



**Bharat Textiles & Proofing
Industries Limited**

ANNUAL REPORT
2012-2013

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 23rd Annual General Meeting of the Company to
be held on Tuesday, 30th July, 2013 at 11.30 a.m. and at any adjournment thereof.

Signed this.....day of2013

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 23rd Annual General Meeting at the Registered Office of the Company
at No. 994, Satyavedu Road, Suravalikandigai, Sirupuzhalpet (P), Gummidipoondi, Tamilnadu – 601 201,
on **Tuesday, 30th July, 2013 at 11.30 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.

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BOARD OF DIRECTORS : MR.AJEET KUMAR - Managing Director
MR.ANIL BHANDARI - Whole Time Director
MR. RAJESH GURDAS WADHWA - Independent Director
MR. S. VINOD KUMAR - Independent Director
MR. MAHENDRAKUMAR BHANDARI - Independent Director

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

ADMINISTRATION OFFICE : NEW NO.39, (OLD NO. 50) 205,ABC TRADE CENTRE,
2ND FLOOR (INSIDE DEVI THEATRE COMPOUND),
ANNA SALAI, CHENNAI – 600 002

AUDITORS : SAKARIA & ASSOCIATES
#156, MINT STREET, “KANCHAN PLAZA”
1ST 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

ANDHRA BANK
848, MOUNT ROAD BRANCH
CHENNAI – 600 002

KOTAK MAHINDRA BANK LIMITED
DASS INDIA TOWER, 2ND LINE BEACH
CHENNAI – 600 001

INDIAN BANK
HARBOUR BRANCH
66, RAJAJI SALAI
CHENNAI – 600 001

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

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Tuesday, the 30th July, 2013 at 11.30. A.M. at the Registered Office of the Company 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 Audited Balance Sheet as at 31st March, 2013 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. Mahendrakumar Bhandari, 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 on 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 a **SPECIAL RESOLUTION**:

"RESOLVED THAT Pursuant to the Provisions of Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications(s) or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Issue of Capital and Disclosure Regulations) 2009, as amended, Securities Contracts (Regulation) Act, 1956, as amended, Foreign Exchange Management Act, 1999, directions issued by The Reserve Bank of India and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the Stock Exchange on which shares of the Company are listed and subject to such approval(s), consent(s), permission(s), modifications(s) and/or sanction(s) as may be required, specified, imposed or suggested by the Securities and Exchange Board of India (SEBI), Competition Commission of India (CCI), the Reserve Bank of India (RBI) and/or other appropriate authorities, while granting any such approval(s), consent(s), permissions(s), modification(s) and/or sanctions(s), which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall, include any Committee(s) of the Board already constituted/ to be Constituted by the Board to exercise its powers including the powers conferred by this Resolution) the consent and approval of the Share Holders of the Company be and is hereby accorded to the Board to create, offer, issue and allot on right basis to the Shareholders of the Company, as on the record date/book closure date, to be decided by the Board later on, such number of Equity Shares of face value of INR 10/- each at par or at premium to be determined by the Board at its absolute discretion, aggregating to an amount not exceeding INR 180,000,000 (Rupees Eighteen Crores only), or such terms and conditions as may be deemed appropriate in their absolute discretion."

"RESOLVED FURTHER THAT all the new equity shares as aforesaid to be issued and allotted in the manner aforesaid shall be subject to the Memorandum of Association and Articles of Association of the Company and the equity shares to be issued and allotted shall rank pari passu in all respects with the existing equity shares of the Company, including entitlement of dividend except as may be otherwise provided pursuant to the terms of the issue in any of the Issue Documents."

"RESOLVED FURTHER THAT the unsubscribed portion, if any, of the aforesaid shares to be so offered and issued after considering the applications received from the Shareholders of the Company, shall be disposed off in such manner, as the Board may deem fit and proper at its absolute discretion and as most beneficial to the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue in consultation with and subject to the approval, if necessary, of any concerned authorities, Draft Letter of Offer including abridged Letter of Offer, Composite Application Form and other documents to the persons stipulated above containing the terms and conditions of such issue as the Board may decide, including right to renunciation, eligibility or otherwise to apply for additional shares in the event of renouncement by the shareholders, eligibility or otherwise of the renounce to apply for additional share, payment of subscription monies, listing of the new Equity shares with the Stock Exchanges, restriction as to subscription and transfer as provided in the Articles of Association of the Company, order and Basis of allotment in the event of over subscription, premium to be charged on the shares, finalize payment structure, to vary the size of the issue, appoint Lead



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Managers, Bankers, Legal Advisors, Registrar and other intermediaries/agencies, to fix the record date/book closure in consultation with the Stock Exchange and to finalise such other terms and conditions as may be deemed necessary or stipulated in such Draft Letter of Offer/Letter of Offer and such other documents as may be permitted by the concerned authorities in accordance with the applicable laws and the Board be and is hereby expressly authorised and empowered to accept such variations and modifications as the SEBI, Stock Exchange or any other concerned authorities may stipulate in that behalf and also at its discretion to amend, modify, vary or alter all or any other terms of the issue including the right to increase, decrease or recalculate the number of Equity Shares to be created, offered and alter the terms as to premium and to include in the Draft letter of Offer/Letter of Offer or such other documents they offer for subscription, all such other terms and conditions of Offer as necessary or expedient in the discretion of the Board and/or may have to be incorporated on account of any modifications or amendments required or accepted by any concerned authority."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares, the Board of Directors of the Company be and is hereby authorised on behalf of the company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary or desirable for such purpose, including without limitation, the entering into agreements for managing, marketing, underwriting, listing, trading and to issue any documents and writing and to pay any fee, commission, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board, Constituted / to be Constituted or any other officer or officers of the Company to give effect to the aforesaid resolutions."

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

Sd/-
(Ajeet Kumar)
Managing Director

Place : Chennai
Date : 29.05.2013

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. 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.**
2. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of members and the share transfer books of the Company will remain closed from **25th July, 2013 to 30th July, 2013** (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 (RTA), 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 307 of the Companies Act, 1956, 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.

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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. The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by permitting companies to serve documents to their shareholders through an electronic mode. In order to receive notice/documents of the company via email, you are required to register your email with the Company. As and when there are any changes in your email address, you are requested to keep the Company updated of the same. You are requested to inform us by sending an email to ajeet@bharatcanvas.com indicating your decision. A copy will be sent to you free of cost.
16. At the ensuing Annual General Meeting of the Company, Mr. Mahendrakumar Bhandari, Director retires by rotation and being eligible, offer himself for re-appointment. A statement furnishing the details of the concerned Director is given below:

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, OF THE NOTICE DATED 29.05.2013:

Name of the Director	Mr. Mahendrakumar Bhandari
Date of Birth	12.06.1958
Date of appointment on the Board as Director	27.02.2012
Date of last appointment / reappointment as Director	27.02.2012
Qualification(s)	B.Com
Expertise in Specific Functional Area	Marketing
List of outside Directorships held	Nil
Chairman / Member of the Committees of Board of Directors of other Companies in which he is a Director	Chairman of the Share Transfer Committee and member of Audit and Remuneration Committee.
Relationship between Directors Inter-se.	Nil
No. of Shares held.	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:

Item No. 2:

The Board of Directors appointed Mr. Mahendrakumar Bhandari as Director of the Company with effect from 27th February, 2012. Pursuant to section 256 of the Companies Act, 1956, Mr. Mahendrakumar Bhandari is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Mahendrakumar Bhandari has over 20 years of experience in marketing and marketing related fields.

The Board considers it desirable that the Company should continue to avail the services of Mr. Mahendrakumar Bhandari and accordingly the Board recommends this resolution for approval of the members.

None of the Directors, except Mr. Mahendrakumar Bhandari, to whom this resolution relates, is interested or concerned in the Resolution.

Item No. 4:

Your Company would like bring to your notice that the Share holders of the Company at the Annual General Meeting held on 22nd September 2012, passed a resolution authorizing the Board to proceed with the issue of Shares for an amount not exceeding INR 60,000,000 (Rupees Six Crores Only) on rights basis by way of Special resolution.

The reason for the said approval was as follows:

Your Company wants to expand its business operations and the Board considered it necessary to strengthen the capital of the Company in order to fuel the expansion. Moreover, the operations of the Company was adversely affected due to steep

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increase in input costs, increased borrowing costs, exceptional items on account of incremental power costs to mitigate continuing power cuts / power holiday situation and price increase from customers not adequately compensating costs incurred. The adverse situations had also significantly affected the gearing of the Company with unsustainable level of debt.

To ensure long term stability in the operations of the company, the Company proposed to issue shares of Rs.10/- each aggregating an amount up to INR 60,000,000 (Rupees Six Crores Only) to the existing Shareholders of the Company.

Considering the un-stable market conditions, the Board had not initiated the process of Rights issue. As per Section 81 (1A), the process of Rights issue must be completed in all respects within one year from the date of passing of Special resolution. Hence, this resolution is once again placed before the members for their approval by way of a Special resolution with an enhanced amount of INR 180,000,000 (Rupees Eighteen Crores Only), thereby, superseding the resolution passed at the 22nd Annual General Meeting.

The Directors who are holding shares in the Company are deemed to be interested or concerned in the resolution at Item No.4.

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

Sd/-

Place : Chennai
Date : 29.05.2013

(Ajeet Kumar)
Managing Director