



**Bharat Textiles & Proofing
Industries Ltd.**

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ANNUAL REPORT

2001 - 2002

BOARD OF DIRECTORS : UGAMCHAND BHANDARI
(MANAGING DIRECTOR)
AJEET KUMAR BHANDARI
A.SUBRAMANIAM

BANKERS : INDIAN OVERSEAS BANK
143, N.S.C BOSE ROAD,
CHENNAI - 600 079.

AUDITORS : SAKARIA & ASSOCIATES.
321/156, MINT STREET,
CHENNAI - 600 079.

COMPANY SECRETARY : S. NAND KUMAR

ADM.OFFICE : 21, THOLASINGAM STREET,
CHENNAI - 600 079.

REGD. OFFICE & PLANT LOCATION : 994, SATHYAVEDU ROAD, VILUPPATTUR,
SURAVAIKANDIGAI,
SIRUPULLAIPET,
GUMMIDIPOONDI TALUK.

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NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Company will be held on Saturday, 28th September 2002 at 10.00 A.M at 994, Sathyavedu Road, Suravalkandigai, Sirupullaipet, Gummidipoondi Taluk to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2002 and the Profit & Loss Account for the year ended as on that date together with the notes thereto and Schedules thereto and the Reports of the Directors and Auditors.
2. To Appoint a Director in place of Shri A. Subramaniam who retires by rotation and being eligible, offers himself for reappointment.
3. To Appoint a Director in place of Shri U.C. Bhandari who retires by rotation and being eligible, offers himself for reappointment.
4. To Appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an **SPECIAL RESOLUTION** :

RESOLVED THAT sanction of the company be and hereby accorded in terms of section 198, 289, 309, 314 and other applicable provision if any of the company Act 1956 and subject to the approval of Central Government if necessary for appointment of Shri. Ajeet Kumar Bhandari as the whole time Director for a period of five years effective from 1st April 2002, on salary of Rs.10000/- per month Perquisites shall be restricted to an amount equal to the Annual Salary.

RESOLVED FURTHER THAT The Board of Directors of the company be and hereby authorised to amend/alter/modify the remuneration and perquisites as may be agreeable to Mr. Ajeet Kumar Bhandari.

RESOLVED FURTHER THAT in the event of loss, absence or inadequacy of Profits in any Financial year during the currency of tenure of Mr. Ajeet Kumar Bhandari the remuneration aforesaid shall be the minimum remuneration payable to him. However any excess over the limits on minimum remuneration prescribed under the Companies Act, 1956 read with Schedule XIII to the companies Act, 1956 shall be payable to Mr. Ajeet Kumar Bhandari, with the approval of the central Government, if so required."

BY ORDER OF THE BOARD

UGAMCHAND BHANDARI
Managing Director

Gummidipoondi
DATE : 29.06.2002

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead himself and proxy need not be a member of the company.
2. The Register of Members and Share transfer books shall remain closed from 22nd September 2002 to 28th September 2002 (both days inclusive)
3. Members/Proxies should bring the Attendance Slip filled in for attending the meeting.
4. The Company's Equity shares are listed at Chennai and Mumbai Stock Exchanges and annual listing fees have been paid to the said Exchanges in time.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT****ITEM 5**

Shri. Ajeet Kumar Bhandari has been a Director since the incorporation of the Company. He is a young, active and dynamic person involved in finance and production. Members' approval, by way of special resolution is required for the aforesaid appointment.

1. Salary Rs.10,000 (Rupees Ten Thousand Only per month.)
2. Perquisites shall be restricted to an amount equal to the salary as specified in Schedule XIII of the Companies Act, 1956.
3. In the event of loss or inadequacy of profits in any financial year remuneration by way of salary or perquisites shall be paid not exceeding the ceiling laid down in Schedule II of Part II of Schedule XIII of the Companies Act, 1956.

BY ORDER OF THE BOARD

UGAMCHAND BHANDARI
Managing Director

Gummidipoondi
DATE : 29.06.2002

Bharat Textiles & Proofing Industries Limited

BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED

DIRECTORS REPORT

Your Directors present herewith the Eleventh Annual report together with the Audited Statement of Accounts for the year ended 31st March 2002

FINANCIAL RESULTS

PARTICULARS

	YEAR ENDED 31 ST MAR 2002	YEAR ENDED 31 ST MAR 2001
	(Rs. in lacs)	
SALES & OTHER INCOME	738.30	901.72
PROFIT BEFORE INTEREST & DEPRECIATION	(58.92)	(8.34)
INTEREST	174.11	149.03
PROFIT/LOSS BEFORE DEPRECIATION	(233.03)	(157.37)
DEPRECIATION	(44.36)	(44.46)
LOSS FOR THE YEAR	(277.39)	(201.83)
ADD: EARLIER YEAR BALANCE B/F	(497.10)	(295.27)
BALANCE CARRIED TO B/S	(774.49)	(497.10)

OPERATIONS & FUTURE PROSPECTS:

Considering the overall buoyancy in the industrial sector the company expects a promising year. An overall increase in production and sales can be foreseen. The company is taking steps to increase the capacity utilisation of the plant and improve the production levels. The focus is on recoveries and towards substantial reduction in operation cost.

DIRECTORS

Shri A. Subramaniam & U.C. Bhandari retires by rotation and being eligible offer themselves for re-appointment.

DEPOSITS

The company has not accepted any deposits from the public during the period under review.

CORPORATE GOVERNANCE

The separate report on corporate governance is enclosed as the part of the annual report along with auditor's statement on its compliance as stipulated under the clause 49 of the listing agreement.

AUDITORS

M/s Sakaria & Associates, Chartered Accountants, Chennai, Auditors of the company retire at this Annual General Meeting offer themselves for re-appointment.

AUDITORS' REPORT

As regards Auditor's observations, regarding short-provision of Rs.40.07 lacs towards interest on term loans, your directors wish to state that a restructuring plan is pursued by the company that would involved concessions both in terms of principal and interest.

PARTICULARS OF EMPLOYEES

The provisions under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder are not applicable since none of the employees were in receipt of remuneration in excess of the limits prescribed thereunder.

COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS RULES)

Conservation of energy, foreign exchange earning and outgo as required under Section 217 (1)(e) of the Act read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1986, is annexed and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors Confirm:

- (a) That in Preparation of the Annual Accounts the applicable accounting standard have been followed along with proper explanation in relation to material departures.

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- (b) That the directors had selected such accounting policies and applied, them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company, at the end of the financial year and of the loss of the company for that year
- (c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the companies Act, 1956, for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) that the directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Board wishes to express its deep appreciation of the Co-operation and assistance received from Industrial Development Bank of India, Indian Overseas Bank and the employees of the company.

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

**(AJEET KUMAR BHANDARI)
DIRECTOR**

**(UGAMCHAND BHANDARI)
MANAGING DIRECTOR**

PLACE : CHENNAI
DATE : 29.06.2002

ANNEXURE TO DIRECTORS REPORT :**STATEMENT OF PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1986.****1. CONSERVATION OF ENERGY:**

The company is taking steps to optimise the use of energy through improved operational methods

2. POWER & FUEL CONSUMPTION:

	FORM A	
	2001 - 2002	2000 - 2001
Electricity		
Purchased		
Units	511510	553245
Amount	2480149	2635423
Rate/unit Rs	4.85	4.76

3. The company has no activity relating to Research and Development activities.**4. FOREIGN EXCHANGE EARNING OUTGO:**

The information of foreign exchange earning and outgo is contained in schedule 14, items 15 & 16 in Notes on Accounts.

BY ORDER OF THE BOARD OF DIRECTORS

FOR BHARAT TEXTILES & PROOFING INDUSTRIES LIMITED

**(AJEET KUMAR BHANDARI) (UGAMCHAND BHANDARI)
DIRECTOR MANAGING DIRECTOR**

PLACE : CHENNAI
DATE : 29.06.2002

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ANNEXURE TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

1. Philosophy on Code Governance

The company's philosophy of Governance adopted by your Board has at all times been based on integrity, transparency and fairness in all its dealings. The company will continue to maintain goodwill with its shareholders.

2. BOARD OF DIRECTORS

The Board comprises of three Directors, Managing Director, Wholtime Director and a Non executive Director.

3. Details of Attendance at Board meeting and last AGM and details of memberships in other Boards and Board committees are stated below.

The Board met 4 times during the financial year on 30 June 2001, 31 July 2001, 31 October 2001 and 31 January 2002.

Name of the Director	No. of board meetings attended	Whether attended last AGM	Membership in other Boards	Committee	
				Membership	Chairmanship
MR. UGAM CHAND BHANDARI	4	YES	1	2	2
MR. AJEET KUMAR BHANDARI	4	YES	1	2	-
MR. A. SUBRAMANIAM	1	YES	NIL	1	-

4. AUDIT COMMITTEE

The Audit committee comprises of Mr Ugam Chand Bhandari, Mr Ajeet Kumar Bhandari and Mr. A Subramaniam. Majority of the members have financial and accounting knowledge. The Statutory Auditors and the Internal Auditors were invitee to the meetings.

The Committee met on 4 July 2001, 31 October 2001 and 25 March 2002. All the Members attended these meetings.

The scope of reference ensures covering matters specified for Audit committee under the Listing agreement.

5. REMUNERATION COMMITTEE

The Company has one Wholtime Director on the Board whose appointment and remuneration has been Fixed by the Board in term of resolution passed by members.

6. SHARE TRANSFER / INVESTORS SERVICE COMMITTEE:

The share transfer committee consisting of Mr. Ugam Chand Bhandari, Mr. Ajeet Kumar Bhandari. This committee is authorised to approve the transfers/transmissions once in a fortnight and to look into grievances of shareholders.

During the year there was one complaint relating to Non receipt of Annual report, received from Stock Exchange and resolved immediately.

7. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under :

DATE OF AGM	TIME	VENUE
SEPTEMBER 28, 2001	10.00 A.M.	No. 894, Sathyaavedu Road, Or. Gummidipoondi, Sirupulissipet, Gummidipoondi Taluk.
SEPTEMBER 29, 2000	10.00 A.M.	
SEPTEMBER 27, 1999	10.00 A.M.	

The Company does not have any proposal for postal ballot.

8. DISCLOSURES

During the year the company had not entered into any transaction of material nature with any of the promoters, directors, management or relative etc., which were in conflict with the interest of the company.

There were no instance of non compliance by the company on any matters relating to the capital markets; nor was there any penalty / stricures imposed by the stock exchanges or SEBI or any other statutory authority on such matters.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting
September 28, 2002 at 10.00 A.M.
No.894, Sathyaavedu Road,
Suravalikandigal, Sirupulissipet, Gummidipoondi Taluk.

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