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**Bhilwara Technical Textiles Limited**

Annual Report 2009 - 2010

## BOARD OF DIRECTORS

Mr. Shekhar Agarwal	Chairman & Managing Director
Mr. Riju Jhunjhunwala	Director
Mr. P.S. Dasgupta	Director
Mr. Pawan Kumar Deora	Director

## COMPANY SECRETARY & CFO

Mr. Vikas Prakash

## REGISTERED OFFICE

LNJ Nagar, Mordi,  
Banswara – 327 001 (Rajasthan)  
Phone: 02961 – 231640  
Fax: 02961 – 231254

## CORPORATE OFFICE

Bhilwara Towers  
A-12, Sector-1  
Noida – 201 301.  
Phone: 0120-2541810, 4390000  
Fax: 0120-2531648, 4390300  
Website : [www.bttil.co.in](http://www.bttil.co.in)

## AUDITORS

M/s. Ashim & Associates,  
New Delhi

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# NOTICE

## **BHILWARA TECHNICAL TEXTILES LIMITED**

**Regd. Office: LNJ Nagar, Mordī, Banswara - 327 001, RAJASTHAN**

NOTICE is hereby given that the Third Annual General Meeting of the Members of the Company will be held on Monday, the 19th day of July, 2010 at 2:00 P.M. at the Registered Office of the Company at LNJ Nagar, Mordī, Banswara - 327 001, Rajasthan to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the period ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P.S. Dasgupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

BY ORDER OF THE BOARD  
FOR **BHILWARA TECHNICAL TEXTILES LIMITED**

Place : Noida (U.P.)  
Date : 16 June, 2010

**Vikas Prakash**  
Company Secretary

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The relevant detail in respect of item Nos. 2 pursuant to Clause 49 of the Listing Agreement is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 12th July, 2010 (Monday) to 19th July, 2010 (Monday) (both days inclusive).
4. Members are requested to:
  - (i) Quote their folio number/ Client ID No in all correspondence with the Company.
  - (ii) Notify immediately to the Company all changes with respect to their bank details, mandate, nomination, Power of Attorney and Change of Address. Members holding shares in electronic form should send their requests regarding the same to their respective Depository Participants.
5. Members who are holding Company's shares in electronic form are required to bring details of their Depository Account, such as Client ID and DPID numbers for identification.
6. Members seeking any information/ clarification with regard to accounts and audit are requested to write to the Company in advance and their queries should reach the registered office of the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information/ clarification ready.

**ANNEXURE TO NOTICE****Details of the Director Seeking re-appointment in forthcoming Annual General Meeting**

(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Mr. P.S. Dasgupta
Category	Independent- Non Executive
Inter-se relationship	N.A.
Date of Birth	30th June, 1955
Date of Appointment	6th April, 2009
Qualification	Post Graduate Diploma in Corporate Laws and labour Laws, LLB and B.A. Eco (H).
Expertise in specific functional areas	Renowned international corporate lawyer and represents a leading law firm in New Delhi.
List of other Public Companies in which Directorships held	<ol style="list-style-type: none"> <li>1. Cummins India Ltd.</li> <li>2. Maral Overseas Limited</li> <li>3. Otis Elevator Co. India Ltd.</li> <li>4. Timken India Ltd.</li> <li>5. Tricone Projects India Ltd.</li> </ol>
Chairman/Member of the Committee of the Board of Directors of the Company	<ol style="list-style-type: none"> <li>1. Audit Committee - Member</li> <li>2. Shareholders'/Investors' Grievance Committee - Chairman</li> </ol>
<b>Chairman/Member of the Committees of Directors of other companies :</b>	
a) Audit Committee	<ol style="list-style-type: none"> <li>1. Cummins India Ltd. - Member</li> <li>2. Maral Overseas Ltd - Member</li> <li>3. Otis Elevator Co. India Ltd. - Member</li> <li>4. Timken India Ltd. - Chairman</li> <li>5. Tricone Projects India Ltd. - Member</li> </ol>
b) Shareholders'/Investors' Grievance Committee	<ol style="list-style-type: none"> <li>1. Cummins India Ltd. - Member</li> <li>2. Otis Elevator Co. India Ltd. - Member</li> </ol>
No. of Equity Shares held in Company	NIL

# MANAGEMENT & DISCUSSION ANALYSIS

## REVIEW OF THE SECTOR

Indian economy has been witnessing a phenomenal growth since the last decade. The Indian economy, characterized by strong macro-economic fundamentals, has grabbed the world's attention as one of the fastest growing economies with future promise. The country is still holding its ground in the midst of the current global financial crisis.

Indian Textile Industry is one of the largest textile industries in the world. Today, Indian economy is largely dependent on textile manufacturing and exports. India earns around 27% of the foreign exchange from exports of textiles. Further, Indian Textile Industry contributes about 14% of the total industrial production of India. Furthermore, its contribution to the gross domestic product of India is around 3% and the numbers are steadily increasing. India Textile Industry involves around 35 million workers directly and accounts for 21% of the total employment generated in the economy, the second largest provider of employment after agriculture.

## TECHNICAL TEXTILES

The current market size of technical textile in India is estimated at Rs. 41,756 crore. The overall technical textile industry in India is expected to grow at the rate of 11% year on year and reach a market size of Rs 70,151 crore by the year 2012-13. The current technical textile consumption in India is estimated at Rs.38,835 crore which is expected to increase to Rs. 65,722 crore by the year 2012-13.

## BUSINESS

A scheme of Arrangement/De-merger between the RSWM Ltd. (RSWM) and the Bhilwara Technical Textiles Ltd. (BTTL) was approved by the Hon'ble High Court of Rajasthan at Jodhpur resulting to which the Strategic Investment Division of the RSWM consisting 66,00,000 equity shares of the BMD Pvt. Ltd. (BMD) was de-merged into BTTL. Pursuant to the said High Court order, every shareholder of RSWM holding 4 equity shares of Rs.10/- each was allotted 10 equity shares of Re.1/- each of BTTL.

BMD is the OE supplier to almost all automobile manufacturers in India. Indian automobile sector has witnessed an impressive growth in the recent years. Indian auto sector is also attracting a lot of global attention and several reputed automobile companies are sourcing auto components and accessories from India. Several studies have projected robust growth in Indian automobile and auto ancillary sectors.

BMD is also manufacturing seating fabric for multiplexes, railways & airplanes. These sectors are also witnessing lot of activities.

At present the Company is holding only one investment i.e., 66 lacs equity shares of Rs. 10/- each of the BMD Pvt Ltd. Except dividend income from this investment, there is no other revenue source for the Company.

## STRENGTH & OPPORTUNITIES:

- Growing Domestic Market.
- Strong cotton base.
- Adequate labour supply at relatively competitive wages.
- Good political equation with EU and US.
- Improvements in infrastructure and regulations.
- Research and product development.

## THREATS

- Rupee appreciation in last few months.
- Pricing pressure, following opening up of quotas.
- Enhanced competition from other countries similarly constrained by quotas.

## HUMAN RESOURCES

BTTL is gearing itself to build sustainable competitive advantage through its human resources and maximizing human resource potential to match the market environment. Your Company aims to focus on the training and development of its people through continuous internal and external, training and development programmes. The Company believe that performance management is the key word for growth. The Company at present has only one employee.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility has always been an integral part of the LNJ Bhilwara Group's vision and at the forefront of our Core Value of Good Corporate Citizenship. Company believes that a substantial business success cannot be achieved solely through maximizing short term profits, it requires market oriented yet responsible behaviour. BTTL being privileged to be a part of this group is committed to carry on the long tradition of community service and a strong sense of Corporate Social Responsibility towards various stakeholders viz **Employees**: providing a competitive and challenging work environment that respects their

health, having ethical recruitment, remuneration, promotion and other policies that allows them to move to better living conditions, ensuring a safe working environment for them, having fair policies for the solution of employee disputes; **Shareholders:** presenting a fair picture of the Company's financial position and profit/loss to the shareholders; **Government:** providing the necessary information to the government as and when required, timely payment of the due taxes and duties at the proper time, abiding by the laws and regulations of the area in which the Company operates; **Customers:** adapting a value addition focus that is to look at every action of ours as to see whether it adds value in the eyes of our customers, enhancing products quality, ensuring reasonable prices without discriminating amongst individuals.; **Investors:** giving the investors a true and fair picture of the financial condition of the business; **Suppliers:** making competitive and timely payment to the suppliers for the products purchased as well as maintaining an amicable relationship with them; **Competitors:** indulging in ethical and healthy competition for the betterment of the industry; **Society:** undertaking community development and area development programmes and creating job

opportunities; **Environment:** ensuring the purchase of environment-friendly supplies, ensuring a pollution-free process of production, having an efficient system for the disposal of waste, making the product and the process of production as environment-friendly as possible.

#### CAUTIONARY STATEMENT

*Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. The Company takes no responsibility for any consequence of decisions made based on such statements, and holds no obligation to update these in the future.*

## DIRECTORS' REPORT

### To the Members,

Your Directors present the Third Annual Report together with the audited Balance Sheet and the Profit and Loss Account of Bhilwara Technical Textiles Limited ("BTTL") for the year ended 31st March 2010.

### COMPANY'S PERFORMANCE

Your Company's performance during year 2009-2010 is summarized below:

### FINANCIAL RESULTS

	(Rs. in lacs)	
	This Year	Previous Year
<b>Total Income</b>	<b>88.63</b>	66.00
<b>Profit before Interest &amp; Depreciation</b>	<b>74.72</b>	51.26
<b>Profit before Depreciation</b>	<b>74.72</b>	51.26
<b>Profit before Tax</b>	<b>74.72</b>	51.26
<b>Profit after Tax</b>	<b>74.72</b>	51.26
Add: Opening Balance	<b>51.09</b>	(0.17)
<b>Profit available for appropriation</b>	<b>125.81</b>	51.09
<b>Balance Carried to Balance Sheet</b>	<b>125.81</b>	51.09

### OPERATIONAL INFORMATION

Your Directors feel pleasure to inform you that the Company earned profit after tax of Rs.74.72 lacs for the year ended March 31, 2010 as against Rs.51.26 lacs during the previous year ended March 31, 2009.

### DIVIDEND AND OTHER APPROPRIATIONS

In order to conserve resources, your directors do not recommend any dividend for the year under review.

### DE-MERGER

The Scheme of De-merger between the RSWM Ltd. and the Company for de-merger of the "Strategic Investment Division" of RSWM Ltd. was approved by the Hon'ble High Court of Rajasthan at Jodhpur. The Scheme of De-merger was made effective from March 31, 2009. During the period under review your Company pursuant to the Scheme of De-merger allotted 10 equity shares of Re.1/- each of the Company for every 4 equity shares of Rs.10/- each to the shareholders of RSWM Ltd.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- appropriate Accounting Policies have been selected and applied consistently and they have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company on 31st March, 2010 and of the Profit and Loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As your Company was not engaged in any activity during the period under review, this information is not relevant.

### DIRECTORS

Mr. P.S. Dasgupta retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Further, Mr. P.S. Dasgupta and Mr. Pawan Kumar Deora were co-opted on the Board of Directors of the Company on April 6, 2009 as Additional Directors, liable to retire by rotation. The appointment of Mr. P.S. Dasgupta and Mr. Pawan Kumar Deora as Directors was confirmed by the Shareholders of the Company at the 2nd Annual General Meeting of the Company held on April 20, 2009.

### INTERNAL CONTROL SYSTEMS

The Company has proper, adequate and effective Internal Control Systems commensurate with the nature and size of its operations. The Audit Committee examines and evaluates the adequacy, relevance and effectiveness and its compliance with prevailing laws and regulations and thereafter, makes appropriate recommendations, wherever necessary.

**PARTICULARS OF EMPLOYEES**

There was no employee drawing remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**AUDITORS**

The Company's Auditor M/s. Ashim & Associates, Chartered Accountants, New Delhi retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the Auditors, if any, are explained wherever necessary, in the appropriate Note to the Accounts.

**CORPORATE GOVERNANCE**

Report on Corporate Governance along with the Certificate of Auditors M/s Ashim & Associates, Chartered Accountant, confirming compliance to

conditions of Corporate Governance as stipulated under clause 49 of the listing Agreement, form part of the Annual Report.

**ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the continued support and co-operations received by all concerned authorities and stakeholders including Central and State Governments.

for and on behalf of the Board

Place : Noida

Date : 27th April 2010

**Shekhar Agarwal**

Chairman &  
Managing Director

DIN : 00066113



# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance refers to alliance of the statutory enactments and voluntary practices that are able to attract the best of capital and talent. Strong corporate governance is indispensable for safeguarding the interests of shareholders and other stakeholders. The Company understands and respects its fiduciary role and responsibility towards shareholders and strives hard to meet their expectations.

Corporate Governance calls for four factors: -

- To build up an environment of trust and confidence amongst the stakeholders,
- Transparency in decision-making,
- Accountability which follows from transparency because responsibilities could be fixed easily for actions taken or not taken, and
- The accountability for safeguarding the interests of the stakeholders and the investors in the organization.

A successful policy on Corporate Governance needs to adopt a set of values which further strengthen the Management and the decision-making process, resulting in creation of value and wealth for the shareholders on sustainable and long-term basis. Corporate Governance is the key factor in attaining fairness for all stakeholders and achieving organizational efficiency.

As a Company, BTTL believes good Corporate Governance and transparency in actions of the management to be the key to a strong trust with the Company's Stakeholders. Good governance practices in the Company include adoption of best Board practices, respect and protection of minority views and interests and institutionalisation of fair and transparent reporting systems in true spirit. As it grows, BTTL will diligently look to adopt new and best-in-class systems and procedures for enhancing Corporate Governance Standards within the Company.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports BTTL's compliance with the Clause 49.

## Board of Directors

### Composition of the Board

As on 31<sup>st</sup> March, 2010, BTTL's Board comprises 4 (four) Directors, out of which 3 (Three) Directors are Non-Executive, of these, 2 (two) Directors are independent. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchange.

Mr. D.P. Mangal, ceased to be Director of the Company and Mr. P.S. Dasgupta and Mr. Pawan Kumar Deora, were co-opted on the Board as Independent Directors with effect from 6<sup>th</sup> April, 2009.

### Number of Board Meetings

During 2009-2010, the Board of BTTL met 5 (five) times on — 6<sup>th</sup> April, 2009, 27<sup>th</sup> April, 2009, 28<sup>th</sup> July, 2009, 28<sup>th</sup> October, 2009 and 30<sup>th</sup> January, 2010. The maximum time gap between any two consecutive meetings was less than four months.

### Directors' Attendance Record and Directorship Held

Table 1

Sl. No.	Name of Director	Position	Category	No. of meetings held in 2009-10 during tenure	No. of meetings attended	No. of outside Director-ships of public companies*	No. of Outside Board-level Committees where chairperson or member #	
							Member	Chairperson
1.	Mr. Shekhar Agarwal <sup>1</sup>	Chairman & Managing Director	Promoter - Executive	5	5	6	3	0
2.	Mr. Riju Jhunjunwala	Director	Promoter - Non-Executive	5	5	3	1	0
3.	Mr. P.S. Dasgupta <sup>2</sup>	Director	Independent	5	5	5	6	1
4.	Mr. Pawan Kumar Deora <sup>3</sup>	Director	Independent	5	5	0	0	0

Notes: \* Excludes Directorships in private limited companies, foreign companies, memberships of management committees of various chambers, bodies and section 25 companies

# Includes Audit and Shareholders'/Investors' Grievance Committees only.

<sup>1</sup> Appointed as Managing Director for a period of 3 years with effect from 6<sup>th</sup> April, 2009.

<sup>2</sup> Co-opted on the Board of Directors in capacity as Independent Director w.e.f 6<sup>th</sup> April, 2009.

<sup>3</sup> Co-opted on the Board of Directors in capacity as Independent Director w.e.f. 6<sup>th</sup> April, 2009.

None of the Directors is a member of more than 10 Board-level Committees, or Chairman of more than five such Committees.

As mandated in the Clause 49, the Independent Directors on BTTL's Board:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its Subsidiaries and Associates which may affect independence of the Director.
- Are not related to Promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the :
  - Statutory audit firm or the internal audit firm that is associated with the Company.
  - Legal firm(s) and consulting firm(s) that have a material association with the Company.
  - Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
  - Are not substantial shareholders of the Company, i.e. do not own two percent or more of the block of voting shares.

#### Directors with Materially Significant Pecuniary Relationship or Business Transaction with the Company

Non-Executive Directors receive sitting fees. There have been no materially significant pecuniary relationships or transactions between the Company and its Directors in the financial year under review.

#### Remuneration of Directors

**Table 2: Remuneration Paid or Payable to Directors for 2009-10**

(Rs.)					
Name of Director	Category	Sitting fees	Salaries, allowances and perquisites #	Commission	Total
Mr. Shekhar Agarwal	Promoter, Executive	–	–	–	–
Mr. Riju Jhunjunwala	Promoter, Non-Executive	16,000/-	–	–	16,000/-
Mr. P.S. Dasgupta	Independent	16,000/-	–	–	16,000/-
Mr. Pawan Kumar Deora	Independent	22,000/-	–	–	22,000/-

None of the Directors hold stock options.

**Table 3: Equity Shares and Convertible Instruments held by Non-Executive Directors as on 31<sup>st</sup> March, 2010**

Name of Director	Category	Number of Equity shares held	Convertible Warrants
Mr. Riju Jhunjunwala	Promoter, Non-Executive	NIL	N.A.
Mr. P.S. Dasgupta	Independent	NIL	N.A.
Mr. Pawan Kumar Deora	Independent	NIL	N.A.

#### Remuneration Policy

The Non-Executive Directors are paid sitting fee for attending the Board meetings as well as other committee meetings. Mr. Shekhar Agarwal was appointed as Managing Director of the Company in accordance with section 269 readwith schedule XIII of the Companies Act, 1956, without any remuneration.

## Code of Conduct

BTTL's Board has laid down a code of conduct for all Board members and Senior Management of the Company. The Code of Conduct is displayed on the website of the Company [www.bttl.co.in](http://www.bttl.co.in). Board Members and designated Senior Management Officials have affirmed compliance with the Code of Conduct for the current year. It is further affirmed that access to the Audit Committee of the Company has not been denied to any personnel.

## Board-Level Committees

### Audit Committee

As on 31<sup>st</sup> March, 2010, BTTL's Audit Committee comprised three members — two of whom, including the Chairman of the Committee, are independent while the third is a Non-Executive Promoter Director. The terms of reference of the Audit Committee are in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchanges as well as Section 292A of the Companies Act, 1956. In 2009-10, the Audit Committee met three times on — 28<sup>th</sup> July, 2009, 28<sup>th</sup> October, 2009 and 30<sup>th</sup> January, 2010.

**Table 4: Details of the Audit Committee**

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fee (Rupees)
Mr. Pawan Kumar Deora (Chairman)	Independent	3	3	6,000/-
Mr. Riju Jhunjunwala	Promoter, Non-Executive	3	3	6,000/-
Mr. P. S. Dasgupta	Independent	3	3	6,000/-

Mr. Vikas Prakash, Company Secretary of the Company, is the Secretary to the Committee.

Mr. Pawan Kumar Deora, Chairman of the Audit Committee, is a Chartered Accountant and possesses high degree of accounting and financial management expertise and all members of the Committee have sound accounting and financial knowledge.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgement by Management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the Management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit
- Discussion with Internal Auditors any significant findings and follow up there on
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board

- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

BTTL has systems and procedures in place to ensure that the Audit Committee mandatorily reviews, wherever applicable:

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc.), as part of the quarterly declaration of financial results
- If applicable, on an annual basis, statement certified by the Statutory Auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice

The Company has not implemented internal audit system because of its negligible operations.

With regard to information on related party transactions, whenever applicable, the Audit Committee is presented with the following information, wherever applicable:

- A statement in summary form of transactions with related parties in the ordinary course of business
- Details of material individual transactions with related parties which are not in the normal course of business
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with Management's justification for the same.

Pursuant to its terms of reference, the Audit Committee is empowered to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary

### Remuneration Committee

As on 31<sup>st</sup> March, 2010, Company's Remuneration Committee comprised of three Non-Executive Directors — Mr. P.S. Dasgupta (Chairman), Mr. Riju Jhunjhunwala and Mr. Pawan Kumar Deora. The Remuneration Committee of the Company recommends to the Board the compensation terms of Executive Directors. The minutes of the Remuneration Committee meetings are noted by the Board. However, in the financial year 2009-10, no meeting of Remuneration Committee was held.

### Shareholders'/Investors' Grievances Committee

The Company has constituted a Shareholders'/Investors' Grievance Committee of Directors to look into the redressal of complaints of investors.

As on 31<sup>st</sup> March, 2010, Company's Shareholders'/Investors' Grievances Committee comprised of three Directors Mr. P.S. Dasgupta (Chairman), Mr. Riju Jhunjhunwala, and Mr. Pawan Kumar Deora.

During 2009-10, the Committee met two times on 28<sup>th</sup> October, 2009 and 30<sup>th</sup> January, 2010.

**Table 6: Details of Shareholders'/Investors' Grievance Committee**

Name of the Member	Position	No. of Meetings held during tenure	No. of Meetings Attended	Sitting fees (Rupees)
Mr. P.S. Dasgupta	Independent	2	2	4,000/-
Mr. Riju Jhunjhunwala	Promoter, Non-Executive	2	2	4,000/-
Mr. Pawan Kumar Deora	Independent	2	2	4,000/-

The Company Secretary, Mr. Vikas Prakash is the Compliance Officer. The Committee received no complaints from the shareholders during the financial year under review.

The Company also has a Share Transfer Committee to deal with the requests of transfer/transmission of Equity Shares, issue of duplicate share certificates and consolidation/split/replacement of share certificates, etc. To expeditiously approve transfer of shares, Mr. Shekhar Agarwal, Chairman and Managing Director and Mr. P. S. Puri, President (Corporate Finance) also attend and approve the share transfer requests on fortnightly basis under the delegated authorisation of the Board of Directors.

## Management

### Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis.

### Disclosures by Management to the Board

All details on the financial and commercial transactions where Directors may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

### Details of Related Party Transactions

As required by the Accounting Standard AS-18, the details of related party transactions are given in Note 7 (B) (5) to the Annual Accounts.

### Initiatives on Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management staff and relevant business associates. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of BTTL, and cautions them on consequences of violations.

### Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

### Details of Non-Compliance by the Company in Previous Years

BTTL has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the previous years.

### CEO/ CFO Certification

The CEO and CFO certification of the Financial Statements for the year form part of this Annual Report.

## Shareholders

### Appointment or Re-Appointments of Directors

Three of the Directors of your Company are liable to retire by rotation. Of these Directors, at least one-third retires every year and if eligible, propose himself for the re-appointment. This year, Mr. P. S. Dasgupta, is retiring by rotation and being eligible, offers himself for re-appointment in the Annual General Meeting. His brief resume is given below:

#### Mr. P.S. Dasgupta (55)

Mr. P.S. Dasgupta is an Independent Director of the Company. Mr. Dasgupta holds Post Graduate Diploma in Corporate Laws and labour Laws, LLB and B.A. Eco (H). Mr. Dasgupta is a renowned international corporate lawyer and represents a leading law firm in Delhi.

**Table 8: Details of Other Directorship Held in Other Companies**

Directors name	Name of the company in which Directorship held	Committee Chairmanship	Committee Membership
Mr. P.S. Dasgupta	Maral Overseas Limited		Audit Committee
	Otis Elevator Co. India Ltd.		Audit Committee and Shareholders' / Investors' Grievance Committee
	Cummins India Limited		Audit Committee and Shareholders' / Investors' Grievance Committee
	Timken India Limited	Audit Committee	
	Tricone Projects India Limited		Audit Committee

## Means of Communication

The results of the Company are published in at least one prominent national and one regional newspaper. The financial results are also displayed on the Company's website *www.bttl.co.in*.

The Company has designated an email-id *bttl.investor@lnjbhilwara.com*.

## General Body Meetings

**Table 9: Details of the Previous Annual General Meetings**

Year	Date	Time	Location	Special resolution(s) passed
2007-08	27 <sup>th</sup> September, 2008	4:00 p.m.	LNJ Nagar, Mordi, Banswara, Rajasthan – 327001.	–
2008-09	20 <sup>th</sup> April, 2009	1:00 p.m.	LNJ Nagar, Mordi, Banswara, Rajasthan – 327001.	–

## POSTAL BALLOT

During the year under review, no resolution was passed through Postal Ballot.

## Compliance with Clause 49

### Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49.

### Adoption of Non-Mandatory Requirements

Although it is not mandatory, the Board of BTTL has constituted a Remuneration Committee. Details of the Remuneration Committee have been provided under the Section 'Remuneration Committee'. Also, the Company's Financial Statements are free from any qualifications by the Auditors.

## ADDITIONAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date : 19<sup>th</sup> July, 2010

Day : Monday

Time : 2:00 P.M.

Venue : LNJ Nagar, Mordi, Banswara, Rajasthan– 327 001,

### Financial Results

Financial year: 1<sup>st</sup> April to 31<sup>st</sup> March

For the year ended 31<sup>st</sup> March, 2010, results were announced on:

- 28<sup>th</sup> July, 2009 : First quarter
- 28<sup>th</sup> October, 2009 : Second quarter and Half year
- 30<sup>th</sup> January, 2010 : Third quarter and 9 months
- 27<sup>th</sup> April, 2010 : Fourth quarter and Annual.

For the year ending 31<sup>st</sup> March, 2011, results will be announced by

- Upto mid of August 2010 : First quarter
- Upto mid of November 2010 : Second quarter and Half year
- Upto mid of February 2011 : Third quarter and 9 months
- By the end of May 2011 : Fourth quarter and Annual

### Book Closure

The dates of book closure are from 12<sup>th</sup> July, 2010 (Monday) to 19<sup>th</sup> July, 2010 (Monday) (Both days inclusive)

### Dividend Dates

No dividend has been recommended on the Equity Shares.

## Listing and Stock Codes

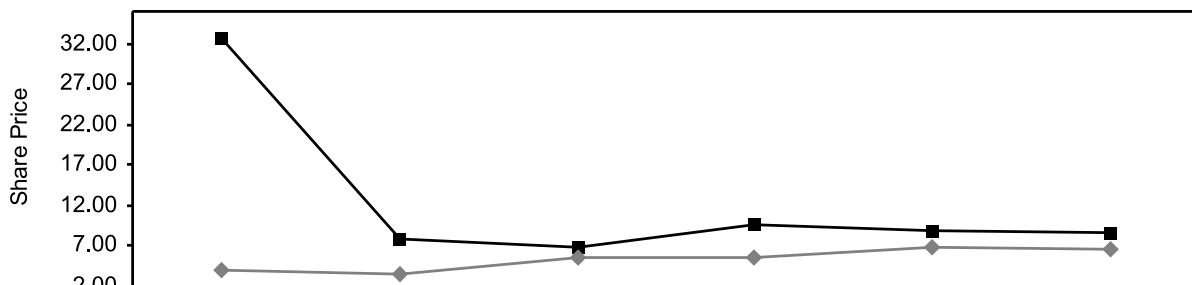
The Company's Equity shares are listed on Bombay Stock Exchange Limited (BSE). Listing fee as prescribed has been paid to the BSE up to 31<sup>st</sup> March, 2011. The scrip code of the Company at BSE is given in Table 1:

**Table 1: Scrip Code of the Company**

Stock Exchange	Scrip ID	Scrip code
BSE	BTTL	533108

## Stock Data

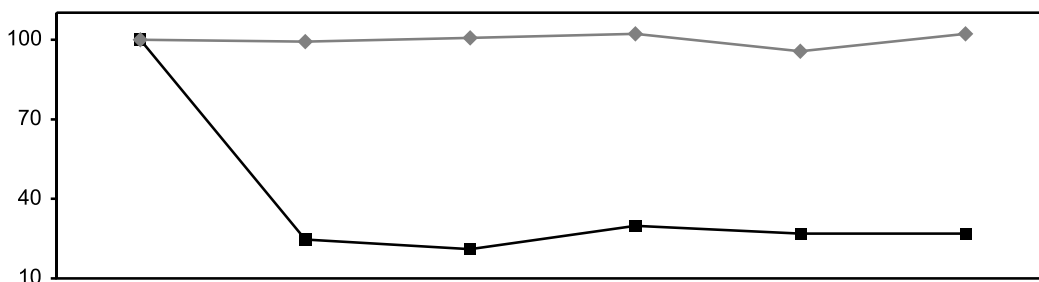
### A. Stock Market Data: Monthly High Low (in Rs.) at BSE:



	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
—■— High	32.60	8.00	6.74	9.72	8.80	8.69
—◆— Low	4.00	3.65	5.48	5.65	6.90	6.63

Source : Bombay Stock Exchange Ltd.

### B. Performance in comparison with BSE Sensex (Both series indexed to 100 as on October, 2009)



	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
—■— BTTL (High)	100.00	24.54	20.67	29.82	26.99	26.66
—◆— Sensex (High)	100.00	98.84	100.22	101.70	95.29	101.71

Source : Bombay Stock Exchange Ltd.

## Shareholding Pattern

**Table 3: Shareholding Pattern by Ownership as on 31<sup>st</sup> March, 2010**

Categories	No. of shares	Percentage
Promoters, Directors, relatives and associates	3,02,93,733	51.90
Foreign institutional investors/mutual funds	6,91,894	1.19
Public financial institutions/State Financial Corporation	4,330	0.01
Mutual funds (Indian )	52,961	0.09
Nationalised and other banks	54,106	0.09
NRIs/ OCBs (Other than Promoters)	21,28,227	3.65
Public	2,51,48,054	43.07
<b>Total</b>	<b>5,83,73,305</b>	<b>100.00</b>

**Table 4: Shareholding Pattern by Size-Class as on 31<sup>st</sup> March, 2010**

Categories	No. of Shareholders	No. of shares held	Percentage
upto 5000	13850	68,12,717	11.67
5001-10000	184	13,07,360	2.24
10001-20000	103	14,64,657	2.5
20001-30000	46	11,64,730	1.99
30001-40000	15	5,28,297	0.91
40001-50000	14	6,45,924	1.11
50001-100000	22	16,90,966	2.90
100001 and above	44	4,47,58,654	76.68
<b>Total</b>	<b>14278</b>	<b>5,83,73,305</b>	<b>100.00</b>

### Dematerialisation of Shares

As on 31<sup>st</sup> March, 2010, 5,33,67,151 Equity Shares representing 91.42 percent of the total equity capital were held in dematerialised form. Trading in shares of the Company is permitted in dematerialised form only.

The ISIN number for BTTL's equity shares on NSDL and CDSL is INE274K01012.

### Share Transfer System

Matters related to share transfer and transmission are attended by the delegated authorities on a fortnightly basis. Share transfers are registered and returned within 30 days from the date of receipt, if the documents are in order in all respects. 26,823 Equity shares were transferred during the year 2009-10.

### Details of Public Funding Obtained in the Last Three Years

BTTL has not obtained any public funding in the previous years.

### Investor Correspondence

Investor correspondence should be addressed to:

#### Registrar & Share Transfer Agent:

BEETAL Financial & Computer Services (P) Ltd.  
 Beetal House, 3<sup>rd</sup> Floor,  
 99, Madangir, Behind Local Shopping Centre,  
 New Delhi – 110 062.  
 Phone Nos. : 011-29961281  
 Fax No. : 011-29961284  
 E-mail : beetal@rediffmail.com

#### Company Secretary

Bhilwara Technical Textiles Limited  
 Bhilwara Towers  
 A-12, Sector 1, Noida  
 Uttar Pradesh-201301  
 Phone Nos. : 0120-2541810, 4390000  
 Fax Nos. : 0120-2531648, 4390300  
 E-mail : bttil.investor@lnjbhilwara.com

#### Registered Office

LNJ Nagar  
 Mordi, Banswara  
 Rajasthan – 327 001, INDIA

Place: Noida  
 Dated: 27<sup>th</sup> April, 2010

**Shekhar Agarwal**  
 Chairman & Managing Director  
 DIN : 00066113



### **CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY**

We, Shekhar Agarwal, Managing Director and Vikas Prakash, Chief Financial Officer of Bhilwara Technical Textiles Limited, hereby certify to the Board that:

- a. We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief :
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by Bhilwara Technical Textiles Limited during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting in Bhilwara Technical Textiles Limited and we have evaluated the effectiveness of 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 such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- (e) We affirm that we have not denied any personnel access to the Audit Committee of the company (in respect of matters involving alleged misconduct).
- (f) We further declare that all Board members and designated senior management have affirmed compliance with the Code of Conduct for the current year.

**SHEKHAR AGARWAL**  
**MANAGING DIRECTOR &**  
**CHIEF EXECUTIVE OFFICER**  
**DIN : 00066113**

**VIKAS PRAKASH**  
**COMPANY SECRETARY &**  
**CHIEF FINANCIAL OFFICER**

Place: Noida

Dated: 27<sup>th</sup> April, 2010

### **CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of  
 Bhilwara Technical Textiles Limited

We have examined the compliance of conditions of Corporate Governance by Bhilwara Technical Textiles Limited for the financial year ended on 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountant of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ashim & Associates  
 F.R.N. No. 006064N  
 Chartered Accountants

**Ashim Agarwal**  
 Partner  
 Membership No. 084968

Place: Noida (U.P)

Date: 27<sup>th</sup> April 2010

# AUDITORS' REPORT

## To the Members of

### Bhilwara Technical Textiles Limited

We have audited the attached Balance Sheet of Bhilwara Technical Textiles Limited as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 'A' a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010

from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
  - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Ashim & Associates  
Firm Registration No.006064N  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No.084968

Noida (U.P.)  
April 27, 2010

## ANNEXURE 'A' TO AUDITORS' REPORT

**(Referred to in the Auditors' Report of even date to the members of Bhilwara Technical Textiles Limited for the year ended 31st March, 2010)**

1. The company does not have any fixed assets. Accordingly clause 4 (i) of the Companies (Auditor's Report) Order, 2003 is not applicable.
2. The Company's current nature of operations does not require it to hold inventories. Accordingly clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
3. (a) The Company has not granted any loans to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly clauses 4 (iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
  - (b) The Company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4 (iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 are not applicable.

4. The company has not made any purchases of inventory and fixed assets as well as sale of goods. Accordingly, clause 4 (iv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
5. Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that were required to be entered in the register which were to be maintained under that section.
6. The Company has not accepted any deposits from the public.
7. The Company does not have an internal audit system.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of activities carried out by the Company.
9. (a) According to the records of the Company, undisputed statutory dues have been regularly deposited during the year with the appropriate authorities. According to the records of the Company and as explained to us the Company did not have any dues on account of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty and Cess. According to the information and explanations given to us and as per the books and records examined by us, there are no arrears of undisputed statutory dues outstanding as on the date of balance sheet for a period exceeding six months from the date they became payable.  
(b) According to the information and explanations given to us and as per the books and records examined by us, there were no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company did not have any accumulated losses at the end of the financial year. The Company has not incurred cash loss in the current financial year as well as the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company has not borrowed funds from any financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Provisions of the order applicable to chit funds, nidhi, mutual benefit fund / societies are not applicable to the Company.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and as per the books and records examined by us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion, and according to the information and explanations given to us, the Company did not raise any term loans during the year.
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the Company has not raised any funds on short term basis.
18. According to the information and explanations given to us the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act 1956.
19. The company has not issued any debentures.
20. The company has not raised any money by way of public issue, during the year and accordingly paragraph 4 (xx) of the Companies (Auditor's Report) Order, 2003, relating to end use of the money raised, is not applicable.
21. Based on our examination of the books and records of the company and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Ashim & Associates  
Firm Registration No. 006064N  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No.084968

Noida (U.P.)  
April 27, 2010

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2010

	Schedule	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	1	58,373,305	500,000
Reserves & Surplus	2	21,329,108	5,108,544
		<b>79,702,413</b>	5,608,544
<b>Share Capital - Pending Allotment</b>		–	66,621,723
<b>TOTAL</b>		<b>79,702,413</b>	72,230,267
<b>APPLICATION OF FUNDS</b>			
<b>Investments</b>	3	<b>66,000,000</b>	66,000,000
<b>Current Assets, Loans &amp; Advances</b>	4		
Cash & Bank Balances		13,151,169	467,121
Loans & Advances		595,355	5,800,000
		<b>13,746,524</b>	6,267,121
<b>Less : Current Liabilities &amp; Provisions</b>	5		
Liabilities		44,111	36,854
<b>Net Current Assets</b>		<b>13,702,413</b>	6,230,267
<b>TOTAL</b>		<b>79,702,413</b>	72,230,267
<b>NOTES ON ACCOUNTS</b>	7		

As per our report of even date

For Ashim & Associates  
Firm Registration No. 006064N  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No. 084968

Noida (U.P.)  
27<sup>th</sup> April, 2010

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN : 000661113

**Riju Jhunjunwala**  
Director  
DIN : 00061060

**Vikas Prakash**  
Company Secretary &  
Chief Financial Officer

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010

	Schedule	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
<b>Income</b>			
Dividend on Long Term Investments		8,250,000	6,600,000
Interest Income (Tax deducted at source Rs.61,713/-); (Previous year Rs. Nil)		613,406	–
		<b>8,863,406</b>	6,600,000
<b>Expenditure</b>			
Operating & Other Expenses	6	1,391,261	1,474,240
		<b>1,391,261</b>	1,474,240
<b>Profit before Tax</b>		7,472,146	5,125,760
Taxation - Current		–	–
<b>Profit after tax</b>		<b>7,472,146</b>	5,125,760
Balance brought forward from previous year		<b>5,108,544</b>	(17,216)
<b>Balance Carried to Balance Sheet</b>		<b>12,580,690</b>	5,108,544
<b>Earnings Per Share</b> <i>(equity shares, par value Re.1 each)</i>			
Basic		<b>0.14</b>	10.25
Diluted		<b>0.14</b>	0.08
<b>NOTES ON ACCOUNTS</b>	<b>7</b>		

As per our report of even date

For Ashim & Associates  
Firm Registration No. 006064N  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No. 084968

Noida (U.P.)  
27<sup>th</sup> April, 2010

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN : 000661113

**Riju Jhunjunwala**  
Director  
DIN : 00061060

**Vikas Prakash**  
Company Secretary &  
Chief Financial Officer

## SCHEDULES TO STATEMENT OF ACCOUNTS

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>1. Share Capital</b>		
<b>Authorised</b>		
70,000,000 (Previous Year 70,000,000) Equity Shares of Re. 1/- each	<b>70,000,000</b>	70,000,000
	<b>70,000,000</b>	70,000,000
<b>Issued, Subscribed &amp; Paid-up</b>		
58,373,305 (Previous Year 500,000) Equity Shares of Re. 1/- each fully paid up	<b>58,373,305</b>	500,000
	<b>58,373,305</b>	500,000

Note : Equity Share Capital includes 5,78,73,305 equity shares issued for consideration other than cash, pursuant to the Scheme of demerger of RSWM Limited.

	As at 31.3.2009 Rs.	Additions Rs.	Deductions Rs.	As at 31.3.2010 Rs.
<b>2. Reserves and Surplus</b>				
Share Premium Account	–	8,748,418 @	–	<b>8,748,418</b>
Profit & Loss Account	5,108,544	7,472,146	–	<b>12,580,690</b>
	5,108,544	16,220,564	–	<b>21,329,108</b>

Note : @ As per the Scheme of Arrangement / Demerger (Refer Note 1 of Schedule 7B)

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>3. Investments</b>		
Long Term, Non Trade, At Cost Unquoted		
6,600,000 (Previous year 6,600,000) Equity Shares of Rs.10 each fully paid of BMD Private Limited	<b>66,000,000</b>	66,000,000
	<b>66,000,000</b>	66,000,000
<b>4. Current Assets, Loans and Advances</b>		
<b>A. Current Assets</b>		
<b>Cash &amp; Bank Balances</b>		
Cash Balance on hand (As certified by the Management)	<b>17,882</b>	582
Bank Balance		
With Scheduled Banks		
Current Account	<b>433,287</b>	466,539
Deposit Account	<b>12,700,000</b>	–
	<b>13,151,169</b>	467,121
<b>B. Loans and Advances</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	<b>61,713</b>	5,800,000
Interest Accrued	<b>533,642</b>	–
	<b>595,355</b>	5,800,000
	<b>13,746,524</b>	6,267,121

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
<b>5. Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
Other Liabilities	44,111	36,854
	<b>44,111</b>	<b>36,854</b>
	Year Ended 31.03.2010 (Rs.)	Year Ended 31.03.2009 (Rs.)
<b>6. Operating &amp; Other Expenses</b>		
Salaries & Benefits		
Salaries	229,782	–
Employee Welfare & Other Expenses	1,152	–
	<b>230,934</b>	–
Fees & Subscription	287,346	–
Legal & Professional	187,251	20,000
Advertisement	349,395	–
Postage	158,979	–
Rates & Taxes	–	789,600
Directors Sitting Fees	54,000	–
Miscellaneous Expenses	69,557	4,600
Auditors' remuneration		
For Audit Fees	19,854	19,854
For Certification	31,437	–
	<b>51,291</b>	<b>19,854</b>
Bank Charges	2,508	25
Amortisation of Preliminary Expenses	–	18,438
Goodwill	–	621,723
	<b>1,391,261</b>	<b>1,474,240</b>

## 7 Accounting Policies & Notes on Accounts

### A Accounting Policies

#### 1. Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### 2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### 3. Revenue Recognition

Income is accounted for on accrual basis in accordance with Accounting Standard (AS) 9 - "Revenue Recognition".

### 4 Investments

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

### 5 Miscellaneous Expenditure

Preliminary expenses are amortised over a period of five years or earlier.

### 6 Tax on Income

- i) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.
- ii) Deferred tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rates and laws for continuing operations.

Deferred tax assets, in the event of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognised only where there is virtual certainty of realisation.

Deferred tax assets on other accounts are recognised only to the extent there is reasonable certainty of realisation.

The carrying amount of deferred tax assets is reviewed at each balance sheet date to reassess realisation.

### 7 Provisions and contingent liabilities

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

## B Notes on Accounts

1. In terms of the scheme of arrangement / demerger under section 391 to 394 of the Companies Act, 1956 ("the Scheme") between RSWM Ltd ("RSWM") & the Company, RSWM has segregated by way of a demerger, its Strategic Investment Division to the Company. All the assets and liabilities are transferred pursuant to order of the Hon'ble High Court of Rajasthan filed with Registrar of Companies on March 31, 2009. The appointed date as per the Scheme is April 1, 2008.

As per the said Scheme:

- i) In consideration of the demerger, the Company issued and allotted its shares to the shareholders of RSWM in the ratio of ten equity shares of face value of Re. 1 each fully paid up in the Company for every four equity shares of Rs. 10 each fully paid up held by the shareholders of RSWM.  
The Company was to also issue and allot its shares, in the same ratio as above, to the holders of 35,00,000 convertible warrants in RSWM who were entitled to convert/exchange the warrants with equal number of equity shares of Rs.10 each fully paid up in RSWM.
- ii) In the previous year, deficit of net assets so recorded, over the amount of share capital to be issued amounting to Rs.6,21,723 was recognized in these financial statements, and as stipulated in the Scheme, disclosed as 'Goodwill'. Goodwill arising on demerger was charged to the profit & loss account during the previous year itself.

Pending allotment of these shares as at March 31, 2009, the provisional amount of Rs.6,66,21,723 was disclosed as 'Share Capital –pending allotment'. Subsequent non exercise of conversion rights on part of the warrant holders, resulted in lesser number of shares being allotted by the Company. Accordingly, and as stipulated in the Scheme, equivalent amount of Rs.87,48,418 has been transferred to the Share Premium Account in the books of the Company.



2. Based on the information available with the Company, no supplier / service provider has informed / confirmed of having filed any memorandum with the notified authority under The Micro, Small, and Medium Enterprise Development Act, 2006 ("the Act"), claiming their status as a Micro or Small Enterprise. This information has been relied upon by the auditors. Consequently, as of now, it is neither possible for the Company to ascertain whether payment to such enterprises has been made within 45 days from date of acceptance of supply of goods or services rendered by a supplier nor to give the relevant disclosures as required under the Act.
3. There were no deferred tax liabilities / assets to be recognised as at end of the year.
4. The Company's main objects envisage carrying on business in various textile products. Current operations, according to the management, constitute a single segment and accordingly the disclosure requirements as per AS-17 issued under the Companies (Accounting Standards) Rules, 2006 are not applicable.

#### 5. Related party transactions

Following information regarding related parties has been determined on the basis of criteria specified in AS-18 "Related Party Disclosures"

##### a) Name of related parties and nature of relationship

- i) Key Management Personnel
  - Mr. Shekhar Agarwal, Managing Director
- ii) Relatives of Key Management Personnel
  - Mrs. Shashi Agarwal
  - Mr. Shantanu Agarwal
  - Miss. Shuchi Agarwal
  - Shekhar Agarwal (HUF)
- iii) Associate Companies
  - BMD Private Limited (BMD)
- iv) Enterprises over which persons described in (i) above are able to exercise significant influence
  - RSWM Limited (RSWM)
  - Essay Marketing Company Ltd
  - Jyoti Knits (P) Ltd
  - Agarwal Finestate (P) Ltd

##### b) Transactions with related parties

The following transactions were carried out with the related parties in the ordinary course of business:

	2009-10 Rs.	2008-09 Rs.
<b>i) For the parties referred to in item (i) above</b>		
Allotment of equity share capital pursuant to scheme of arrangement / demerger	138,750	–
<b>ii) For the parties referred to in item (ii) above</b>		
Allotment of equity share capital pursuant to scheme of arrangement / demerger	1,827,140	
<b>iii) For the parties referred to in item (iii) &amp; (iv) above</b>		
Investment acquired from RSWM pursuant to scheme of arrangement / demerger	–	66,000,000
Dividend Income distributed by BMD & receivable from RSWM	–	6,600,000
<b>iv) For the parties referred to in item (iv) above</b>		
Allotment of equity share capital pursuant to scheme of arrangement / demerger	1,214,558	
Outstanding receivable from RSWM	–	5,800,000

#### 6 Earnings per share

Basic earning per share is computed by dividing the net profit or loss for the year available to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares in issue, adjusted for the effect of all dilutive potential equity shares that were outstanding during the year. Dilutive potential equity shares are weighted for the period they were outstanding and are deemed converted as of beginning of the year, unless they have been issued at a later date.

The following table sets forth the computation for basic and diluted earnings per share:

		2009-10		2008-09	
		Basic	Diluted	Basic	Diluted
<b>Numerator</b>					
Net income for the year	Rupees	7,472,146	7,472,146	5,125,760	5,125,760
<b>Denominator</b>					
Weighted average number of equity shares		54,250,823	54,250,823	500,000	500,000
Dilutive potential equity shares		–	–		66,621,723
Total average equivalent shares		54,250,823	54,250,823	500,000	67,121,723
<b>Net earnings per share</b>	Rupees	<b>0.14</b>	<b>0.14</b>	10.25	0.08
Nominal value per share	Rupee	<b>1</b>	<b>1</b>	1	1

The company does not have any potential equity options.

7. There is no applicable information pursuant to Paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.
8. Previous year figures have been regrouped and recast wherever considered necessary.

The Schedules referred to in the Balance Sheet and Profit & Loss Account form an integral part of the accounts

Signed for identification

For Ashim & Associates  
Firm Registration No. 006064N  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No. 084968

Noida (U.P.)  
27<sup>th</sup> April, 2010

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN : 000661113

**Riju Jhunjunwala**  
Director  
DIN : 00061060

**Vikas Prakash**  
Company Secretary &  
Chief Financial Officer

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No.       State Code

Balance Sheet Date

Date                      Month                      Year

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)**

Public Issue                 Rights Issue

Bonus Issue                 Private Placement

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)**

Total Liabilities                 Total Assets

**SOURCES OF FUNDS**

Paid-up Capital                 Reserves and Surplus

Secured Loans                 Unsecured Loans

**APPLICATION OF FUNDS**

Net Fixed Assets                 Investments

Net Current Assets                 Misc. Expenditure

Accumulated Losses

**IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)**

Turnover                 Total Expenditure

Profit/Loss before Tax                 Profit/Loss after tax

Earning Per Share in Rs.                 Dividend Rate %

**V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)**

Item Code No. (ITC Code)

Product Description

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN : 000661113

**Riju Jhunjunwala**  
Director  
DIN : 00061060

Noida (U.P.)  
27<sup>th</sup> April, 2010

**Vikas Prakash**  
Company Secretary &  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

	Year ended 31.03.2010 (Rs.)	Period ended 31.03.2009 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss ) before tax	7,472,146	5,125,760
Adjustments for:		
Dividend income	(8,250,000)	(6,600,000)
Interest Income	(613,406)	–
Goodwill	–	621,723
Miscellaneous Expenditure written off	–	18,438
<b>Operating profit before working capital changes</b>	<b>(1,391,261)</b>	<b>(834,079)</b>
Adjustments for:		
Loans & Advances	(61,713)	–
Trade Payables	7,257	25,618
Provisions	– 7,257	– 25,618
<b>Cash from operating activities</b>	<b>(1,445,717)</b>	<b>(808,461)</b>
Taxes Paid	–	–
<b>Net cash from operating activities</b>	<b>(1,445,717)</b>	<b>(808,461)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Dividend received	14,050,000	800,000
Interest received	79,764	–
<b>Net Cash used in investing activities</b>	<b>14,129,764</b>	<b>800,000</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>12,684,048</b>	<b>(8,461)</b>
Opening Cash and Cash equivalents	467,121	475,582
Closing Cash and Cash equivalents	13,151,169	467,121

### Notes

- Cash and cash equivalents consist of cash / on hand and demand deposits with bank.
- Transactions arising out of scheme of arrangement / demerger, as stated in note 1 to Schedule 7B are non cash transactions and not considered in above cash flow workings.
- Previous year's figures have been rearranged whenever necessary.

As per our report of even date

For Ashim & Associates  
Firm Registration No. 006064N  
Chartered Accountants

**Ashim Agarwal**  
Partner  
Membership No. 084968

Noida (U.P.)  
27<sup>th</sup> April, 2010

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN : 000661113

**Riju Jhunjunwala**  
Director  
DIN : 00061060

**Vikas Prakash**  
Company Secretary &  
Chief Financial Officer

**PROXY FORM****BHILWARA TECHNICAL TEXTILES LIMITED**

Regd. Office: LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan.

DP Id\* ..... Folio No. ....

Client Id\* ..... No. of Share(s) held .....

I/We .....

of .....

being a member/members of Bhilwara Technical Textiles Limited hereby appoint .....

of ..... failing him .....

of ..... or failing him .....

of ..... as my/our Proxy in my/our absence to attend and vote for

me/us on my/our behalf at the 3<sup>rd</sup> Annual General Meeting of the Company to be held on Monday, the19<sup>th</sup> day of July, 2010 at 2.00 P.M. and at any adjournment thereof.

As WITNESS my/our hand/hands this ..... day of ..... 2010.

Signed by the said .....

Please affix  
15 Paise  
Revenue  
Stamp here**Note :** The Proxy must be deposited at the Registered Office of the Company at LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan not less than forty eight hours before the time of holding the meeting.

\* Applicable for investors holding Shares in electronic form

**BHILWARA TECHNICAL TEXTILES LIMITED**

Regd. Office: LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan.

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

DP Id\* ..... Folio No. ....

Client Id\* ..... No. of Share(s) held .....

Name and address of the Shareholders :

I hereby record my presence at the 3<sup>rd</sup> Annual General Meeting of the Company held on Monday, the 19<sup>th</sup> day of July, 2010 at 2.00 P.M. at the Registered Office of the Company at LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan.\_\_\_\_\_  
Signature of the Shareholder/Proxy/Representative\*\*

\* Applicable for investors holding Shares in electronic form

\*\* Strike out whichever is not applicable

## LNJ Bhilwara Group

### TEXTILES

#### ■ RSWM Limited

1. Kharigram
2. Mayur Nagar, Banswara
3. Mandpam
4. Rishabhdev
5. Ringas
6. LNJ Nagar, Mordi
7. LNJ Nagar, Mordi
8. LNJ Nagar, Mordi

Fibre Dyeing, Spinning Dyed & Grey Yarn  
Spinning PV Blended, Cotton & Open End Grey Yarn  
Melange, Cotton Dyed Yarn & Yarn Dyeing  
Spinning PV Blended Grey Yarn  
Fibre Dyeing & Spinning Dyed Yarn  
Weaving & PV Fabric Processing & Finishing  
Cotton Ring & Open End Spinning, Denim Fabric  
Weaving & Rope Dyeing, Processing & Finishing  
Thermal Power

#### ■ Cheslind Textiles Ltd.

9. Bagalur
10. Pondicherry

Spinning Cotton, Compact, Gassed & Mercerized Yarn & Knitting  
Spinning Cotton, Compact, Gassed & Mercerized Yarn & Knitting

#### ■ Maral Overseas Ltd.

11. Maral Sarovar
12. Maral Sarovar
13. Noida
14. Noida

Cotton Spinning, Knitting, Dyeing & Finishing, Knitted Garments  
Captive Thermal Power  
Knitted Garment<sup>23</sup>  
Knitted Garments

#### ■ BSL Ltd.

15. Bhilwara
16. Jaisalmer

PV & Worsted Spinning, PV & Worsted Weaving & Silk Fabric  
Wind Power Generation

#### ■ BMD Pvt. Ltd.

17. LNJ Nagar, Mordi

Automotive Furnishing Fabric, Flame Retardant Fabric, Furnishing Fabric

#### ■ Bhilwara Technical Textiles Ltd.

18. LNJ Nagar, Mordi

Technical Textiles

### GRAPHITE

#### ■ HEG Ltd.

19. Mandideep
20. Mandideep
21. Tawa

Graphite Electrodes  
Captive Thermal Power  
Captive Hydro Electric Power

### POWER

#### ■ Bhilwara Energy Ltd.

22. Pathankot
23. Tawang

UBDC Stage III Hydro Electric Power Generation  
Nyam Jang Chhu Hydro Electric Power Generation

#### ■ Malana Power Company Ltd.

24. Malana (Kullu)

Hydro Electric Power Generation

#### ■ AD Hydro Power Ltd.

25. Allain-Duhangan (Manali)

Hydro Electric Power Generation

#### ■ Indo Canadian Consultancy Services Ltd.

26. Noida

Power Engineering Services

### INFORMATION TECHNOLOGY

#### ■ Bhilwara Scribe Pvt. Ltd.

27. Bhopal
28. Bengaluru

Medical Transcription Services  
Medical Transcription Services

#### ■ Bhilwara Infotech Ltd.

29. Bengaluru

IT Services

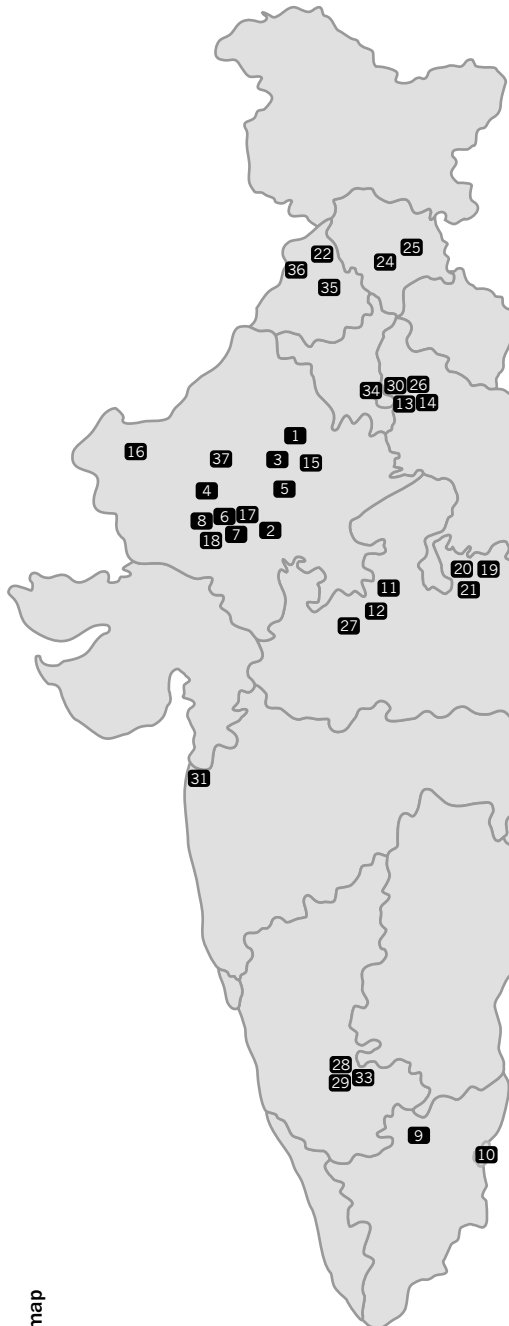
### OFFICES

#### ■ Corporate Office

30. Noida (NCR-Delhi)

#### ■ Regional / Marketing

31. Mumbai
32. Kolkata
33. Bengaluru
34. New Delhi
35. Ludhiana
36. Amritsar
37. Bhilwara



# BOOK - POST



*If undelivered, please return to:*

**Bhilwara Technical Textiles Limited**

Bhilwara Towers, A-12, Sector I, Noida - 201301 (NCR - Delhi), India