) = (A) (1) + (A) (2) | 3532470 | - | 3532470 | 52.24 | 3532470 | - | 3532470 | 52.24 | - |
| (B) | Public Shareholding | | | | | | | | | |
| 1 | Institutions | | | | | | | | | |
| (a) | Mutual Funds | - | 2500 | 2500 | .03 | - | 2500 | 2500 | .03 | - |
| (b) | Banks /FI | - | - | - | - | - | - | - | - | - |
| (c) | Central Govt | - | - | - | - | - | - | - | - | - |
| (d) | State Govt (s) | - | - | - | - | - | - | - | - | - |
| (e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) | Insurance Companies | - | - | - | - | - | - | - | - | - |
| (g) | FIs | - | - | - | - | - | - | - | - | - |
| (h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (i) | Other | - | - | - | - | - | - | - | - | - |
| | Sub- total (B) (1) | - | 2500 | 2500 | .03 | - | 2500 | 2500 | .03 | - |
| B-2 | Non - institutions | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| | i) Indial | 1136226 | - | 1136226 | 16.81 | 1131577 | - | 1131577 | 16.74 | - |
| | ii) Overseas | - | - | - | - | - | - | - | - | - |
| (b) | Individuals | | | | | | | | | |
| | i) Individual Shareholders holding nominal share capital up to Rs.1 lakh | 1072461 | 974610 | 2047071 | 30.29 | 1089310 | 962410 | 2051720 | 30.35 | - |
| | i) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh. | 42863 | - | 42863 | .63 | 42863 | - | 42863 | .63 | - |
| | Total Public | 2251550 | 977110 | 3228660 | 47.76 | 2263750 | 964910 | 3228660 | 47.76 | |
| | G. Total | 5784020 | 977110 | 6761130 | 100 | 5796220 | 964910 | 6761130 | 100 | |

(ii) Shareholding of Promoters

| S. No. | Shareholder's | Shareholding at the beginning of the year 01-04-2016 | | | Shareholding at the end of the 31-3-2017 | | | % change in share holding during the year |
|--------|---|--|----------------------------------|---|--|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares pledged/ encumbered to total shares | |
| 1 | Sushila Kothari | 800 | .01 | - | 800 | .01 | - | 0.00 |
| 2 | Ahinsa Infrastructure & Dovelovers Ltd. | 3531670 | 52.23 | - | 3531670 | 52.23 | - | 0.00 |

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

| Sl. No. | | Shareholding at the beginning of the year 01-04-2016 | | Cumlative shareholding during the Year -31-03-2017 | |
|---------|---|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 3532470 | 52.24 | # | |
| | Date wise Increase / decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.) : | # | | | |
| | At the end of the year | 3532470 | 52.24 | | |

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

| S. No. | Name | Shareholding | | Date | Increase/ Decrease in Share holding | Reason | Cumulative Shareholding during the year (01-04-16 to 31-3-2017) | |
|--------|---------------------------------|--|----------------------------------|------|-------------------------------------|--------|---|----------------------------------|
| | | No. of Shares at the beginning (01-04-2015) End of the year (31-03-2016) | % of total Shares of the Company | | | | No. of Shares | % of total shares of the company |
| 1 | FASHION SUITINGS PVT. LTD. | 1000000 | 14.79 | | | | 1000000 | 14.79 |
| 2 | AASHKA HOLDINGS PRIVATE LIMITED | 77906 | 1.15 | | | | 77906 | 1.15 |
| 3 | KOTTARU LAKSHMI PARAMESWARA RAO | 30125 | 0.44 | | | | 30125 | 0.44 |
| 4 | PRAVIN KANTILAL VAKIL | 25753 | 0.38 | | 480 | | 26233 | 0.39 |
| 5 | SHANTILAL SANGHVI | 15300 | 0.23 | | | | 15300 | 0.23 |
| 6 | VISVANATHAN RAJAN | 14168 | 0.21 | | 4290 | | 18458 | 0.27 |
| 7 | UMA BALA KOTTARU | 12398 | 0.18 | | | | 12398 | 0.18 |
| 8 | VINITA DUTT | 12012 | 0.17 | | | | 12012 | 0.17 |
| 9 | MADHAV HARIDAS ASHER | 11350 | 0.16 | | | | 11350 | 0.16 |
| 10 | SOM CHAND GUPTA | 11000 | 0.16 | | | | 11000 | 0.16 |

V) Shareholding of Directors any key managerial personnel

| S. No. | Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shareholding during theyea (01-04-16 to 31-3-2017) | |
|--------|--|--|----------------------------------|------|------------------------------------|------------------------------|---|----------------------------------|
| | | No. of Shares at the beginning (01-04-2015) End of the year (31-03-2016) | % of total Shares of the Company | | | | No. of Shares | % of total shares of the company |
| 1 | B. S. Choudhary Chief Financial Officer & K.M.P | 1427 | .02 | - | 0 | Nil movement during the year | 1427 | .02 |
| | | 1427 | .02 | - | | | 1427 | .02 |