

BHARAT AGRI FERT & REALTY LTD.



**31st ANNUAL REPORT
(2015 - 2016)**

BHARAT AGRI FERT & REALTY LTD.

Corporate Information

BOARD OF DIRECTORS

Shri Yogendra D. Patel
Chairman & Managing Director
Smt. Anjni Y. Patel
Whole Time Director
Ms. Chandni Y. Patel
Whole Time Director
Shri Vijal Y. Patel
Whole Time Director
Shri K. N. Jethwa
Whole Time Director
Shri Suresh M. Bhadrecha
Independent Director
Shri Shirish P. Gajendragadkar
Independent Director
Shri Pradyumna J. Bapat
Independent Director
Shri Ramesh J. Vekaria
Independent Director
Shri Yogesh S. Rathod
Independent Director

C.E.O.

Shri Shailendra D. Patel

COMPANY SECRETARY

Shri A. J. Chakote

STATUTORY AUDITORS

M/s. Desai Saksena & Associates
Chartered Accountants

BANKERS

Bank of Baroda

REGISTERED OFFICE

Bharat Fertiliser House,
12, Nanabhai Lane,
Fort,
Mumbai – 400 023
Tel.No.(022)22835547
Website : www.bharatrealty.co.in

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Link Intime (India) Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West)
Mumbai – 400 078

CORPORATE OFFICE

301, 3rd Floor, Hubtown Solaris
N. S. Phadke Marg, Near East West Flyover
Andheri (East) Mumbai – 400 069
Tel. No.(022)61980100/26820498/90/91
CIN No. L24100MH1985PLC036547

SITE OFFICE

Shiv Sai Paradise, 'C' Mayfair Gr. Floor,
Opp. URCT, Majiwada, Thane (West) - 400601

PLANT & ANCHAVIYO RESORT

Kharivali Village
Taluka : Wada
Dist : Palghar.

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| <u>ANNUAL GENERAL MEETING</u> | | <u>BOOK CLOSURE :</u> |
| Date : Tuesday 27th September, 2016 | | 17th September, 2016 |
| Time : 3.30 P.M. | | To |
| Venue : Sardar Patel Baug, | | 27th September, 2016 |
| Shri Vile Parle Patidar Mandal, Parleshwar Road, | | (Both Days Inclusive) |
| Vile Parle (East), Mumbai – 400 057. | | |

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 31st Annual General Meeting of the Members of **BHARAT AGRI FERT & REALTY LIMITED** will be held on Tuesday, 27th September, 2016, at 3.30 P.M. at Sardar Patel Baug, Shri Vile Parle Patidar Mandal, Parleshwar Road, Vile Parle (East), Mumbai - 400 057 to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2016 including Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss for the year ended on that date and Cash Flow statement together with the Reports of the Board of Directors and Statutory Auditors thereon; and
 - b. the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2016 including Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss for the year ended on that date and Cash Flow Statement together with the Report of Statutory Auditors thereon.
2. To appoint a Director in Place of Ms. Chandni Yogendra Patel (DIN NO: 02032483), who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai (Firm Registration Number **102358W** with the Institute of Chartered Accountants of India), as Statutory Auditors of the Company, by resolution passed at the 29th AGM until the conclusion of the 33rd AGM be and is hereby ratified for the balance term and accordingly they continue from the conclusion of the 31st AGM until the conclusion of the 33rd AGM (subject to ratification of the appointment by the members at every AGM held thereafter) on such remuneration as may be agreed upon by the Audit Committee/Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. R. Singh, Cost Accountants (Firm Registration No 101398) appointed by the Audit Committee/Board of Directors to conduct the audit of the cost records of the Company be paid a remuneration for the financial year ending 31st March, 2017 of Rs. 75,000/- plus service tax as applicable and out of pocket expenses as may be incurred by them in connection with the aforesaid audit.

By order of the Board
For Bharat Agri Fert & Realty Ltd.

Registered Office:

Bharat Fertiliser House,
12, Nanabhai Lane, Fort, Mumbai 400 023.
Dated: 30th May, 2016

Sd/-
A. J. Chakote
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A 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 shall not act as a proxy for any other person or shareholder.
2. The business set out in the notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members separately.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

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5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. A statement giving the details of the Directors seeking re-appointment, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36(3) of LODR with Stock Exchange, are provided in the **Annexure I**.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 17th September, 2016 to Tuesday, 27th September, 2016 (both days inclusive).
9. The Securities and Exchange Board of India (SEBI) has mandated the 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 the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar / Company.
10. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
11. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
12. The shares of the Company are listed on BSE Limited, Mumbai.
13. In view of Circular issued by the SEBI for appointing common agency for both the modes of transfers i.e. physical as well as Demat, the Company has already appointed M/s. Link Intime (India) Pvt. Ltd. as Registrar & Transfer Agent for both the modes of transfer i.e. physical as well as Demat. Members are therefore requested to send their grievances to them for early disposal at the address given below.
M/S. LINK INTIME (INDIA) PRIVATE LIMITED
[Unit: BHARAT AGRI FERT & REALTY LIMITED]
C-1,3, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
Phone: 022-25946970; Fax: 022-25946969.
mail: rnt.helpdesk@linkintime.co.in; URL: www.linkintime.co.in
14. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given above AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
15. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the AGM.
16. Members/Proxies holding their Shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
17. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
18. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in demat form, they must quote their Client ID and DP ID numbers.
19. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with the Depository Participant to enable us to send you the quarterly reports and other communications via email.
20. Pursuant to Section 205A(5) of the Companies Act, 1956, the unpaid dividend that are due for transfer to the Investor Education and Protection Fund are as follows :

| Sr. No. | Year ended | Date of Declaration | Due date of transfer to IEPF |
|---------|----------------------|---------------------|------------------------------|
| 1 | 31.03.2012 | 24.07.2012 | 23.08.2019 |
| 2 | 31.03.2013(Interim) | 22.10.2012 | 21.11.2019 |
| 3 | 31.03.2013 | 16.08.2013 | 15.09.2020 |
| 4 | 31.03.2014 (Interim) | 24.10.2013 | 23.11.2020 |
| 5 | 31.03.2014 | 11.09.2014 | 10.10.2021 |
| 6 | 31.03.2015 | 25.09.2015 | 24.10.2022 |

Members who have not encashed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claim to the Registrar of the Company or the Company at the Registered Office, with full details.

21. Voting through electronic means:
 - (i) Pursuant to Section 108 of the Companies Act, 2013, (Companies Management & Administration) Rules, 2014, as amended from time to time , the Company is pleased to provide its members the facility of remote e-voting (i.e., e-voting from a place other than venue of AGM) to exercise their right to vote at the 31st Annual General meeting (AGM) . The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
 - (ii) The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of 31st AGM. The members attending the meeting, who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at AGM.
 - (iii) The Board of Directors has appointed Shri. Prabhat Maheshwari, Partner GMJ & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and voting process at AGM in a fair and transparent manner.
 - (iv) Voting rights shall be reckoned on the paid up value of shares registered in the name of the members/ beneficial owner (in case of electronic shareholding) as on cut-off date i.e., 20th September, 2016.
 - (v) A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the

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depositories as on the cut-off date, i.e., 20th September, 2016 only shall be entitled to avail the facility of e-voting / remote e-voting.

(vi) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., 20th September, 2016, may obtain the User ID and password from LINK INTIME (INDIA) PRIVATE LIMITED (Registrar & Transfer Agents of the Company.)

(vii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e., 27th September, 2016.

The instructions for members for voting electronically are as under:-

(i) The voting period begins on Saturday, the 24th September, 2016 at 09.00 a.m and ends on Monday, the 26th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e., 20th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL after 5.00 p.m on 26th September, 2016.

(ii) Log on to the e-voting website www.evotingindia.com

(iii) Click on "Shareholders" tab.

(iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|--|--|
| PAN * | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folionumber in the Dividend Bank details field. |

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Bharat Agri Fert & Realty Ltd.> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Note for Non – Individual Shareholders and Custodians**

· Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

· They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

· After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

· The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

· They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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(xx)In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

ANNEXURE TO NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:

The Following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No. 4:

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditor, M/s. S. R. Singh, Cost Accountants, Cost Accountants to conduct the audit of the cost records of the Company at Rs. 75,000/- plus service tax as applicable to be paid as remuneration for the financial year ending 31st March, 2017.

In terms of the provisions of Section 148 of the Act and Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives is / are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

By Order of the Board
Bharat Agri Fert & Realty Ltd.

Registered Office:
Bharat Fertiliser House,
12, Nanabhai Lane, Fort, Mumbai 400 02.
Dated: 30th May, 2016.

Sd/-
A.J. Chakote
Company Secretary

Annexure I

Additional Information on Directors Recommended for Appointment/ Re-Appointment as required under Regulation 36(3) of Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015

| | |
|---|---|
| Name of Director | Ms. Chandni Yogendra Patel |
| Date of Birth | 23/11/1985 |
| Qualification | MBA - Human Resources |
| Date of Appointment | 23/11/2007 |
| Brief Resume | HR Management and Resort Operations and Management |
| Expertise in specific functional areas | HR Management |
| Relationship between the Directors | Daughter of Yogendra D. Patel & Anjni Y. Patel Sister of Vijal Patel |
| Directorship held in other Companies as on 31st March,2016 | Nil |
| Chairman/Member of the Committee of the Board of Director in Other Companies as on 31st March, 2016 | Nil |
| Number of Shares held in the Company as on 31st March,2016 | 17,335 |

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DIRECTORS REPORT TO MEMBERS

Your Directors have great pleasure in presenting the 31st Annual Report along with the Audited Statement of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

(Rs. In Lakhs)

| Particular | 2015-16 | 2014-15 |
|--|---------|---------|
| Sales and other Income | 5236.14 | 5850.99 |
| Profit / (Loss) before tax and appropriation | (15.23) | 1219.59 |
| Profit / (Loss) after tax | (21.31) | 939.62 |
| Balance brought forward | 5989.19 | 5238.67 |
| Balance available for appropriation | 5967.87 | 6178.29 |
| <u>Appropriations</u> | | |
| Interim Dividend | 0.00 | 0.00 |
| Proposed Final Dividend | 0.00 | 79.28 |
| Tax on Dividends (Interim & Proposed) | 0.00 | 15.85 |
| General Reserve | 0.00 | 93.96 |
| Balance Carried To Balance Sheet | 5967.87 | 5989.19 |

OPERATIONAL REVIEW & STATE OF COMPANY'S AFFAIRS :

a.) Fertilizer Division :-

The Company has produced 46070.333 M.T. SSP during the year and sold 47265.850 M.T. SSP during the year ended 31st March, 2016. Due to severe drought in Maharashtra State for last 2 years in most of the districts and in particular our company's operating area sale of Bharat Brand SSP/GSSP was 47265.850 M.T against targetted sale of 75,000 M.T and thereby inventory could not be liquidated even at lower price with longer credit facility as offered to dealer as there was no consumption of fertiliser due to failure of monsoon. Also company had to offer fertiliser at longer districts which has resulted in higher equated freight amount to keep minimum production 40,000 M.T. per year as eligible criteria under NBS Policy of GOI for 2015-2016.

b.) Realty Division :-

The Company has started construction of Phase II project with one Tower i.e. Stilt+14 "F" wing- OXFORD" & work is completed upto 95% and management is positive about 100% completion along with Occupancy Certificate by Dec'2016 due to many more compliances and formalities to be completed under TMC Rules for new Building. The company had purchased TDR from TMC at an cost of Rs. 18.5 Crore, also additional TDR. Increased from 1.8 to 1.9 FSI on original plot area thereby additional 2,213 Sq.Mtr. will be available to company which will be loaded in tower G/H/I /stilt+14 or G/H of Stilt +20 as per MoEF Rules.

Phase II will have total area of 2,35,000 Sq.Ft. saleable inclusive of all TDR and FSI under present Policy of Government of Maharashtra Urban Development Department / TMC.

c) Resort Division (ANCHAVIYO):-

ANCHAVIYO boutique resort will be in operation by August – September, 2016 in full swing with all approvals and sanctions and will give additional revenue of Rs. 3 Crore yearly to company business. It is one of the prestigious and well recommended resort in Mumbai nearby area and trial runs are conducted for training staff under professionals & experts.

An amount of Rs. 800 Lacs is already invested to build this resort from company's own surplus fund.

DIVIDEND:

Your Directors have not recommended any dividend for the year ended 31st March, 2016 due to loss incurred by the Company.

RESERVES:

Your Directors do not propose to transfer any amount to the General Reserve Account in lieu of inadequacy of profits.

SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital, as at 31st March, 2016 was Rs. 5,28,55,110/- divided into 52,85,511 Equity shares, having face value of 10/- each fully paid up. During the year under review, the Company has not issued any shares nor granted any stock options nor sweat equity.

SUBSIDIARIES, ASSOCIATE COMPANIES & JOINT VENTURES:

During the year under review, MOL CHEM LIMITED has become an associate company w.e.f 7th November, 2015.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company is having in place a "Corporate Social Responsibility" (CSR) Committee. As part of its initiatives under CSR, the company has contributed funds for activities like distributing books, educational material, holding seminars for educational purpose, arranged food for needy children and also arranged for various development activities benefiting children. The contributions in this regard have been made to the registered trust which is undertaking these activities.

The Annual Report on CSR activities is annexed herewith as: **Annexure 'A'**.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Schedule V (c) of the SEBI Listing Regulations.

RELATED PARTY TRANSACTIONS:

All the related party transactions entered during the year were in the ordinary course of business and at an arm's length basis. There are no transactions to be reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Number of meetings of the board of directors:**

The details of the number of meetings of the Board held during the Financial Year 2015-16 forms a part of the Corporate Governance Report.

Directors:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Chandni Yogendra Patel (DIN: 02032483). Director retires by rotation and being eligible offers herself for re-appointment.

Statement on declaration given by Independent Directors:

The Independent Directors have submitted the declaration of Independence, as required pursuant section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI Listing Regulations.

Board evaluation:

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, the Board has carried out an evaluation after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Key Managerial Personnel:

The following persons are the Key Managerial Personnel of the Company:

| Sr. No. | Name of the Person | Designation |
|---------|------------------------------|------------------------------|
| 1. | Mr. Yogendra Dahyabhai Patel | Chairman & Managing Director |
| 2. | Mr. Arvind Jaykumar Chakote | Company Secretary |
| 3. | Mrs. Vidya Pradeep Gidde | Chief Financial Officer |

Familiarisation Programme of Independent Directors:

In compliance with the requirements of SEBI Listing Regulations, the company has put in place a familiarisation program for Independent Directors' to familiarize them with their role, rights & responsibilities as Directors, the operations of the Company, business overview, etc.

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The details of Familiarisation program are explained in the Corporate Governance Report and the same is also available on the website of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the loss of the company for that period;
- c) the Directors had taken proper and sufficient care 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 Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDIT REPORTS:

Statutory Auditor

M/s. Desai Saksena & Associates, Chartered Accountants, (Firm Registration No. **102358W**) were appointed as the Statutory Auditors of the Company at the AGM held on 11th September, 2014 to hold office till the conclusion of the fourth consecutive AGM, are recommended for ratification of appointment for the financial year 2016 -2017. As required under the provisions of section 139 & 142 of the Companies Act, 2013, the Company has obtained written confirmation from M/s Desai Saksena & Associates that their appointment, if made, would be in conformity with the limits specified in said Section.

Secretarial Audit:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure 'B'** and forms an integral part to this Report.

Cost Audit:

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company has been carrying out audit of the cost records.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. S R Singh & Co., Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2016-17 at a remuneration of Rs. 75,000/- plus service tax as applicable and out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

Auditor's observations:

There were no audit qualifications in the Statutory Auditors Report as well as the Secretarial Audit Report for the financial year 2015-2016 as annexed to this Annual Report.

DISCLOSURE:

Risk Management:

Pursuant to the requirements of Section 134(3)(n) of the Companies Act, 2013, the Company has already in place a Risk Management Policy. The Board has voluntarily constituted the Risk Management Committee.

Vigil Mechanism / Whistle Blower Policy:

The Company has a Vigil Mechanism/Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism/Whistle Blower policy has been posted on the website of the Company.

Particulars of Loans, Guarantees or Investments:

The particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Standalone Financial Statements.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure 'C'** and forms an integral part of this Report.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo 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 'D'** to this Report.

Particulars of Employees:

No employee was in receipt of remuneration exceeding the limits as prescribed under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 hence no such particulars are furnished.

GENERAL DISCLOSURES:**Public Deposits:**

No deposits are accepted by the company during the year within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Significant and material orders passed by the Regulators or Courts:

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

Depository Services:

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. INE842D01011. Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

Code of Conduct:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code has been posted on the Company's website www.bharatrealty.co.in. All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

Sexual Harassment:

The Company has constituted an Internal Complaint Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. During the year under review, no complaints were reported.

Safety, Environment control and Protection:

The Company is aware of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances, environmental regulations and preservation of natural resources at the Plant.

Listing:

The Company's Shares are listed on BSE Limited, Mumbai.

Internal Financial Control and their adequacy:

The company has in place adequate, internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The company has adopted accounting policies, which are in line with the accounting standards and the Companies Act, 2013.

Reporting of Frauds:

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Acts & Rules framed thereunder either to the Company or to the Central Government.