



# Bharat Textiles & Proofing Industries Ltd

Admin Office : Old # 43 , New # 64, Sattanna Naicken Street, Choolai, Chennai - 600112, India  
Phone : +91-44-42131866, 42131886, Cell : +91-9841025811 Email : ajeet@bharatcanvas.com  
CIN : L17111TN1990PLC020072

Date: 01.12.2020

To,  
The Manager (Corporate Compliances),  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

Dear Sir,

Sub: Annual Report for the Financial Year 2019-20

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2019-20.

Kindly acknowledge receipt and take the same on your records.

This is for your kind information and record.

Thanking you,

Yours faithfully,

For Bharat Textiles & Proofing Industries Limited

Ajeet Kumar Bhandari  
Managing Director  
DIN: 01023609



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Unit 1:94, Sirupuzhalpet, Sathyavedu Road, Gummidipoondi T.K, Tiruvallur Dist. Tamilnadu - 601201.  
Unit 2 : S.No.71/9,10,11, ChinapundiVillage, Near Tada Check Post, Chittoor District, Andhra Pradesh-517541.

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Manufacturer of Technical Textiles such as Digital Printable Fabric for Banner, Artistic Canvas,  
PVC Coated Tarpaulins, Cotton Canvas, Tent and Tarpaulins



**Bharat Textiles & Proofing  
Industries Limited**

ANNUAL REPORT  
2019-2020

**BOARD OF DIRECTORS** : MR.AJEET KUMAR BHANDARI - Managing Director  
MR.ANIL BHANDARI - Whole Time Director & CFO  
MR.JANARTHANAM UDAYAKUMAR - Independent Director  
MR.MAHENDRAKUMAR BHANDARI - Independent Director  
MS.SHIKHA BHANDARI - Non-Executive Director  
Mr.SIVARAMAN UTHAYAKUMAR - Independent Director  
MR.KRISHNA KUMAR BHANDARI - Additional Director  
Non-Executive Director  
MS.VEENA BHANDARI - Additional Director  
Non-Executive Director

**COMPLIANCE OFFICER** : MR.AJEET KUMAR BHANDARI

**REGISTERED OFFICE AND PLANT LOCATION** : 994, SATYAVEDU ROAD, SIRUPUZHALPET, GUMMIDIPOONDI, TAMIL NADU-601201

**ADMINISTRATION OFFICE** : OLD 43, NEW 64, SATTANNA NAICKEN STREET LANE ADJACENT TO NATRAJ THEATRE, BEHIND ANGALLAMMAN KOIL BACKSIDE, CHOOLAI, CHENNAI-600112. INDIA

**AUDITORS** : M/s CHANDARANA & SANKLECHA  
137 NAIMIAPPA NAICKEN STREET,  
2ND FLOOR, CHENNAI-600003

**REGISTRAR AND SHARE TRANSFER AGENTS** : M/S. CAMEO CORPORATE SERVICES LIMITED  
"SUBRAMANIAM BUILDING" (V FLOOR)  
NO. 1, CLUB HOUSE ROAD, CHENNAI – 600 002

**BANKERS** : ICICI BANK LIMITED  
84, NSC BOSE ROAD, CHENNAI – 600 079  
INDIAN BANK  
66, RAJAJI SALAI, HARBOUR BRANCH, CHENNAI-600 001  
AXIS BANK LIMITED  
Corporate Banking Branch, Chennai – 600002

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## **Bharat Textiles & Proofing Industries Limited**

### **NOTICE OF THE 30TH ANNUAL GENERAL MEETING OF THE COMPANY**

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of the Company will be held on Monday, the 28<sup>th</sup> December 2020 at 11.00 A.M. at the Registered Office of the Company situated at No.994, Satyavedu Road, Suravalkandigai, Sirupuzhalpet (P), Gummidipoondi, Tamil Nadu-601201 for transacting the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2020 and the reports of the Board of Directors and Auditors thereon and in this regard to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020 together with the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted."

2. To appoint a Director in place of Mr. Ajeet Bhandari (DIN: 01023609), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Ajeet Bhandari (DIN: 01023609), who retires by rotation in accordance with section 152 of the Companies, Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

#### **SPECIAL BUSINESS**

3. **TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS:**

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

**"RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), and also pursuant to the omnibus approval of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the Company be and is hereby accorded to the Material Related Party transactions proposed to be entered for the Financial Year 2020-21 amounting to Rs.5.00 Crores as per details as set out under item no.6 of the Statement annexed to this Notice and that the Board of Directors be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of such authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

4. **TO APPROVE THE APPOINTMENT OF MR. KRISHNA KUMAR BHANDARI AS A DIRECTOR IN THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Krishna Kumar Bhandari (DIN: 05309897), who was appointed as the Additional Director of the Company with effect from 14 February, 2020 by the Board of Directors pursuant to Section 161 of the Act as recommended by the Nomination and Remuneration Committee and who holds office upto this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

5. **TO APPROVE THE APPOINTMENT OF MRS. VEENA BHANDARI (DIN: 05309897) AS A DIRECTOR IN THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Veena Bhandari (DIN: 08710531) who was appointed as an Additional Director with effect from 12 March 2020 by the Board of Directors pursuant to Section 161 of the Act as recommended by the Nomination and Remuneration Committee and who holds office upto this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature be and is hereby appointed as a Director of the Company".

**Bharat Textiles & Proofing Industries Limited****6. TO APPROVE THE APPOINTMENT OF MR. KRISHNA KUMAR BHANDARI AS A WHOLE-TIME DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the shareholders of the Company be and is hereby accorded for the appointment of and payment of remuneration of INR 25,000 per month to, including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Mr. Krishna Kumar Bhandari (DIN: 05309897) as a Whole-time Director of the Company for a period of three years with effect from 25 July 2020 to 24 June 2023 on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Mr. Krishna Kumar Bhandari".

**7. TO CONSIDER AND APPROVE REVISION IN PAYMENT OF MANAGERIAL REMUNERATION TO MR. AJEET KUMAR BHANDARI (DIN: 01023609), MANAGING DIRECTOR OF THE COMPANY**

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

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the shareholders of the Company be and is hereby accorded for the revision in the remuneration of Mr. Ajeet Kumar Bhandari (DIN: 01023609), Managing Director of the Company to INR 1,15,000 per month with effect from 01 April 2020 till the remaining duration of his tenure i.e. upto 31 March 2022".

**8. TO APPROVE REVISION IN PAYMENT OF MANAGERIAL REMUNERATION OF MR. ANIL KUMAR BHANDARI (DIN: 02722372), CFO AND WHOLE-TIME DIRECTOR OF THE COMPANY**

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

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, consent of the shareholders of the Company be and is hereby accorded for the revision in the remuneration of Mr. Anil Kumar Bhandari (DIN: 02722372), the Whole-time Director of the Company to INR 30,000 per month with effect from 01 April 2020 till the remaining duration of his tenure i.e. upto 31 March 2022".

**By order of the Board  
For Bharat Textiles & Proofing Industries Limited**

**Sd/  
Ajeet Kumar Bhandari  
(Managing Director)**

Place : Chennai  
Date : 26.11.2020

**NOTES:**

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Pursuant to Secretarial Standard on General Meeting (SS- 2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
3. **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 OF THE COMPANY. A PERSON CAN ACT AS PROXY ON**



## **Bharat Textiles & Proofing Industries Limited**

**BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) 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 A MEMBER.**

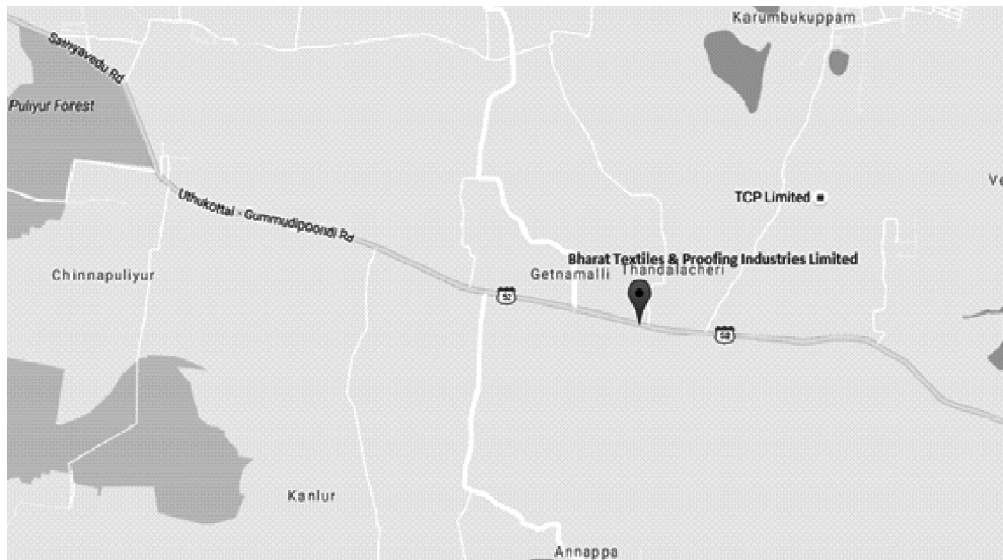
- 4. INSTRUMENT OF PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Register of members and the share transfer books of the Company will remain closed from 22<sup>nd</sup> December, 2020 to 28<sup>th</sup> December, 2020 (both days inclusive) for the purpose of determining members eligible for participating in voting on the resolutions contained in the Notice of AGM.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorising their representative to attend and vote on behalf of the Company in the meeting.
7. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
8. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical transfer and for ease in portfolio management. Members can contact the company or Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited for assistance in this regard.
9. To promote green initiative, members are requested to register their e-mail address through their Depository Participants for sending future communications to them by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
10. Shareholders/proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the meeting hall.
11. Members desirous of getting any information about the accounts and operations 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 ten days before the date of the meeting so as to enable the management to keep the required information readily available at the meeting.
12. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.
14. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company or the RTA for consolidating their holdings into one folio.
15. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. Members are requested to send all communications relating to transfer of physical shares/ demat, etc. directly to the Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited, 'Subramanian Building' (V Floor), No.1, Club House Road, Chennai – 600 002.
17. Members are requested to update their respective email address with the depository participant to ensure that the annual report and other documents reach you on your preferred email account.
18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
19. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit the details of their PAN along with a photocopy of both sides of the PAN Card, duly attested, to the Registrar and Share Transfer Agents M/s. Cameo Corporate Services Limited, 'Subramanian Building' (V Floor), No.1, Club House Road, Chennai – 600 002.
20. In compliance with the circular issued by the Ministry of Corporate Affairs and SEBI Circular dated May 12, 2020,



## Bharat Textiles & Proofing Industries Limited

Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

21. Members may also note that the Notice of the Annual General Meeting and the Annual Report for Financial Year 2019-20 will also be available on the Company's website [www.bharattarpaulin.com](http://www.bharattarpaulin.com) to download.
22. At the ensuing Annual General Meeting of the Company, Mr. Ajeet Kumar Bhandari, Managing Director who retires by rotation and being eligible, offer himself for re-appointment.
23. The Route map of the Annual General Meeting is attached below and available in the Company's website as well.



24. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

### 25. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and Regulation 44 of the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 30<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

Members may note that those who have already voted on the resolutions through remote e-voting facility may attend the meeting but shall not be allowed to vote at the meeting.

#### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24.12.2020 at 9.00 a.m. and ends on 27.12.2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.12.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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.



## Bharat Textiles & Proofing Industries Limited

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) 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) <ul style="list-style-type: none"><li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login <ul style="list-style-type: none"><li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.





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## **Bharat Textiles & Proofing Industries Limited**

**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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**

26. Mr. K.V.Sampathkumar, Practising Company Secretary (Membership No. 106) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
27. The Scrutinizer immediately after the conclusion of voting at the Annual general Meeting will first count the votes cast at the meeting and thereafter will unblock the votes in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours from conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against the resolution, invalid votes, if any and whether the Resolution(s) has/have been carried or not, to the Chairman or a person authorised by him in writing who shall countersign the same.
28. The Results declared along with the Scrutinizer's report shall be placed on the Company's website [www.bharattarpaulin.com](http://www.bharattarpaulin.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") where the shares of the Company are listed.

**Bharat Textiles & Proofing Industries Limited****Annexure to the Notice of the 30<sup>th</sup> Annual General Meeting****Annexure 1****Statement pursuant to Section 102 (1) of the Companies Act 2013**

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3,4,5,6,7 and 8 of the accompanying Notice..

**On Item No.3**

Your Company is proposed to enter into certain business transactions with M/s. Rudraksh Textiles LLP, M/s. Krishna Tarpaulin Industries Private Limited, Him Marketing and Hospira Agencies which is a "Related Party" as defined under Section 2 (76) of the Companies Act, 2013 during Financial Year 2019-20. These transactions are estimated at Rs.5.00 Crores for F.Y. 2020-21 which are of value exceeding 10% of the Annual Turnover of the Company as per the Last Audited Financial Statement of the Company.

As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires obtaining prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires taking prior approval of the Company by Special Resolution where transactions proposed to be entered to falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in sub-section (1) of Section 188 applies where transactions are entered into by the company in the ordinary course of business other than transactions which are not on an arm's length basis. All transactions entered into by the Corporation with the aforementioned related parties in the ordinary course of business and are at arm's length basis.

The amended Listing Agreement with Stock Exchanges which was made applicable from October 01, 2014 contains clause in respect of Related Party Transactions. The clause also defines term Material Related Party Transaction. It provides that all related party transactions shall be considered as "Material" if the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a Financial Year exceed 10% of the Annual Turnover of the company as per the Last Audited Financial Statement of the Company. The Material Related Party Transactions requires approval of the Shareholders by passing a Special Resolution and in respect of voting on such resolution(s), the said related party shall abstain from voting.

Members may please note that based on the criteria as mentioned above in the Listing Agreement, transactions entered into by the Corporation with M/s. Rudraksh Textiles LLP, M/s. Krishna Tarpaulin Industries Private Limited, M/s. Him Marketing and M/s. Hospira Agencies proposed to be entered into for F.Y. 2020-21 are "Material" and therefore requires approval of the Company by Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives except Shri. Anil Bhandari, Shri. Ajeet Kumar and Smt. Sikha Bhandari are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

The Board recommends the Special Resolution for the approval of the Shareholders

**On Item No. 4**

Mr. Krishna Kumar Bhandari (DIN: 05309897) was appointed as an Additional Director w.e.f. 14 February 2020 in accordance with the provisions of Section 149(1), 161 of the Companies Act, 2013, read along with Rule 3 of Companies (Appointment of Directors) Rules, 2014. Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office up to the date of this Annual General Meeting. In this regard the Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Mr. Krishna Kumar Bhandari, as a candidate for the office of Director of the Company. Mr. Krishna Kumar Bhandari, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Mr. Krishna Kumar Bhandari is a B.E. Mechanical and has a rich experience in the field of manufacturing of technical textiles such as cotton canvas, digital printable fabric and PVC coated tarpaulins.

Mr. Krishna Kumar Bhandari (DIN: 05309897), aged 30 years, is the son of Mr. Ajeet Bhandari, the Managing Director and Mrs. Veena Bhandari, Additional Director of the Company

The Board feels that presence of Mr. Krishna Kumar Bhandari on the Board is desirable and would be beneficial to the company.

The Board recommends the resolution set forth in item No. 4 for Members approval by way of an Ordinary resolution.

**Bharat Textiles & Proofing Industries Limited**

None of the Directors except Mr. Ajeet Bhandari, Mr. Anil Kumar Bhandari, Ms. Shikha Bhandari and Mrs. Veena Bhandari is in any way interested or concerned in the resolution.

**On Item No. 5**

Mrs. Veena Bhandari (DIN: 05309897) was appointed as an Additional Director w.e.f. 12 March 2020 in accordance with the provisions of Section 149(1), 161 of the Companies Act, 2013, read along with Rule 3 of Companies (Appointment of Directors) Rules, 2014. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Mrs. Veena Bhandari, as a candidate for the office of Director of the Company. Mrs. Veena Bhandari, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Mrs. Veena Bhandari, 50 years, is wife of Mr. Ajeet Kumar Bhandari, Managing Director and mother of Mr. Krishna Kumar Bhandari, Whole-time Director of the Company.

The Board feels that presence of Mrs. Veena Bhandari on the Board is desirable and would be beneficial to the company.

The Board recommends the resolution set forth in item No.5 for Members approval by way of an Ordinary resolution.

None of the Directors except Mr. Ajeet Bhandari, Mr. Anil Kumar Bhandari Mrs. Shikha Bhandari and Mr. Krishna Kumar Bhandari is in any way interested or concerned in the resolution.

**On Item No. 6**

Mr. Krishna Kumar (DIN:05309897), aged 30 years was designated as the Whole-time Director of the Company upon the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their respective meetings on 25 July 2020 with effect from 25 July 2020 for a period of three years.

I		General Information															
	(1)	Nature of Industry	Textiles Industry														
	(2)	Date of commencement of commercial production	9 <sup>th</sup> April,1991														
	(3)	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not applicable														
	(4)	Financial performance based on given indicators	<table border="1"><thead><tr><th rowspan="2">Description</th><th colspan="2">Rs. in Lakhs</th></tr><tr><th>2019-20</th><th>2018-19</th></tr></thead><tbody><tr><td>Income</td><td>1414.41</td><td>1516.36</td></tr><tr><td>Profit before tax</td><td>37.47</td><td>22.74</td></tr><tr><td>Profit after Tax</td><td>27.80</td><td>14.07</td></tr></tbody></table>	Description	Rs. in Lakhs		2019-20	2018-19	Income	1414.41	1516.36	Profit before tax	37.47	22.74	Profit after Tax	27.80	14.07
Description	Rs. in Lakhs																
	2019-20	2018-19															
Income	1414.41	1516.36															
Profit before tax	37.47	22.74															
Profit after Tax	27.80	14.07															
	(5)	Foreign investments or collaborations, if any.	The Company has not made any foreign investments and has not entered into any foreign collaborations														
II		Information about the appointee															
	(1)	Background details	Mr. Krishna Kumar Bhandari, aged 30, is a B.E. Mechanical. He is one of the members of the promoter group.														
	(2)	Past remuneration	NA														
	(3)	Recognition or awards	-														
	(4)	Job profile and suitability	Mr. Krishan Kumar has rich technical experience in the manufacturing of cotton canvas, digital printable fabric and PVC coated tarpaulins. Considering his expertise and experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Krishna Kumar should be available to the Company.														
	(5)	Remuneration proposed	As mentioned in the resolution.														
	(6)	Comparative remuneration profile with respect to Industry, size of the company, profile of the	The remuneration being proposed to be paid to Mr. Krishna Kumar is on par with the remuneration														

**Bharat Textiles & Proofing Industries Limited**

	position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	prevailing in the Companies of similar size in the Textiles industry and in the event of loss or inadequacy of profit in any financial year during his tenure, the same would be restricted to the ceiling prescribed under Schedule V of the Companies Act, 2013.
	(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Krishna Kumar is the son of Mr. Ajeet Kumar Bhandari, Managing Director and Mrs. Veena Bhandari, Additional Director of the Company. He is also related to Mr. Anil Bhandari, Whole Time Director, Mrs. Sikha Bhandari Non-Executive Director of the Company. As on date, he is holding 2,91,600 (4.98%) equity shares in the Company in his individual capacity.
III	Other Information	
	(1) Reasons for loss or inadequate profits	The Company did not incur any loss in the year 2019-20.
	(2) Steps taken or proposed to be taken for improvement	NA
	(3) Expected increase in productivity and profits in measurable terms	NA

The Board of Directors recommends the relevant resolution for your consideration. Hence, it is proposed to be passed as an enabling resolution by way of Special Resolution.

None of the Directors except Mr. Ajeet Bhandari, Mr. Anil Kumar Bhandari, Ms. Shikha Bhandari and Mrs. Veena Bhandari is in any way interested or concerned in the resolution.

**On Item No. 7**

Mr. Ajeet Kumar Bhandari, is one of the core promoters of the Company. He is a Commerce graduate and has over 22 years experience in the textile and marketing fields. He was first appointed on the Board of Directors on 21.12.1990 as a Whole-Time Director and was later designated as the Managing Director of the Company. On recalling the glory brought in by Mr. Ajeet Bhandari to the Company, the Board of Directors at their meeting held on 25<sup>th</sup> July 2020 decided to revise the remuneration of Mr. Ajeet Kumar Bhandari to INR 1,15,000 p.m. in compliance with Schedule V of the Companies Act, 2015 with effect from 01 April 2020 till the remaining duration of his tenure of office till 31 March 2022. Such increase has been previously approved by Nomination and Remuneration Committee and Board of Directors at its meeting held on 25<sup>th</sup> July 2020 and is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. He had attended all the four meetings held in the Financial year 2019-20. He currently holds 5,05,570 equity shares in the Company. He is the brother of Mr. Anil Bhandari, CFO and Whole-Time Director of the Company.

The Board of Director recommends the relevant resolution for your consideration. Hence, it is proposed to be passed as an enabling resolution by way of Special Resolution.

None of the Directors except Mr. Anil Kumar Bhandari, Ms. Shikha Bhandari, Mr. Krishna Kumar Bhandari and Mrs. Veena Bhandari is in any way interested or concerned in the resolution.

**On Item No. 8**

Mr. Anil Kumar Bhandari, CFO and Whole-time Director of the Company has been associated with the Company for more than 2 decades. Considering his business acumen and contribution to the Company, the Board of Directors at their meeting held on 25<sup>th</sup> July 2020 decided to revise the remuneration of Mr. Anil Bhandari to INR 30,000 per month in compliance with Schedule V of the Companies Act, 2015 with effect from 01 April 2020 till the remaining duration of tenure of his office. Such increase has been previously approved by Nomination and Remuneration Committee at its meeting held on 25<sup>th</sup> July 2020 and is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

He had attended all the four meetings held in the Financial year 2019-20. He currently holds 1,31,800 equity shares in the Company. He is the brother of Mr. Ajeet Kumar Bhandari, Managing Director of the Company.

The Board of Director recommends the relevant resolution for your consideration. Accordingly, it is proposed to be passed as an enabling resolution by way of Special Resolution.

None of the Directors except Mr. Ajeet Bhandari, Ms. Shikha Bhandari, Mr. Krishna Kumar Bhandari and Mrs. Veena Bhandari is in any way interested or concerned in the resolution.

**Bharat Textiles & Proofing Industries Limited****DIRECTORS' REPORT**

To,

The Members,

Your Directors are pleased to present their Thirtieth Annual Report together with the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2020:

**1. FINANCIAL RESULTS IN STANDALONE BASIS:**

During the year under review your company has achieved the following financial results:

Particulars	Amount in Lakhs	
	For Financial Year ended 31/03/2020	For Financial Year ended 31/03/2019
Total Income	1414.41	1516.36
Total Expenditure	1376.84	1493.62
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	1242.00	1342.95
Finance Charges	84.76	102.06
Depreciation	50.07	48.61
Profit/(loss) before Tax 37.47	22.74	
Tax Expense	9.78	8.67
Net Profit/(Loss) After Tax	27.80	14.07
Profit/(Loss) carried to Balance Sheet	27.80	14.07
The proposed appropriations are		
Proposed Dividend	0	0
Corporate dividend tax 0	0	
General reserve	0	0
Balance carried forward	27.80	14.07
Earnings Per Share Basic	(0.47)	(0.24)
Diluted	(0.47)	(0.24)
No.of Shares	58,57,140	58,57,140

**2. PERFORMANCE OF THE COMPANY:**

During the year, your Company has made a total income of Rs.141,441,164. During the year under review, there has been a decrease in the income to an extent of INR 10,195,500. However, due to the reduction in the expenses to an extent of INR 11,678,525, Net Profits of the Company have increased to INR 1,483,025.

BTPIL is one of the leading exporters of canvas fabric. Over the years the, Company has earned a respectable reputation for our Quality Consistency and services. The Company normally export its products to Australia, Dubai, U.K., U.S.A., Srilanka, West Indies, South Africa, Algeria, New Zealand, U.A.E. Etc.

**RANGE OF PRODUCTS INCLUDES:**

- Truck Covers
- Grey cotton canvas/duck
- Polyester-Cotton, 100% Polyester Canvas
- Chemically processed canvas
- Waterproof, Rot proofed canvas
- Fire Retardant Canvas
- Army ducks and Number ducks
- Relief Tents
- Bags, Tents, Sleeping Bag Materials Etc.,

Further, the company has also started operations at Tada. A new factory has been set up and the operations are in full swing since April 2018.



## Bharat Textiles & Proofing Industries Limited

### 3. OUTLOOK OF THE COMPANY

Your Company intends to focus on the timely completion of its projects, despite being faced with the number of industrial risks. Your company will be facing them with full zeal and gist and will be able to overcome and withstand the risks enumerated envisaging future outlook.

### 4. CHANGE IN NATURE OF BUSINESS, IF ANY

Your Company has not deviated its line of business activity nor has expanded the area of activities; therefore, there is no change in the nature of business for the year under review.

### 5. DIVIDEND

In view of the results achieved and to conserve the resources of the company for the future expansion, modernization & working capital purpose, your directors do not recommend any dividend for this year.

### 6. RESERVES

During the year under review, your Company has not transferred any amount to the Reserves account.

### 7. SHARE CAPITAL

There was no further issue of shares during the year. The Capital structure of the Company is as follows:

	Share Capital	31.03.2020	31.03.2019
(a)	Authorised share Capital 1,20,00,000 Equity Shares of Rs 10/- each	12,00,00,000	12,00,00,000
(b)	Issued, Subscribed and fully paid upshare capital 58,57,140 fully paid Equity Shares of Rs 10/- each	5,85,71,400	58,571,400
		<b>5,85,71,400</b>	<b>5,85,71,400</b>

- **Buy Back of Securities**  
The Company has not bought back any of its securities during the year under review.
- **Sweat Equity**  
The Company has not issued any Sweat Equity Shares during the year under review.
- **Bonus Shares**  
The Company has not issued any Bonus Shares during the year under review.
- **Employees Stock Option**  
The Company has not provided any Stock Option Scheme to the employees.

### 8. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has no subsidiaries, associate and joint ventures, therefore, disclosing the names of the respective entities does not arise.

### 9. MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING AFTER BALANCE SHEET DATE

There are no material changes or commitments likely to affect the financial position of the Company which is having an impact on the functioning and working of the Company. The operations of the Company have been effectively being managed and the Management shall review the performance from time to time in order to monitor the business activities of the Company.

### 10. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees and investments under Section 186 of the Companies Act, 2013 during the year 2019-20.

### 11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES TO REFERRED TO IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

All transactions entered by the Company during the financial year 2019-20 with related parties were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the act.

Approval of Audit committee was taken for entering into transaction with related parties and the transactions were reviewed on a quarterly basis.



## **Bharat Textiles & Proofing Industries Limited**

There were no materially significant transactions with Related Parties during the financial year 2019-20 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 are given as Annexure –I to the Board's Report in Form AOC-2.

### **Related party Transactions:**

The details of the Related Party Transactions are furnished in the Financial Statements attached to this Report. All the related party transactions have been on an arm's length basis.

### **12. EXTRACT OF ANNUAL RETURN**

As provided under Section 92(3) of the Act, the details forming part of the extract of the Annual Return in Form MGT-9 is enclosed as Annexure-II.

### **13. DEPOSITS**

The Company has not accepted any deposits under Chapter-V of the Companies Act, 2013.

### **14. INTERNAL AUDITORS**

The Board had reappointed the A.K. Lunawath & Associates, Chartered Accountants as their internal auditors on the 25<sup>th</sup> May, 2019 wherein the requisite filings have been completed. The Company has carried out the internal audit for every quarter during the year 2019-20 by A.K. Lunawath & Associates, Chartered Accountants and the reports issued by the respective Auditor have also been considered and taken on record. All such submissions have made to the Stock Exchange.

### **15. STATUTORY AUDITORS**

At the Annual General Meeting held in the year 2018, M/s. Chandarana & Sanklecha, Chartered Accountants, Chennai, were appointed for a period of 5 years and they shall hold office until the conclusion of the Annual General Meeting to be held for the financial year 2022-23 on such remuneration as may be determined by the Board of Directors. The Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' report on the financial statements for the year 2019-20 does not contain any qualification or adverse remark.

### **16. COST AUDITORS.**

Cost Audit is not applicable to the Company. The Central government has not specified maintenance of cost records for the Company under sub – section (1) of section 148 of the Companies Act 2013. Therefore, there is no requirement for appointment of Cost Auditors.

### **17. SECRETARIAL AUDIT REPORT**

Pursuant to provisions of Section 204 of the Companies act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. K.V.Sampathkumar, Practising Company Secretary (Membership No. 106) as the Secretarial Auditor of the Company for the financial year 2019-20.

The report of Secretarial Audit for 2019-20 is attached herewith as Annexure III.

### **18. COMMENTS ON QUALIFICATIONS MADE IN SECRETARIAL AUDIT REPORT**

The Following qualifications were made in the secretarial audit report;

- 1. The validity of the license as obtained under The Factories Act 1948 for a factory located in Gummidipoondi has expired in 2018. The site is locked down due to strike. Accordingly, the same stands expired till date.*
- 2. Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, mandates every listed company to appoint a whole time Company Secretary. Ms. Priyanka Tater, Company Secretary had resigned with effect from 31st March 2018. The Company has not complied with the above provisions during the period under review. However, Mr. Shiv Ratan Jhawar was appointed as the Company Secretary and Compliance Officer with effect from 01 October 2020.*
- 3. The Company has not filed eForm Active INC-22A due to the pendency in the appointment of a Whole-time Company Secretary during the year under review. However, the same was filed on 12 November 2020. Further, due to the delay in filing of eForm INC-22A, the Company could not intimate the Registrar of Companies in DIR-12 with respect to the appointment of Mr. Krishna Kumar Bhandari and Mrs. Veena Bhandari as Additional Directors in the Board of the Company during the year under review within the prescribed due dates.*
- 4. The Company is listed with the Bombay Stock Exchange. The Company is required to pay listing fees. The Company has not paid the listing fees for 2017-18, 2018-19 and 2019-20.*
- 5. In contravention of Regulations 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/13/2015 dated 30th November, 2015, 39.34% of the total promoter shareholding is not held in Dematerialised form.*



## Bharat Textiles & Proofing Industries Limited

6. The Company has not disclosed the necessary information on its website as per Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
7. During the year under review, there was a delay in reporting the Annual Report for the Financial Year 2018-19 under Regulation 34 of the SEBI (LODR) Regulations, 2015.

**With respect to the above qualifications the Board would like to reply that;**

1. The Company has initiated necessary steps to comply with the provisions of the labour laws towards renewing such licenses.
2. The Company has not appointed a Whole-time Company Secretary as per the provisions of the Companies Act, 2013 during the year under review. However, Mr. Shiv Ratan Jhavar was appointed as the Whole-time Company Secretary and Compliance Officer with effect from 01 October 2020.
3. Due to delay in appointment of Whole-time Company Secretary, the Company could not file eForm INC-22A within the prescribed due date. However, the same has been filed on 12 November 2020. Further, the Company is in the process of the filing the eForms DIR-12 pertaining to appointment of Mr. Krishna Kumar Bhandari and Mrs. Veena Bhandari.
4. The Company is in the process of making the payments.
5. The Company has initiated steps to comply with the same and letters have been sent to promoters requesting for dematerialisation and providing PAN details.
6. The Company has initiated necessary steps to comply with the provisions pertaining to the website disclosures.
7. Due to lack of resource, the Company could not comply with reporting requirements within the prescribed time limit.

### 19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies act, 2013, the Board of Director's to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. 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 of the company for that period;
- iii. 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;
- iv. had prepared the annual accounts on a going concern basis; and
- v. had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has in all 8 Directors with considerable professional experience in divergent areas connected with corporate functioning. The Board is headed by Mr. Ajeet Kumar, Managing Director and Mr. Anil Bhandari, Whole-time Director of the Company who are entrusted with the substantial powers of the management of the Company subject to the superintendence, control and directions of the Board and has Smt. Shikha Bhandari as a Woman Director on the Board. The Board has three Non-executive Independent Directors namely Shri. Mahendrakumar Bhandari, Shri. Sivaraman Uthayakumar and Shri S Janarthanam Udayakumar. Further, Mr. Krishna Kumar Bhandari and

Mrs. Veena Bhandari were inducted into the Board as Non-executive Additional Directors with effect from 14 February 2020 and 12 March 2020 respectively.

Name of Director	Category of Director	No. of Director-ships in other Companies
Mr. Ajeet Kumar	P/MD	NIL
Mr. Anil Bhandari	P/ED	NIL
Mr. Krishna Kumar	P/NED	NIL
Mrs. Veena Bhandari	P/NED	NIL
Mr. Shikha Bhandari	NED	NIL
Mr. Mahendra Kumar Bhandari	I/NED	NIL
Mr. Sivaraman Uthayakumar	I/NED	NIL
Mr. S Janarthanam Udayakumar	I/NED	NIL



**Bharat Textiles & Proofing Industries Limited**

<b>P</b>	<b>Promoter</b>	<b>MD</b>	<b>Managing Director</b>
<b>ED</b>	<b>Executive Director</b>	<b>NED</b>	<b>Non-Executive Director</b>
<b>I</b>	<b>Independent</b>	-	-

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Ajeet Kumar Bhandari will be retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Brief particulars and expertise about him has been given in the annexure to the Notice of the Annual general Meeting in accordance with the requirements of listing regulations.

Accordingly, the resolution seeking the approval of the members for the above said re-appointment has been incorporated in the notice of the Annual General Meeting of the company.

Apart from the above, no other Key Managerial Personnel was appointed or retired or resigned during the year under review.

Excepting Shri. Ajeet Kumar and Shri. Anil Bhandari, whose transactions with the company have been reported under the related parties disclosure under notes to the accounts, none of the other non-executive directors has had any pecuniary relationship or transactions with the company, other than the receipt of sitting fee for the meetings of the Board and Committees thereof attended by them.

**21. POLICY ON APPOINTMENT OF DIRECTORS AND CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR**

**A. Composition of Committee:** The Nomination and Remuneration Committee comprised of the following directors for the year ended 31<sup>st</sup> March 2020:

1. Mr. Mahendrakumar Bhandari - Chairman
2. Mr. S Janarthanam Udayakumar – Member
3. Mr. Sivaraman Uthayakumar – Member

The Nomination and Remuneration committee is responsible for developing competency requirements for the Board and in this regard conducts a gap analysis to determine the Board composition on a periodic basis including each time a Director appointment or reappointment is required. The committee has framed a policy to determine the qualifications, positive attributes and independence of a Director. The key features of the policy are:

- Qualifications - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive attributes – Apart from the duties of Directors as prescribed in the Companies act, 2013, the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment.
- Independence – A Director will be considered independent if he/she meet the criteria laid down in Section 149(6) of the Companies act, 2013.
- During the financial year the committee met on 14.08.2019 & 14.02.2020.

**B. Attendance of each Director at Nomination and Remuneration Committee Meetings**

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Mr. Mahendrakumar Bhandari - Chairman	Independent & Non-Executive Director	2	2
Mr. S Janarthanam Udayakumar - Member	Independent & Non-Executive Director	2	-
Mr. Sivaraman Uthayakumar	Independent & Non- Executive Director	2	2

**22. AUDIT COMMITTEE**

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Section 177 of the Companies act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee at present comprises of three members, all being Non-Executive Independent Directors viz. Mr. S Janarthanam Udayakumar (Chairman), Mr. Sivaraman Uthayakumar and Mr. Mahendrakumar Bhandari. The audit committee met 4 times during the year on 25.05.2019, 14.08.2019, 13.11.2019 and 14.02.2020. The Board has accepted all the recommendations of the Audit Committee during the year 2019-20.

**Bharat Textiles & Proofing Industries Limited**

Attendance of each Director at Audit Committee Meetings

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Mr. Janarthanam Udayakumar - Chairman	Independent & Non-Executive Director	4	2
Mr. Mahendrakumar Bhandari - Member	Independent & Non-Executive Director	4	4
Mr. Sivaraman Uthayakumar - Member	Independent & Non-Executive Director	4	4

**23. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

**A. Composition of committee:** The Stakeholders Relationship Committee comprised of the following directors for the year ended 31<sup>st</sup> March 2020:

1. Mr. Mr. S Janarthanam Udayakumar - Chairman
2. Mr. Mahendrakumar Bhandari - Member
3. Mr. Ajeet Kumar - Member

**B. Attendance of each Director at Stakeholders' Relationship Committee Meeting**

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Mr. S Janarthanam Udayakumar - Chairman	Independent & Non-Executive Director	4	2
Mr. Mahendrakumar Bhandari - Member	Independent & Non-Executive Director	4	4
Mr. Ajeet Kumar - Member	Executive Director	4	4

**24. ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board of directors had carried out an annual evaluation of its own performance, board committees and individual directors as required under the Companies Act, 2013.

The performance of the Board and individual directors was evaluated by the Board seeking inputs from all the directors. The performance of the committees was evaluated by the Board seeking inputs from the committee members. The Nomination and remuneration committee reviewed the performance of the individual directors.

The Independent Directors met on 25.05.2019 and 14.02.2020 without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board and the NRC reviewed the performance of the individual directors on the basis of criteria such as contribution at meetings, their preparedness on the issues to be discussed etc. Additionally the Chairman was also evaluated on key aspects of his role.

**25. BOARD MEETINGS**

The Board of Directors duly met 4 times during the financial year as mentioned below.

Date of the meeting	No. of Directors attended the meeting
29.05.2019	4
14.08.2019	6
19.09.2019	6
13.11.2019	4
14.02.2020	4



## Bharat Textiles & Proofing Industries Limited

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard -1.

### 26. VIGIL MECHANISM

The Company has adopted a Whistle blower policy establishing vigil mechanism, to provide a formal mechanism to the directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. It has affirmed that no personnel of the Company have been denied access to the Audit Committee.

### 27. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

#### A) Energy Conservation:

Conservation of energy continues to receive increased emphasis and steps are being taken to reduce the consumption of energy at all levels. The details of consumption are as follows

<b>Diesel (In Ltrs.) from 01.04.2019 to 31.03.2020 for TADA Factory</b>				
Diesel (In Ltrs.)	Opening Stock	Purchase in Ltrs.	Closing Stock	Consumption in the Year
	1.4.19	1.4.19 to 31.3.20	31.03.20	1.4.19 to 31.3.20
<b>Quantity in liters</b>	0	2942.53	149	2793.53
<b>Amount in Rupees</b>	<b>0</b>	207700.00	10406	197294
<b>Fire wood from 01.04.2019 to 31.03.2020</b>				
Fire wood	Opening Stock	Purchase in Ltrs.	Closing Stock	Consumption in the Year
	1.4.19	1.4.19 to 31.3.20	31.03.20	1.4.19 to 31.3.20
<b>Quantity in kilograms</b>	77840	1170.10	89.17	1158.77
<b>Amount in Rupees</b>	248088	2675340	281987	2641441.00
<b>Power Consumption from 1.4.19 to 31.3.20</b>				
Value in Rupees				Units
3380261				476461

#### B) Foreign Exchange Earnings and Outgo:

PARTUCULARS	2020 (in INR)	2019 (in INR)
Earnings	-	-
Outgo	-	-

#### C) Technology Absorption, Adaptation and Innovation, Research and Development:

Research and Development activities are carried out on an ongoing basis for improving quality of the products.

#### D) Insurance

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured.

### 28. REVIEW OF RISK MANAGEMENT POLICY ADOPTED BY THE COMPANY

The Company in order to comply with the provisions of the Companies Act, 2013 and to provide an effective mechanism for implementing risk management system had adopted the policy on risk management for evaluating and monitoring various risks that could threaten the existence of the Company. The Company had not faced any major risks and no major deviations from the actuals as attained by the Company. The Audit committee has reviewed the policy periodically. The Board takes overall responsibility for the overall process of risk management in the organisation.

The Board shall take note of any future threats and shall report to the Company for formulating an effective mechanism and strategy.



## **Bharat Textiles & Proofing Industries Limited**

### **29. MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS**

There are no significant material orders passed by the Regulators or Courts or Tribunals which would have impact on the going concern status of the Company and its future operation.

### **30. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorised use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

### **31. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at work place and has adopted a sexual harassment policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

No complaints were received during the year.

### **32. CORPORATE GOVERNANCE**

In view of the exemption granted vide Circular No. CIR/CFD/POLICY CELL/7/2014, dtd 15.05.2014 by SEBI and as per Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provision with regard to Corporate Governance is not applicable to the company as the paid up equity capital is not exceeding Rs. 10 crores and net worth not exceeding Rs. 25 crores as on the last day of the previous financial year.

Therefore, a certificate as stipulated under Schedule V (E) of the Listing Regulations from the Auditors of the Company regarding compliance with the conditions of Corporate Governance is not applicable.

### **33. LISTING**

The shares of the Company are listed at the Bombay Stock Exchange (BSE). The Company has not paid the annual listing fees for the Financial Year 2017-18, 2018-19 and 2019-20.

### **34. REMUNERATION POLICY:**

The Nomination and Remuneration Committee (NRC) has formulated a policy relating to the remuneration of the directors, key managerial personnel and other employees. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. The remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013. While formulating this policy, the committee has considered the factors laid down in Section 178(4) of the Companies Act, 2013, which are as under:

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The key principles governing the remuneration policy are as follows:

- Market Competitiveness
- Role played by the individual
- Reflective of size of the company, complexity of the sector/industry/Company's operations and the Company's capacity to pay
- Consistent with recognised best practices and
- Aligned to any regulatory requirements.

In accordance with the policy, the Managing/Executive/KMPs/ employees are paid basic/fixed salary.



## **Bharat Textiles & Proofing Industries Limited**

The non-executive Directors, including Independent directors are paid sitting fees for attending the meetings of the Board and committees of the Board.

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

### **35. PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Companies act, 2013 read with rule 5(1) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 has been attached as Annexure-IV.

### **36. DETAILS OF EMPLOYEES DRAWING SALARY ABOVE PRESCRIBED LIMITS**

There are no employees who are paid remuneration in excess of the limits specified under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014 as amended from time to time.

### **37. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management discussion and analysis of the financial conditions including the result of the operations of the company for the year under review as required under Regulation 34(e) of the SEBI (LODR) Regulations, 2015 is separately attached as Annexure-V.

### **38. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company ie. (a) networth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs. 1,000 crore or more; or (c) net profit of the company to be Rs. 5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of section 135 are not applicable to the Company.

### **39. POLICIES**

During the financial year, your company has not adopted any new policies. The existing policies of the Company have been reviewed periodically by the Board and updated based on need.

### **40. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND AS) CONVERGED WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a Press Release was issued by the MCA on January 18, 2016 outlining the roadmap for implementation of Indian Accounting Standards (Ind AS) converged with International Financial Reporting Standards (IFRS). As Indian Accounting Standards (IND AS) is applicable to your Company, the Company has prepared its account under IND AS and Indian Generally Accepted Accounting Principles (IGAAP).

### **41. SHARE TRANSFER AGENCY**

The Company has appointed M/s Cameo Corporate Services Ltd, Subramanian Building, Club House Road, Chennai 600 002 - India as its share transfer agency for handling both physical and electronic transfers. The powers of such share transfer committee has been transferred to them accordingly, keeping in mind

### **42. CODE OF CONDUCT**

The Company has adopted Code of Conduct for the Board and for the Senior level employees of the Company and they are complying with the said code.

### **43. AWARDS AND RECOGNITION**

The Company has not received any award during the Financial Year.

### **44. CAUTIONARY STATEMENT**

Statements in these reports describing company's projections statements, expectations and hopes are forward looking. Though, these expectations etc, are based on reasonable assumption, the actual results might differ.

### **45. ACKNOWLEDGEMENTS:**

The Director's wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Director's would also like to thank the employees, shareholders, customers, dealers, suppliers, bankers, Government and all other business associates for the continuous support given by them to the Company and their confidence in its management.

**FOR AND ON BEHALF OF THE BOARD**

**Sd/-**

**Ajeet Kumar Bhandari**

DIN: 01023609  
Managing Director

**Sd/-**

**Anil Bhandari**

DIN: 0272237  
Whole Time Director

Date: 26.11.2020  
Place: Chennai

**Bharat Textiles & Proofing Industries Limited****CEO/CFO CERTIFICATION**

To

The Board of Directors,

Bharat Textiles & Proofing Industries Limited.

1. We have reviewed the financial results of Bharat Textiles & Proofing Industries Limited for the period ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material act 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.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31<sup>st</sup> March, 2019 are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in the Company's internal control over financial reporting during the period;
  - ii. Significant changes in accounting policies during the period; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**Ajeet Kumar Bhandari**  
Managing Director  
DIN: 01023609

Sd/-  
**Anil Bhandari**  
Chief Financial Officer  
DIN: 02722372

Place : Chennai  
Date : 26.11.2020

**DECLARATION ON CODE OF CONDUCT**

As provided under the provisions of SEBI Listing Regulations, I hereby declare that the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2020.

Place : Chennai  
Date : 26.11.2020

**Ajeet Kumar Bhandari**  
Managing Director  
DIN: 01023609

**Bharat Textiles & Proofing Industries Limited**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2020[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of theCompanies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS:**

i. CIN	L17111TN1990PLC020072
ii. Registration Date	21.12.1990
iii. Name of the Company	BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED
iv. Category / Sub-Category of the Company	Company Limited by shares/Indian Non-Government Company
v. Address of the Registered office and contact details	994, Sathyavedu Road,T,Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi-601201
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building" No 1, Club House Road Chennai 600 002 – India 91-44 - 2846 0390

**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:-**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Canvas and Tarpaulin	13925	99.85%

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	ApplicableSection
	NIL				



## Bharat Textiles & Proofing Industries Limited

### 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	18,25,380	11,37,050	29,62,430	50.578%	1911580	1050850	2962430	50.58%	0.002%
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-	18,25,380	11,37,050	29,62,430	50.578%	1911580	1050850	2962430	50.58%	0.002%
1) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-	18,25,380	11,37,050	29,62,430	50.578%	1911580	1050850	2962430	50.58%	0.002%
<b>A. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
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) Others (specify) - Foreign Institutional Investors	0	50,700	50,700	0.865%	0	50,700	50,700	0.865%	-
Sub-total(B)(1)	0	50,700	50,700	0.865%	0	50,700	50,700	0.865%	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	4,100	76,000	80,100	1.37%	2834	76000	78834	1.35%	0.02%
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2,56,600	19,66,310	22,22,910	37.95%	265,266	1,958,910	2224176	37.97	-0.02
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	67,500	1,36,300	2,03,800	3.48%	112,500	91300	203,800	3.48	-
c) Others									
i) Clearing Members	800	0	800	0.013	800	0	800	0.013	-
ii) HUFs	9,400	0	9,400	0.160	9,400	0	9,400	0.160	-
iii) NRI-Repatriated	2,000	3,25,000	3,27,000	5.58	2,000	3,25,000	3,27,000	5.58	-
Sub-total(B)(2)	3,40,400	25,03,610	28,44,010	49.58	3,92,800	25,03,610	24,51,210	49.58	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3,40,400	25,54,310	28,44,010	50.42	3,92,800	24,98,940	28,91,740	49.42	-1.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
GrandTotal(A+B+C)	21,65,780	36,91,360	58,57,140	100	23,04,380	35,52,760	58,57,140	100	-





## Bharat Textiles & Proofing Industries Limited

### ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	VEENA KUMARI BHANDARI	5,13,910	8.77	0	5,13,910	8.77	0	-
2.	AJEET KUMAR BHANDARI	5,05,570	8.63	0	5,05,570	8.63	0	-
3.	KRISHNA KUMAR BHANDARI	2,91,600	4.98	0	2,91,600	4.98	0	-
4.	JITENDRA KUMAR BHANDARI	2,12,700	3.63	0	2,12,700	3.63	0	-
5.	MAHAVEERCHAND JAIN H .	3,12,000	5.33	0	3,12,000	5.33	0	-
6.	BHANDARI U C HUF	1,25,000	2.13	0	1,25,000	2.13	0	-
7.	BHANDARI V C	1,15,440	1.97	0	1,15,440	1.97	0	-
8.	UGAMCHAND BHANDARI	4,13,500	7.06	0	4,13,500	7.06	0	-
9.	ANIL KUMAR BHANDARI	1,31,800	2.25	0	1,31,800	2.25	0	-
10.	LATHA JAIN	83,000	1.42	0	83,000	1.42	0	-
11.	PADMA JAIN	31,600	0.54	0	31,600	0.54	0	-
12.	SANGEETA	48,600	0.83	0	48,600	0.83	0	-
13.	LATHA	48,500	0.83	0	48,500	0.83	0	-
14.	GOUTHAM CHAND JAIN H	45,010	0.77	0	45,010	0.77	0	-
15.	DEVI BALA	20,000	0.34	0	20,000	0.34	0	-
16.	NAVIN KUMAR JAIN	40,000	0.68	0	40,000	0.68	0	-
17.	VINOD BAFNA	18,700	0.32	0	18,700	0.32	0	-
18.	GOWTHAMCHAND JAIN H (HUF)	3,500	0.06	0	3,500	0.06	0	-
19.	NIHALCHAND BHANDARI	2,000	0.03	0	2,000	0.03	0	-
	TOTAL	29,62,430	50.58	0	29,62,430	50.58	0	

### iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>NO CHANGE</b>					

### iv. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ajeet Kumar					
	At the beginning of the year		5,05,570	8.63	5,05,570	8.63
	Transfer		-	-	-	-
	At the end of the year		5,05,570	8.63	5,05,570	8.63
2.	Anil Bhandari					
	At the beginning of the year		1,31,800	2.25	1,31,800	2.25
	Transfer		-	-	-	-
	At the end of the year		1,31,800	2.25	1,31,800	2.25

**Bharat Textiles & Proofing Industries Limited****VI. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	102,325,666	81,225,799	-	<b>183,551,465</b>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>	102,325,666	81,225,799	-	<b>183,551,465</b>
Change in Indebtedness during the financial year				
- Addition				
- Reduction	(6,67,24,491)	1,558,575	-	(65,165,916)
<b>Net Change</b>	(6,67,24,491)	1,558,575	-	(65,165,916)
Indebtedness at the end of the financial year				
i) Principal Amount	35,601,175	82,784,374	-	118,385,549
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	35,601,175	82,784,374	-	118,385,549

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ajeet Bhandari	Anil Bhandari (WTD & CFO)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	12,19,200	1,80,000	13,99,200
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
6.	<b>Total (A)</b>	<b>12,19,200</b>	<b>1,80,000</b>	<b>13,99,200</b>
	<b>Ceiling as per the Act</b>			

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Total Managerial Remuneration	Not applicable as only sitting fees paid	
	Overall Ceiling as per the Act		

**Bharat Textiles & Proofing Industries Limited****C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD - NIL****VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			NIL		
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD

Sd/-

**Ajeet Kumar Bhandari**  
DIN: 01023609  
Managing Director

Sd/-

**Anil Bhandari**  
DIN: 0272237  
Whole Time Director

Date: 26.11.2020  
Place: Chennai

**Bharat Textiles & Proofing Industries Limited****Annexure to Directors' Report**

The information pursuant to Section 197 of the Companies act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31<sup>st</sup> March, 2020:

Particulars	Ratio to Median Remuneration
Mr. Ajeet Kumar bhandari	5.86
Mr. Anil Bhandari	0.86

2. The percentage increase in remuneration of each Director, CFO in the Financial year:

Particulars	% Increase in remuneration
Mr. Ajeet Kumar bhandari	Nil
Mr. Anil Bhandari	Nil

3. The median remuneration of employees of the Company for the financial year 2019-20 was INR 207875 as against INR 145,845 for the financial year 2018-19.
4. During the Financial year under review, there was increase in the median remuneration of employees by 42.53%
5. The number of permanent employees on the rolls of the Company: **79**
6. The key parameters for any variable component of remuneration availed by the directors:

**There is no variable component in the remuneration of the Directors.**

7. Affirmation that the remuneration is as per the remuneration policy of the Company:

**The Company affirms that the remuneration is as per the remuneration policy of the Company.**

**FOR AND ON BEHALF OF THE BOARD**

**Sd/-**

**Ajeet Kumar Bhandari**  
DIN: 01023609  
Managing Director

**Sd/-**

**Anil Bhandari**  
DIN: 0272237  
Whole Time Director

Date: 26.11.2020  
Place: Chennai

**Bharat Textiles & Proofing Industries Limited****FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: **Nil**
2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details			
a)	Name (s) of the related party	Rudraaksh Textiles LLP	Krishna Tarpaulin Industries Pvt Ltd	Rudresh Polymer India LLP	Him Marketing
	Nature of relationship	Partners of the related party, Mr. Jitendar Bhandari (Brother) and Mr. Anil Bhandari (Brother) are related to Mr. Ajeet Kumar Bhandari, Managing Director.	Director of the related party, Mr. Krishna Kumar is the Son of Mr. Ajeet Kumar Bhandari, Managing Director.	Partners of the related party, Mr. Jitendar Bhandari (Brother) and Mr. Anil Bhandari (Brother) are related to Mr. Ajeet Kumar Bhandari, Managing Director.	Partners of the related party, Mr. Jitendar Bhandari (Brother) is related to Mr. Ajeet Kumar Bhandari, Managing Director.
b)	Nature of contracts/arrangements /transaction	Sale and Purchase of Goods	Purchase of Goods	Purchase of Goods	Sale of Goods
c)	Duration of the contracts/ arrangements/transaction	One year	One year	One Year	One Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sales – INR 32,06,229 Purchases – INR 1,56,975	- -	- Purchase : INR 4,70,112	Sales : INR 5,09,541 Purchase : INR 4,246 Job Work Charges Payment: INR 9,31,746
e)	Date of approval by the Board	29.05.2019	29.05.2019	29.05.2019	29.05.2019
f)	Amount paid as advances, if any	NIL	NIL	NIL	NIL

**FOR AND ON BEHALF OF THE BOARD****Sd/-****Ajeet Kumar Bhandari**  
DIN: 01023609  
Managing Director**Sd/-****Anil Bhandari**  
DIN: 0272237  
Whole Time DirectorDate: 26.11.2020  
Place: Chennai

**Bharat Textiles & Proofing Industries Limited**

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup>MARCH, 2020****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To

The Members,  
Bharat Textiles & Proofing Industries Limited  
994, Sathyavedu Road, T. Suravalikandigai  
Sirupuzhalpet (P)  
Gummidipoondi – 601201

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Bharat Textiles & Proofing Industries Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Bharat Textiles & Proofing Industries Limited for the financial year ended on 31<sup>st</sup>March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (v) We further report that having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, the company has complied with the following law applicable specifically to the company:
  - a. The Textiles Committee Act,1963 and the Rules made thereunder;
  - b. The Factories Act, 1948
  - c. Payment of Wages Act, 1936
  - d. The Minimum Wages Act, 1948
  - e. Employees' State Insurance Act, 1948
  - f. The Employees' provident Fund and Miscellaneous Provisions Act, 1952
  - g. The Payment of Bonus Act, 1965
  - h. The Payment of Gratuity Act, 1972
  - i. Equal Remuneration Act, 1976



## **Bharat Textiles & Proofing Industries Limited**

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange;

We further report that, there were no events/actions in pursuance of:

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; requiring compliance thereof by the Company during the Audit period.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above subject to the following observations:

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above subject to the following observations:

1. Based on the confirmation from the management, we understand that, the validity of the license as obtained under The Factories Act 1948 for a factory located in Gummidipoondi has expired in 2018. The site is locked down due to strike. Accordingly, the same stands expired till date.
2. Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, mandates every listed company to appoint a whole-time Company Secretary. On scrutiny, it is understood that Ms. Priyanka Tater, Company Secretary had resigned with effect from 31<sup>st</sup> March 2018. The Company has not complied with the above provisions during the period under review. However, Mr. Shiv Ratan Jhavar was appointed as the Company Secretary and Compliance Officer with effect from 01 October 2020.
3. The Company has not filed eForm Active INC-22A due to the pendency in the appointment of a Whole-time Company Secretary during the year under review. However the same was filed on 12 November 2020. Further, due to the delay in filing of eForm INC-22A, the Company could not intimate the Registrar of Companies in DIR-12 with respect to the appointment of Mr. Krishna Kumar Bhandari and Mrs. Veena Bhandari as Additional Directors in the Board of the Company during the year under review within the prescribed due dates.
4. This Company is listed with the Bombay Stock Exchange. We observe that, stock exchange laws have not been complied with as they have defaulted the payment of annual listing fees for the last three previous years i.e. 2017-18, 2018-19 and 2019-20.
5. On review, we understand that, the Company is in contravention of Regulations 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/13/2015 dated 30<sup>th</sup> November, 2015, as 39.34% of the total promoter shareholding is not held in Dematerialised form.
6. The Company has not disclosed the necessary information on its website as per Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
7. During the year under review, there was a delay in reporting the Annual Report for the Financial Year 2018-19 under Regulation 34 of the SEBI (LODR) Regulations, 2015.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent and Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

K.V.Sampathkumar

Practising Company Secretary

ACS - 106, CoP-22533)

UDIN: A000106B001242534

Place: Chennai

Date: 18.11.2020

This report is to be read with our letter of even date which is annexed as Annexure Band forms an integral part of this report

**Bharat Textiles & Proofing Industries Limited****Annexure to Secretarial Audit Report**

To

The Members,  
Bharat Textiles & Proofing Industries Limited  
994, Sathyavedu Road, T. Suravalikandigai  
Sirupuzhalpet (P)  
Gummidipoondi – 601201

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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai  
Date: 18.11.2020

Sd/-  
K.V.Sampathkumar  
Practising Company Secretary  
ACS - 106, CoP-22533)  
UDIN: A000106B001242534





## Bharat Textiles & Proofing Industries Limited

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Industry Structure and Developments:

##### *Indian Economy*

The Indian textiles industry, currently estimated at around US\$ 120 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 4.7 per cent to India's Gross Domestic Product (GDP), and 11 per cent to overall Index of Industrial Production (IIP).

The Government of India is keenly interested in promoting the Brand "Made in India" in global market. As the textile industry is the second largest sector of economy in providing employment opportunities, the Government is committed to the growth and betterment of this sector. The Government is also supporting this expansion mood by way of Textile Park Scheme, wherein the Government is providing capital subsidy for such park upto 40% on the total infrastructure facilities in Textile parks.

In the liberalized post quota period, India has emerged as a major sourcing destination for buyers from all over the globe. As a measure of growing interest in the Indian textiles and clothing sector, a number of reputed houses opened their sourcing / liaison office in India. The Government has taken measures to boost spending by increasing the capex allocation towards infrastructure projects by reforms in the budget. The Government is also taking various initiatives to unlock stuck investments in the core and infrastructure projects, revive investments from the private sector by reforming policy environment, improving the ease of doing business and accelerating the project related approvals.

The real estate sector continued to face a challenging environment due to lacklustre demand scenario, various policy hurdles, delay in approval cycle, continued high borrowing costs both for industry and the consumer. The residential segment continues to witness a challenging environment amidst policy uncertainties, delay in project approval cycle and tepid demand scenario. However, select micro-markets primarily catering to the luxury/premium segment witnessed reasonable interest. Various reforms has been announced by the Government

##### *Tarpaulin And Textiles Sector:*

This sector experiences a challenging operating environment and uncertainty over demand growth and volatility in raw material prices, it is likely that the sector's outlook will turn relatively positive. Margin pressure would persist for both the cotton and synthetic textile industries, driven by rising power and wage costs and higher interest rates. The cotton industry is presently facing challenges like slow demand and a loss in margins, but a recovery is expected on account of falling cotton prices, though this could be negated by further volatility in input costs or forex movements.

#### 2. Performance Review:

The Income of the Company for the year is INR 1412.36 Lakhs as against previous years' of INR 1505.21 Lakhs. The Company's net profit for the year ended was INR 27.79 lakhs approximately (last year loss amounts to INR. 14.07 lakhs). The Earning Per Share (EPS) for the year was Rs 0.47.

#### 3. Business Outlook:

Your Company expects to continue to identify prudent land acquisition opportunities even as it intends to focus on the timely completion of its projects, despite of number of risks. Your company will be facing them with full zeal and gist and will be able to overcome and withstand the risks enumerated envisaging future outlook.

#### 4. Opportunities and Threats:

The Company is exposed to different types of risks such as credit risk, market risk (including liquidity risk and interest rate risk), operational risk and legal risk. The Company monitors credit and market risks, as well as portfolio and operational risk through the oversight of senior management personnel in each of its business segments. Legal risk is subject to the review of the Company's legal department and external advisers. The Company is exposed to specific risks in connection with the management of investments and the environment within which it operates.

The Company aims to understand measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

There are certain key challenges and threats that need to be actively addressed and mitigation steps to be taken as and when required. These challenges can be summarized as follows:

- Increasing input material costs leading to higher cost of construction.
- Increasing labor cost and shortage of skilled and technically qualified manpower.
- Land prices still continue to be high.
- Lack of desirable progress in development of infrastructure specifically in the areas of roads, water and sewage systems, power, etc.



## **Bharat Textiles & Proofing Industries Limited**

- Absence of industry status and institutional financing for land procurement.
- Decrease in Investments in the last year.

### **5. Internal Control Systems and Adequacy:**

The Company has in place adequate internal control systems and procedures commensurate with its size and nature of business. The Internal Audit team continuously monitors the effectiveness of internal control and provides a reasonable assurance of the adequacy and effectiveness of your Company's control, governance and risk management process to the Audit Committee. It also checks the implementation of corrective actions and improvements suggested by the Audit Committee.

Internal Audit focuses on the following objectives, forming part of the Audit Plan approved by the Audit Committee:

- Adherence to the operating systems and manual;
- Performance of operational activities in an efficient and effective manner;
- Compliance with the risk management process;
- Compliance with legislative and regulatory provisions.

The Audit Committee reviews the Audit Reports and also has discussions with the Statutory Auditors.

### **6. Human Resources:**

Your Company continues to maintain a constructive relationship with its employees through a positive environment so as to improve productivity and efficiency. Your company also continues to invest in people process and skill development and provide them with high performance oriented environment.

### **7. Cautionary Statement:**

The information and opinion expressed in this Report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of preparation of the report. The management shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. Prior written permission of the Company may be obtained for furnishing this information to any person.

### **8. Conclusion :**

Your Company's primary focus will be to grow volumes across markets. BTPIL will address each market depending on local conditions and consumer trends. While we recognise that the global environment is extremely challenging there are new opportunities emerging to meet consumer needs. Bharat Textiles will focus on profitable growth through a mix of brand led growth, innovation, efficient cost management and successfully scaling up new businesses.

## **FOR AND ON BEHALF OF THE BOARD**

Date: 26.11.2020  
Place: Chennai

**Sd/-**  
**Ajeet Kumar Bhandari**  
DIN: 01023609  
Managing Director

**Sd/-**  
**Anil Bhandari**  
DIN: 0272237  
Whole Time Director

**Bharat Textiles & Proofing Industries Limited****INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF BHARAT TEXTILES &amp; PROOFING INDUSTRIES LIMITED

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **M/s Bharat Textiles & Proofing Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We do not have any key audit matters that needs to be communicated in our report.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



## **Bharat Textiles & Proofing Industries Limited**

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

**Bharat Textiles & Proofing Industries Limited**

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and with the returns received from the branches not visited by us.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its standalone financial position.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For CHANDARANA & SANKLECHA**  
Chartered Accountants  
Firm Regn No : 000557S

**BHARAT RAJ SANKLECHA**  
Proprietor  
Membership No : 027539  
UDIN : 20027539AAAAEA3805

Place : Chennai  
Date : 25<sup>th</sup> July 2020

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

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of M/s Bharat Textiles & Proofing Industries Limited of even date.)

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

We have audited the internal financial controls over financial reporting of **M/s Bharat Textiles & Proofing Industries Limited** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control



## **Bharat Textiles & Proofing Industries Limited**

stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For CHANDARANA & SANKLECHA**  
Chartered Accountants  
Firm Regn No : 000557S

**BHARAT RAJ SANKLECHA**  
Proprietor  
Membership No : 027539  
UDIN : 20027539AAAAEA3805

Place : Chennai  
Date : 25<sup>th</sup> July 2020

**Bharat Textiles & Proofing Industries Limited****ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of M/s Bharat Textiles & Proofing Industries Limited of even date.)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. The title deeds of the immoveable properties are held in the name of the company.
2. a. The management, at reasonable intervals, has physically verified the inventories during the year.
- b. No material discrepancies were noticed during physical verification of inventory
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act.
4. The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
5. The Company has not accepted any deposits from public.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the activities carried on by the company.
7. (a) The company is regular in depositing undisputed statutory dues, including Income-tax, Goods and Service Tax, Customs duty, Cess and any other statutory dues to the appropriate authorities except for Provident Fund, Employees' State Insurance which were not paid regularly.

According to the information and explanation given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Goods and Service Tax, Customs duty, Cess and any other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues of Service tax, Sales tax, Income tax, Customs duty, Excise duty, Value added tax or Goods and Service Tax which have not been deposited as on 31<sup>st</sup> March, 2020 on account of any disputes are given below :

Nature of the Statute	Nature of Dues	Forum where the	Period to which dispute is pending	Amount (in Rs.) the amount relates
The Income Tax Act, 1961	Income Tax	Commissioner of	A.Y 2015-2016 Income Tax (Appeals)	89,82,010/-

8. The Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, governments or dues to debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid the managerial remuneration in accordance with the requisite approvals mandated by the Provision of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Paragraph 3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where

**Bharat Textiles & Proofing Industries Limited**

applicable and details of such transactions have been disclosed in the standalone Financial Statements as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. Accordingly, Paragraph 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For CHANDARANA & SANKLECHA**

Chartered Accountants  
Firm Regn No : 000557S

**BHARAT RAJ SANKLECHA**

Proprietor  
Membership No : 027539  
UDIN : 20027539AAAAEA3805

Place : Chennai  
Date : 25<sup>th</sup> July 2020



**Bharat Textiles & Proofing Industries Limited****BALANCE SHEET AS AT 31.03.2020**

Particulars	Note No.	As at	
		31st March, 2020	31st March, 2019
		INR	INR
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
Property, Plant and Equipment	3	81,005,604	80,060,728
Capital work-in-progress		4,561,350	-
Investment Property		-	-
Financial Assets			
- Investments		-	-
- Loans		-	-
- Others		-	-
Deferred tax assets (net)	4	6,893,155	7,871,000
Other non-current assets	5	1,268,549	1,115,099
<b>Total non-current assets</b>		<b>93,728,658</b>	<b>89,046,827</b>
<b>Current assets</b>			
Inventories	6	19,127,548	22,816,051
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	7	29,601,906	22,395,042
(iii) Cash & cash equivalents	8	489,307	84,595
(iv) Bank balances other than (iii) above		-	-
Current tax assets (net)		-	-
Other current assets	9	5,924,419	3,099,509
<b>Total current assets</b>		<b>55,143,180</b>	<b>48,395,197</b>
<b>TOTAL ASSETS</b>		<b>148,871,838</b>	<b>137,442,024</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	58,571,400	58,571,400
Other equity	11	(48,331,304)	(51,110,907)
<b>Total equity</b>		<b>10,240,096</b>	<b>7,460,493</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	12	83,080,228	81,677,572
(ii) Other financial liabilities		-	-
Provisions	13	5,899,625	5,233,865
<b>Total non-current liabilities</b>		<b>88,979,853</b>	<b>86,911,437</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	35,305,321	20,648,094
(ii) Trade payables	15	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		7,222,582	10,868,344
(iii) Other financial liabilities		-	-
Current tax liabilities		-	-
Other current liabilities	16	7,123,986	11,553,656
<b>Total current liabilities</b>		<b>49,651,889</b>	<b>43,070,094</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>148,871,838</b>	<b>137,442,024</b>
<b>Significant accounting policies</b>	2		

The accompanying notes are an integral part of the financial statements  
In terms of our report of even date attached.

For CHANDARANA & SANKLECHA  
Chartered Accountants  
Firm Regn No. 000557S

For and on behalf of the Board of Directors

BHARAT RAJ SANKLECHA  
Proprietor  
Membership No. 027539  
Place : Chennai  
Date : 25 July 2020  
UDIN : 20027539AAAAEA3805

Ajeet Kumar Bhandari  
Managing Director  
DIN : 01023609

Anil Kumar Bhandari  
Wholetime Director  
DIN : 02722372

**Bharat Textiles & Proofing Industries Limited****Statement of Profit and Loss for the year ended 31st March, 2020**

Particulars	Note No.	Year ended	
		31st March, 2020	31st March, 2019
		INR	INR
<b>I Income</b>			
Revenue from operation	17	141,236,011	150,521,475
Other income	18	340,209	1,115,189
<b>Total income</b>		<b>141,576,220</b>	<b>151,636,664</b>
<b>II Expenses</b>			
Cost of Raw Material Consumed	19	97,190,478	94,897,682
Purchase of Traded Goods		-	-
(Increase) / Decrease In inventories of Work-in-progress and finished Good,	20	(1,484,578)	6,970,693
Employee benefit expenses	21	9,951,713	13,728,054
Finance cost	22	8,475,657	10,206,122
Depreciation and amortisation	3	5,007,531	4,860,752
Other expenses	23	18,677,971	18,698,938
<b>Total expenses</b>		<b>137,818,772</b>	<b>149,362,241</b>
<b>III Profit / (Loss) before exceptional items and tax (3 - 4)</b>		<b>3,757,448</b>	<b>2,274,423</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit before tax (III-IV)</b>		<b>3,757,448</b>	<b>2,274,423</b>
<b>VI Tax expense:</b>			
- Current tax		-	-
- Deferred tax	4	(977,845)	(867,467)
<b>VII Profit / (Loss) for the year (V - VI)</b>		<b>2,779,603</b>	<b>1,406,956</b>
<b>VIII Other Comprehensive Income</b>			
(A) Items that will be reclassified to profit or loss		-	-
(B) Items that will not be reclassified to profit or loss			
Net gain/(loss) on equity instruments through			
Other Comprehensive Income		-	-
Income tax effect on above		-	-
<b>IX Total Comprehensive Income (VII+VIII)</b>		<b>2,779,603</b>	<b>1,406,956</b>
<b>Earnings per share</b>			
- Basic & Diluted		0.47	0.24
<b>Significant accounting policies</b>	2		

The accompanying notes are an integral part of the financial statements  
In terms of our report of even date attached.

**For CHANDARANA & SANKLECHA**  
Chartered Accountants  
Firm Regn No. 000557S

**For and on behalf of the Board of Directors**

**BHARAT RAJ SANKLECHA**  
Proprietor  
Membership No. 027539  
Place : Chennai  
Date : 25 July 2020  
UDIN : 20027539AAAAEA3805

**Ajeet Kumar Bhandari**  
Managing Director  
DIN : 01023609

**Anil Kumar Bhandari**  
Wholetime Director  
DIN : 02722372

**Bharat Textiles & Proofing Industries Limited****Statement of Cash Flows for the year ended 31st March, 2020**

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	INR	INR	INR	INR
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		3,757,448		2,274,423
<i>Adjustments for:</i>				
Depreciation and amortisation	5,007,531		4,860,752	
Interest Paid	8,453,527		10,146,278	
Interest income	(70,997)		(59,804)	
		<u>13,390,061</u>		<u>14,947,226</u>
<b>Operating profit / (loss) before working capital changes</b>		17,147,509		17,221,649
<b>Movement in working capital:</b>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	3,688,503		3,106,965	
Trade receivables	(7,206,864)		(8,538,446)	
Other receivables	(2,958,827)		6,959,547	
Trade payables	(3,645,762)		2,131,720	
Other liabilities	(3,763,910)		1,013,384	
Cash flow from extraordinary items		(13,886,860)		4,673,170
Cash generated from operations		3,260,649		21,894,819
Net income tax (paid) / refunds		(19,533)		(18,486)
<b>Net cash flow from operating activities (A)</b>		<u>3,241,116</u>		<u>21,876,333</u>
<b>B. Cash flow from investing activities</b>				
Payment for Property, plant and equipments (Net)	(10,513,757)		(783,254)	
Interest received	70,997		59,804	
<b>Net cash flow used in investing activities (B)</b>		<u>(10,442,760)</u>		<u>(723,450)</u>
<b>C. Cash flow from financing activities</b>				
Interest paid	(8,453,527)		(10,146,278)	
Proceeds from borrowings	16,059,883		(11,109,754)	
<b>Net cash flow used in financing activities (C)</b>		<u>7,606,356</u>		<u>(21,256,032)</u>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		404,712		(103,149)
Cash and cash equivalents at the beginning of the year		84,595		187,744
<b>Cash and cash equivalents at the end of the year</b>		<u>489,307</u>		<u>84,595</u>
<b>Components of Cash and Cash Equivalents</b>				
(a) Cash on hand		416,362		12,984
(b) Cheques, drafts on hand		-		-
(c) Balances with banks				
(i) In current accounts		72,945		56,984
(ii) In deposit accounts		-		14,627
		<u>489,307</u>		<u>84,595</u>
See accompanying notes forming part of the financial statements				

In terms of our report of even date attached.

**For CHANDARANA & SANKLECHA**  
Chartered Accountants  
Firm Regn No. 000557S

For and on behalf of the Board of Directors

**BHARAT RAJ SANKLECHA**  
Proprietor  
Membership No. 027539  
Place : Chennai  
Date : 25 July 2020  
UDIN : 20027539AAAAEA3805

**Ajeet Kumar Bhandari**  
Managing Director  
DIN : 01023609

**Anil Kumar Bhandari**  
Wholetime Director  
DIN : 02722372

**Bharat Textiles & Proofing Industries Limited**

## STATEMENT OF CHANGES IN EQUITY (SOCEI)

## Statement of Changes in Equity (SOCIE)

Note (a) : Equity Share Capital

Particulars	As at	
	31st March 2020	31st March 2019
Balance at the beginning of the reporting period	58,571,400	58,571,400
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	58,571,400	58,571,400

## Note (b) : Other Equity

Particulars	Reserves & Surplus		Items of OCI Equity Instruments through OCI	Total Equity
	General reserve	Retained earnings		
<b>Balance at 1st April, 2018</b>	<b>3,300,000</b>	<b>(55,817,863)</b>	-	<b>(52,517,863)</b>
Profit for the year	-	1,406,956	-	1,406,956
Other comprehensive income for the year net of income tax	-	-	-	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>1,406,956</b>	-	<b>1,406,956</b>
Cash dividends	-	-	-	-
Dividend Distribution Tax (DDT)	-	-	-	-
<b>Balance at 31st March, 2019</b>	<b>3,300,000</b>	<b>(54,410,907)</b>	-	<b>(51,110,907)</b>
<b>Balance at the beginning of the reporting period</b>	<b>3,300,000</b>	<b>(54,410,907)</b>	-	<b>(51,110,907)</b>
Profit for the year	-	2,779,603	-	2,779,603
Other comprehensive income for the year net of income tax	-	-	-	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>2,779,603</b>	-	<b>2,779,603</b>
Cash dividends	-	-	-	-
Dividend Distribution Tax (DDT)	-	-	-	-
<b>Balance at 31st March, 2020</b>	<b>3,300,000</b>	<b>(51,631,304)</b>	-	<b>(48,331,304)</b>

In terms of our report of even date attached.

**For CHANDARANA & SANKLECHA**  
Chartered Accountants  
Firm Regn No. 000557S

For and on behalf of the Board of Directors

**BHARAT RAJ SANKLECHA**  
Proprietor  
Membership No. 027539  
Place : Chennai  
Date : 25 July 2020  
UDIN : 20027539AAAAEA3805

**Ajeet Kumar Bhandari**  
Managing Director  
DIN : 01023609

**Anil Kumar Bhandari**  
Wholetime Director  
DIN : 02722372



## Bharat Textiles & Proofing Industries Limited

Note	Particulars
1	<p><b>Corporate information</b></p> <p>M/s.Bharat Textiles and Proofing Industries Ltd (L17111TN1990PLC020072), is a public limited company domiciled in the state of Tamilnadu. The Company is engaged in manufacturing and trading of Tarpaulin, HDPE and chemically processed canvas.</p> <p>The financial statements were approved for issue by the Board of Directors on 25/07/2020</p>
2	<p><b>Basis of preparation of financial statements</b></p>
2.1	<p><b>Basis of preparation and compliance with Ind AS</b></p> <p>The Financial Statements of the Company as at and for the year ended 31st March 2020 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('Act'), and the Companies (Indian Accounting Standards) Rules issued from time to time and relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).</p>
2.2	<p><b>Basis of measurement</b></p> <p>The financial statements have been prepared on a going concern basis, using historical cost convention and on an accrual method of accounting, except for financial assets, financial liabilities and defined benefit plans which have been measured at fair value, as required by relevant Ind AS.</p>
2.3	<p><b>Current and non-current classification</b></p> <p>The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.</p> <p>An asset is classified as current if it satisfies any of the following criteria:</p> <ol style="list-style-type: none"><li>It is expected to be realised or intended to be sold in the Company's normal operating cycle.</li><li>It is held primarily for the purpose of trading,</li><li>It is expected to be realised within twelve months after the reporting period, or</li><li>It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period</li></ol> <p>All other assets are classified as non-current</p> <p>A liability is classified as current if it satisfies any of the following criteria:</p> <ol style="list-style-type: none"><li>it is expected to be settled in the Company's normal operating cycle,</li><li>it is held primarily for the purpose of trading,</li><li>it is due to be settled within twelve months after the reporting period</li><li>there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.</li></ol> <p>The Company classifies all other liabilities as noncurrent. Current liabilities include current portion of noncurrent financial liabilities</p> <p>Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.</p>
2.4	<p><b>Use of estimates and assumptions</b></p> <p>The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.</p>
2.5	<p><b>Property, plant and equipment</b></p> <p>Property, plant and equipments are stated at historical cost less accumulated depreciation. Cost comprises of purchase price and other attributable costs, if any, in bringing the assets to its working condition for its intended use.</p> <p>On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.</p> <p><b>Depreciation</b></p> <p>(i) Depreciation on Property, plant and equipment is provided for on Straight Line method in the manner prescribed in Part C of Schedule II of the Companies Act, 2013 and reckoning the maximum residual value @ 5% of the original cost of the asset. (ii) In respect of addition of assets during the year, depreciation has been provided on Pro-rata basis.</p>
2.6	<p><b>Inventories</b></p> <p>Inventories are valued as under : (i) Raw Materials, Stores &amp; Consumables* - at lower of cost or net realisable value. (ii) Work In progress** - at cost. (iii) Finished Goods*** - at lower of cost or net realizable value. Costs are arrived at by using FIFO method and it includes the followings : * Cost of raw materials includes purchase price plus transportation charges, insurance charges, handling charges and other direct attributable costs to bring the material to the present location as on the reporting date. ** Cost of Work in progress includes landed cost of raw material plus proportionate labour and overheads on absorption costing basis. *** Cost of finished goods includes landed cost of raw material plus proportionate labour and overheads on absorption costing basis.</p>
2.7	<p><b>Revenue recognition</b></p> <p><b>Sale of goods</b> Revenue is recognised at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax, value added tax and Goods &amp; Service Tax except excise duty.</p> <p><b>Others</b> All other incomes are recognised when no significant uncertainty as to its subsequent realisation exists.</p>



## Bharat Textiles & Proofing Industries Limited

### 2.8 Employee benefits

#### (i) Short-term employee benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

#### (ii) Post Employment benefits

##### (a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Contributions paid/payable for Provident Fund of eligible employees is recognized in the statement of Profit and Loss each year.

##### (b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Post employment benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The calculation of defined benefit obligation is performed by the management under projected unit credit method.

### 2.9 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

#### (A) Financial Assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

- a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) Those to be measured at amortised cost. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

#### (i) Amortised Cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- a) The asset is held within a business model with the objective of collecting the contractual cash flows, and
- b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

#### (ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, and interest revenue which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

#### (iii) Financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss:

- a) Debt investments that do not qualify for measurement at amortised cost;
- b) Debt investments that do not qualify for measurement at fair value through other comprehensive income; and
- c) Debt investments that have been designated at fair value through profit or loss.

#### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

#### (B) Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.



## **Bharat Textiles & Proofing Industries Limited**

### **Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. Loans and borrowings, payables are subsequently measured at amortised cost.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **2.10 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### **2.11 Taxation**

#### **A. Current Tax**

Current income tax is measured at the amount of tax expected to be payable on the taxable income for the year.

#### **B. Deferred Tax**

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **2.12 Segment accounting**

The Company operates in a single segment i.e. manufacturing and marketing of cotton canvas and hence not call for segmentwise disclosure of assets, liabilities, revenues or expenses as prescribed under Indian Accounting Standard 108 on "Operating Segments". The Company operated mainly in Indian market during the year and there are no reportable geographical segments.

### **2.13 Provisions, Contingent Liabilities, Contingent Assets and Commitments**

#### **A. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### **B. Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made.

#### **C. Contingent assets**

Contingent assets are disclosed, where an inflow of economic benefit is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### **2.14 Cash flow statement**

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

### **2.15 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

### **2.16 Dividend to Equity Shareholders**

Dividend to equity shareholders is recognised as a liability and deducted from shareholder's equity in the period in which the dividends are approved by the equity shareholders in the general meeting.



## Bharat Textiles & Proofing Industries Limited

**Notes to Financial statements**  
**Note 3 : Property, plant and equipment**

Particular	Gross Block			Depreciation				Net Block	
	As at 01-04-2019	Additions	Deletions	As at 31-03-2020	Upto 01-04-2019	For the Year	On deletion	As at 31-03-2020	As at 31-03-2019
Land and Site Development	5,902,547	-	-	5,902,547	-	-	-	-	5,902,547
Buildings	31,853,059	-	-	31,853,059	3,721,130	1,483,778	-	5,204,908	28,131,929
Plant and Machinery	50,701,385	5,858,910	-	56,560,295	6,110,494	3,180,745	-	9,291,239	44,590,891
Vehicles	1,599,475	-	-	1,599,475	622,388	217,388	-	839,776	977,087
Furniture & Fixtures	90,618	-	-	90,618	4,577	8,609	-	13,186	77,432
Office Equipments	607,203	93,497	-	700,700	234,970	117,011	-	351,981	372,233
<b>Total</b>	<b>90,754,287</b>	<b>5,952,407</b>	<b>-</b>	<b>96,706,694</b>	<b>10,693,559</b>	<b>5,007,531</b>	<b>-</b>	<b>15,701,090</b>	<b>80,060,728</b>

Particular	Gross Block			Depreciation				Net Block	
	As at 01-04-2018	Additions	Deletions	As at 31-03-2019	Upto 01-04-2018	For the Year	On deletion	As at 31-03-2019	As at 31-03-2018
Land and Site Development	5,902,547	-	-	5,902,547	-	-	-	-	5,902,547
Buildings	31,853,059	-	-	31,853,059	2,237,352	1,483,778	-	3,721,130	29,615,707
Plant and Machinery	50,389,285	312,100	-	50,701,385	3,020,784	3,089,710	-	6,110,494	47,368,501
Vehicles	1,473,790	125,685	-	1,599,475	411,520	210,868	-	622,388	1,062,270
Furniture & Fixtures	-	90,618	-	90,618	-	4,577	-	4,577	86,041
Office Equipments	352,352	254,851	-	607,203	163,151	71,819	-	234,970	189,201
<b>Total</b>	<b>89,971,033</b>	<b>783,254</b>	<b>-</b>	<b>90,754,287</b>	<b>5,832,807</b>	<b>4,860,752</b>	<b>-</b>	<b>10,693,559</b>	<b>84,138,226</b>



**Bharat Textiles & Proofing Industries Limited****Note 4 : Deferred tax assets (net)**

Particulars	Balance sheet	
	As at 31st March 2020	As at 31st March 2019
<b>(a) Statement of Profit &amp; loss</b>		
<b>Profit &amp; loss section</b>		
Current income tax	-	-
Deferred tax relating to origination & reversal of temporary differences	(977,845)	(867,467)
Deferred tax relating to Ind AS adjustments	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(977,845)</b>	<b>(867,467)</b>
<b>(b) Other comprehensive income section</b>		
Unrealised (gain)/loss on FVTOCI equity securities	-	-
Net loss/(gain) on remeasurements of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended</b>		
Accounting profit before income tax	3,757,448	2,274,423
Statutory income tax rate	25.17%	26.00%
Tax at applicable statutory income tax rate	<b>(A) 945,675</b>	<b>591,350</b>
<b>Tax effects of :</b>		
Income not subject to tax	-	-
Inadmissible expenses or expenses treated separately	-	-
Admissible deductions	173,098	(121,195)
Deduction Under chapter -VI	-	-
Deferred tax on other items	(2,096,618)	(1,337,622)
<b>Total tax effect</b>	<b>(B) (1,923,520)</b>	<b>(1,458,817)</b>
<b>Income tax expense reported in statement of Profit &amp; loss</b>	<b>(A+B) (977,845)</b>	<b>(867,467)</b>

**Deferred tax relates to the following:**

Particulars	Balance sheet	
	As at 31st March 2020	As at 31st March 2019
<b><u>Deferred tax liability</u></b>		
Property, plant and equipment	(5,586,630)	(4,848,584)
<b><u>Deferred tax asset</u></b>		
Minimum Alternative Tax	4,196,574	4,196,574
Carried forwarded losses as per Income Tax Act	6,749,308	7,162,205
Expenses allowable on payment basis for tax purposes	1,533,903	1,360,805
<b>Total</b>	<b>6,893,155</b>	<b>7,871,000</b>

**Bharat Textiles & Proofing Industries Limited**

Particulars	Profit and Loss	
	As at 31st March 2020	As at 31st March 2019
Property, plant and equipment	(738,046)	(864,197)
Minimum Alternative Tax	-	-
Carried forward losses as per Income Tax Act	(412,897)	117,925
Expenses allowable on payment basis- Gratuity (U/s 43B of Income Tax Act)	173,098	(121,195)
<b>Total</b>	<b>(977,845)</b>	<b>(867,467)</b>

**Reconciliation of deferred tax assets (net):**

Particulars	As at	As at
	31st March 2020	31st March 2019
Balance at the beginning of the reporting period	7,871,000	8,738,467
Tax income/(expense) during the period recognised in Profit & Loss	(977,845)	(867,467)
<b>Total</b>	<b>6,893,155</b>	<b>7,871,000</b>

**Note 5 : Other non-current assets**

Particulars	As at	As at
	31st March 2020	31st March 2019
Security Deposits	1,268,549	1,115,099
<b>Total</b>	<b>1,268,549</b>	<b>1,115,099</b>

**Note 6 : Inventories**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Stock In Trade</b>		
Raw Materials	8,414,214	14,448,474
Work in progress	2,337,469	1,808,038
Finished Goods	6,397,987	5,442,840
Stores & Spares	1,219,145	722,708
Power & Fuel	758,733	393,991
<b>Total</b>	<b>19,127,548</b>	<b>22,816,051</b>

**Note 7 : Trade receivables**

Particulars	As at	As at
	31st March 2020	31st March 2019
Secured, considered good	-	-
Unsecured, considered good	29,601,906	22,395,042
Unsecured, considered doubtful	-	-
	29,601,906	22,395,042
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b>29,601,906</b>	<b>22,395,042</b>

**Bharat Textiles & Proofing Industries Limited****Note 8 : Cash and cash equivalents**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Cash and cash equivalents</b>		
Cash on hand	416,362	12,984
Balances with banks		
- In current accounts	72,945	56,984
- In deposit accounts	-	14,627
<b>Total</b>	<b>489,307</b>	<b>84,595</b>

**Note 9 : Other current assets**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Unsecured, considered good</b>		
Balances with govt. authorities	1,948,357	2,096,577
Advance to suppliers	-	-
Earnest Money Deposit	10,195	10,195
Others	3,965,867	992,737
<b>Total</b>	<b>5,924,419</b>	<b>3,099,509</b>

**Note 10 : Equity Share capital**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity Shares of Rs 10/- each with voting rights	16,000,000	160,000,000	16,000,000	160,000,000
<b>Issued</b>				
Equity Shares of Rs 10/- each with voting rights				
Shares outstanding at beginning of the year	5,857,140	58,571,400	5,857,140	58,571,400
Shares outstanding at the end of the year	<b>5,857,140</b>	<b>58,571,400</b>	<b>5,857,140</b>	<b>58,571,400</b>
<b>Subscribed and fully paid up</b>				
Equity Shares of Rs 10/- each with voting rights				
Shares outstanding at beginning of the year	5,857,140	58,571,400	5,857,140	58,571,400
Shares outstanding at the end of the year	5,857,140	58,571,400	5,857,140	58,571,400
<b>Total</b>	<b>5,857,140</b>	<b>58,571,400</b>	<b>5,857,140</b>	<b>58,571,400</b>

**a) Rights, preferences and restrictions attached to shares**

Equity shares

The Company has one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**b) Shareholders holding more than 5% of equity share capital**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of shares	Amount	Number of shares	Amount
Ugamchand Bhandari	528,940	9.03%	528,940	9.03%
Veena Bhandari	513,910	8.77%	513,910	8.77%
H Mahaveer Chand Jain	312,000	5.33%	312,000	5.33%
Ajeet Kumar Bhandari	505,570	8.63%	505,570	8.63%
<b>Total</b>				

**Bharat Textiles & Proofing Industries Limited****Note 11 : Other equity**

Particulars	Reserves & Surplus		Items of OCI Equity Instruments through OCI	Total Equity
	General reserve	Retained earnings		
<b>Balance at 1st April, 2018</b>	<b>3,300,000</b>	<b>(55,817,863)</b>	-	<b>(52,517,863)</b>
Profit for the year	-	1,406,956	-	1,406,956
Other comprehensive income for the year net of income tax	-	-	-	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>1,406,956</b>	-	<b>1,406,956</b>
Cash dividends	-	-	-	-
Dividend Distribution Tax (DDT)	-	-	-	-
	-	-	-	-
<b>Balance at 31st March, 2019</b>	<b>3,300,000</b>	<b>(54,410,907)</b>	-	<b>(51,110,907)</b>
<b>Balance at the beginning of the reporting period</b>	<b>3,300,000</b>	<b>(54,410,907)</b>	-	<b>(51,110,907)</b>
Profit for the year	-	2,779,603	-	2,779,603
Other comprehensive income for the year net of income tax	-	-	-	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>2,779,603</b>	-	<b>2,779,603</b>
Cash dividends	-	-	-	-
Dividend Distribution Tax (DDT)	-	-	-	-
	-	-	-	-
<b>Balance at 31st March, 2020</b>	<b>3,300,000</b>	<b>(51,631,304)</b>	-	<b>(48,331,304)</b>

**Note 12 : Borrowings-Long Term**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b><u>Secured</u></b>		
<b><u>From Banks</u></b>		
<b>Term Loan from HDFC Bank</b>	295,854	451,773
(Secured by hypothecation of vehicles)		
<b>Term Loan from Axis Bank II</b>	-	1,629,676
(Secured by land & building situated at 71/9, 71/10 & 71/11, Thanduru revenue village, Vardaihpalem Revenue Mandal, Chittoor District, Andhra Pradesh, personal guarantee by directors and collateral security against land & building situated at No 46, Sirupuzhalpatti Village, Gummidipoondi Taluk)		
<b><u>Unsecured</u></b>		
From Directors & relatives	16,150,025	13,940,542
<b>From Others</b>		
From Corporates	66,634,349	67,285,257
<b>Total</b>	<b>83,080,228</b>	<b>81,677,572</b>

**Bharat Textiles & Proofing Industries Limited****Note 13 : Long term provisions**

Particulars	As at	As at
	31st March 2020	31st March 2019
Provision for Gratuity (Refer Note 25)	5,899,625	5,233,865
<b>Total</b>	<b>5,899,625</b>	<b>5,233,865</b>

**Note 14 : Financial Liabilities- borrowings short term**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b><u>Secured</u></b>		
<b><u>From Banks</u></b>		
<b>Cash Credit From Bank</b>	-	18,817,545
(Secured by Inventories & Trade receivable, personal guarantee by directors and collateral security against land & building situated at No 46, Sirupuzhalpatti Village, Gummidipoondi Taluk)		
<b>Cash Credit From ICICI Bank</b>	35,149,402	-
(Secured by land & building situated at No 994, Sathyavedu Road, Sirupuzhalpatti Village, Gummidipoondi Taluk and Collateral Security situated at 71/9, 10, 11 Chinapundi village Thondur revenue village, chittoor district)		
<b>Term Loans from Bank</b>		
<b>Term Loan from HDFC Bank</b>	155,919	135,660
(Secured by hypothecation of vehicles)		
<b>Term Loan from Axis Bank II</b>	-	1,648,805
(Secured by land & building situated at 71/9, 71/10 & 71/11, Thanduru revenue village, Vardaihpalem Revenue Mandal, Chittoor District, Andhra Pradesh, personal guarantee by directors and collateral security against land & building situated at No 46, Sirupuzhalpatti Village, Gummidipoondi Taluk)		
<b>Term Loan from Mansa Auto Finance</b>	-	46,084
(Secured by hypothecation of vehicles)		
<b>Total</b>	<b>35,305,321</b>	<b>20,648,094</b>

**Note 15 : Current financial liabilities- trade payables**

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Unsecured, considered good</b>		
Due to Micro, Small and Medium Enterprises (MSMED)*	-	-
Others	7,222,582	10,868,344
<b>Total</b>	<b>7,222,582</b>	<b>10,868,344</b>

\*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Particulars	As at	As at
	31st March 2020	31st March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**Note 16 : Other current liabilities**

Particulars	As at	As at
	31st March 2020	31st March 2019
Statutory dues	711,759	1,124,042
Others	6,412,227	10,429,614
<b>Total</b>	<b>7,123,986</b>	<b>11,553,656</b>

**Bharat Textiles & Proofing Industries Limited****Notes to Financial statements****Note 17 : Revenue from operation**

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	INR	INR
<b>Revenue from operation</b>		
<b>Sale of Products</b>		
(a) Finished Goods	139,036,002	144,748,206
(b) Job works charges receipts	2,200,009	5,773,269
<b>Total</b>	<b>141,236,011</b>	<b>150,521,475</b>

**Note 18 : Other income**

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	INR	INR
(a) Interest income	70,834	59,804
(b) Foreign Exchange Fluctuation	-	12,964
(c) Rebate and Discount	140,164	137,017
(d) Duty Draw Back	-	43,259
(e) Insurance Claim Receipts	-	376,597
(f) Interest on Income Tax Refund	163	-
(g) Packing & Forwarding Charges Collected	129,048	485,548
<b>Total</b>	<b>340,209</b>	<b>1,115,189</b>

**Note 19 : Cost of materials consumed**

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	INR	INR
Opening stock		
- Yarn, Dies & Chemicals, Canvas	14,448,474	9,619,212
Add : Purchases		
- Yarn, Dies & Chemicals, Canvas	91,156,218	99,726,944
Less : Closing Stock		
- Yarn, Dies & Chemicals, Canvas	8,414,214	14,448,474
<b>Cost of material consumed</b>	<b>97,190,478</b>	<b>94,897,682</b>

**Note 20 : Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	INR	INR
<u>Inventories at the end of the year:</u>		
Work-in-Progress	2,337,469	1,808,038
Finished goods	6,397,987	5,442,840
	8,735,456	7,250,878
<u>Inventories at the beginning of the year:</u>		
Work-in-Progress	1,808,038	1,232,968
Finished goods	5,442,840	12,988,603
	7,250,878	14,221,571
<b>Net (increase) / decrease</b>	<b>(1,484,578)</b>	<b>6,970,693</b>

**Bharat Textiles & Proofing Industries Limited****Note 21 : Employee benefit expenses**

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	INR	INR
(a) Salaries, Wages, Bonus and other benefits	6,854,929	10,432,625
(b) Contributions to provident and other funds	395,506	857,297
(c) Gratuity Expenses	800,000	721,633
(d) Director's Remuneration	1,399,200	1,399,200
(e) Staff welfare expenses	502,078	317,299
<b>Total</b>	<b>9,951,713</b>	<b>13,728,054</b>

**Note 22 : Finance cost**

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	INR	INR
Interest on Secured Loans	3,431,322	3,225,208
Interest on Unsecured Loans	5,015,158	6,855,030
Interest on Others	7,047	66,040
Bank Charges	22,130	59,844
<b>Total</b>	<b>8,475,657</b>	<b>10,206,122</b>

**Note 23 : Other expenses**

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	INR	INR
Audit Fees	116,000	116,000
Advertisement Expenses	196,000	94,776
Brokerage & Commission	274,108	181,126
Conveyance Expenses	17,945	25,439
Consumption of Stores & Spares	2,423,808	2,119,153
Claims & Rebates	72,833	214,150
Donation	3,500	10,000
Freight & Forwarding Charges	646,823	2,127,477
General Expenses	66,775	267,564
Insurance Charges	130,230	116,734
Job Work Charges Payments	839,412	766,450
Legal And Professional Fee	581,657	513,640
Loan Processing Charges	225,000	240,226
Machine Hire Charges	51,000	204,000
Miscellaneous Expenses	5,873	62,917
Postage Expenses	286,995	246,535
Power, Fuel & Electricity	6,873,631	7,987,944
Printing & Stationery	232,439	119,864
Listing Fees	562,500	250,000
Rate & Taxes	271,924	256,072
Repairs & Maintenance - Machinery	1,117,332	299,859
Repairs & Maintenance - Computer	20,212	34,116
Repairs & Maintenance - Others	281,248	273,500
Rent	1,037,000	373,710
Sales Promotion Expenses	247,066	412,188
Security Charges	568,878	838,408
Sitting Fees	46,000	58,000
Sundry Balance W/off	26	99
Telephone & Internet Expenses	66,702	66,377
Testing fees	14,400	10,600
Travelling Expenses	1,064,492	191,386
Vehicle Maintenance	336,162	220,628
<b>Total</b>	<b>18,677,971</b>	<b>18,698,938</b>

**Bharat Textiles & Proofing Industries Limited****Notes (i) : Payments to Auditors, excluding taxes**

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
	INR	INR
<b>Payments to the auditors</b>		
- For Statutory Audit	70,000	70,000
- For Tax Audit	20,000	20,000
- For Taxation Matters	10,000	10,000
- Others Matters	16,000	16,000
<b>Total</b>	<b>116,000</b>	<b>116,000</b>

Note	Particulars	As at	As at
		31st March 2020	31st March 2019
		INR	INR
<b>24</b>	<b>(i) Commitments and Contingent liabilities (to the extent not provided for)</b>		
	Commitments	NIL	NIL
	Contingent liabilities		
	- Claims against the Company not acknowledged as debt		
	- Disputed Income tax demands appealed against, not provided for (AY 2015-2016)	8,982,010	8,982,010

**(ii) Contingent Assets**

The Company does not have any contingent assets.

**25** Sales and purchase includes inter-branch transaction of Rs 3,89,85,514/- (F.Y 2018-2019 : Rs 3,95,41,288/-).

**26 Employee benefit plans****a) Defined contribution plans:**

Amount towards Defined Contribution Plans have been recognised under "Contributions to provident and other funds" in Note : 21 Rs 3,95,506/- for financial year 2019-2020 (Rs 8,57,297/- for financial year 2018-2019).

**b) Defined benefit plans:**

The Company operates post employment defined employee benefits plans in the form of funded Gratuity. Details of funded plans are as follows:

Particular	As at	As at
	31st March 2020	31st March 2019
	INR	INR
<b>1. Changes In Present Value of obligation</b>		
a. Obligation as at the beginning of the year	5,233,865	5,700,000
b. Current Service Cost	800,000	721,633
c. Interest Cost	-	-
d. Actuarial (Gain)/Loss	-	-
e. Benefits Paid	134,240	1,187,768
f. Obligation as at the end of the year	<b>5,899,625</b>	<b>5,233,865</b>
<b>2. Changes in Fair Value of Plan Assets</b>		
a. Fair Value of Plan Assets as at the beginning of the year	-	-
b. Expected return on Plan Assets	-	-
c. Actuarial Gain/(Loss)	-	-
d. Contributions	-	-
e. Benefits Paid	-	-
f. Fair Value of Plan Assets as at the end of the year	-	-
<b>3. Amount Recognised in The Balance Sheet</b>		
a. Fair Value of Plan Assets as at the end of the year	-	-
b. Present Value of Obligation as at the end of the year	5,899,625	5,233,865
c. Amount recognised in the Balance Sheet	<b>(5,899,625)</b>	<b>(5,233,865)</b>
<b>4. Expense recognised in P &amp; L during the year</b>		
a. Current Service Cost	800,000	721,633
b. Net Interest Cost	-	-
c. Expense recognised during the year	<b>800,000</b>	<b>721,633</b>



**Bharat Textiles & Proofing Industries Limited****5. Expense recognised in OCI during the year**

a. Return on Plan Assets, Excluding Interest Income	-	-
b. Actuarial (Gain)/Loss recognised on Obligation	-	-
c. Net (Income)/Expense recognised during the year	-	-

**Assumptions :**

Particular	As at	As at
	31st March 2020	31st March 2019
	INR	INR
a. Discount Rate (per annum)	7.55%	7.55%
b. Salary Escalation Rate (per annum)	4.00%	5.00%
c. The estimate of mortality rate during employment has been considered as per Indian Assured Lives Mortality (2006-2008).		
d. The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.		

**NoteParticulars****27 Related party transactions****Description of relationship****Names of related parties****Key Management Personnel (KMP)**

Managing Director	Mr. Ajeet Kumar Bhandari
Whole-time Director & CEO	Mr. Anil Bhandari
Independent Director	Mr. Mahendra Kumar Bhandari
Non-Executive Director	Mrs. Shikha Bhandari
Independent Director	Mr. Sivaraman Uthayakumar
Independent Director	Mr. Janarthanam Udayakumar

**Relatives of Directors & Key Management Personnel**

Rudraaksh Textiles LLP  
 Krishna Tarupaulin Pvt Ltd  
 Rudresh Polymer India LLP  
 Him Marketing

**(a) Details of transactions with Key management personnel :**

Description	Name	Year ended	Year ended
		31st March, 2020	31st March, 2019
Managerial remuneration	Ajeet Kumar Bhandari	1,219,200	1,219,200
	Anil Kumar Bhandari	180,000	180,000
Interest to Directors	Ajeet Kumar Bhandari	1,019,937	1,170,241
	Anil Kumar Bhandari	336,891	320,569
Loans Outstanding	Ajeet Kumar Bhandari	11,023,095	10,090,152
	Anil Kumar Bhandari	3,794,592	3,850,390
Salary Payable	Ajeet Kumar Bhandari	10,204	8,300
	Anil Kumar Bhandari	-	-
Sitting Fees	Mahendra Kumar Bhandari	18,000	24,000
	Sivaraman Uthayakumar	18,000	24,000
	Janarthanam Udayakumar	10,000	10,000
Sitting Fees Payable	Mahendra Kumar Bhandari	5,400	-

**Bharat Textiles & Proofing Industries Limited****(b) Details of transactions with Relatives of Directors & Key Management Personnel**

Rudraaksh Textiles LLP	Purchase	156,975	48,240
	Sales	3,206,229	16,022,020
	Account Receivable	780,459	-
	Account Payable	-	4,060,083
Krishna Tarupaulin Pvt Ltd	Sales	-	12,499
Rudresh Polymer India LLP	Purchases	470,112	794,508
	Account Payable	4,810	752,508
Him Marketing	Job Work Charges Payment	931,746	858,424
	Purchase	4,246	-
	Sales	509,541	1,246,759
	Account Receivable	-	396,000
	Account Payable	234,269	-
Hospira Agencies	Sales	61,314	-
	Staff Welfare Expenses	12,824	-
	Account Receivable	61,314	-
	Account Payable	12,824	-
Krishna Kumar Bhandari	Interest Payments	2,811	-
	Loans Outstanding	477,811	-
Veena Bhandari	Interest Payments	5,030	-
	Loans Outstanding	854,527	-

\* All the above figures are including taxes, wherever applicable.

Note	Particulars	Year ended	Year ended
		31st March, 2020	31st March, 2019
		INR	INR
28	<b>Earnings per share</b>		
	<u>Basic &amp; Diluted</u>		
	Net profit / (loss) for the year	2,779,603	1,406,956
	Weighted average number of equity shares	5,857,140	5,857,140
	Par value per share	10	10
	Earnings per share	0.47	0.24

29 Previous year's figures have been re-grouped/re-arranged wherever found necessary.

In terms of our report of even date attached.

**For CHANDARANA & SANKLECHA**  
Chartered Accountants  
Firm Regn No. 000557S

**For and on behalf of the Board of Directors**

**BHARAT RAJ SANKLECHA**  
Proprietor  
Membership No. 027539  
Place : Chennai  
Date : 25 July 2020  
UDIN : 20027539AAAAEA3805

**Ajeet Kumar Bhandari**  
Managing Director  
DIN : 01023609

**Anil Kumar Bhandari**  
Wholesale Director  
DIN : 02722372

**BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**  
**CIN: L17111TN1990PLC020072**

**Registered Office:** 994, Sathyavedu Road,T,Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi-601201

**ATTENDANCE SLIP**

(To be handed over at entrance of the Meeting Venue)

Folio No..... DP.ID No./ Client ID .....

Name of the Member ..... Signature .....

Name of Proxy Holder ..... Signature .....

No. of share held .....E-mail ID .....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 28<sup>th</sup> December, 2020 at 11:00 A.M. at the Regd. Office: # No. 994, Sathyavedu Road,T, Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi-601201.

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

Note: Please fill this Admission Slip and hand it over at the entrance. Shareholders who come to attend the meeting are requested to bring the copies of the Annual Report also with them.

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**BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**  
**CIN: L17111TN1990PLC020072**

**Registered Office:** 994, Sathyavedu Road,T,Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi-601201

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and  
Rule 1(3) of the Companies(Management and Administration) Rules, 2014]

Name of the member(s):	
Registered Address:	
e-mail Id:	
Folio No/Client ID:	
DP ID No	

I/We, being the member(s) of \_\_\_\_\_ shares of Bharat Textiles & Proofing Industries Limited, hereby appoint:

1. \_\_\_\_\_ residing at \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her;
2. \_\_\_\_\_ residing at \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her;
3. \_\_\_\_\_ residing at \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him/her;

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 28<sup>th</sup> December, 2020 at 11:00 A.M

No. 994, Sathyavedu Road, T, Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi-601201 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	In favour *	Against*
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended on 31st March, 2020 and the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Ajeet Bhandari (DIN: 01023609), who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
3.	To approve material related party transactions		
4.	To approve the appointment of Mr. Krishna Kumar Bhandari as a Director of the Company		
5.	To approve the appointment of Mrs. Veena Bhandari as a Director of the Company		
6.	To approve the appointment of Mrs. Krishna Kumar Bhandari as a Whole-time Director of the Company		
7.	To consider and approve revision in payment of managerial remuneration to Mr. Ajeet Kumar Bhandari (DIN: 01023609), Managing Director of the Company		
8.	To consider and approve revision in payment of managerial remuneration to Mr. Anil Kumar Bhandari (DIN: 02722372), CFO and Whole-time Director of the Company		

\*Please put (✓) wherever applicable.

Signed this..... day of.....2020

\_\_\_\_\_  
Signature of shareholder

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

1. Proxy need not be a member of the Company.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

Book-Post

To.

*If undelivered return to :*

**BHARAT TEXTILES & PROOFING INDUSTRIES LTD.**  
39, ANNA SALAI, 205, ABC TRADE CENTER,  
(INSIDE DEVI THEATER COMPOUND)  
CHENNAI - 600 002.