



**Bharat Textiles & Proofing
Industries Limited**

**ANNUAL REPORT
2013-2014**

BOARD OF DIRECTORS	:	MR.AJEET KUMAR BHANDARI MR.ANIL BHANDARI MR. RAJESH GURDAS WADHWA MR. S.VINOD KUMAR MR. MAHENDRAKUMAR BHANDARI	- Managing Director - Whole Time Director & CFO - Independent Director - Independent Director - Independent Director
REGISTERED OFFICE AND PLANT LOCATION	:	994, SATYAVEDU ROAD, SIRUPUZHALPET, GUMMIDIPOONDI, TAMIL NADU-601201	
ADMINISTRATION OFFICE	:	NEW NO.39, (OLD NO.50) 205,ABC TRADE CENTRE, 2 ND FLOOR (INSIDE DEVI THEATRE COMPOUND), ANNA SALAI, CHENNAI – 600 002	
AUDITORS	:	M/S. SAKARIA & ASSOCIATES #156, MINT STREET,“KANCHAN PLAZA” 1 ST FLOOR, SOWCARPET, CHENNAI – 600 079	
REGISTRAR AND SHARE TRANSFER AGENTS	:	M/S. CAMEO CORPORATE SERVICES LIMITED “SUBRAMANIAM BUILDING” (V FLOOR) NO. 1, CLUB HOUSE ROAD, CHENNAI – 600 002	
BANKERS	:	ICICI BANK LIMITED 84, NSC BOSE ROAD, CHENNAI – 600 079 INDIAN BANK HARBOUR BRANCH, 66, RAJAJI SALAI, CHENNAI – 600 001 AXIS BANK LIMITED CORPORATE BANKING BRANCH, CHENNAI – 600002	

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**Bharat Textiles & Proofing Industries Limited****NOTICE**

Notice is hereby given that the 24th Annual General Meeting of the Company will be held on Saturday, the 27th September, 2014 at 11:00 A.M. at the Registered Office of the Company situated at No.994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi, Tamil Nadu-601201 for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended on 31st March, 2014 including Audited Balance Sheet as on 31st March, 2014 and the Statement of Profit & Loss Account for the year ended as on that date, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Kumar Bhandari (**DIN: 02722372**), Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT M/s. Sakaria & Associates, Chartered Accountants, Chennai (**Firm Registration No. 202048**) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company, in addition to reimbursement of out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. S. Vinod Kumar (holding DIN **05219217**), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting unless otherwise he resigns or is removed from the Board."

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Rajesh Gurdas Wadhwa (holding DIN **02724505**), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting unless otherwise he resigns or is removed from the Board."

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Mahendrakumar Bhandari (holding DIN **05213257**), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting unless otherwise he resigns or is removed from the Board."

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

Sd/-
(Ajeet Kumar Bhandari)
Managing Director

Place : Chennai
Date : 14.08.2014



Bharat Textiles & Proofing Industries Limited

NOTES:

1. **A MEMBER OF THE COMPANY WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
2. **INSTRUMENT OF PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**
3. The Register of members and the share transfer books of the Company will remain closed from **22nd September, 2014 to 27th September, 2014** (both days inclusive).
4. Members are requested to notify immediately the change, if any, of the address registered with the Company.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical transfer and for ease in portfolio management. Members can contact the company or Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited for assistance in this regard.
6. Shareholders/proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the meeting hall.
7. 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 ten days before the date of the meeting so as to enable the management to keep the required information readily available at the meeting.
8. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
9. The Register of Directors' shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
10. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company and the RTA for consolidating their holdings in one folio.
11. In case of joint holders, if more than one holder intends to attend the Meeting, they must obtain additional slips on request from the Registered Office of the Company.
12. Members are requested to send all communications relating to transfer of physical shares/ demat, etc. directly to the Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited, 'Subramanian Building' (V Floor), No.1, Club House Road, Chennai – 600 002.
13. Members are requested to update their respective email address with the depository participant to ensure that the annual report and other documents reach you on your preferred email account.
14. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit the details of their PAN along with a photocopy of both sides of the PAN Card, duly attested, to the Registrar and Share Transfer Agents M/s. Cameo Corporate Services Limited, 'Subramanian Building' (V Floor), No.1, Club House Road, Chennai – 600 002.
15. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for Financial Year 2013-2014 will also be available on the Company's website **www.bharattarpaulin.com** for their download. The physical copies of the aforesaid documents will also be available at the Company's Corporate Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: ajeet@bharatcanvas.com.
16. At the ensuing Annual General Meeting of the Company, Mr. Anil Kumar Bhandari, Director retires by rotation and being eligible, offer himself for re-appointment. Also the appointment of Mr. S. Vinod Kumar, Mr. Rajesh Gurdas Wadhwa and Mr. Mahendrakumar Bhandari is being regularized to bring it in line with the provisions of the Companies Act, 2013. A statement furnishing the details of the concerned Director is given below:



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STATEMENT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED VIDE ITEM NO.2, 4, 5 & 6, OF THE NOTICE DATED 14TH AUGUST, 2014:

Name of the Director	Mr.Anil Kumar Bhandari	Mr.S.Vinod Kumar	Mr.Rajesh Gurdas Wadhwa	Mr.Mahendra Kumar Bhandari
Date of Birth	17.05.1978	24.07.1977	09.10.1971	12.06.1958
Date of appointment on the Board as Director	15.04.2002	29.03.2012	29.03.2012	22.02.2012
Date of last appointment / reappointment as Director	01.04.2012	22.09.2012	22.09.2012	22.09.2012
Qualification(s)	M.Sc.	Chartered Accountant & Company Secretary	Post Graduate Diploma in Financial Management	Bachelor in Commerce
Expertise in Specific Functional Area	Tester Engineering	Accounting & Finance	Marketing, Finance, Human Resources & General Management	Accounting & Finance
List of outside Directorships held	Nil	VSK Management Solutions Private Limited	Sugal & Damani Share Brokers Limited	Nil
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	Nil	Nil	Member of the Audit Committee of Share & Damani Share Brokers Limited	Nil
Relationship between Directors Inter-se	Brother of Mr.Ajeet Kumar Bhandari	N.A.	N.A.	N.A.
No. of Shares held	76,400	Nil	Nil	Nil

17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:

- i. In case a Member receives an email from CDSL [for members whose email IDs are registered with the Company/ Depository Participant(s)]:
 - i. Log on to the e-voting website www.evotingindia.com
 - ii. Click on "Shareholders" tab.
 - iii. Now, select the "BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
 - iv. Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
 - vi. Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA0000001 in the PAN field.



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- # Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
- vii. After entering these details appropriately, click on "SUBMIT" tab.
 - viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - x. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvi. If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- A. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- B. The voting period begins on **22nd September, 2014 at 09:00 a.m.** and ends on **23rd September, 2014 at 06:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **29th August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.cdsl.com
- III. If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on **22nd September, 2014 (9:00 am)** and ends on **23rd September, 2014 (6:00 pm)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **29th August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of **29th August, 2014**.
- VII. Mr. Soy Joseph, Company Secretary (Membership No. 13852) and Partner M/s. JM & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available at the Registered Office of the Company and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE & MSE Limited.

By order of the Board
For **BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**

Place : Chennai
Date : 14.08.2014

Sd/-
(Ajeet Kumar Bhandari)
Managing Director



Bharat Textiles & Proofing Industries Limited**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****Item No. 4:**

Mr. S.Vinod Kumar (Mr. Kumar) is a Non-Executive Independent Director on the Board of the Company. He joined the Board of Directors of the Company on 29th March, 2012. He is the Chairman of the Audit Committee and Member of the Nomination & Remuneration Committee of the Company. Mr. Kumar is a Chartered Accountant by profession.

Mr. Kumar is a Director on the Board of M/s.VSK Management Solutions Private Limited. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Kumar retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Mr. Kumar, being eligible, offers himself for appointment and is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting.

In the opinion of the Board, Mr. Kumar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kumar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kumar as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kumar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Kumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4 . This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 5:

Mr. Rajesh Gurdas Wadhwa (Mr. Wadhwa) is a Non-Executive Independent Director on the Board of the Company. He joined the Board of Directors of the Company on 29th March, 2012. He is the Chairman of the Nomination & Remuneration Committee and Member of the Audit Committee of the Company.

Mr. Wadhwa is a Director on the Board of M/s. Sugal & Damani Share Brokers Limited. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Wadhwa retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Mr. Wadhwa, being eligible, offers himself for appointment and is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting.

In the opinion of the Board, Mr. Wadhwa fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Wadhwa as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Wadhwa as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Wadhwa as an Independent Director, for the approval by the shareholders of the Company.



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Except Mr. Wadhwa, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6:

Mr. Mahendrakumar Bhandari (Mr. Bhandari) is a Non-Executive Independent Director on the Board of the Company. He joined the Board of Directors of the Company on 27th February, 2012. He is the Chairman of the Stakeholder Relationship Committee and Member of the Audit Committee and Nomination & Remuneration Committee.

Mr. Bhandari is not a Director on the Board of any other Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Bhandari retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Mr. Bhandari, being eligible, offers himself for appointment and is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual general Meeting.

In the opinion of the Board, Mr. Bhandari fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Bhandari as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Bhandari as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Bhandari as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Bhandari, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

By order of the Board

For **BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED**

Place : Chennai
Date : 14.08.2014

Sd/-
(Ajeet Kumar Bhandari)
Managing Director



Bharat Textiles & Proofing Industries Limited

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting to you the 24th Annual Report and the Audited Statement of Accounts for the financial year ended on 31st March, 2014.

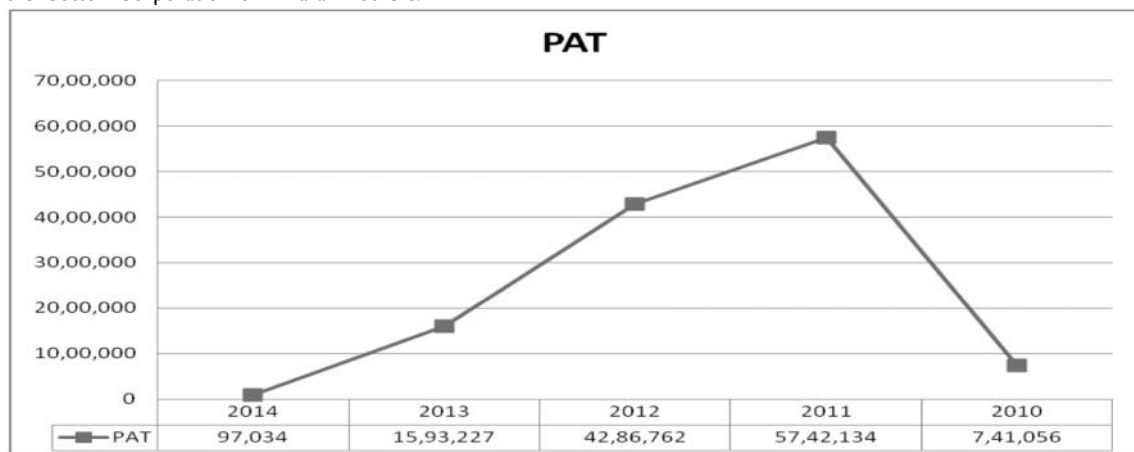
FINANCIAL RESULTS:

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

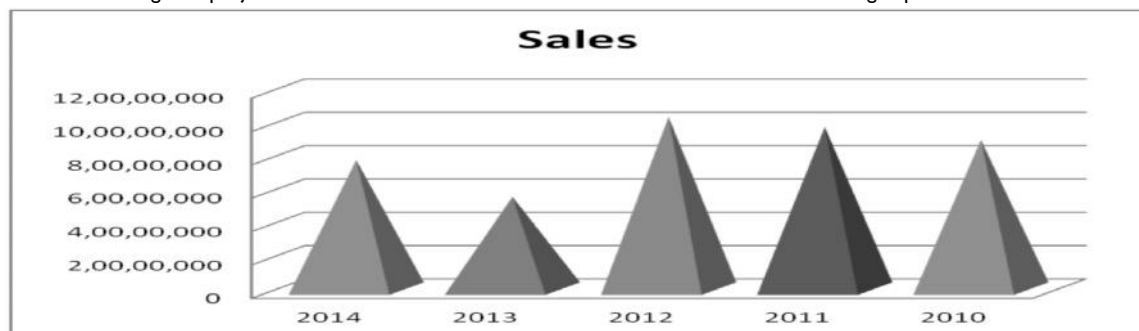
PARTICULARS	(RS. IN LAKHS)	
	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
Total Income	805.52	571.22
Profit/(Loss) before tax (PBT)	4.77	2.83
Provision for Taxation	(3.80)	13.11
Net Profit/(Loss)	0.97	15.93

BUSINESS ANALYSIS:

The macroeconomic environment posed many challenges for the company during the year under review. On domestic front, stagnant economy, high inflation and higher interest rates dampened the consumer sentiments. On the top of challenging macroeconomic scenario, your company is facing challenges of low productivity due to older technology and arrogant labour behavior. Despite of such a challenging environment, your Company has been able to maintain profits for the year ended 31st March, 2014. Managing costs, maintaining margins and enhancing product quality have been focus areas for the fiscal 2015. Business during the fiscal 2014 was also affected due to absence of routine annual sales to Government departments such as the Cotton Corporation of India and others.

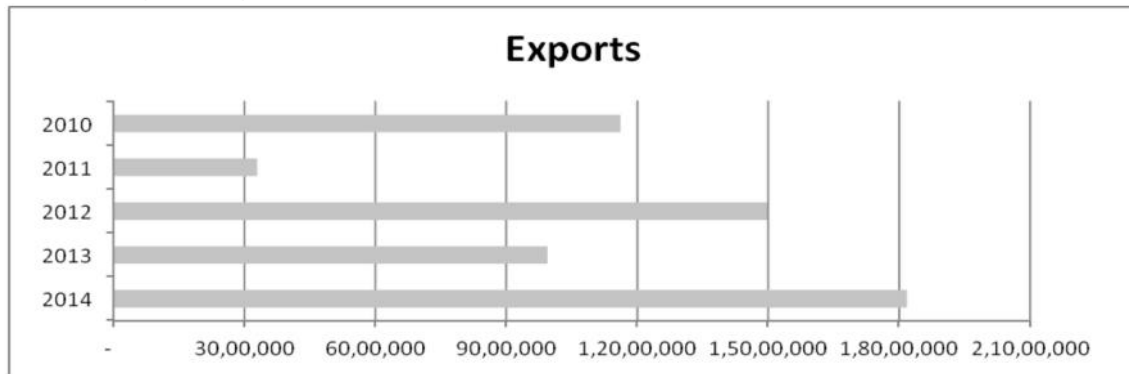


Present challenges has forced directors to enter into newer technology for manufacturing of coated industrial fabrics such as PVC coated polyester fabrics, acrylic coated polyester fabrics, fire retardant canvas, etc. This will in turn increase range of products which got huge market potential all over the world. In order to realize this plan your company has approached Axis Bank for funding this project and bank has sanctioned term loan of Rs.285 Lakhs and Working capital of Rs.125 Lakhs.



Bharat Textiles & Proofing Industries Limited

Your company has already placed order for major machines to be installed at same premises where we have our present unit for manufacturing canvas and expecting delivery by August, 2014. However, due to recent announcement of special package for residual state of Andhra Pradesh (Seemandhra) by the Government of India for new industry and in order to take advantage of this special package, your company is seriously thinking to set up this upcoming project at Seemandhara which is around 14 k.m. away from the present unit. Your Directors are confident of achieving exponential growth in turnover and profits with this business diversification due to availability of cheap labour and the subsidies and benefits in form of taxation which shall be provided by the Government.



Exports are a high margin business for your Company and with specific focus on export, the new diversification should bring in tremendous bottom line growth to your Company. Such a diversification would not just enhance the bottom line, but also help conserve precious Foreign Exchange for the country.

DIVIDEND:

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

The register of members and share transfer book will remain closed from 22nd September, 2014 to 27th September, 2014 (both days inclusive). The Annual General Meeting has been scheduled for 27th September, 2014.

DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anil Kumar Bhandari, Director of the Company, will retire by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself for re-appointment. Also, Mr. S. Vinod Kumar, Mr. Rajesh Gurdas Wadhwa & Mr. Mahendrakumar Bhandari shall retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment for a further term of five years in order to comply with the provisions of Section 149 of the Companies Act, 2013. Therefore, your Board recommends for their appointment.

The brief profile of the aforesaid Directors has been furnished in the Notice convening the Annual General Meeting of the Company.

FIXED DEPOSITS:

The Company has not accepted any deposit under Section 58A of the Companies Act, 1956 (presently Section 73 to 76 of the Companies Act, 2013), read with Companies (Acceptance of Deposit) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures; if any;
2. The Directors have 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 31st March, 2014 and of the profit of the Company for the said financial year;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the Annual Accounts for the financial year ended on 31st March, 2014 on a going concern basis.



Bharat Textiles & Proofing Industries Limited

CORPORATE GOVERNANCE:

In accordance with Clause 49 of the listing agreement with the stock exchanges, a separate report on the Corporate Governance along with the Auditors' certificate confirming compliance is attached to the report.

The Chairman & Managing Director has confirmed and declared that all the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The management discussion and analysis of the financial conditions including the result of the operations of the company for the year under review as required under clause 49 of the Listing Agreement with the Stock Exchange is given as a separate statement in the Annual Report.

LISTING:

The Company's Listing status has been reinstated at the Bombay Stock Exchange with effect from 15th December, 2012. But the Company's Listing Status remains suspended at the Madras Stock Exchange and the Ahmedabad Stock Exchange.

AUDITORS:

The Auditors of your Company, M/s. Sakaria & Associates, Chartered Accountants, hold office until the conclusion of the Twenty Fourth Annual General Meeting and, being eligible, offer themselves for re-appointment as the Auditors of your Company for the financial year 2014-15. The company has received certificates from the auditor to the effect that their appointment will be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013.

PERSONNEL:

There are no employees who are paid remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

PARTICULARS OF ENERGY CONSUMPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, RESEARCH AND DEVELOPMENT:

A) Energy Conservation:

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

Diesel (In Ltrs.)	Opening Stock	Purchase in Ltrs.	Closing Stock	Consumption in the Year
	01.04.2013	01.04.2013 to 31.03.2014	31.03.2014	01.04.2013 to 31.03.2014
Quantity in litres	200	8800	500	8500
Amount in Rupees	10258	484998	29645	465611
Fire wood	Opening Stock	Purchase	Closing Stock	Consumption in the Year
	01.04.2013	01.04.2013 to 31.03.2014	31.03.2014	01.04.2013 to 31.03.2014
Quantity in kilograms	74000	939750	175000	838750
Amount in Rupees	340400	2960404	560000	2740804
Power Consumption from 01.04.2013 to 31.03.2014				
Value in Rupees	2347293	Units		356316

B) Foreign Exchange Earnings and Outgo:

PARTUCULARS	2014 (in Rs.)	2013 (in Rs.)
Earnings	1,81,72,796	99,39,571
Outgo	6,45,665	1,26,825



Bharat Textiles & Proofing Industries Limited**C) Technology Absorption, Adaptation and Innovation, Research and Development:**

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

D) Insurance

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

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the co-operation received from the Government of Tamil Nadu and the Bankers and look forward to such co-operation in the future as well. Your Directors would like to express their grateful appreciation to all the employees at all levels for their hard work, solidarity, co-operation and support during the financial year. Your Directors also wish to place on record their deep appreciation to customers, shareholders, vendors, suppliers and other stakeholders for their continued support.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

Place : Chennai
Date : 14.08.2014

Ajeet Kumar Bhandari
Managing Director

Anil Bhandari
Whole Time Director

MANAGEMENT DISCUSSION AND ANALYSIS**a) INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Your company is engaged in the business of manufacturing Industrial fabrics-Cotton canvas fabrics, chemically treated canvas and common proof tarpaulins. It can be used as a covering above or in front to give shelter from the sun. It can also be used as industrial belting or as a conveyor. India, being one of the countries where manpower and resources are sufficient, can cater to a large segment of the international market in industrial fabrics. The industrial fabrics like canvas and tarpaulins are consumed in bulk quantities in all user sectors like truck covers, for military use, warehousing, tents, fancy bags, etc.

TARPAULIN AND TEXTILES SECTOR:

Amidst the challenging operating environment and uncertainty over demand growth and volatility in raw material prices, it is unlikely that the sector's outlook will turn positive. Margin pressure would persist for both the cotton and synthetic textile industries, driven by rising power and wage costs and higher interest rates. The cotton industry is presently facing challenges like slow demand and a loss in margins, but a recovery is expected on account of falling cotton prices, though this could be negated by further volatility in input costs or forex movements. Weak demand for cotton and cotton products last year was mainly as a result of surplus inventories prompting mills to postpone buying further in the backdrop of uncertainty in overseas demand for textiles. Due to the current situation, instead of adding capacity here, garment manufacturers are looking at the option of setting up capacity or outsourcing job work to Bangladesh to benefit from the lower cost of production.

ECONOMIC REVIEW:

The period under review was one of the most challenging years as volatility in the prices of raw material and finished goods was highest in the history of textiles. The volatility of the raw material globally was more speculative in nature than resulting from the balance of demand and supply. Such volatility in both, raw materials and finished goods totally destroyed the system of trade. The emerging and developing economies, which include India and China are expected to experience lower growth rates, when compared to the previous year. The lower growth rates are expected to result in lower demand across the product lines including textiles, where supply may exceed demand, putting pressure on the prices. As a result of these uncertainties in the market, prices may be volatile.

Your company is manufacturing Industrial fabric such as cotton canvas which is mainly used for making Truck Tarpaulins. The demand for tarpaulins has come down drastically due to lower growth rate of economy resulting in lower sales of trucks in the local market. Poor monsoon during the period under review has drastically reduced the sales of canvas tarpaulins.

b) PERFORMANCE REVIEW:

The Company had achieved a turnover of Rs. 8,05,52,000 (Rupees Eight Crore Five Lakhs and Fifty Two Thousand Only) and made a profit of Rs. 97,034 (Rupees Ninety Seven Thousand and Thirty Four Only) as compared to Rs. 15,93,227 (Rupees Fifteen Lakhs Ninety Three Thousand Two Hundred and Twenty Seven Only) in the previous year.

Bharat Textiles & Proofing Industries Limited

c) OUTLOOK:

The textile industry in India has showcased a significant growth especially in the technical textile sector over the past few years. The technical textiles industry in India has grown to Rs. 63,000 crores in 2011-12 from Rs 43,000 crores in 2007-08, which is eleven percent growth per annum. What is more is that it is forecasted to grow to Rs. 158,000 crores by the year 2016-17 with a projected growth percentage of twenty percent growth per annum to be achieved.

d) OPPORTUNITIES AND THREATS:

Ambition of the Government of India, to make India a hub for technical textiles will create an opportunity for the industrial fabric division of your Company to function better as compared to earlier years. Performance of the fabric will see a reasonable growth which will benefit the industry in moving up the value chain. Your Company has recently signed bilateral arrangements with special fiber manufacturers. Efforts will be put by your Company to exploit the business opportunities in technical textiles where your Company has expertise.

Severe power shortage in most of the states will remain a biggest threat for the utilization of the plant and equipments. Due to shortage of power, the utilization may drop severely and hence volatility in yarn prices may continue. Even though the industry expects the cotton prices to be stable, the whole scenario may change, in case China decides to increase their cotton reserves. Hence, it is expected that cotton prices too may have volatility.

Due to severe recessionary trends which are continuing in the developed countries, unit realization of products may continue to be under pressure.

Your company is discussing with strategic consultants to enter into technical and marketing collaboration with international companies, to manufacture end products made from canvas such as tent and bags which will be a natural forward integration and will fetch good margins. The demand for cotton canvas tarpaulins is shrinking day by day which is mainly due to the introduction of various low cost plastic tarpaulins that are introduced in the market. As the company's main business is reducing day by day due to the various reasons mentioned above, your company is thinking about diversification into the signage industry connected products such as flax banner fabrics which has good volume and margins. For this purpose your company has approached banks for term loans. Soon after getting sanction, your company is planning to come out with a rights issue to fund the flax banner fabric.

e) INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS:

Your Company has the benefit of internal control systems which has developed over the years and which has ensured that all transactions are satisfactorily recorded and reported and all assets are protected against loss from unauthorized use or otherwise. The process of internal control and systems, statutory compliance, risk analysis and its management and information technology are woven together to provide a meaningful support to the management process. The system adopted, especially relating to internal control systems are adequate and commensurate with the nature of its business and size of its operations, though continuous efforts are being made to strengthening the same.

f) HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

Your Company continues to maintain a constructive relationship with its employees through a positive environment so as to improve productivity and efficiency. Your Company has always highlighted the importance of quality and its employees are encouraged to get involved in the continuous process of improving quality. Your Company puts in a lot of effort to provide employees the best working environment with ample opportunities to grow and explore. Also the company makes sure that it maintains a work environment that is free from physical, verbal and sexual harassment. The management is incessantly working on the development of human resources which is very important for accomplishing the goals and realizing the vision of the Company in an ever-changing and challenging business environment. Industrial relations at the plant location remained cordial all throughout the year.

g) CAUTIONARY STATEMENT:

Certain sentences in this report may be forward-looking based on the general overview of the textile industry but which the management believes is true to the best of its knowledge. Actual results may differ from those implied above.



Bharat Textiles & Proofing Industries Limited

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.

Your Company believes that good corporate governance contemplates that corporate actions balance the interests of all stakeholders and satisfy the tests of accountability and transparency. The Company adopts a model to adhere to all the rules and regulations of the statutory authorities. Duties and statutory obligations are discharged in a fair and transparent manner with the object of maximizing the value of the shareholders and stakeholders.

I. BOARD OF DIRECTORS

a) COMPOSITION AND CATEGORY OF BOARD OF DIRECTORS

The Company has in all 5 Directors with considerable professional experience in divergent areas connected with corporate functioning. The Board is headed by Mr. Ajeet Kumar Bhandari, the Managing Director and Mr. Anil Bhandari Ugam Chand Bhandari, Whole-time Director of the Company are entrusted with the substantial power of the management of the Company subject to the superintendence, control and directions of the Board. The Board has three Non-executive Independent Directors namely Mr. Rajesh Gurdas Wadhwa, Mr. Mahendrakumar Bhandari and Mr. S. Vinod Kumar thereby complying with the provisions of Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director.

During the financial year under review, four Board Meetings were held i.e. on 29th May, 2013, 30th July, 2013, 11th November, 2013 and 13th February, 2014 and the gap between two meetings did not exceed four months. The composition of the Board of Directors and their attendance at the Board Meetings during the financial year and at the last Annual General Meeting and also the number of Directorships held by Directors is mentioned below:

Name of Director	Category of Director	Attendance Particulars		No. of Directorships in other bodies corporate	No. of Chairmanship/ Membership of Board Committees in other Companies		No. of Equity Shares held
		Board Meetings	Last AGM		Chairman	Member	
Mr. Ajeet Kumar Bhandari	P/MD	3	Yes	NIL	NIL	NIL	4,74,770
Mr. Anil Bhandari Ugam Chand Bhandari	P/ED	4	Yes	NIL	NIL	NIL	76,400
Mr. Rajesh Gurdas Wadhwa	I/NED	NIL	No	1	NIL	1	NIL
Mr. Mahendra Kumar Bhandari	I/NED	4	Yes	NIL	NIL	NIL	NIL
Mr. S. Vinod Kumar	I/NED	4	Yes	1	NIL	NIL	NIL

P	Promoter	MD	Managing Director
ED	Executive Director	NED	Non-Executive Director
I	Independent	-	-

The Directorships held by the Directors as mentioned above do not include Alternate Directorships and Directorships held in Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.

In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investor Grievance Committees in all Public Limited Companies have been considered.

b) PROCEDURE OF THE BOARD

The Agenda for the Board and Committee Meetings is circulated to all the Directors in advance. The Board is briefed by the Executive Director about the affairs, performance and other things as necessary. The Executive Director circulates a tentative annual calendar for the Meetings of the Committees / Board in order to assist the Directors for planning their schedules to participate in the meetings.

Bharat Textiles & Proofing Industries Limited

c) REMUNERATION OF EXECUTIVE DIRECTORS

Mr. Ajeet Kumar Bhandari and Mr. Anil Bhandari, Executive Directors of the Company draw a consolidated salary of Rs.20,000/- p.m. and Rs.15,000/- p.m. respectively.

Details of remuneration paid to the Executive Directors of the Company for the year ended 31st March, 2014 are as under:

(Amount in Rs.)

Name of the Director	Salary Per Annum
Mr. Ajeet Kumar Bhandari	2,40,000
Mr. Anil Bhandari	1,80,000

d) NON-EXECUTIVE DIRECTORS' REMUNERATION

The Non-Executive Directors are entitled only to sitting fees for every meeting of the Board and Committee attended.

The Company pays sitting fees of Rs.5,000 per meeting to the Non-Executive Directors for attending the meeting of the Board and Rs.1,000 per meeting for attending the meeting of Audit Committee and Remuneration Committee.

There is no other pecuniary relationship / transaction of the Non-Executive Directors vis-à-vis the Company.

Details of sitting fees paid to the Non-Executive Directors of the Company for the year ended 31st March, 2014 are as under:

(Amount in Rs.)

Name of the Director	Sitting Fee
Mr. Rajesh Gurdas Wadhwa	Nil
Mr. Mahendra Kumar Bhandari	6,000
Mr. S. Vinod Kumar	18,000

2. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956. The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

a) TERMS OF REFERENCE:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information are disclosed.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement of the statutory auditor; fixing of audit fees and approving payments for any other services.
- Discussion with the statutory auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on :
 - i. any changes in accounting policies and practices;
 - ii. major accounting entries based on exercise of judgment by management;
 - iii. qualifications in draft audit report;
 - iv. significant adjustments arising out of audit;

Bharat Textiles & Proofing Industries Limited

- v. the going concern assumption;
 - vi. compliance with accounting standards;
 - vii. compliance with stock exchange and legal requirements concerning financial statements;
 - viii. any related party transactions as per Accounting Standard 18.
- Reviewing the Company's financial policies.
 - Reviewing with management the quarterly, half-yearly, nine months and annual financial statements, standalone as well as consolidated before submission to the Board for approval.
 - Reviewing with the management and the Statutory Auditors, anticipated changes in the Accounting Standards.
 - Reviewing the statements of significant related party transactions, the financial statements and/or investments made by the unlisted Subsidiary Companies.
 - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - 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.
 - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

b) COMPOSITION

The Audit Committee at present comprises of three members, all being Non-Executive Independent Directors viz. Mr. S.Vinod Kumar (Chairman), Mr. Rajesh Gurdas Wadhwa and Mr. Mahendrakumar Bhandari. All the members have accounting or related financial management expertise. During the financial year review, the Committee met four times i.e. on 29th May, 2013, 30th July, 2013, 11th November, 2013 and 13th February, 2014 and the attendance of the members at the Audit Committee meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. S.Vinod Kumar	Chairman	4
Mr. Rajesh Gurdas Wadhwa	Member	NIL
Mr. Mahendrakumar Bhandari	Member	4

REMUNERATION COMMITTEE

The Committee presently comprises of Mr. Rajesh Gurdas Wadhwa (Chairman), Mr. S.Vinod Kumar and Mr. Mahendrakumar Bhandari. All the members of the Remuneration Committee are Non-Executive and Independent Directors.

No Meeting was held during the Financial Year under review.

TERMS OF REFERENCE

- a) Policy formulation and fixation of remuneration payable to Executive Directors;
- b) Fixation of sitting fees payable to the Non-Executive Directors of the Company.

REMUNERATION POLICY

- a) Recommend suitable pay package to the Executive Director and sitting fees for Non-Executive Director(s).
- b) Other functions as deemed necessary from time to time / recommended by the Board of Directors / under the provisions of the Listing Agreement.



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SHARE TRANSFER COMMITTEE

Your Company has a Share Transfer Committee. The Committee presently consists of Mr. Mahendrakumar Bhandari, Non-Executive and Independent Director and Mr. Ajeet Kumar Bhandari, Managing Director. The Committee deals with transfer, transmission and transposition of shares in addition to looking after shareholders and investors grievances.

The Committee had received 43 valid requests for transfer of shares during the year. No request for transmission or transposition of shares was received and there was no compliant pending as on 31st March, 2014.

ANNUAL GENERAL MEETINGS

Year	Venue	Date	Time	Number of Special Resolutions passed
2013	No.994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet, Gummidipoondi, Tamil Nadu – 601201.	30.07.2013	11.30 A.M	1
2012	No.994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet, Gummidipoondi, Tamil Nadu – 601201.	22.09.2012	11.30 A.M	1
2011	No.994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet, Gummidipoondi, Tamil Nadu – 601201.	30.09.2011	10.00 A.M.	NIL

During the year under review, requirement for passing resolutions under Postal Ballot did not arise.

An Extra-Ordinary General Meeting of the Members was held on 31st August, 2013. No Court convened Meeting of the members was held during the year.

Details of special resolution(s) passed:

In the Annual General Meeting of the Company held on 30th July, 2013, a Special resolution was passed to approve the issue of further shares on Rights Basis in accordance with the provisions of Section 81 & 81(IA) of the Companies Act, 1956.

DISCLOSURES

- Details of transactions with related parties are provided in the notes forming part of the Accounts in accordance with the provisions of Accounting Standard 18. There is no materially significant related party transaction that may have potential conflict with the interest of the company at large.
- The Company has not entered into any materially significant transaction with its promoters, Directors or the Management or relatives, etc. that may have potential conflict with the interests of the Company.
- The company has prepared a risk management framework to identify, minimize and mitigate business and process related risk at predefined intervals.
- The Company's Listing status has been reinstated at The Bombay Stock Exchange with effect from 15th December, 2012. But the Company's Listing Status remains suspended at The Madras Stock Exchange and The Ahmedabad Stock Exchange.
- The company does not have any Whistle Blower Policy. However any employee, if he/she so desires, would have free access to meet the senior level management and report any matter of concern. The non-mandatory requirement of training to Board Members has not been adopted by the Company.
- The Company has adopted the non-mandatory requirement of the listing agreement by setting up the Remuneration Committee as per clause 49 of the Listing Agreement.

CODE OF CONDUCT

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company and the same has been posted on the Company's website



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www.bharattarpaulin.com. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors and Senior Management Personnel have affirmed compliance with the Code, and a declaration to this effect, signed by the Managing Director is attached to this report.

PREVENTION OF INSIDER TRADING

The Board of Directors monitors the adherence to the various requirements set out in the insider trading regulations as amended from time to time. All the directors, employees at senior management level and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code.

COMMUNICATION WITH SHAREHOLDERS AND GENERAL SHAREHOLDERS INFORMATION

Quarterly Results / Audited Results / Dividend Announcement / Book Closure Dates / Record Dates are published in "News Today" and "Malai Sudar", Chennai. These results are simultaneously posted on the website of the Company at www.bharattarpaulin.com

There were no specific presentations made to Institutional investors or to analysts during the year.

Date and Time of Annual General Meeting: Saturday, 27th September, 2014 at 11:00 a.m.

Venue: Registered office of the Company.

TENTATIVE FINANCIAL CALENDAR

Financial Year	1st April, 2014 to 31st March, 2015
Result for the quarter ending 30th June, 2014	by 14th August, 2014
Result for the quarter ending 30th September, 2014	by 14th November, 2014
Result for the quarter ending 31st December, 2014	by 14th February, 2015
Result for the year ending 31st March, 2015	by 30th May, 2015
Annual General Meeting	by September, 2015

Book Closure Date: 22nd September, 2014 to 27th September, 2014 (both days inclusive)

LISTING STATUS & STOCK CODE

The Equity Shares of the Company are listed on The Bombay Stock Exchange (Stock Code: 531029). Annual listing fee for the year 2014-15 has been paid by the Company to The Bombay Stock Exchange.

Company's Listing Status remains Suspended at The Madras Stock Exchange, The Ahmedabad Stock Exchange and The Coimbatore Stock Exchange.

MARKET PRICE DATA HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR 2013-14

No trading has taken place in The Madras Stock Exchange, The Ahmedabad Stock Exchange and The Coimbatore Stock Exchange as the shares of the Company were under suspension.

Bombay Stock Exchange Ltd	(in INR)	No.	
Month	High	Low	Volume
April, 2013	NA	NA	NA
May, 2013	NA	NA	NA
June, 2013	NA	NA	NA
July, 2013	NA	NA	NA
August, 2013	NA	NA	NA
September, 2013	NA	NA	NA
October, 2013	NA	NA	NA
November, 2013	NA	NA	NA
December, 2013	NA	NA	NA
January, 2014	NA	NA	NA
February, 2014	NA	NA	NA
March, 2014	13.10	13.10	100



Bharat Textiles & Proofing Industries Limited

REGISTRARS AND SHARE TRANSFER AGENTS

Cameo Corporate Services Limited having their office at No.1, Subramanian Building, 5th Floor, Club House Road, Chennai – 600002, are the Registrars and Share Transfer Agents of the Company.

The International Securities Identification No. (ISIN) allotted to the Company is **ISIN – INE 201N01019**.

SHARE TRANSFER SYSTEM:

The Company has constituted a Share Transfer Committee, which considers and approves the transfer and transmission, etc., of shares in physical mode. Physical shares received for dematerialization are processed and completed within a period of 15 days from date of receipt, provided they are in every respect complied with the law. Bad deliveries are immediately returned to Depository Participants under advice to the Shareholders. For those who opt for dematerialisation of shares, shares are dematerialised and electronic credit given through the Registrar and Share Transfer Agent M/s. Cameo Corporate Services Limited.

SHAREHOLDING PATTERN AS ON 31.03.2014:

Category	No. of Shares	% of the total shares
Promoters	29,03,830	49.58
Financial Institutions / Banks	Nil	0.00
Foreign Institutional Investors	50,700	0.87
Bodies Corporate	76,500	1.31
Individuals	24,89,610	42.50
Non-Resident Indians	3,27,000	5.58
Hindu Undivided Families	9,200	0.16
Clearing Members	300	0.00
TOTAL	5,857,140	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014:

No. of Shares	No. of Share holders	% of total Shareholders	No. of Shares	% of total Shares
10- 5000	8454	91.9912	1052990	17.9778
5001 – 10000	252	2.7421	215700	3.6826
10001 – 20000	133	1.4472	220310	3.7613
20001 – 30000	207	2.2524	522910	8.9277
30001 – 40000	21	0.2285	74100	1.2651
40001 – 50000	37	0.4026	174710	2.9828
50001 - 100000	36	0.3917	261700	4.4680
100001 and above	50	0.5440	3334720	56.9342
Total	9,190	100.0000	5,857,140	100.0000

DEMATERIALISATION OF SHARES

18,09,880 shares of the Company have been dematerialized as on 31st March, 2014 and the shares of the Company are in the process of dematerialization.

PLANT LOCATION

No. 994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet, Gummidipoondi, Tamil Nadu – 601201.

ADDRESS FOR CORRESPONDENCE:

Investors and shareholders can correspond with the Company at the following address:

Mr. Ajeet Kumar Bhandari (Compliance Officer)
New No.39, (Old No. 50) 205, ABC Trade Centre,
2nd Floor (Inside Devi Theatre Compound),
Anna Salai, Chennai – 600 002.

**Bharat Textiles & Proofing Industries Limited****DECLARATION REGARDING COMPLIANCE OF COMPANY'S CODE OF CONDUCT**

I, Ajeet Kumar Bhandari, Managing Director of Bharat Textiles and Proofing Industries Limited, to the best of my knowledge and belief, declare that all the Board Members and Senior Management Personnel affirmed compliance with the code of conduct of the Company for the financial year ended 31st March, 2014.

Place : Chennai
Date : 14.08.2014

Sd/-
(Ajeet Kumar Bhandari)
Managing Director

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of Bharat Textiles and Proofing Industries Limited,

I have examined the compliance of conditions of Corporate Governance by Bharat Textiles and Proofing Industries Limited, for the year ended on 31st March, 2014, 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. My examination was limited to 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no investor grievances are pending for a period exceeding 15 days against the Company as per the records maintained by the Company. I further state that such compliance is neither an assurance as to the future viability of the company nor the effectiveness with which the management has conducted the affairs of the Company.

For Sakaria & Associates
Chartered Accountants

Place : Chennai
Date : 14.08.2014

Ashok Kumar S.
Proprietor (M.No: 202048, Firm Regn. No. 6219S)

CEO / CFO CERTIFICATION

To,
The Board of Directors,
Bharat Textiles and Proofing Industries Limited
Chennai.

Reg: Certification by CEO on the financial statements for the year 2013-2014.

We, Ajeet Kumar Bhandari and Anil Bhandari, Executive Directors of Bharat Textiles and Proofing Industries Limited on the basis of the review of the financial statements and the cash flow statement for the financial year ended March 31st, 2014 and to the best of our knowledge and belief, hereby certify 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 the existing accounting standards, applicable laws and regulations.
- (iii) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended March 31st, 2014 which are fraudulent, illegal or in violation of the company's code of conduct.
- (iv) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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 proposed to be taken to rectify these deficiencies.
- (v) We further certify that:
 - a) There have been no significant changes in internal control over financial reporting during the year;
 - b) There have been significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There have been no 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.

For and on behalf of the Board

Place : Chennai
Date : 14.08.2014

Sd/-
Ajeet Kumar Bhandari
Managing Director

Sd/-
Anil Bhandari
Whole Time Director

**Bharat Textiles & Proofing Industries Limited****INDEPENDENT AUDITOR'S REPORT****To the Members of**

M/s Bharat Textiles and Proofing Industries Limited.

We have audited the accompanying financial statements of Bharat Textiles and Proofing Industries Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Sakaria & Associates
Chartered Accountants
FRN: 6219 S

Ashok Kumar S.
Proprietor
Membership No. :202048

Place : Chennai
Date : 30th May, 2014

Bharat Textiles & Proofing Industries Limited**The Annexure referred to in paragraph I of the Our Report of even date to the members of M/s Bharat Textiles and Proofing Industries Limited. on the accounts of the company for the year ended 31st March, 2014.**

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(b) 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 3,74,04,138/- from 4 parties PY(3,96,35,410/-) during the year
(c) The rate of interest and other terms and conditions of loans taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the Company; and
(d) The payment of the principal amount and interest are regular wherever applicable.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) There are transaction of Sales of goods & services made in pursuance of contracts and arrangements with the parties required to entered in the register maintained u/s 301 of the Companies Act 1956, amounting to Rs 86,70,205/- PY (57,79,561/-). In our opinion, and according to the information & explanations given to us, the transactions have been made at the price which is reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act

Bharat Textiles & Proofing Industries Limited

1956, related to the manufacture of cotton cloth and processed canvas, the prescribed accounts and records have been maintained, We have not, however, made a detailed **examination of the same.**

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities except on few occasion where minor irregularities were noticed. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations 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.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Accordingly, the provisions of clause 4(xiii) of the companies (Auditor's Report) order, 2003 (as amended) are not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Sakaria & Associates
Chartered Accountants
FRN: 6219 S

Ashok Kumar S.
Proprietor
Membership No. :202048

Place : Chennai
Date : 30th May, 2014

**Bharat Textiles & Proofing Industries Limited****BALANCE SHEET AS AT 31.03.2014**

	Notes	As at 31.03.2014 Rs	As at 31.03.2013 Rs
I. Equity and Liabilities			
I.Share Holders' Fund			
(a) Share Capital	3	58,571,400	58,571,400
(b) Reserves and Surplus	4	-45,235,304	-45,332,338
		<u>13,336,096</u>	<u>13,239,062</u>
2.Non Current Liabilities			
(a) Long -term Borrowings	5	42,988,952	40,188,942
(b) Other Long term Liabilities	6	0	350,000
(c) Long -term provisions	7	3,673,732	3,466,076
		<u>46,662,684</u>	<u>44,005,018</u>
3.Current Liabilities			
(a) Short Term Borrowings	8	10,558,714	0
(b) Trade Payables	9	2,333,568	6,343,028
(c) Other Current Liabilities	10	1,970,757	5,314,019
(d) Short -term provisions	11	106,000	100,000
		<u>14,969,039</u>	<u>11,757,047</u>
Total Equity and Liabilities		<u>74,967,819</u>	<u>69,001,127</u>
II. Assets			
I.Non-Current assets			
(a) Fixed Assets	12		
-Tangible Assets		22,431,574	25,981,988
(b) Deferred Tax Asset (net)	13	6,814,681	7,100,977
(c) Long-term Loans & Advances	14	437,139	733,640
		<u>29,683,394</u>	<u>33,816,605</u>
Current Assets			
(a) Inventories	15	18,226,820	16,300,795
(b) Trade receivables	16	15,953,862	15,420,515
(c) Cash and Cash Equivalents	17	870,020	1,275,196
(d) Short term loans & advances	18	10,233,724	2,188,016
		<u>45,284,426</u>	<u>35,184,522</u>
Total Assets		<u>74,967,819</u>	<u>69,001,127</u>

Significant Accounting Policies
Notes on Financial Statements

I to 35

As per our report of even date

For Sakaria & Associates
Chartered Accountants
Firm Regn. No: 6219S

For and on behalf of the board of Directors of
Bharat Textiles & Proofing Industries Ltd

Sd/-
Ashok Kumar S.
M No: 202048

Sd/-
Ajeet Kumar Bhandari
Managing Director

Sd/-
Anil Bhandari
Whole Time Director

Place : Chennai
Date : 30th May, 2014

**Bharat Textiles & Proofing Industries Limited****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

	Notes	As at 31.03.2014 Rs	As at 31.03.2013 Rs
I. Income			
(a) Revenue from operation	19	77,161,119	55,154,060
(b) Other Income	20	3,391,065	1,968,842
Total Revenue (I)		<u>80,552,184</u>	<u>57,122,902</u>
II. Expenses			
(a) Cost of Raw material Consumed	21	47,887,374	31,743,888
(b) Purchase of traded goods	22	0	125,028
(c) (increase)/Decrease in Inventories of finished goods, Work in progress and traded goods	23	-154,966	-4,650,777
(d) Employee benefit expenses	24	11,595,810	10,504,646
(e) Other expenses	25	11,950,203	10,829,608
(f) Finance cost	26	5,113,322	4,762,841
(g) Depreciation	27	3,683,423	3,525,121
Total Expenses (II)		<u>80,075,166</u>	<u>56,840,355</u>
Profit before exceptional items and taxes		477,018	282,547
Exceptional items		0	0
Profit before taxes		477,018	282,547
<u>Less: Tax expenses:</u>			
Current Tax		-93,688	-100,000
Deferred Tax		-286,296	1,410,680
Profit for the period from continuing operations		<u>97,034</u>	<u>1,593,227</u>
Earning per equity shares of face value of Rs 10/- each			
Basic and Diluted in (Rs)		0.02	0.27
Significant Accounting Policies			
Notes on Financial Statements	I to 35		

As per our report of even date

**For Sakaria & Associates
Chartered Accountants
Firm Regn. No: 6219S****For and on behalf of the board of Directors of
Bharat Textiles & Proofing Industries Ltd****Sd/-
Ashok Kumar S.
M No: 202048****Sd/-
Ajeet Kumar Bhandari
Managing Director****Sd/-
Anil Bhandari
Whole Time Director**Place : Chennai
Date : 30th May, 2014

**Bharat Textiles & Proofing Industries Limited****CASH FLOW STATEMENT**

Cash Flow statement for the year ended 31.03.2014

Amount in Rs.

	2013-2014	2012-2013
<u>A. Cash flow from Operating Activities</u>		
Net Profit before Tax	477018	282547
Adjustment for:		
Depreciation	3683423	3525121
Interest Paid	5113322	4762841
Interest Receipts	-56223	8272159
	8740522	-15803
Operating Profit before Working capital Changes	9217540	8554706
<u>Adjustments for : Increase/Decrease</u>		
Other Long Term Liabilities	-350000	0
Long term provisions	207656	1383853
Trade Payable	-4009460	-848954
Other Current Liabilities	-3343262	3130152
Long term loans & advances	296501	-267380
Inventories	-1926025	-4791731
Trade receivables	-533347	-1909733
Short term loans & advances	-8045708	-1227043
	-17703645	-4530836
Cash Generated from Operation	-8486105	4023870
Taxes Paid	-87688	-1519095
Net Cash Flow from Operations (A)	-8573793	2504775
<u>B Cash Flow From Investing Activities</u>		
Purchase of Fixed Assets	-133008	-1905015
Interest Receipts	56223	15803
Net Cash Used in Investing Activities (B)	-76785	-1889212
<u>C Cash Flow From Financing Activities</u>		
Increase/Decrease in borrowings	13358724	2915909
Interest paid	-5113322	-4762841
Net Cash flow from Financing Activities (C)	8245402	-1846932
Net Increase in Cash and Cash Equalents (A+B+C)	-405176	-1231369
Add: Cash and Cash Equalents as at 1 st April	1275196	2506565
Cash and Cash Equalents as at 31st March closing	870020	1275196

As per our report of even date

For Sakaria & Associates
Chartered Accountants
Firm Regn. No: 6219S

For and on behalf of the board of Directors of
Bharat Textiles & Proofing Industries Ltd

Sd/-
Ashok Kumar S.
M No: 202048

Sd/-
Ajeet Kumar Bhandari
Managing Director

Sd/-
Anil Bhandari
Whole Time Director

Place : Chennai
Date : 30th May, 2014



Bharat Textiles & Proofing Industries Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

M/s Bharat Textiles and Proofing Industries Ltd is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing and trading of processed canvas, Tarpaulin, HDPE and chemically processing canvas on Job work basis. The Company caters to both domestic and international market.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India and the provision of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and at historical cost. Accounting policies not specifically referred to otherwise are consistent with and are in consonance with generally accepted accounting principles.

2A. Use of estimates:

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised

B. Tangible fixed assets

Own fixed assets are stated at Cost less accumulated depreciation and impairment loss, if any. The Cost comprises original cost of acquisition inclusive of Inward freight, attributable borrowing cost, duties and expenditure incurred in acquisition, construction/ installation.

C. Tangible assets and depreciation

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

D. Foreign currency transaction

Trade transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. The difference in the rate between the transaction date and realization/ payment date is transferred to foreign exchange fluctuation a/c. The year end balance of Trade payable/receivable is converted into Indian Rupees at the closing rates. The resultant difference is accounted as profit/loss on foreign exchange fluctuation a/c.

E. Borrowing cost

The Company has no Borrowing costs attributable to acquisition of fixed assets. The other borrowing costs are recognized as an expense in the year in which they are incurred

F. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, power and fuel material and other products are determined on FIFO method. The work in progress is determined at estimated cost and the finished goods are valued at lower of cost or estimated realizable value.

G. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it's reasonable to expect ultimate collection. Revenue from operation includes Sale of goods and services. Sale of goods is recognized when significant risk and rewards of ownership of goods have been passed to the buyer. Sale of services is recognized on completion of services and transfer of significant risk and rewards to customer. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

H. Retirement benefits

The Company offers its employee's defined contribution plans in the form of Provident fund and family pension fund. The provident fund, family pension fund covers substantially for all regular employees. Contribution to provident Fund and Pension Fund are charged to profit and loss account in the year of accrual.

Leave Salary is determined and provided in the accounts at the end of each year. However the Company does not have a system of carrying forward the benefits of leave credit of each employee.

The provision for Gratuity liability to employee is recognized at the present value of the amount payable determined using actuarial valuation technique.

I. 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 crystallize. Deferred Tax Assets are recognized only when there is virtual certainty of sufficient future profits available to realize such assets.

J. Provisions, Contingent liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

**Bharat Textiles & Proofing Industries Limited****Notes to financial Statements for the year ended 31st March 2014**

Particulars	Amount in INR	
	31.03.2014	31.03.2013
3. Share Capital		
(a) Authorised		
1, 60,00,000 Equity Shares of INR 10/- each (P Y 1,20,00,000/- Equity Shares of INR 10/- each)	<u>1, 60,000,000</u>	<u>1, 20,000,000</u>
(b) Issued, Subscribed and fully paid up		
58,57,140 fully paid Equity Shares of INR 10/- each	58,571,400	58,571,400
	<u>58,571,400</u>	<u>58,571,400</u>

3.1. Details of shareholders holding more than 5% shares in the company

Equity Shares of INR 10/- each	31.03.2014		31.03.2013	
	No of Shares	Holding %	No of Shares	Holding %
Ugamchand Bhandari	528,940	9.03	528,940	9.03
Veena Bhandari	513,910	8.77	513,910	8.77
Ajeet Kumar	474,770	8.11	474,770	8.11

4. Reserves and Surplus	31.03.2014	31.03.2013
(a) General reserve-as per last financial statement	3,300,000	3,300,000
(b) Surplus:		
Surplus/(deficit) in the statement of profit & loss	-48,535,304	-48,632,338
Balance as per last financial statement	-48,632,338	-50,225,565
Net Surplus in the statement of profit and loss	97,034	1,593,227
	<u>-45,235,304</u>	<u>-45,332,338</u>
5. Long term borrowings		
Term Loans		
(a) Secured Loans from Bank		
(i) HDFC Bank-Term Loan	382,428	553,532
(ii) Axis Bank -Term Loan	5,202,386	0
(b) Loans and advances from related parties		
Unsecured loans	37,404,138	39,635,410
	<u>42,988,952</u>	<u>40,188,942</u>

Term loan securities:

- a (i) Term Loan from HDFC Bank is secured against the hypothecation of Vehicle and is repayable in 36 EMI.
- (ii) **Term Loan from Axis Bank :**
 Primary Security : Secured against hypothecation of Machinery to be purchased.
 Collateral Security: Secured against land & Building situated at #46, Sirupuzhalpatti Village, Gummidipoondi Taluk. Also secured against Hypothecation of all movable fixed assets except those funded by other banks.
 Personal Gurantee :Tha above Term loan is also secured by personal gurantee of Ajeet Kumar Bhandari, Anil Kumar Bhandari, Krishna Kumar Bhandari & Jithendra Bhandari.
 Repayment: The term loan is repayable in 60 EMI

- b. Unsecured loan from related parties are repayable on demand.

6. Other Long term liabilities	31.03.2014	31.03.2013
(a) Others	0	350,000
	0	350,000

7. Long Term Provision**Provison for Employee Benefits****Provision for Gratuity**

3,673,732	3,466,076
<u>3,673,732</u>	<u>3,466,076</u>

8. Short Term Borrowings

Secured Cash Credit facility from Axis Bank	10,558,714	0
	<u>10,558,714</u>	<u>0</u>

Cash Credit facility securities:

- Primary Security : Secured against hypothecation of entire current assets of company both present & future.
 Collateral Security: Secured against land & Building situated at #46, Sirupuzhalpatti Village, Gummidipoondi Taluk. Also secured against Hypothecation of all movable fixed assets except those funded by other banks.
 Personal Gurantee :Tha above Term loan is also secured by personal gurantee of Ajeet Kumar Bhandari, Anil Kumar Bhandari, Krishna Kumar Bhandari & Jithendra Bhandari.
 Repayment: The Cash Credit facility is for 12 months and repayable on demand.



Bharat Textiles & Proofing Industries Limited

Notes to financial Statements for the year ended 31st March 2014

Particulars	Amount in INR	
	31.03.2014	31.03.2013
9. Trade Payables		
Trade Payable (refer note no.28, for due to micro,small and medium enterprises)	2,333,568	6,343,028
	2,333,568	6,343,028
10. Other Current Liabilities		
(a) Other Payables *	1,502,904	2,077,631
(b) Advance from Customers	0	2,768,535
(c) Investor Education and Protection fund transferable for for following amount: (refer note: 29).		
(i) Unclaimed Dividend	19,712	19,712
(ii) Unclaimed Share Application Money	448,141	448,141
	1,970,757	5,314,019
*Other payable included Statutory dues amounting to Rs 654701/- (PY 1416094/-)		
11. Short Term Provision		
<u>Provision for taxes</u>		
Minimum alternative tax	106,000	100,000
	106,000	100,000

12. Fixed Assets

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.03.2013	Addition/ Adjustments	Deduction/ Adjustments	As at 31.03.2014	Balance as at 01.04.2013	For the Year	Deduction/ Adjustments	Upto 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
Tangible Assets-Own Assets										
Land & Site Development	1107811	0	0	1107811	0	0	0	0	1107811	1107811
Buildings	27218251	0	0	27218251	15075114	847965	0	15923079	11295171	12143136
Plant & Machinery	55953946	40075	0	55994021	44184321	2657489	0	46841810	9152211	11769625
Vehicles	779630	0	0	779630	91618	66545	0	158163	621467	688012
Furniture & Fixtures	2068026	0	0	2068026	2068026	0	0	2068026	0	0
Office Equipment	1397835	92933	0	1490768	1124432	111424	0	1235856	254912	273403
	88525500	133008	0	88658508	62543512	3683423	0	66226935	22431573	25981988
Previous Year Figures	86620485	1905015	0	88525500	59018391	3525121	0	62543512	25981988	27602094

Particulars	Amount in INR	
	31.03.2014	31.03.2013
13. Deferred Tax Assets		
a. Deferred Tax Liability		
Impact of Difference between tax Depreciation charges for financial reporting	4,673,492	5,538,869
Gross Deferred tax liability	4,673,492	5,538,869
b. Deferred Tax Assets		
C/f Losses as per Income tax Act	6,447,338	7,748,216
Provision for Gratuity	1,135,183	1,071,017
MAT Credit	3,905,652	3,820,613
Gross Deferred tax asset	11,488,173	12,639,846
Net Deferred tax asset (net) (a-b)	6,814,681	7,100,977

**Bharat Textiles & Proofing Industries Limited****Notes to financial Statements for the year ended 31st March 2014**

Particulars	Amount in INR	
	31.03.2014	31.03.2013
14 . Long term Loans & advance (Unsecured, Considered Good)		
(a) Security Deposit	437,139	733,640
	<u>437,139</u>	<u>733,640</u>
15. Inventories (Valued at lower of Cost or net realisable value)		
Raw material	2,658,052	1,927,726
Work in progress	1,484,915	1,241,615
Finished goods	12,107,462	12,124,260
HDPE	0	71,536
Stores & Spares	1,386,746	585,000
Power & fuel	589,645	350,658
	<u>18,226,820</u>	<u>16,300,795</u>
16 . Trade Receivable (Unsecured, Considered Good)		
(a) Outstanding for a period exceeding six months from the date they are due for payment	2,544,241	3,171,202
(b) Others	13,409,621	12,249,313
	<u>15,953,862</u>	<u>15,420,515</u>
17 . Cash and cash equivalents		
(a) Cash in Hand	21,584	94,787
(b) Bank Balance		
ICICI Bank Ltd	360,722	589,715
Andhra Bank Ltd	9,714	106,749
Indian Bank Ltd	10,147	16,092
Karur Vysya Bank Ltd-Unclaimed Dividend	19,712	19,712
Karur Vysya Bank -Share Application Money	448,141	448,141
	<u>848,436</u>	<u>1,180,409</u>
Total (a+b)	<u>870,020</u>	<u>1,275,196</u>
18 . Short term Loans & advance (Unsecured, Considered Good)		
(a) Capital Advance	7,075,000	37,500
(b) Supplier advance	881,450	962,227
(c) Earnest Money Deposit	274,683	263,086
(d) Balance with statutory/Govt. authorities	1,442,216	326,775
(e) Loan to Employees	459,605	451,979
(f) Prepaid Expenses	100,770	146,449
	<u>10,233,724</u>	<u>2,188,016</u>

**Bharat Textiles & Proofing Industries Limited****Notes to financial Statements for the year ended 31st March 2014**

Particulars	Amount in INR	
	31.03.2014	31.03.2013
19. Revenue from Operations		
(a) Sale of Products:		
Finished Goods	73,395,744	49,763,580
Traded Goods	<u>28,320</u>	<u>106,970</u>
	73,424,064	49,870,550
(b) Sale of Services-Job work	3,737,055	5,283,510
Total (a+b)	<u>77,161,119</u>	<u>55,154,060</u>
19.1 Particulars of Sale of Products		
Finished Goods		
(a) Canvas/Tarpaulin	73,395,744	49,763,580
Traded Goods		
(b) HDPE	<u>28,320</u>	<u>106,970</u>
	<u>73,424,064</u>	<u>49,870,550</u>
20. Other Income		
Interest Receipts	56,223	15,803
Export Duty Drawback	977,089	635,715
Foreign Exchange Fluctuation	140,396	363,107
Sundry Credit Balance W/back	1,687,322	515,616
Packing & Forwarding charges Collected	530,035	438,601
Total	<u>3,391,065</u>	<u>1,968,842</u>
21. Cost of Raw materials consumed		
Inventory at the beginning of the year	1,927,726	2,515,637
Add: Purchases	<u>48,617,700</u>	<u>31,155,977</u>
	50,545,426	33,671,614
Less: Inventory at the end of the year	<u>2,658,052</u>	<u>1,927,726</u>
Cost of Raw Material Consumed	<u>47,887,374</u>	<u>31,743,888</u>
21.1 Details of Raw material consumed		
Yarn	23,307,164	17,464,955
Dyes and Chemicals	7,211,363	5,379,570
Canvas	<u>17,368,846</u>	<u>8,899,363</u>
	<u>47,887,374</u>	<u>31,743,888</u>
21.2 Raw Material -Closing		
Yarn	1,801,967	1,088,597
Dyes and Chemicals	<u>856,085</u>	<u>839,129</u>
	<u>2,658,052</u>	<u>1,927,726</u>
22. Changes in the Inventories		
Inventories at the end of the year		
Finished Goods	12,107,462	12,195,796
Work in Progress	<u>1,484,915</u>	<u>1,241,615</u>
	<u>13,592,377</u>	<u>13,437,411</u>
Inventories at the beginning of the year		
Finished Goods	12,195,796	7,408,385
Work in Progress	1,241,615	1,378,249
	<u>13,437,411</u>	<u>8,786,634</u>
(Decrease) / increase in Inventory	<u>154,966</u>	<u>4,650,777</u>

**Bharat Textiles & Proofing Industries Limited****Notes to financial Statements for the year ended 31st March 2014**

Particulars	Amount in INR	
	31.03.2014	31.03.2013
23. Purchase of Traded Goods		
HDPE	0	125,028
Total	<u>0</u>	<u>125,028</u>
24. Employee Benefit Expenses		
Salaries, wages and Bonus	9,569,546	7,358,451
Contribution to Provident and other funds	975,170	897,742
Gratuity Expenses	207,656	1,383,853
Director Remuneration	420,000	420,000
Staff Welfare Expenses	423,438	414,600
Total	<u>11,595,810</u>	<u>10,474,646</u>
25. Other Expenses		
Consumption of Stores & Spares	404,117	363,555
Power Fuel and Electricity	5,558,504	4,741,717
Freight & Forwarding Charges	2,084,042	1,419,597
Rent	145,020	130,925
Rate & Taxes	643,853	1,598,261
Insurance	72,140	68,049
<u>Repairs and Maintenance</u>		
Plant & Machinery	300,239	210,663
Buildings	231,380	104,687
Others	28,414	3,101
Advertisement Expenses	42,865	57,665
Sales Promotion Expenses	18,435	24,831
Commission	54,864	44,550
Discount	151,570	268,916
Telephone Expenses	112,060	150,211
Printing & Stationery	130,048	159,580
Postage Expenses	103,845	52,494
Travelling Expenses	208,966	179,401
Conveyance Expenses	45,645	95,190
Sitting fees	24,000	30,000
Legal and Professional fee	589,275	417,651
Audit fee		
-Statutory Audit	22,472	20,000
-Tax Audit	11,236	10,000
Donation	10,100	21,000
Security Charges	464,013	450,474
Sundry Balance W/off	136,058	36,800
Misc Expenses	357,042	200,290
Total	<u>11,950,203</u>	<u>10,859,608</u>
26. Finance Cost		
Interest on Secured loan	247,792	4,961
Interest on unsecured Loans	4,656,999	4,474,739
Interest on others	145,685	177,123
Bank Charges	62,846	106,018
Total	<u>5,113,322</u>	<u>4,762,841</u>
27. Depreciation and amortization expenses		
Depreciation	<u>3,683,423</u>	<u>3,525,121</u>
Total	<u>3,683,423</u>	<u>3,525,121</u>
28.		
As per the information and explanation provided by the company none of the suppliers of the company are micro enterprises or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore the disclosures under section 22 of the said act are not necessary.		

**Bharat Textiles & Proofing Industries Limited**

29. Amount due and outstanding to be credited to the Investor Education and protection fund Rs.467853/- (P.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.

30. C.I.F.Value Of Imports	31-03-2014	31-03-2013
Raw Materials -Chemicals	6,45,665/-	1,26,825/-

31. Earnings in Foreign Exchange		
Exports (FOB Value)	1,81,72,796/-	99,39,571/-

32. Earning Per Share		
Profit after Tax as per P&L a/c	97,034/-	15,93,227/-
Number of Equity Shares	58,57,140	58,57,140
Basic and diluted Earning Per Share	0.02	0.27
(Face Value Rs 10/- Each)		

33. The Company's main activity of business is manufacturing and marketing of cotton canvas. All other activity revolve around this main business, hence there are is no separate segments within the company as defined by 'AS 17 - SEGMENT REPORTING'.

34. Related party disclosures

Related party disclosure as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India are given below. **(Amount In Rs)**

NATURE OF TRANSACTION	KEY MANAGEMENT PERSONNEL	RELATIVE OF KEY MANAGEMENT PERSONNEL	TOTAL
Remuneration	4,20,000/-	—	4,20,000/- (4,20,000)
Interest Payments	21,16,017/-	25,40,982/-	46,56,999/- (43,70,850)
Sale of Goods & services	—	86,70,205/-	86,70,205/- (57,79,561)

Key Management Personnel & relative

Ajeet Kumar Bhandari
Anil Kumar Bhandari
Klix Brainotech
Krishna Kumar Bhandari
Ajeet Kumar Huf
Krishna Tarpaulin Industries Pvt Ltd

35. Previous year figures have been regrouped/ rearranged wherever necessary to make them comparable with the current year figures.

As per our report of even date

For Sakaria & Associates
Chartered Accountants
Firm Regn. No: 6219S

For and on behalf of the board of Directors of
M/s Bharat Textiles & Proofing Industries Ltd

Sd/-
Ashok Kumar S.
M No: 202048

Sd/-
Ajeet Kumar Bhandari
Managing Director

Sd/-
Anil Bhandari
Whole Time Director

Place : Chennai
Date : 30th May, 2014

BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED
Regd. Off : No. 994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi,
Tamilnadu – 601 201.

PROXY FORM

FOLIO:.....

NO. OF SHARES:.....

I/We..... of.....being a member/members of **Bharat Textiles & Proofing Industries Limited**, hereby appoint Mr/Mrs of
or failing him Mr/Mrs. of.....as my / our proxy to attend and
vote for me / us and on my / our behalf at the 24th Annual General Meeting of the Company to
be held on Saturday, 27th September, 2014 at 11.00 a.m. and at any adjournment thereof.

Signed this.....day of2014

Signature(s) of the Shareholder(s).....

Affix INR. 1
Revenue
Stamp

Note: This instrument of Proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

----- (Cut here) -----

BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED
Regd. Off : No. 994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi,
Tamilnadu – 601 201.

ATTENDANCE SLIP

Name of the attending Member.....
(in block letters)

Member's Folio No.....

Name of Proxy (in block letters).....
(To be filled in if the Proxy attends instead of the Member)

No. of Shares held.....

I hereby record my presence at the 24th Annual General Meeting at the Registered Office of the Company at No. 994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi, Tamilnadu – 601 201, on **Saturday, 27th September, 2014 at 11.00 a.m.**

Signature of Proxy holder / Signature of Share holder

NOTE: Please complete this attendance slip before you come to the meeting and hand it over at the entrance of the meeting hall.

Book-Post

To.

If undelivered return to :

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



Bharat Textiles & Proofing Industries Ltd.

ADMN. OFFICE : New No.39, (Old No.50), 205, ABC Trade Centre, IInd Floor,
(Inside : Devi Theatre Compound) Anna Salai, Chennai - 600 002.
Telefax : 044 - 42131866, Ph : 42131886, 28525128 E-mail : klix@airtelmail.in

FORM A

1. Name of the Company	BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED
2. Annual financial statement for the year ended	2013-2014
3. type of Audit observation	1. Un-Qualified ✓ 2. Matter of Emphasis
4. Frequency of observation	1. Whether appeared for the first time? ✓ 2. Repetitive? 3. Since how long period (if Repetitive)?
To Be signed by	Any One: 1.CEO/ Managing Director ✓ 2.CFO 3.Auditor of the Company 4.Audit Committee Chairman

For BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED

(Ajeet Kumar Bhandari)
Managing Director



FACTORY : 994, SIRUPULAIPET, SATHYAVEDU ROAD, GUMMIDIPOONDI, TK.

Manufactures of All Types of Canvas & Quality Tarpualins
S.F. DUCKS ★ ARMY DUCKS ★ NUMBERED DUCKS ★ BELTING DUCKS ★ TENTAGES
TARPAULINS ★ TENTS ★ TRUCK COVER ★ BOAT COVERS ★ BAGS ★ SLEEPING BAGS