

BHARAT TEXTILES & PROFFING INDUSTRIES LIMITED

ANNUAL REPORT 2009--10

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of the company will be held on 30th September 2010 at 10 a.m. at NO. 994, SATYAVEDU ROAD, SURAVALKANDIGAI, SIRUPUZHALPET, GUMMIDIPOONDI, Tamilnadu- 601201 for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the profit & loss account of the company for the financial year ended 31-3-2010 and the balance sheet as at 31-3-2010 together with the director's report and auditor's report thereon.
2. To appoint director in the place of director who retires by rotation.
3. To appoint auditors and fix their remuneration.

Special Business:

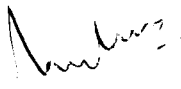
To consider and if thought fit to pass with or without modification(s), the following resolution:

4. As a SPECIAL Resolution:

“RESOLVED THAT subject to the provisions of Section 198 and 309 and other relevant provisions of the Companies Act and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Mr. Anil Bhandari as managing director of the company for 5 years from 01/12/2009 and be paid remuneration by way of salary, commission and perquisites in accordance with Part II (B) of Schedule XIII of the Act which shall not exceed Rs 7,50,000/- (Rupees Seven Lac and Fifty Thousand) per annum .

By Order of the Board

Place: Chennai
Date : 30.06.2010


Ajeeth Bhandari
Director

NOTES:-

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
2. A MEMBER OF THE COMPANY,WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING,IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. Instrument of Proxies,in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the Annual General Meeting. A Form of Proxy is enclosed.
4. The Register of members and the share transfer books of the company will remain closed from 23rd September 2010 to 30th September 2010
5. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
6. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.

Details of Directors seeking appointment and re-appointment at the forthcoming Annual general meeting of the Company. Also refer to the explanatory statement to the notice for other appointees details.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

Name of Director	Expertise in Specific Functional Areas	Qualifications	Director-Ship in Public Companies	Other Chairman/ Member of Committee
Mr.Ajeeth Bhandari	Administration	Graduate	NIL	NIL
Mr Shenbaga moorthy I	Charrtered Accountant	CA	NIL	NIL

Mr. Anil Bhandari	Manufacturing	Graduate	NIL	NIL
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By Order of the Board

Place: Chennai
Date :30.06.2010

Director

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956:

Item No.4

On the The recommendation of Remuneration Committee of the company and ,the Board the board appointed Mr...Anil Bhandari as whole time director as per the details mentioned in the resolution set out at item no.4 of the Notice.

Except Mr. Ajith and Mr. Anil Bhandari none of the Directors are concerned or interested in the said resolution

PROFFING IND LTD

Date 30/06/2010
Chennai

By Order of the Board
For BHARAT TEXTILES AND
sd/-
Ajeet Kumar
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

Dear Shareholders,

DIRECTOR'S REPORT

Your Directors have the pleasure in presenting the Annual Report and that of the Auditors together with the audited Balance Sheet as at 31st March 2010 and the Profit and Loss account for the year ended on that date.

PERFORMANCE

The financial results for the year ended 31st March 2010 are as under:

Rs. (In Lacs)

Particulars	31.03.2010	31.03.2009
Total Income	903.29	420.48
Total Expenditure	879.37	416.07
(Loss) / Profit before depreciation	60.93	41.40
Depreciation	37.00	37.00
Profit before Tax	23.92	4.41
Profit after Tax	7.41	74.81
Add Brought from previous year	-609.96	-684.76
Balance Loss carried to Balance Sheet	-602.54	-609.96

COURSE OF BUSINESS AND OUTLOOK

Another year has gone by. The year continued in a better phase. Your company had achieved a turnover of Rs.903.29 lacs as compared to a turnover of Rs.420.48 lacs . However , The company had a profit of Rs.60.96 lacs before depreciation as compared to Rs.41.40 lacs of loss in the previous year. However, There are great challenges ahead for your company which we will aggressively meet those challenges with renewed faith in our company and the future that we all share.

FIXED DEPOSIT:

The company has not accepted any fixed deposit during the year.

DIVIDEND:

The Directors do not recommend any dividend for the financial year ended 31st March 2010.

DIRECTORS:

Mr. Ajith Kumar retires and Shenbagamoorthy retires by rotation and being eligible, offers for re-appointment.

AUDITORS

The auditors of the Company M/s. SAKARIA & ASSOCIATES, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Accordingly a resolution is being submitted to the members for their re-appointment and to fix their remuneration for the current year.

STATUTORY DISCLOSURES:

The company had no employee covered by the provisions of section 217(2A) of the Companies Act, 1956., Being in to water proofing canvas Particulars with respect to Conservation of Energy , as required under Part "a" of the above rules are Nil . The company had foreign exchange inflow Of Rs. 116.15 lacs as compared to Rs. 92.29 lacs in the corresponding previous year and there was an outflow of Rs. 4.50 lacs (P.Y.1.14 lacs) towards import of material.

DIRECTORS' RESPONSIBILITY STATEMENT:

Directors hereby declare:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments 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 profit or loss of the company for that period ;
- iii) that 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 subject to the inherent limitations that should be recognized in weighing the assurance ;
- iv) That the directors had prepared the annual accounts on a going concern basis.

EMPLOYEE RELATIONS

Employee relations throughout the company were harmonious. The board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the company's vision and strategy to deliver another record performance.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2010 duly certified by the auditors of the company is annexed (Annexure – B)

ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for the support and co operation of all stakeholders. At the very heart of our success and our ability to deliver quality service and satisfaction is the considerable skill and motivation of our employees. On behalf of all the company's stakeholders who benefit from the hard work of the employees, the Board would like to express its sincere appreciation and gratitude.

Chennai
Date: 30-06-2010

For and on behalf of the Board


Sd/-
Directors

ANNEXURE-A TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

BHARAT TEXTILES AND PROOFING IND. LTD (BTIL) is in the business of Tarpaulines. Our Company's products are well established. Today the company is catering to various corners of city and parts of India.

II. Performance Review

The company had achieved a turnover of Rs.903.29 crores and made a profit of Rs.60.92 lacs as compared to Rs.41.41 lacs in the previous year.

III. Risks & Concerns

The main risk to which the company is exposed is competition from the various competitors. The company's revived its operations by having One time settlement with its bankers

IV. Internal Control Systems

The company is planning further to strengthen its internal control systems and procedures commensurate with the size and nature of its business.

CORPORATE GOVERNANCE REPORT

Corporate Governance refers to the manner, in which a company is directed, and laws and custom affecting that direction. It includes the manner in which company operates under various laws governing it, the bye laws established by itself for its operations and the distribution of rights and responsibilities primarily among directors and managers. The fundamental concern of corporate Governance is to ensure conditions whereby a company's directors and managers act in the interest of the company.

I. Board of Directors

The present company's board strength is 5 comprising of 2 executive director and 3 non-executive directors.

II. Board Meetings & Attendance of Directors

During the year 2009-2010, 6 (Six Board Meetings were held on the following dates:
, 30/04/2009, 26/06/2009, 30/07/2009, 30/10/2009, 30/01/2010 and on 27/03/2010

III. COMPOSITION AND CATEGORY OF DIRECTORS:

Name	Designation	Category	No. Of Meetings held during the tenor/ No. of Board Meetings attended during 2009-2010	Whether attended last AGM	No. of directorships in public companies	No. of committee memberships/ (chairmanship) in public companies
1. MR. AJITH BHANDARI	Whole Time Director	Executive & Non independent Promoter and Execu.	6/6	YES	NIL	NIL
2. Mr. Anil Bhandari	Managing Director	Executive & Non-inde-	6/6	YES	Nil	NIL

		pendent (Promoter)				
3. Mr.Raghunathmall	Director	Non executive Independent	6/6	YES	Nil	NIL
4. Mr.Bhaghand	Director	Non executive Independent	6/6	YES	Nil	NIL
5. Mr.Shanbagamoorthy	Director	Non executive Independent	6/6	YES	Nil	NIL

IV. DIRECTORS SEEKING REAPPOINTMENT

The required information regarding the details of directors who are seeking appointment or reappointment is set out in the notes to the notice.

V. DISCLOSURE OF DIRECTOR'S INTERESTS IN TRANSACTION WITH THE COMPANY

None of the non-executive directors had any pecuniary relationship or transaction with the company pursuant to the provisions of Clause 49 VII (D) of the Listing Agreement other than sitting fees.

No director has been paid any remuneration as the Director of the Company except the executive directors who were being paid remuneration for acting as Managing / Whole Time Director of the Company.

VI. CODE OF CONDUCT

The Board of Directors had implemented a Code of Conduct to be applicable to all directors and employees.

3. AUDIT COMMITTEE

I. Terms of Reference

The present audit committee of the company has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with stock exchanges.

II. Composition

The present audit committee comprises 3 non-executive directors who have considerable financial expertise and experience. The chief financial officer and the statutory auditor are permanent invitees to the committee.

IV. REMUNERATION COMMITTEE

Terms of Reference:

A Remuneration Committee has been constituted to recommend and review the remuneration packages of the Managing, Whole Time Directors, and to formulate a broad policy for management remuneration.

Remuneration Policy:

The Remuneration Policy as outlined by the Committee aims at

- Recognising and rewarding performance and achievements,
- While fixing the remuneration of Directors, their contribution by way of their professional services as directors, towards the growth of the Company.

This policy is in tune with current national and international practices.

V. SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

A Shareholder's / Investor's Grievance Committee has been constituted by the Board to monitor the redressal of the shareholders / investors grievances. The Committee reviews the status of complaints received from shareholders/investors and redressal thereof.

VI. GENERAL BODY MEETINGS.

I. Meeting Details

Year	Location	Date and Time
2006-2007	994, Sathyavedu , Gummidipoondi	Road, Suravarikandigai, Sirupuzhalpet 29/09/2007 10.00 A.M.
2007-2008	994, Sathyavedu , Gummidipoondi	Road, Suravarikandigai, Sirupuzhalpet 30/09/2008 10.00 A.M.
2008-2009	994, Sathyavedu , Gummidipoondi	Road, Suravarikandigai, Sirupuzhalpet 30/09/2009 10.00 A.M.

II. Postal Ballot

During the financial year under review, no postal ballots were used for voting at meetings. At the ensuing AGM there is no item on the agenda that is required to be passed by postal ballot.

VII. DISCLOSURES

I. Related Party Transactions

There has been no materially significant related party transactions with the company's subsidiaries, promoters, directors, management or their relatives which may have a potential conflict with the interests of the company. Members may refer to the notes to the accounts for details of other related party transactions.

II. Compliance with Regulations

The company has complied fully with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the company on any matters related to the capital markets, nor as any penalty or stricture been imposed on the Company by Stock Exchange, SEBI or any other Statutory authority.

III. Accounting Standards

The company has rigorously followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

IV. Risk Management

The audit committee regularly reviews the risk management strategy of the company to ensure the effectiveness of risk management policies and procedures.

9. GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting.

The Annual General Meeting will be held on 30th September 2010 at 994, Sathyavedu Road, Suravarikandigai, Sirupuzhalpet, Gummidipoondi at 10.00 am

II. Tentative Financial Reporting Calendar

Financial Reporting 2011	From	To	Date
1 st Quarter	April	June	30 th July
2 nd Quarter	July	September	30 th October
3 rd Quarter	October	December	30 th January
4 th Quarter	January	March	30 th April Unaudited / Audited on or before 30 th June
Annual Meeting General	April 2010	March 2011	On or before September 2011

III. Book Closure

The date of closure is from 23/09/2010 to 30/09/2010

IV. Stock Exchange Listing

Stock Exchange	Stock Code
Bombay Stock Exchange	26783
Madras Stock Exchange Ltd.	118995

Market price data

High and low prices of Equity shares in the financial year 2009-10 are not available as there were no trading in the scrips.

Share Transfer System

The Share Transfer work is being handled by Company.

Distribution of shareholding

As on 31st March, 2010

Category	Number of Shares held	% of holding
1. Promoters	2871730	49.03
- Indian	NIL	NIL
- Foreign	NIL	NIL
2. Persons acting in concert	NIL	NIL
3. Institutional Investors		
a. Mutual Funds & UTI	NIL	NIL
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Inst./Non-Govt. Inst)	NIL	NIL
c. FIIs	77100	1.32
4. Others		
- Private Bodies Corporate	50700	0.87
- Indian Public	2463110	42.05
- NRIs / OCBs	394500	6.74
- Other than specified above Clearing Members	NIL	NIL
Sub Total		
Grand Total	5857140	100.00
Paid-up Shares	5857140	100.00

Distribution Schedule as on 31-03-2010

Sl. No.	Category of Shares	Holders		Shares	
		Nos.	%	Nos.	%
1.	1-100	7729	80.67	753250	12.86
2.	101 - 500	1073	11.20	346040	5.91
2.	501 - 1000	286	2.98	248000	4.23
3.	1001 - 2000	131	1.36	216110	3.69
4.	2001 - 3000	213	2.22	537110	9.17
5.	3001 - 4000	22	0.22	77500	1.32
6.	4001 - 5000	32	0.33	152610	2.61

7	5001 - 10000	35	0.36	255900	4.37
8	100001 AND ABOVE	59	0.61	3270620	55.84
	TOTAL	9580	100	5857140	100

Dematerialisation of shares

The equity shares of the company are not yet demated .

Regd. Office Location

The company has its Regd. Office at # NO. 994, SATYAVEDU ROAD,
SURAVARIKANDIGAI, SIRUPUZHALPET, GUMMIDIPOONDI, Tamilnadu- 601201

For and on behalf of the Board

Sd/-
Directors

Chennai

Date : 30-06-2010

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

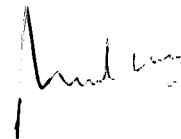
To

The board of directors,
BHARAT TEXTILE AND PROOFING IND LTD

We the undersigned in our respective capacity as CEO AND CFO of the company to the best of our knowledge and belief certify that :

- a) We have examined the financial statement and the cash flow statement for the year ended 31/03/2010 and based on our knowledge and belief we state that :
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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 their 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 they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they 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

Chennai
30/06/2010



AJEET KUMAR

ATTENDENCE SLIP

Name of the Member :

Address :

Folio Number :

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at the registered office of the Company at AM on

Signature of the attending Member/Proxy :

-----TEAR HERE-----

PROXY FORM

I/ We.....

Of..... being a member/members of BHARAT TEXTILES AND PROOFING IND . LTD hereby appoint.....

Of..... or failing him.....

Of..... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held on 30th September 2010 at 10.00 AM or at any adjournment thereof.

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Revenue
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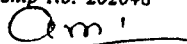
Signed this day of 2010

Number of shares :

AUDITORS' REPORT TO THE MEMBERS
OF M/s BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of M/s. BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED as at 31st March 2010 and Profit and Loss Account for the year ended on the date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts as required by the law have been kept by the company so far as appears from our examination of the books.
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Profit & Loss Account & Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from the directors, and taken on record by the Board of Directors, none of the director stand disqualified as on 31st March 2010 from being appointed as director in terms of clause (g) of section 274(1) of the Companies Act, 1956.

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048


S. Ashok Kumar
Proprietor

SAKARIA & ASSOCIATES

CHARTERED ACCOUNTANTS

ASHOK KUMAR. S B.Com., F.C.A.,

Kanchan Plaza
321/156, Mint Street, (1st Floor)
Chennai - 600 079.
© 5381587

In our opinion and to the best of our information and according to the explanations given to us, the accounts read along with the notes thereon set out in Schedule 15, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in case of the Balance Sheet, of the *State of affairs* of the Company as March 31st, 2010 and
- ii) in case of Profit and Loss Account, of the *Profit* for the year ended on March 31st, 2010.
- iii) In case of cash flow statement of the cash flow for the year ended on the date.

PLACE: Chennai
DATE: 30th June 2010



For Sakaria & Associates
Chartered Accountants

Ashok Kumar S
Proprietor
M.no: 202048
Firm Regn No. 6219 S

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in Paragraph 3 of the Report of the Auditors to the Members of M/s Bharat Textiles & Proofing Industries Limited for the year ended 31st March 2010 :

1.The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets.

2.The Fixed Assets of the Company are physically verified by the management at reasonable intervals and that no material discrepancies between physical inventories and book records were noticed.

3. In our opinion, and according to the information and explanations given to us, no substantial part of Fixed Assets has been disposed off by the Company during the year.

4.The management during the year has physically verified the Inventory. In our opinion the frequency of such verification is reasonable.

5.The procedures for the physical verification of inventory followed by management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.

6.In our opinion the Company has maintained proper records of inventory, no material discrepancies were noticed on physical verification inventory.

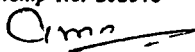
7.According to the information and explanation given to us, the company has not granted any loans, Secured and unsecured to/from Companies, firms, or other related parties, as covered in the Register maintained under section 301 of the Companies Act 1956.

8.The company has taken loans, Secured and unsecured from related parties, as covered in the Register maintained under section 301 of the Companies Act 1956, amounting to Rs 5,89,94,996 from 4 parties py(6,33,38,455/-) during the year. The rate of interest and other terms and condition of loans taken secured, unsecured are not prejudicial to the interest of the Company.

9.In our opinion and according to the information and explanation given to us by the management, there are adequate internal control procedure laid down in the Company to commensurate with the size and nature of its business for the purchase of inventory, Fixed Assets and with regard to the sale of goods. In our opinion there is no continuous failure to correct the weakness in internal control system.

10. According to the information and explanation given to us, we are of the opinion, that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048


S. Ashok Kumar
Proprietor

11. There are transaction of Sales of goods made in pursuance of contracts and arrangements with the parties required to entered in the registers maintained u/s 301 of the Companies Act 1956, amounting to Rs 92,50,837, PY(99,48,852).In our opinion, and according to the information and explanations given to us, the transactions have been made at the price which are reasonable having regard to the prevailing market price at the relevant time.

12.As far as we have been able to ascertain, the Company has not accepted any deposits during the year from the public and therefore directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the companies act, 1956 and the Rules framed there under are not applicable.

13.In our opinion, the Company has an Internal audit system commensurate with the size and nature of its business.

14.The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and as per information and explanation given to us the same have been maintained.

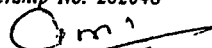
15.According to the records of the company , the company is not regular in depositing undisputed statutory dues with appropriated authorities which are outstanding for a period of more than six months from the date they become payable in respect of following

(a) Provident Fund	Rs 6,09,361/-
(B) Investor Protection Fund:	
-Share application Money (Year ended 31-03-1995)	Rs 448141/-
-Unclaimed Dividend (year ended 31-03-1995)	Rs 19712/-

16.According to the information furnished to us ,the following amounts of Sales tax, custom duty and other statutory dues have been disputed by the company and hence were not remitted to the concerned authorities at the date of Balance Sheet under report.

Nature of Dues	Amount (Rs)	Period to which relates	Forum Where Dispute
Sales Tax	30,99,581/-	1995-1997	Is pending Tamilnadu Taxation Special Tribunal,Chennai
"	729795/-	1997-2002	Joint Commissioner of Commercial Tax,Hyderabad
Custom Duty	16,53,890/-	2001-2002	High Court of Madras,Chennai

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048


S. Ashok Kumar
Proprietor

17. The Accumulated losses at the end of financial year are more than fifty percent of its net worth. The Company has not incurred losses during the financial year and in the financial year immediately preceding such financial year.

18. In our opinion and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

19. The Company is not a Chit fund or nidhi /mutual benefit fund/society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.

20. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Companies (Auditor's Report) order, 2003 is not applicable to the Company.

21. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank of financial institutions.

22. According to the information given to us, the Company term loan have been applied for the purpose for which they were raised.

23. According to information and explanations given to us, the funds raised on short term basis have not been used for long term investment and vice versa.

24. According to the information and explanation given to us during the year under audit, the Company has not made preferential allotment of shares.

25. The Company has not issued debentures, accordingly the provision of clause (xix) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

26. The Company has not raised monies by public issues. Accordingly the provision of clause (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

27. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

PLACE: Chennai
DATE : 30th June, 2010

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048


S. Ashok Kumar
Proprietor



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BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2010

<u>I SOURCES OF FUNDS</u>	SCH	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
		<u>Rs.</u>	<u>Rs.</u>
A) SHAREHOLDERS FUNDS			
(a) EQUITY SHARE CAPITAL	1	58571400	58571400
(b) RESERVES & SURPLUS	2	3300000	3300000
B) LOAN FUNDS			
SECURED LOAN	3	44978738	47835005
UNSECURED LOAN	4	14016258	15503450
		<u>120866396</u>	<u>125209855</u>
II APPLICATION OF FUNDS			
A. FIXED ASSETS			
(a) GROSS BLOCK	5	89182732	87889568
(b) LESS:DEPRECIATION		54339841	50639405
(c) NET BLOCK		<u>34842891</u>	<u>37250163</u>
B. CURRENT ASSETS, LOANS & ADVANCES			
(a) INVENTORIES	6	8573007	19265040
(b) SUNDRY DEBTORS	7	13839368	4955318
(c) CASH & BANK BALANCES	8	2776341	3148037
(d) ADVANCE & DEPOSITS	9	1102301	1826050
		<u>26291016</u>	<u>29194445</u>
LESS:CURRENT LIABILITIES & PROVISIONS			
LIABILITIES	10	6347019	9336810
NET CURRENT ASSETS		<u>19943998</u>	<u>19857635</u>
C. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUST)			
PROFIT & LOSS A/C		60254461	60995517
DEFERRED TAX ASSET		5825047	7106540
A+B+C		<u>120866396</u>	<u>125209855</u>

NOTES ON ACCOUNTS

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SCHEDULES AND NOTES ATTACHED HERETO FORM PART OF THE ACCOUNTS.

THIS IS THE BALANCE SHEET REFERRED
IN OUR REPORT OF EVEN DATE ATTACHED
FOR SAKARIA & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD
For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.,


(DIRECTOR)


(DIRECTOR)

For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.,


(DIRECTOR)

Director

ASHOK KUMAR S
(PROPRIETOR)

M NO: 202048

PLACE: CHENNAI

DATE : 30th June,2010



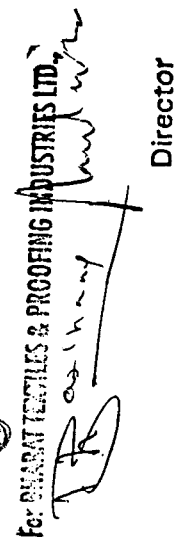
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BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED
SCHEDULE ATTACHED TO BALANCE SHEET

	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>SCHEDULE 1</u>		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED:</u>		
6000000 EQUITY SHARES OF RS. 10 EACH	60000000	60000000
<u>ISSUED SUBSCRIBED & PAID UP</u>		
5857140 FULLY PAID EQUITY SHARES OF RS.10 /- EACH	58571400	58571400
	<u>58571400</u>	<u>58571400</u>
<u>SCHEDULE 2</u>		
<u>RESERVES & SURPLUS:</u>		
GENERAL RESERVES-AS PER LAST BALANCE SHEET		
	3300000	3300000
	<u>3300000</u>	<u>3300000</u>
<u>SCHEDULE 3</u>		
<u>SECURED LOAN</u>		
TERM LOAN FROM PRAKASH KUMAR		
	44978738	47835005
	<u>44978738</u>	<u>47835005</u>
<u>SECURITIES :</u>		
SECURED BY ENTIRE IMMOVABLE PROPERTY OF THE COMPANY SITUATED AT THE COMPANIES FACTORIES, PREMISES, GODOWN AND HYPOTHECATION OF ALL THE ASSETS OF THE COMPANY INCLUDING STOCK IN PROGRESS, MATERIALS, CONSUMABLES, STORES, DEBTORS PLANT & MACHINERY. (THE ABOVE LOANS ARE ALSO PERSONALLY GUARANTEED BY ONE OF THE TWO DIRECTORS)		
<u>SCHEDULE -4</u>		
<u>UNSECURED LOAN</u>		
FROM DIRECTORS & SHARE HOLDERS		
	14016258	15503450
	<u>14016258</u>	<u>15503450</u>
<u>SCHEDULE -6</u>		
<u>INVENTORIES</u>		
INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)		
RAW MATERIALS /	2355136	2392620
FINISHED GOODS	4483181	15388878
WORK IN PROCESS	936830	564635
STORES & SPARES	742450	778842
POWER & FUEL MATERIALS	55410	140065
	<u>8573007</u>	<u>19265040</u>

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048


S. Ashok Kumar
Proprietor

For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.

Director

	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	COST AS AT 31.03.2009	ADDITION 31.03.2010	DELETION 31.03.2010	BALANCE AS AT 01.04.2009	FOR THE PERIOD	UP TO 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
LAND & SITE DEVELOPMENTS	689,486.42	0.00	0.00	689,486.42	0.00	0.00	689,486.42	689,486.42
BUILDING	27,218,250.89	0.00	0.00	27,218,250.89	11,683,254.48	0.00	15,534,996.41	15,534,996.41
PLANT & MACHINERY	56,488,037.18	1,272,914.00	0.00	57,760,951.18	35,962,830.63	2,682,129.00	55,078,121.55	55,078,121.55
VEHICLES	167,186.00	20,250.00	0.00	187,436.00	124,195.89	12,484.00	174,951.11	174,951.11
FURNITURE & FIXTURES	2,058,779.97	0.00	0.00	2,058,779.97	1,734,375.27	127,731.00	381,004.70	381,004.70
OFFICE EQUIPMENTS	1,267,827.44	0.00	0.00	1,267,827.44	1,134,749.55	30,127.00	1,137,078.41	1,137,078.41
PREVIOUS YEAR FIGURES	87,889,567.90	1,293,164.00	0.00	89,182,731.90	50,639,405.82	3,700,436.00	38,842,890.08	38,842,890.08
		5,200.00	0.00	87,889,567.90	46,939,452.69	3,699,953.00	44,189,615.21	44,189,615.21
							50,639,405.82	50,639,405.82

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048

S. Ashok Kumar
Proprietor

For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.

Director

SCH. JULE-7

SUNDRY DEBTORS:(UNSECURED)

CONSIDERED GOOD

DEBTS EXCEEDING SIX MONTHS

OTHER DEBTS

341915	570417
13497453	4384901
13839368	4955318

SCHEDULE -8

CASH & BANK BALANCES

CASH ON HAND

BALANCE WITH SCHEDULE BANKS :-

IN CURRENT ACCOUNT

UNCLAIMED DIVIDEND-AS PER CONTRA

SHARE APPLICATION AMOUNT REFUNDABLE-PER CONTRA

351433	101132
1957055	2579052
19712	19712
448141	448141
2776341	3148037

SCHEDULE -9

ADVANCE & DEPOSIT

(UNSECURED AND CONSIDERED GOOD)

RECOVERABLE IN CASH OR IN KIND OR

FOR VALUE TO BE RECEIVED)

a. ADVANCES FOR PURCHASES

b. ADVANCES TO EMPLOYEES

c. ADVANCES TO OTHERS

d. PREPAID EXPENSES

e. DEPOSITS GOVERNMENT AUTHORITIES & OTHERS

5155	935
173711	150486
238844	1012315
56511	0
628080	662314
1102301	1826050

SCHEDULE -10

CURRENT LIABILITIES & PROVISIONS

(A) CURRENT LIABILITIES

a.SUNDRY CREDITORS FOR SUPPLIES

- SMALL SCALE UNDERTAKINGS

- OTHERS

b.SUNDRY CREDITORS FOR EXPENSES

c.UNCLAIMED DIVIDEND-PER CONTRA

d.SHARE APPLICATION MONEY - PER CONTRA

0	0
2282666	5372417
3226915	3429811
19712	19712
448141	448141

(B) PROVISION FOR TAXATION

MINIMUM ALTERNATE TAX

FRINGE BENEFIT TAX

369585	42962
0	23767
6347019	9336810

SCHEDULE-10

SALES AND JOB RECEIPTS

SALES

89198246	41147983
89198246	41147983

For SAKARIA & PARTNERS
Chartered Accountants
Membership No. 202048

S. Ashok Kumar
Proprietor

For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.

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BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED

SCHEDULE 15

Notes to Financial Accounts forming an integral part of the Balance Sheet and the Profit & Loss Account as on 31st March 2010.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) GENERAL

- (i) Accounting policies not specifically referred to otherwise are consistent with earlier years and are in consonance with generally accepted accounting principles. The accounts have been prepared on the basis of historical cost.
- (ii) Expense and Income to the extent considered payable and receivable respectively are accounted for on accrual basis.

(b) REVENUE RECOGNITION

- (i) Sale of goods is recognised on delivery to customers. Sales turnover are stated at net of trade discounts and rebates granted during the ordinary course of the business.
- (ii) In appropriate circumstances revenue is recognised when no significant uncertainty as to determination or realisation exists.

(c) FIXED ASSETS

- (i) Fixed assets are stated at their original cost of acquisition inclusive of Inward freight, duties and expenditure incurred in acquisition, construction/installation.
- (ii) Assets below Rs.5000/- are written off in the year of Purchase.

(d) DEPRECIATION

- (i) Depreciation on assets is provided on Straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act 1956.
- (ii) On addition / deductions made during the year the depreciation has been calculated on a pro-rata basis.

(e) INVENTORIES

METHOD OF VALUATION

- (1) Raw materials - at cost
(2) Work in progress - at estimated cost.
(3) Finished goods - at lower of cost or Estimated realisable value.
(4) Stores & Spares - at cost.

(f) FOREIGN CURRENCY TRANSACTION

All payments and receipts made in foreign currency are converted into rupees at the rate prevailing on the date of transaction. The difference in the rate between the transaction date and realisation date is transferred to foreign exchange fluctuation a/c. The year end balance of Sundry debtors are converted into Indian Rupees at the closing rates. The resultant difference is accounted as foreign exchange fluctuation a/c.

For SAKARIA & ANSARI & CO.
Chartered Accountants
Membership No. 202048


S. Ashok Kumar
Proprietor

For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.



Director

(g) **BORROWING COST** :The Company has no Borrowing costs attributable to acquisition of assets. The other borrowing costs are recognized as an expense in the year in which they are incurred.

(h) **DEFERRED TAXATION**

In accordance with Accounting Standard (AS 22) "Accounting for Taxes on Income" issued by Institute of Chartered Accountants of India, Deferred Tax resulting from timing differences between book and tax profit is accounted for at the current rate of tax to the extent that the timing difference are expected to crystallise. Deferred Tax Assets are recognized only when there is virtual certainty of sufficient future profits available to realize such assets.

(i) **RETIREMENT BENEFITS**

The Company contribution to provident Fund and Pension Fund are charged to profit and loss account in the year of accrual. The liability in respect of leave encashment is recognized on accrual basis. The Liability for gratuity are determined in accordance with schemes formulated by the company and is accounted on accrual basis.

(j) **CONTINGENT LIABILITIES**

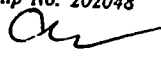
Contingent liabilities are determined on the basis of available information and are disclosed by way of notes to the accounts.

(2) **CONTINGENT LIABILITY**

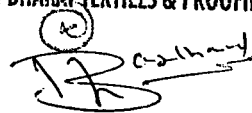
	<u>Current Year</u> (in Lacs)	<u>Previous Year</u> (in Lacs)
Claims against the company not acknowledged as debts, being disputed and pending in Appeals/assessment in respect of		
(a) Sales Tax Matters	38.29	38.29
(b) Customs matter	16.53	16.53

- 3 The Director General of Foreign Trade, New Delhi has revoked Bank Guarantee amount of Rs.16,53,890/- towards non-fulfillment of Export obligation against EPCG Scheme. The Company has obtained interim injection order from Honorable High Court of Madras. No provision has been made in the books of accounts.
- 4 Debit and credit balances not recoverable / payable are written off/written back in the books of accounts.
- 5 Amount due and outstanding to be credited to the Investor Education and protection fund Rs.467853/- (F.Y.467853/-).
- 6 Previous year figures have been regrouped/ rearranged wherever necessary to make them comparable with the current year figures.

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048


S. Ashok Kumar
Proprietor

For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.



Director

7 The Company has been advised that the computation of net profits for the purpose of Directors remuneration under Section 349 of the Companies Act 1956 need not be enumerated since no Commission has been paid to the Directors. The monthly remuneration paid to the Director is as per Schedule XIII of the Companies Act 1956.

8 Payment to Directors

	<u>Current Year</u>	<u>Previous Year</u>
Directors Remuneration	2,10,000/-	2,10,000/-

9 Auditors Remuneration

Tax Audit	5000/-	5515/-
Audit Fee	15000/-	11030/-
Total	20,000/-	16,545/-

10. INSTALLED ANNUAL CAPACITY (Mts)

- (a) Common Proof Tarpaulin 26.25 Lakhs
- (b) Chemically processed Canvas 38.60 Lakhs

Notes:

- 1. Licensing of capacity is not applicable
- 2. All Capacities are expressed on triple shift basis
- 3. The Installed capacities are as per the certificate given by the Technical office-in-charge on which the auditors have relied, being technical matter.

11. C.I.F. Value Of Imports

Raw Materials

12. <u>Earnings in Foreign Exchange</u>	449913/-	113517/-
Exports (FOB Value)	1,16,15,249/-	92,29,637/-

13. Payments against suppliers from Small Scale Industrial undertaking are made in accordance with agreed terms and to the extent ascertainable from available information. The names of small scale Industrial undertakings in whose account an amount of Rs.1.00 lakh or more was out standing for more than 30 days are NIL (Previous year- Nil)

14. In accordance with 'Accounting Standard 22' the deferred tax assets has been recognized by company on its accumulated losses amounting to Rs 14073095/- and deferred tax Liability has recognized on depreciation amounting to Rs 82,48,048/-. The deferred Tax Asset and Liability are netted and Rs 58,25,047 /- has been stated as deferred Tax asset. A Provision of Deferred Tax Expenses amounting to Rs 1281493/- has made in the books of accounts.

15. The Company main activity of business is manufacturing and marketing of cotton canvas. All other activity revolve around this main business, hence there are is separate segments within the company as defined by 'AS 17 - SEGMENT REPORTING'.

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048

S. Ashok Kumar
S. Ashok Kumar
Proprietor

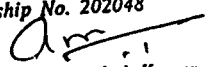
For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.

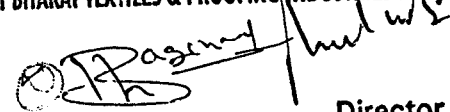
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Director

16. Quantitative details of manufactured/traded goods
(Figure in Bracket represent Previous Year Figure) (Rupees in Lakhs)

	<u>Opening Stock</u>	<u>Production/Purchase/ Conversion</u>	<u>Sales</u>	<u>Closing Stock</u>
(A) Manufactured Goods				
Canvas/Processed Canvas				
-Qty (Meters)	210656 (133163)	828506 (590558)	984237 (513065)	54925 (210656)
-Value (lakhs)	149.07 (57.77)		861 (407.74)	42.13 (149.07)
(B) Traded Goods				
(i) Canvas/Tarpaulin/HDPE				
-Qty (Kgs)	5343 0	21724.59 (8251)	24223 (2908)	2844.59 (5343)
-Value (Lakhs)	4.8 0.00	27.5 (7.42)	37.09 (3.73)	2.7 (4.80)

<u>17.Raw materials Consumed</u>	<u>2009-2010</u>		<u>2008-2009</u>	
	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
(a) Yarn (Kgs)	342970	239.49	230740	166.79
(c) Fabrics (Mts)	229090	113.13	135086	67.08
(b) Others		76.79		30.75

For **SAKARIA & ASSOCIATES**
 Chartered Accountants
 Membership No. 202048

 S. Ashok Kumar
 Proprietor

For **BHARAT TEXTILES & PROOFING INDUSTRIES LTD.**

 Director

18. Earning Per Share

	<u>Current Year</u>	<u>Previous Year</u>
Profit after Tax as per P&L a/c	741056/-	74,80,690/-
Number of Equity Shares	58,57,140	58,57,140
Basic and diluted Earning Per Share (Face Value Rs 10/- Each)	0.13	1.28

19. Related party disclosures

Related party disclosure as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India are given below.

<u>Nature of Transaction</u>	<u>Key Management Personnel</u>	<u>Relative of Key Management Personnel</u>	<u>Total</u>
Remuneration	210000/-	--	210000/- (210000)
Rent & Amenities	---	96000/-	96000/- (96000)
Interest Payments	17,35,198/-	71,56,716/-	88,91,914/- (8232625)
Payment for Stitching Charges	---	9,85,000/-	9,85,000/- (Nil)
Sale of Goods	---	92,50,837/-	92,50,837/- (9948132)

Key Management Personnel & relative

Ajeet Kumar Bhandari
Anil Kumar Bhandar
Prakash Chand
Mahaveer Chand
Klix Brainotech
Krishna Tarpaulin industries

For SAKARIA & ASSOCIATES
Chartered Accountants
Membership No. 202048

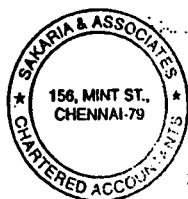
S. Ashok Kumar
S. Ashok Kumar
Proprietor

For and on behalf of the Board
For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.,

[Signature]
(Director)

[Signature]
(Director)

Date : 30-06-2010
Place : CHENNAI



For BHARAT TEXTILES & PROOFING INDUSTRIES LTD.,

[Signature]
(Director)

[Signature]
Director

11. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Registration Details

Registration No	20072		
Balance sheet Date	31/03/2010	State Code	18
	Date/Month/Year		

Capital Raised During the Year (Rs. In '000)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

Position of Mobilization and Deployment of funds (Rs. In '000)

Total Liabilities	120866	Total Assets	120866
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Source of funds

Paid up Capital	58571	Reserves & Surplus Including Deferred tax liability	3300
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Secured Loans	44978	Unsecured Loans	14016
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Application of funds

Net Fixed Assets	34842	Investments	Nil
Net Current Assets	19943	Misc. Expenditure	Nil
Accumulated Losses	60254		

Performance of Company

Turnover	90329	Total Expenditure	87937
Profit/ (Loss) Before Tax	2392	Profit after Tax	741
Earning per Share	0.13	Dividend rate (%)	Nil

Generic Names of Three Principal Products/Services of Company (Rs. In '000)

ITC Item Code No.	Not Applicable
Product Description	

Sd/-
Directors

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