

**BHARAT TEXTILES & PROOFING  
INDUSTRIES LTD**

Annual Report 2010-2011

BOARD OF DIRECTORS : ANIL BHANDARI  
(MANAGING DIRECTOR)  
AJEET BHANDARI  
RAGUNATHMALL SAMRATHMALL  
BHAGCHAND RANKA  
CHINNA NADAR SHENBAGAMOORTHY

BANKERS : ICICI BANK LTD  
84, NSC BOSE ROAD  
CHENNAI-600 079

KOTAK MAHINDRA BANK LTD  
DASS INDIA TOWER, 2ND LINE BEACH ,  
CHENNAI-600 001

STANDARD CHARTERED BANK  
187, MOUNT ROAD,  
CHENNAI-600 006

AUDITORS : SAKARIA & ASSOCIATES  
#156 ,MINT STREET,KANCHAN PLAZA,  
1ST FLOOR,SOWCARPET,  
CHENNAI-600 079

ADM. OFFICE : 39, ANNA SALAI,  
205, A B C TRADE CENTER,  
CHENNAI-600002

REG.OFFICE &  
PLANT LOCATION : 994, SATHYAVEDU ROAD,  
SURAVARIKANDIGAI,  
SIRUPULLAIPET,  
GUMMIDIPOONDI TALUK.  
TAMILNADU

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**ANNUAL REPORT 2010--11**

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the Annual General Meeting of the company will be held on 30/09/2011 at 10 a.m. at NO. 994, SATYAVEDU ROAD, SURAVAIKANDIGAI, SIRUPUZHARPET, GUMMIDIPOONDI, Tamilnadu- 601201 for transacting the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the profit & loss account of the company for the Financial year ended 31-3-2011 and the balance sheet as at 31-3-2011 together with the director's report and auditor's report thereon.
2. To appoint director in the place of director who retires by rotation.
3. To appoint auditors and fix their remuneration.

**BY ORDER OF THE BOARD**

Gummidipoondi  
Date :30.06.2011

**ANIL BHANDARI**  
MANAGING DIRECTOR

**NOTES:-**

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
2. A MEMBER OF THE COMPANY,WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING,IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. Instrument of Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the Annual General Meeting. A Form of Proxy is enclosed.
4. The Register of members and the share transfer books of the company will remain closed on 30/09/2011
5. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
6. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.

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

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

Name of Director	Expertise in Specific Functional Areas	Qualifications	Director-Ship in Other Public Companies	Chairman/ Member of Committee
Mr.Raghunathman Samarathmall	Finance	NIL	NIL	NIL
Mr.Anil Bhandari	Manufacturing	Graduate	NIL	NIL

**BY ORDER OF THE BOARD**

Gummidipoondi  
Date :30.06.2011

**ANIL BHANDARI**  
MANAGING DIRECTOR

**BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**

**DIRECTORS REPORT**

Your Directors present herewith the Eighteenth Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2011.

**PERFORMANCE**

The financial results for the year ended 31<sup>st</sup> March 2011 are as under:

Rs. (In Lacs)

<b>Particulars</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
Total Income	974.00	903.29
Total Expenditure	956.80	879.37
(Loss) / Profit before depreciation	54.70	60.93
Depreciation	37.50	37.00
Profit before Tax	67.24	23.92
Profit after Tax	57.42	7.41
Add Brought from previous year	-602.54	-609.96
Balance Loss carried to Balance Sheet	-545.12	-602.54

**COURSE OF BUSINESS AND OUTLOOK**

Another year has gone by. Your company had achieved a turnover of Rs.974.00 lacs as compared to a turnover of Rs.903.29 lacs which is up by around 8% compared to previous year. However, profit stood at Rs. 54.70 lacs before depreciation as compared to Rs. 60.96 lacs of profit last year. The net profit after tax stood at Rs.57.42 lacs as compared to Rs.7.41 lacs in the previous year.

**FIXED DEPOSIT:**

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

**DIVIDEND:**

The Directors do not recommend any dividend for the financial year ended 31st March 2011.

**DIRECTORS:**

Mr. Anil Bhandari retires and Ragnathmal Samarathmall retires by rotation and being eligible, offers for re-appointment.

**AUDITORS**

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

**STATUTORY DISCLOSURES:**

The company had no employee covered by the provisions of section 217(2A) of the Companies Act, 1956., The details with respect to Conservation of Energy, as required under Part "a" of the above rules are Nil. The company had foreign exchange inflow Of Rs. 32.94 lacs as compared to Rs. 116.15 lacs in the corresponding previous year on account of exports and there was an outflow of Rs. 5.33 lacs (P.Y. 4.50 lacs) towards import of material.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Directors hereby declare:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period ;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities subject to the inherent limitations that should be recognized in weighing the assurance ;
- iv) That the directors had prepared the annual accounts on a going concern basis.

**Auditors Observation , if any :**

**The observation as mentioned in the reports are self explanatory.'**

**EMPLOYEE RELATIONS**

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

**CORPORATE GOVERNANCE:**

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2011 duly certified by the auditors of the company is annexed (Annexure – B)

**ACKNOWLEDGEMENTS**

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

**BY ORDER OF BOARD OF DIRECTORS  
FOR BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**

**(ANIL BHANDARI )**  
MANAGING DIRECTOR

**(AJEET KUMAR BHANDARI)**  
DIRECTOR

**(BAGCHAND RANKA)**  
DIRECTOR

**PLACE: CHENNAI**  
**DATE: 30.06.2011**

## ANNEXURE-A TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

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

#### II. Performance Review

The company had achieved a turnover of Rs. 974 lacs and made a profit of Rs.54.70 lacs as compared to Rs.903.29 lacs in the previous year.

#### III. Risks & Concerns

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

#### IV. Internal Control Systems

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

### CORPORATE GOVERNANCE REPORT

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

#### I. Board of Directors

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

#### II. Board Meetings & Attendance of Directors

During the year 2010-2011, 7 Nos. Board Meetings were held on 30/04/2010 , 30/06/2010, 30/07/2010, 30/10/2010, 01/12/2010, 30/01/2011 and on 24/03/2011

#### III.COMPOSITION AND CATEGORY OF DIRECTORS:

Name of Director	Designation	Category	No. of Board Meetings attended during 2010-2011	Whether attended last AGM	No. of director-ships in public companies	No. of committee member-ships/Chairman-ship
1 Mr.Ajeet Kumar	Whole Time Director	Executive & Non Independent Promoter	7/7	Y	NO	NO
2 Mr.Anil Bhandari	Managing Director	Executive & Non Independent	7/7	Y	NO	NO
3 Mr.Raghunathmall Samrathmall	Director	Non executive / Independent	7/7	Y	NO	NO
4 Mr.Bhagchand Ranka	Director	Non executive / Independent	7/7	Y	NO	NO
5 Mr. China Nadar Shenbagamoorthy	Director	Non executive / Independent	7/7	Y	NO	NO

#### IV. DIRECTORS SEEKING REAPPOINTMENT

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

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

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

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

## VI. CODE OF CONDUCT

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

### 3. AUDIT COMMITTEE

#### I. Terms of Reference

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

#### II. Composition

The present audit committee comprises Mr. China Nadar Shenbagamoorthy, Chairman & Independent Director, Mr. Bhagchand Ranka, Independent Director and Mr. Ajeet Bhandari, Executive Director and Independent Director who have considerable financial expertise and experience. The chief financial officer and the statutory auditor are permanent invitees to the committee.

The Audit committee met on 30/04/2010, 30/07/2010, 30/10/2010 and 31/01/2011.

### IV. REMUNERATION COMMITTEE

#### Terms of Reference:

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

#### Remuneration Policy:

The Remuneration Policy as outlined by the Committee aims at

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

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

### V. SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

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

The Composition of committee is, Mr. Bhagchand Ranka, Chairman & Independent Director and Mr. Ajeet Bhandari, Executive Director. The committee met on 30/05/2010, 30/07/2010, 06/01/2011 and 21/01/2011.

### VI. GENERAL BODY MEETINGS.

The Last Three Annual General Meeting were Held as Under:

DATE OF AGM	TIME	VENUE
30/09/2008	10.00 A.M.	994, Sathyavedu Road, Suravarikandigai, Sirupuzhalpet, Gummidipoondi
30/09/2009	10.00 A.M.	994, Sathyavedu Road, Suravarikandigai, Sirupuzhalpet, Gummidipoondi
30/09/2010	10.00 A.M.	994, Sathyavedu Road, Suravarikandigai, Sirupuzhalpet, Gummidipoondi

#### II. Postal Ballot

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

### VII. DISCLOSURES

#### I. Related Party Transactions

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

II. Compliance with Regulations

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

III. Accounting Standards

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

IV. Risk Management

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

**9. GENERAL SHAREHOLDER INFORMATION**

I. Annual General Meeting: The Annual General Meeting will be held on 30<sup>th</sup> September 2011 at 994, Sathyavedu Road, Suravarikandigai, Sirupuzhalpet, Gummidipoondi at 10.00 am

II. Tentative Financial Reporting Calendar

Financial Reporting 2012	From	To	Date
1 <sup>st</sup> Quarter	April	June	30 <sup>th</sup> July
2 <sup>nd</sup> Quarter	July	September	30 <sup>th</sup> October
3 <sup>rd</sup> Quarter	October	December	30 <sup>th</sup> January
4 <sup>th</sup> Quarter	January	March	30 <sup>th</sup> April Unaudited / Audited on or before 30 <sup>th</sup> June
Annual General Meeting	April 2011	March 2012	On or before September 2012

III. Book Closure

The date of closure is ON 30/09/2011

IV. Stock Exchange Listing

Stock Exchange	Stock Code
Bombay Stock Exchange	531029
Madras Stock Exchange Ltd.	118995

Market price data

High and low prices of Equity shares in the financial year 2010-11 are not available as there was no trading in the scrips.

Share Transfer System

The Share Transfer work is being handled by Company.

**Distribution Schedule as on 31-03-2011**

Sl. No.	Category of Shares	Folio		Shares	
		Nos.	%	Nos.	%
1	1-100	7704	80.61	750650	12.82
2	101 - 500	1073	11.23	346040	5.91
2	501 - 1000	287	3.00	248900	4.25
3	1001 - 2000	132	1.38	217410	3.71
4	2001 - 3000	213	2.23	537110	9.17
5	3001 - 4000	22	0.23	77500	1.32
6	4001 - 5000	32	0.33	152610	2.61
7	5001 - 10000	35	0.37	256300	4.38
8	100001 AND ABOVE	59	0.62	3270620	55.84
	<b>TOTAL</b>	<b>9557</b>	<b>100</b>	<b>5857140</b>	<b>100</b>



**Shareholding Pattern As on 31st March, 2011**

Category		Number of Shares	% of holding
<b>1</b>	<b>Promoters</b>	2871730	49.03
	- Indian	NIL	NIL
	- Foreign	NIL	NIL
<b>2</b>	Persons acting in concert	NIL	NIL
<b>3</b>	Institutional Investors		
a	Mutual Funds & UTI	NIL	NIL
b	Banks, Financial Institutions, Insurance Companies (Central/State Gove. Inst./Non-Govt. Inst)	NIL	NIL
c	FIIIs	76100	1.32
<b>4</b>	<b>Others</b>		
a	- Private Bodies Corporate	50700	0.87
b	- Indian Public	2464110	42.05
c	- NRIs / OCBs	394500	6.74
d	- Other than specified above Clearing Members	NIL	NIL
	Sub Total		
	Grand Total	5857140	100
	Paid-up Shares	5857140	100

**Dematerialisation of shares**

The equity shares of the company are not yet demated.

**Regd. Office Location**

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

**AUDITOR'S CERTIFICATE**

To the members of Bharat Textiles & Proofing Industries Ltd

We have examined the compliance of conditions of corporate Governance by Bharat Textiles & Proofing Industries Ltd, for the year ended 31 March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The Compliance of conditions of corporate Governance is the responsibility of the management. Our examination was limited to procedure 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 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 no investor grievance is pending for the period exceeding one month against the company as per the records maintained by the shareholders committee.

We further 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 affairs of the company.

**BY ORDER OF BOARD OF DIRECTORS  
FOR BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**

(ANIL BHANDARI)  
MANAGING DIRECTOR

(AJEET KUMAR BHANDARI)  
DIRECTOR

(BAGCHAND RANKA)  
DIRECTOR

PLACE: CHENNAI  
DATE: 30.06.2011

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

To

The board of directors,  
BHARAT TEXTILE AND PROOFING INDUSTRIES LTD

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

- a) We have examined the financial statement and the cash flow statement for the year ended 31/03/2011 and based on our knowledge and belief we state that :
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Chennai  
30/06/2011

AJEET KUMAR

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

1. We have audited the attached Balance Sheet of M/s. BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED as at 31<sup>st</sup> March 2011 and Profit and Loss Account for the year ended on the date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above:
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of accounts as required by the law have been kept by the company so far as appears from our examination of the books.
  - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Profit & Loss Account & Balance Sheet comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors, and taken on record by the Board of Directors, none of the director stand disqualified as on 31<sup>st</sup> March 2011 from being appointed as director in terms of clause (g) of section 274(1) of the Companies Act, 1956.

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

- i) in case of the Balance Sheet, of the *State of affairs* of the Company as March 31<sup>st</sup>, 2011 and
- ii) in case of Profit and Loss Account, of the *Profit* for the year ended on March 31<sup>st</sup>, 2011.
- iii) In case of cash flow statement of the cash flow for the year ended on the date.

PLACE: Chennai  
DATE: 29<sup>th</sup> June 2011

For Sakaria & Associates  
Chartered Accountants

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

### **ANNEXURE TO THE AUDITORS' REPORT**

With reference to the Annexure referred to in Paragraph 3 of the Report of the Auditors to the Members of M/s Bharat Textiles & Proofing Industries Limited for the year ended 31<sup>st</sup> March 2011 :

- 1.The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets.
- 2.The Fixed Assets of the Company are physically verified by the management at reasonable intervals and that no material discrepancies between physical inventories and book records were noticed.
3. In our opinion, and according to the information and explanations given to us, no substantial part of Fixed Assets has been disposed off by the Company during the year.
- 4.The management during the year has physically verified the Inventory. In our opinion the frequency of such verification is reasonable.
- 5.The procedures for the physical verification of inventory followed by management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- 6.In our opinion the Company has maintained proper records of inventory, no material discrepancies were noticed on physical verification inventory.
- 7.According to the information and explanation given to us, the company has not granted any loans, Secured and unsecured to/from Companies, firms, or other related parties, as covered in the Register maintained under section 301 of the Companies Act 1956.
- 8.The company has taken loans, Secured and unsecured from related parties, as covered in the Register maintained under section 301 of the Companies Act 1956, amounting to Rs 4,58,73,058 from 4 parties py (5,89,94,996/-) during the year. The rate of interest and other terms and condition of loans taken secured, unsecured are not prejudicial to the interest of the Company.
- 9.In our opinion and according to the information and explanation given to us by the management, there are adequate internal control procedure laid down in the Company to commensurate with the size and nature of its business for the purchase of inventory, Fixed Assets and with regard to the sale of goods. In our opinion there is no continuous failure to correct the weakness in internal control system.
10. According to the information and explanation given to us, we are of the opinion, that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
11. There are transaction of Sales of goods made in pursuance of contracts and arrangements with the parties required to entered in the registers maintained u/s 301of the Companies Act 1956, amounting to Rs 1,31,14,263, PY (92,50,837).In our opinion, and according to the information and explanations given to us, the transactions have been made at the price which are reasonable having regard to the prevailing market price at the relevant time.
- 12.As far as we have been able to ascertain, the Company has not accepted any deposits during the year from the public and therefore directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the companies act, 1956 and the Rules framed there under are not applicable.
- 13.In our opinion, the Company has an Internal audit system commensurate with the size and nature of its business.
- 14.The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and as per information and explanation given to us the same have been maintained.
- 15.According to the records of the company, the company is regular in depositing undisputed statutory dues with appropriated authorities which are outstanding for a period of more than six months from the date they become payable except in few cases where minor irregularities were noticed.
16. According to the information furnished to us, the following amount of custom duty has been disputed by the company and hence were not remitted to the concerned authorities at the date of Balance Sheet under report.

Nature of Dues	Amount (Rs)	Period to which relates	Forum Where Dispute Is pending
Custom Duty	16,53,890/-	2001-2002	High Court of Madras, Chennai

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

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

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

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

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

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

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

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

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

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

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

PLACE: Chennai

DATE : 29<sup>th</sup> June, 2011

**BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED****BALANCE SHEET AS AT 31ST MARCH 2011**

<b><u>I SOURCES OF FUNDS</u></b>	<b>SCH</b>	<b><u>AS AT</u></b> <b><u>31.03.2011</u></b> <b><u>Rs.</u></b>	<b><u>AS AT</u></b> <b><u>31.03.2010</u></b> <b><u>Rs.</u></b>
<b><u>A) SHAREHOLDERS FUNDS</u></b>			
(a) EQUITY SHARE CAPITAL	1	58571400	58571400
(b) RESERVES & SURPLUS	2	3300000	3300000
<b><u>B) LOAN FUNDS</u></b>			
SECURED LOAN	3	19172165	44978738
UNSECURED LOAN	4	26700893	14016258
		<u>107744458</u>	<u>120866396</u>
<b><u>II APPLICATION OF FUNDS</u></b>			
<b>A. FIXED ASSETS</b>			
(a) GROSS BLOCK	5	90160821	89182732
(b) LESS:DEPRECIATION		58090308	54339841
(c) NET BLOCK		<u>32070513</u>	<u>34842891</u>
<b><u>B. CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
(a) INVENTORIES	6	14393399	8573007
(b) SUNDRY DEBTORS	7	23789092	13839368
(c) CASH & BANK BALANCES	8	3541633	2776341
(d) ADVANCE & DEPOSITS	9	1028889	1102300
		<u>42753013</u>	<u>26291016</u>
<b><u>LESS:CURRENT LIABILITIES &amp; PROVISIONS</u></b>			
LIABILITIES	10	28033846	6347019
NET CURRENT ASSETS		<u>14719167</u>	<u>19943997</u>
<b><u>C. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</u></b>			
PROFIT & LOSS A/C		54512327	60254461
DEFERRED TAX ASSET		6442450	5825047
A+B+C		<u>107744458</u>	<u>120866396</u>

NOTES ON ACCOUNTS  
SCHEDULES AND NOTES ATTACHED HERETO FORM PART OF THE ACCOUNTS.  
THIS IS THE BALANCE SHEET REFERRED TO  
IN OUR REPORT OF EVEN DATE ATTACHED  
FOR SAKARIA & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD,

(DIRECTOR) (DIRECTOR)  
ANIL BHANDARI AJEET KUMAR

ASHOK KUMAR S  
(PROPRIETOR)  
M NO: 202048  
PLACE: CHENNAI  
DATE : 29th June,2011

(DIRECTOR)  
BHAGCHAND RANKA

**BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE PERIOD 31ST MARCH 2011**

	<u>SCH</u>	<u>AS AT</u> <u>31.03.2011</u> <u>Rs.</u>	<u>AS AT</u> <u>31.03.2010</u> <u>Rs.</u>
<b><u>(A) INCOME</u></b>			
SALES & JOB CHARGES	11	96716838	89198246
OTHER INCOME	12	683755	1131018
		<u>97400593</u>	<u>90329264</u>
<b><u>(B) EXPENDITURE</u></b>			
MANUFACTURING EXP, ADMINISTRATIVE & OTHER EXPENSES	13	84036494	75279276
FINANCE CHARGES	14	7893352	8957417
DEPRECIATION		3750466	3700436
		<u>95680312</u>	<u>87937129</u>
<b><u>(C) EXTRAORDINARY ITMES</u></b>			
PROIFT ON SALE OF LAND		5004450	0
PROFIT BEFORE TAX (A-B+C)		6724731	2392134
LESS: CURRENT TAXES-MINIMUM ALTERNATE TAX		-1600000	-369585
ADD: DEFERRED TAX ASSET		617403	-1281493
		<u>5742134</u>	<u>741056</u>
PREVIOUS YEAR BALANCE		-60254461	-60995517
BALANCE CARRIED TO BALANCE SHEET		<u>-54512327</u>	<u>-60254461</u>

NOTES ON ACCOUNTS 15  
SCHEDULES AND NOTES ATTACHED HERETO FORM PART OF THE ACCOUNTS.

THIS IS THE BALANCE SHEET REFERRED TO  
IN OUR REPORT OF EVEN DATE ATTACHED

FOR SAKARIA & ASSOCIATES  
CHARTERED ACCOUNTANTS

ASHOK KUMAR S  
(PROPRIETOR)  
M NO: 202048  
PLACE: CHENNAI  
DATE : 29th June,2011

FOR & ON BEHALF OF THE BOARD,

(DIRECTOR) (DIRECTOR)  
ANIL BHANDARI AJEET KUMAR

(DIRECTOR)  
BHAGCHAND RANKA

**BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**

**SCHEDULE ATTACHED TO BALANCE SHEET**

	<u>AS AT</u> 31.03.2011 Rs.	<u>AS AT</u> 31.03.2010 Rs.
<b><u>SCHEDULE 1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>AUTHORISED:</u></b>		
6000000 EQUITY SHARES OF RS. 10 EACH	<u>6000000</u>	<u>6000000</u>
<b><u>ISSUED SUBSCRIBED &amp; PAID UP</u></b>		
5857140 FULLY PAID EQUITY SHARES OF RS.10 /- EACH	<u>5857140</u> <u>5857140</u>	<u>5857140</u> <u>5857140</u>
<b><u>SCHEDULE 2</u></b>		
<b><u>RESERVES &amp; SURPLUS:</u></b>		
GENERAL RESERVES-AS PER LAST BALANCE SHEET	<u>3300000</u> <u>3300000</u>	<u>3300000</u> <u>3300000</u>
<b><u>SCHEDULE 3</u></b>		
<b><u>SECURED LOAN</u></b>		
TERM LOAN FROM PRAKASH KUMAR	<u>19172165</u> <u>19172165</u>	<u>44978738</u> <u>44978738</u>
<b><u>SECURITIES :</u></b>		
SECURED BY ENTIRE IMMOVABLE PROPERTY OF THE COMPANY SITUATED AT THE COMPANIES FACTORIES, PREMISES, GODOWN AND HYPOTHECATION OF ALL THE ASSETS OF THE COMPANY INCLUDING STOCK IN PROGRESS, MATERIALS, CONSUMABLES, STORES, DEBTORS PLANT & MACHINERY. (THE ABOVE LOANS ARE ALSO PERSONALLY GUARANTEED BY ONE OF THE TWO DIRECTORS )		
<b><u>SCHEDULE -4</u></b>		
<b><u>UNSECURED LOAN</u></b>		
FROM DIRECTORS & SHARE HOLDERS	<u>26700893</u> <u>26700893</u>	<u>14016258</u> <u>14016258</u>

<b>SCHEDULE - 5</b>	GROSS BLOCK				DEPRECIATION			UP TO 31.03.2011	NET BLOCK	
	COST AS AT 31.03.2010	ADD- ITION	DELE- TION	AS AT 31.03.2011	BALANCE AS AT 01.04.2010	FOR THE YEAR	DELE- TION		AS AT 31.03.2011	AS AT 31.03.2010
LAND & SITE DEVE.	689,486	629,375	193,050	1,125,811	0	0	0	0	1,125,811	689,486
BUILDING	27,218,251	0	0	27,218,251	12,531,219	847,965	0	13,379,184	13,839,066	14,687,031
PLANT & MACHINERY	57,760,951	541,764	0	58,302,715	38,644,960	2,730,546	0	41,375,506	16,927,210	19,115,992
VEHICLES	187,436	0	0	187,436	136,680	14,097	0	150,777	36,659	50,756
FURNITURE & FIXTURES	2,058,780	0	0	2,058,780	1,862,106	127,731	0	1,989,837	68,943	196,674
OFFICE EQUIPMENTS	1,267,827	0	0	1,267,827	1,164,877	30,127	0	1,195,004	72,824	102,951
	89,182,732	1,171,139	193,050	90,160,821	54,339,842	3,750,466	0	58,090,308	32,070,513	34,842,890
PREVIOUS YEAR	87,889,568	1,293,164	6	89,182,726	50,639,406	3,833,436	0	54,472,842	34,709,884	37,250,162

**SCHEDULE -6**

**INVENTORIES**

INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)

RAW MATERIALS	1588246	2355136
FINISHED GOODS	11260442	4483181
WORK IN PROCESS	1100336	936830
STORES & SPARES	385250	742450
POWER & FUEL MATERIALS	59125	55410
	<u>14393399</u>	<u>8573007</u>

**SCHEDULE-7**

**SUNDRY DEBTORS:(UNSECURED)**

**CONSIDERED GOOD**

DEBTS EXCEEDING SIX MONTHS	3978934	341915
OTHER DEBTS	19810158	13497453
	<u>23789092</u>	<u>13839368</u>



**SCHEDULE -8**

**CASH & BANK BALANCES**

CASH ON HAND	367715	351433
<b><u>BALANCE WITH SCHEDULE BANKS :-</u></b>		
IN CURRENT ACCOUNT	2706065	1957055
UNCLAIMED DIVIDEND-AS PER CONTRA	19712	19712
SHARE APPLICATION AMOUNT REFUNDABLE-PER CONTRA	448141	448141
	<u>3541633</u>	<u>2776341</u>

**SCHEDULE -9**

**ADVANCE & DEPOSIT**

(UNSECURED AND CONSIDERED GOOD)  
RECOVERABLE IN CASH OR IN KIND OR  
FOR VALUE TO BE RECEIVED)

a. ADVANCES FOR PURCHASES	281094	5155
b. ADVANCES TO EMPLOYEES	207674	173711
c. ADVANCES TO OTHERS	72850	238844
d. PREPAID EXPENSES	56511	56511
e. DEPOSITS GOVERNMENT AUTHORITIES & OTHERS	410760	628080
	<u>1028889</u>	<u>1102301</u>

**SCHEDULE -10**

**CURRENT LIABILITIES & PROVISIONS**

(A) CURRENT LIABILITIES

a.SUNDRY CREDITORS FOR SUPPLIES		
- SMALL SCALE UNDERTAKINGS	0	0
- OTHERS	21912832	2282666
b.SUNDRY CREDITORS FOR EXPENSES	3077915	3226915
c.UNCLAIMED DIVIDEND-PER CONTRA	19712	19712
d.SHARE APPLICATION MONEY - PER CONTRA	448141	448141

**(B) PROVISIONS**

FOR TAXATION -MINIMUM ALTERNATE TAX	1600000	369585
FOR GRATUITY	975246	0
	<u>28033846</u>	<u>6347019</u>

**SCHEDULE-11**

**SALES AND JOB RECEITPS**

SALES	96716838	89198246
	<u>96716838</u>	<u>89198246</u>

**SCHEDULE 12**

**OTHER INCOME:**

DUTY DRAW BACK INCENTIVE	154204	617898
CREDIT BALANCE WRITTEN BACK	0	607385
FOREIGN EXCHANGE FLUCTUATION	91287	-240409
INTEREST RECEIPTS	0	2115
PACKING & FORWARDING CHARGES COLLECTED	415371	144029
MISCELLANEOUS INCOME	22892	0
	<u>683755</u>	<u>1131018</u>

**SCHEDULE 13**

**MANUFACTURING & OTHER EXPENSES**

OPENING STOCK :

a. WORK IN PROCESS	936830		564635	
b. FINISHED GOODS	4483181	5420011	15388878	15953513

RAW MATERIALS CONSUMED

OPENING STOCK	2355136		2392620	
ADD: PURCHASE	40078878		31590966	
LESS: CLOSING STOCK	1588246	40845768	2355136	31628450

CONSUMPTION

TRADE EXPENSES

PURCHASE	32059046		14587536	
STORES & SPARES CONSUMED	1207543		1348225	
POWER & FUEL	5511041		5582690	
PACKING & FORWARDING CHARGES	131834		217029	
FRIEGHT CARTAGE & OTHER EXPENSES	906553	39816017	2539183	24274663

PAYMENTS & BENEFITS TO EMPLOYEES

a. SALARIES,WAGES & BONUS	5691529		5077966	
b. CONTRIBUTION TO PF & ESI	727905		638276	
c.LABOUR & STAFF WELFARE EXPENSES	389281		263906	
d.PROVISION FOR GRATUITY	975246	7783961	0	5980148

ADMINISTRATIVE , SELLING & OTHER EXPENSES

REPAIRS & MAINTENANCE		151107		140735
INSURANCE		72565		68621
RENT		104160		54950
POSTAGE, TELEGRAM & TELEPHONES		182270		222942
ELECTRICAL EXPENSES		31998		24000
PRINTING & STATIONERY		54249		51715
GENERAL EXPENSES		49813		68047
SECURITY CHARGES		405466		405151
VEHICLE MAINTAINENCE		99321		26955
COMMISSION & BROKERAGE		51405		100329
ADVERTISEMENT & PROMOTION EXPENSES		40143		188696
CLEARING & FORWARDING EXPENSES		173978		256174
TRAVELLING & CONVEYANCE		165538		300046
RATES, TAXES & PROFESSIONAL CHARGES		545779		328733
BANK CHARGES		39420		29005
AUDIT FEES		30000		20000
CLAIMS & REBATES		92476		567481
MISCELLANEOUS EXPENSES		241828		8933
		96397272		80699287

LESS:CLOSING STOCK

WORK IN PROGRESS	1100336			
FINISHED GOODS	11260442		936830	
		12360778	4483181	5420011
		84036494		75279276

SCHEDULE-14

FINANCE CHARGES

INTEREST ON SECURED & UNSECURED LOAN		7893352		8957417
		7893352		8957417

**BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**

**SCHEDULE 15**

Notes to Financial Accounts forming an integral part of the Balance Sheet and the Profit & Loss Account as on 31<sup>st</sup> March 2011.

1. **SIGNIFICANT ACCOUNTING POLICIES**

(a) **GENERAL**

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

(b) **REVENUE RECOGNITION**

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

(c) **FIXED ASSETS**

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

(d) **DEPRECIATION**

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

(e) **INVENTORIES**

**METHOD OF VALUATION**

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

(f) **FOREIGN CURRENCY TRANSACTION**

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

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

(h) **DEFERRED TAXATION**

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

(i) **RETIREMENT BENEFITS**

The Company contribution to provident Fund and Pension Fund are charged to profit and loss account in the year of accrual. The liability in respect of leave encashment is recognized on accrual basis.

(j) **CONTINGENT LIABILITIES**

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

2. **CONTINGENT LIABILITY**

Claims against the company not acknowledged as debts, being disputed and pending in Appeals/assessment in respect of

	Current Year (in Lacs)	Previous Year (in Lacs)
(a) Customs matter	16.53	16.53

- 3 The Director General of Foreign Trade, New Delhi has revoked Bank Guarantee amount of Rs.16,53,890/- towards non-fulfillment of Export obligation against EPCG Scheme. The Company has obtained interim injection order from Honorable High Court of Madras. No provision has been made in the books of accounts.
- 4 The obligation of Company towards accumulated gratuity provision is estimated at Rs.19,50,492/-. However the Company has made provision for 50% of the amount i.e Rs 975246/- only and the balance provision will be made in the subsequent year.
5. Debit and credit balances not recoverable / payable are written off/written back in the books of accounts.
6. Amount due and outstanding to be credited to the Investor Education and protection fund Rs.467853/- (F.Y.467853/-). However the Company has submitted letter to ING Vysya Bank Ltd (Banker to the Public issue) for transfer of money to Investor Protection fund.
7. Previous year figures have been regrouped/ rearranged wherever necessary to make them comparable with the current year figures.
8. The Company has been advised that the computation of net profits for the purpose of Directors remuneration under Section 349 of the Companies Act 1956 need not be enumerated since no Commission has been paid to the Directors. The monthly remuneration paid to the Director is as per Schedule XIII of the Companies Act 1956.

9. Payment to Directors

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

Tax Audit	10000/-	5000/-
Audit Fee	20000/-	10000/-
Total	<b>30,000/-</b>	<b>15,000/-</b>

11. INSTALLED ANNUAL CAPACITY (Mts)

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

Notes:

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

12. C.I.F. Value Of Imports

Raw Materials	5,33,214/-	4,49,913/-
---------------	------------	------------

13. Earnings in Foreign Exchange

Exports (FOB Value)	32,94,076/-	1,16,15,249/-
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14. Payments against suppliers from Small Scale Industrial undertaking are made in accordance with agreed terms and to the extent ascertainable from available information. The names of small scale Industrial undertakings in whose account an amount of Rs.1.00 lakh or more was outstanding for more than 30 days are NIL (Previous year- Nil )

15. In accordance with 'Accounting Standard 22' the deferred tax assets has been recognized by company on its accumulated losses, Gratuity provision and MAT Credit amounting to Rs 1,39,52,516/-. Deferred tax Liability has recognized on depreciation amounting to Rs 75,10,066/-. The deferred Tax Asset and Liability are netted and Rs 64,42,450 /- has been stated as deferred Tax asset. A Provision of Deferred Tax amounting to Rs 6, 17,403/- has made in the books of accounts.

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

17. Quantitative details of manufactured/traded goods

(Figure in Bracket represent Previous Year Figure) (Rupees in Lakhs)

	<u>Opening Stock</u>	<u>Production/Purchase/ Conversion</u>	<u>Sales</u>	<u>Closing Stock</u>
<u>(A) Manufactured Goods</u>				
<u>Canvas/Processed Canvas</u>				
-Qty (Meters)	54925 (210656)	897734 (828506)	820813 (984237)	131846 (54925)
-Value (lakhs)	42.13 (149.07)		673.25 (861.00)	109.68 (42.13)
<u>(B) Traded Goods</u>				
<u>(i) Canvas/Tarpaulin/HDPE</u>				
-Qty (Kgs)	2844.59 (5343)	1866.9 (21724.59)	4711.49 (24223)	0 (2844.59)
Qty (mtrs)	0 (Nil)	239460.00 (Nil)	236405 (Nil)	3055.00 (Nil)
-Value (Lakhs)	2.7 (4.80)	220.43 (27.50)	246.68 (37.09)	2.92 (2.70)

<u>18.Raw materials Consumed</u>	<u>2010-2011</u>		<u>2009-2010</u>	
	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
(a) Yarn (Kgs)	372322	330.12	342970	239.49
(c) Fabrics (Mts)	207841	102.99	229090	113.13
(b) Others		78.32		76.79

19. Earning Per Share

	<u>Current Year</u>	<u>Previous Year</u>
Profit after Tax as per P&L a/c	57,42,134/-	741056/-
Number of Equity Shares	58,57,140	58,57,140
Basic and diluted Earning Per Share (Face Value Rs 10/- Each)	0.98	0.13

20. Related party disclosures

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

<u>Nature of Transaction</u>	<u>Key Management Personnel</u>	<u>Relative of Key Management Personnel</u>	<u>Total</u>
Remuneration	210000/-	--	210000/- (210000)
Rent & Amenities	---	--	Nil (96000)
Interest Payments	19,72,703/-	58,60,699/-	78,33,402/- (8891914)
Payment for Stitching Charges	---	----	Nil (9,85,000)
Sale of Goods	---	1, 31, 14,263/-	1,31,14,263/- (9250837)

Key Management Personnel & relative

Ajeet Kumar Bhandari, Anil Kumar Bhandari, Prakash Chand, Mahaveer Chand, Klix Brainotech, Krishna Tarpaulin industries  
For and on behalf of the Board

**ANIL BHANDARI (Director) AJEET KUMAR (Director)**

Date : 29-06-2011  
Place : C H E N N A I

**BHAGCHAND RANKA (Director)**

**M/S BHARAT TEXTILES AND PROOFING INDUSTRIES LIMITES-CHENNAI**  
**PART IV-BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**1. REGISTRATION DETAILS**

<b>REGISTRATION NO.</b> 2 0 0 7 2	<b>STATE CODE .</b> 18	<b>BALANCE SHEET DATE</b> 31-03-2011
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**2. CAPITAL RAISED DURING THE YEAR (AMT IN RS.000'S)**

<b>PUBLIC ISSUE</b> NIL	<b>RIGHT ISSUE</b> NIL	<b>BONUS ISSUE</b> NIL	<b>PRIVATE PLACEMENT</b> NIL
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**3.POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (AMOUNT IN RS.000'S)**

<b>TOTAL LIABILITIES</b> 1 0 7 7 4 4 . 4 6	<b>TOTAL ASSETS</b> 1 0 7 7 4 4 . 4 6		
<b><u>SOURCES OF FUNDS</u></b>			
<b>PAID UP CAPITAL</b> 5 8 5 7 1 . 4	<b>RESERVES &amp; SURPLUS</b> 3 3 0 0	<b>SECURED LOANS</b> 1 9 1 7 2 . 1 6	<b>UNSECURED LOANS</b> 2 6 7 0 0 . 8 9
<b><u>APPLICATION OF FUNDS</u></b>			
<b>NET FIXED ASSETS</b> 3 2 0 7 0 . 5 1	<b>INVESTMENTS</b> NIL	<b>NET CURRENT ASSETS</b> 1 4 7 1 9 . 1 7	<b>MISCELLANEOUS EXPENSES</b> 6 0 9 5 4 . 7 8

**4. PERFORMANCE OF COMPANY (AMOUNT IN RS.000'S)**

<b>TURNOVER</b> 1 0 2 4 0 5 . 0 4	<b>TOTAL EXPENDITURE</b> 9 5 6 8 0 . 3 1	<b>PROFIT BEFORE TAX</b> 6 7 2 4 . 7 3	<b>PROFIT AFTER TAX</b> 5 7 4 2 . 1 3
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<b>EARNINGS PER SHARE IN RS</b> 0.98
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**DIVIDEND RATE**  
NIL

**5.GENERIC NAME OF THREE PRINCIPAL PRODUCTS SEVICES OF COMPANY (AS PER MONETARY TERM)**

<b>ITEM CODE(ITC CODE)</b> 5211	<b>PRODUCT DESCRIPTION</b> CHEMICALLY PROCESSED CANVAS
<b>ITEM CODE(ITC CODE)</b> 5211	<b>PRODUCT DESCRIPTION</b> COMMON PROOF TARPAULINS
<b>ITEM CODE(ITC CODE)</b> 5211	<b>PRODUCT DESCRIPTION</b> CHEMICAL PROOF TARPAULINS

**FOR SAKARIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**ASHOK KUMAR S**  
**(PROPRIETOR)**  
**M NO: 202048**

**FOR & ON BEHALF OF THE BOARD,**  
**ANIL BHANDARI**  
**(DIRECTOR)**  
**AJEET KUMAR**  
**(DIRECTOR)**  
**BHAGCHAND RANKA**  
**(DIRECTOR)**

**PLACE: CHENNAI**  
**DATE : 29th June,2011**

**Cash Flow statement pursuant to Clause 32 of Listing Agreement(s)**

	2010-2011 (Rs)	2009-2010 (Rs)
<b><u>A. Cash flow from Operating Activities</u></b>		
Net Profit before Tax	6724731	2392134
Adjustment for:		
Depreciation	3750466	3700436
Profit on sale of land	-5004450	
Interest Paid	7893352	8957417
	6639368	12657853
<b>Operating Profit before Working capital Changes</b>	13364099	15049987
<b><u>Adjustments for : Increase/Decrease</u></b>		
Trade & Other Receivables	-9876313	-8160300
Inventories	-5820392	10692033
Current Liabilities	21686827	-2989791
	5990122	-458058
Cash Generated from Operation	19354221	14591929
Minimum Alternative Tax	-1600000	-369585
Interest Paid	-7893352	-8957417
<b>Net Cash Flow from Operations (A)</b>	9860869	5264927
<b><u>B Cash Flow From Investing Activities</u></b>		
Purchase of Fixed Assets	-1171139	-1293164
Sale Of Fixed Assets	5197500	0
<b>Net Cash Used in Investing Activities (B)</b>	4026361	-1293164
<b><u>C Cash Flow From Financing Activities</u></b>		
Decrease in Borrowings	-13121938	-4343459
<b>Net Cash flow from Financing Activities ( C )</b>	-13121938	-4343459
<b>Net Increase in Cash and Cash Equalents (A+B+C)</b>	765292	-371696
Add: Cash and Cash Equalents as at 1 st April	2776341	3148037
<b>Cash and Cash Equalents as at 31st March</b>	3541633	2776341

PLACE : CHENNAI

For and on Behalf of Board

DATE : 29-06-2011

Director	Director	Director
Anil bhandari	Ajeet kumar	Bhagchand Ranka

**AUDITOR'S CERTIFICATE**

We have examined the above cash flow statement of M/s Bharat Textiles & Proofing Industries Limited for the year ended 31st March 2011. The Statement has been prepared by the company in accordance with the requirements of Listing Agreement Clause 32 with Madras Stock Exchange and is based on and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report dated 29th June 2011 to the members of the Company.

ATTENDENCE SLIP

Name of the Member :
Address :
Folio Number :

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

Signature of the attending Member/Proxy :
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-----TEAR HERE-----

PROXY FORM

I/ We.....

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

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

Of..... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held on 30<sup>th</sup> September 2011 at 10.00 AM or at any adjournment thereof.

Affix Re.1 Revenue Stamp
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