



**Bharat Textiles & Proofing
Industries Limited**

**ANNUAL REPORT
2016-2017**

BOARD OF DIRECTORS : MR.AJEET KUMAR BHANDAR - Managing Director
MR.ANIL BHANDARI - Whole Time Director & CFO
MR.S.VINOD KUMAR - Independent Director
MR.MAHENDRAKUMAR BHANDARI - Independent Director
MS. SHIKHA BHANDARI - Non-Executive Director
Mr.SIVARAMAN UTHAYAKUMAR - Independent Director

COMPANY SECRETARY : MS. PRIYANKA TATER

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, 2ND FLOOR (INSIDE DEVI THEATRE COMPOUND), ANNA SALAI, CHENNAI – 600 002

AUDITORS : M/S. 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
INDIAN BANK
66, RAJAJI SALAI, HARBOUR BRANCH, CHENNAI-600 001
AXIS BANK LIMITED
Corporate Banking Branch, Chennai – 600002

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Bharat Textiles & Proofing Industries Limited

NOTICE OF THE 27TH ANNUAL GENERAL MEETING OF THE COMPANY

Notice is hereby given that the 27th Annual General Meeting of the Company will be held on Saturday, the 23rd September, 2017 at **11.00 am** 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, 2017 and the reports of the Board of Directors and Auditors thereon and in this regard to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT the audited Financial Statements of the Company for the year ended 31st March, 2017 together with the reports of the auditors and directors thereon be and are hereby received, considered, approved and adopted."
2. To appoint a Director in place of Smt. Shikha Bhandari (DIN: 07144753), who retires by rotation and being eligible, offers herself for re-appointment and in this regard to pass the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Smt. Shikha Bhandari (DIN: 07144753) who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."
3. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and any other Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded for the appointment of M/s. Chandarana & Sanklecha, Chartered Accountants, 137 Naimiappa Naicken Street, 2nd floor, Chennai-600003 (ICAI Firm Registration No.000557S) in the place of M/s. Sakaria and Associates., Chartered Accountants, who have completed their term in this Annual General Meeting, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2017-18 on such remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS

4. Re-appointment of Shri Ajeet Kumar as Managing Director of the Company
To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions 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 V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of shareholders in the general meeting, Shri Ajeet Kumar be and is hereby re-appointed as the Managing Director of the Company for a further period of five years with effect from 1st April, 2017 to 31st March, 2022 and liable to retire by rotation and the Board has the liberty to alter or modify the said remuneration in such manner as recommended by the Nomination and Remuneration committee and subject to the approval of members in the General Meeting but within the limit specified in the Schedule V of the Companies Act, 2013 or otherwise as permissible by the law for the time being in force upon the following terms and conditions as set out below:
(A) SALARY : Rs. 40,000/- (Rupees Forty Thousand only) per month.
i) DA: Rs. 35,000/- (Rupees Thirty Five Thousand only) per month.
(B) PERQUISITES:
i) HRA: Rs. 25,000/- (Rupees Twenty Five Thousand only) per month.
ii) TA: Rs. 1,600/- (Rupees One Thousand and Six Hundred only) per month.

Notwithstanding anything contained herein, wherein any financial year during the tenure of the appointee, the Company has no profit or its profits are inadequate, the Company will pay to Shri. Ajeet Kumar (DIN: 01023609), the above mentioned amount as a remuneration by way of Salary and Perquisites as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to alter or vary the remuneration within the provisions of Schedule V of the Companies Act, 2013 to the extent the Board or

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Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provisions under Companies Act, 2013 or schedule appended thereto and settle any question or difficulty in connection therewith and incidental thereto;

RESOLVED FURTHER THAT ShriAjeet Kumar, Managing Director, shall not be paid any sitting fee for attending the meetings of Board of Directors and Committees thereof;

RESOLVED FURTHER THAT any director of the Company be and is hereby authorized to issue the certified true copy(ies) of the relevant extracts to the necessary authorities as and when required and also to do necessary e-form filing with the Registrar of Companies, Chennai."

5. Re-appointment of Shri Anil Bhandari as Whole Time Director of the Company

To consider and, if thought fit, to pass, with or without modification, the following resolution as aSpecial Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198,203 and any other applicable provisions 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 V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of shareholders in the general meeting, Shri Anil Bhandari (DIN 02722372) be and is hereby re-appointed as the Whole Time Director of the Company for a further period of five years with effect from 1stApril,2017 to 31stMarch,2022 and liable to retire by rotation with the existing remuneration of Rs.1,80,000 (Rupees One Lakh and Eighty Thousand only) per annum and the Board has the liberty to alter or modify the said remuneration in such manner as decided by the Board as recommended by the Nomination and Remuneration committee and subject to the approval of members in the General Meeting but within the limit specified in the Schedule V of the Companies Act, 2013 or otherwise as permissible by the law for the time being in force;

Notwithstanding anything contained herein, wherein any financial year during the tenure of the appointee, the Company has no profit or its profits are inadequate, the Company will pay to Shri Anil Bhandari (DIN: 02722372), the above mentioned amount as remuneration by way of Salary and Perquisites as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to alter or vary the remuneration within the provisions of Schedule V of the Companies Act, 2013 to the extent the Board or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provisions under Companies Act, 2013 or schedule appended thereto and settle any question or difficulty in connection therewith and incidental thereto;

RESOLVED FURTHER THAT Shri Anil Bhandari, Whole Time Director, shall not be paid any sitting fee for attending the meeting of Board of Directors and Committees thereof;

RESOLVED FURTHER THAT any director of the Company be and is hereby authorized to issue the certified true copy(ies) of the relevant extracts to the necessary authorities as and when required and also to do necessary e-form filing with the Registrar of Companies, Chennai"

6. Approval of Material Related Party Transaction

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings, the approval of the Company be and is hereby accorded to the Material Related Party transactions proposed to be entered forthe Financial Year 2017-18 amounting to Rs.5.00Crores as per details as set out under item no.6 of the Statement annexed to this Notice and that the Board of Directors be and are hereby authorized to perform and execute all such deeds, matters and things including delegation of such authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.

7. To regularize and approve the appointment of Shri. Sivaraman Uthayakumar as an Independent Director

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Sivaraman Uthayakumar(DIN: 07903617), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 10th August, 2017, in terms of Section 161(1) of the Companies Act, 2013 and pursuant to the recommendations of the Remuneration and Nomination Committee and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act signifying his intention to propose the candidature of Shri SivaramanUthayakumar for the office of Director be and is hereby appointed as a Director of the Company;



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RESOLVED FURTHER THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Sivaraman Uthayakumar (DIN: 07903617) be and is hereby designated as an Independent Director and he is not liable to retire by rotation, to hold office for a term of 5 (Five) consecutive years up to the conclusion of the 32nd AGM of the Company."

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

Place : Chennai
Date : 10.08.2017

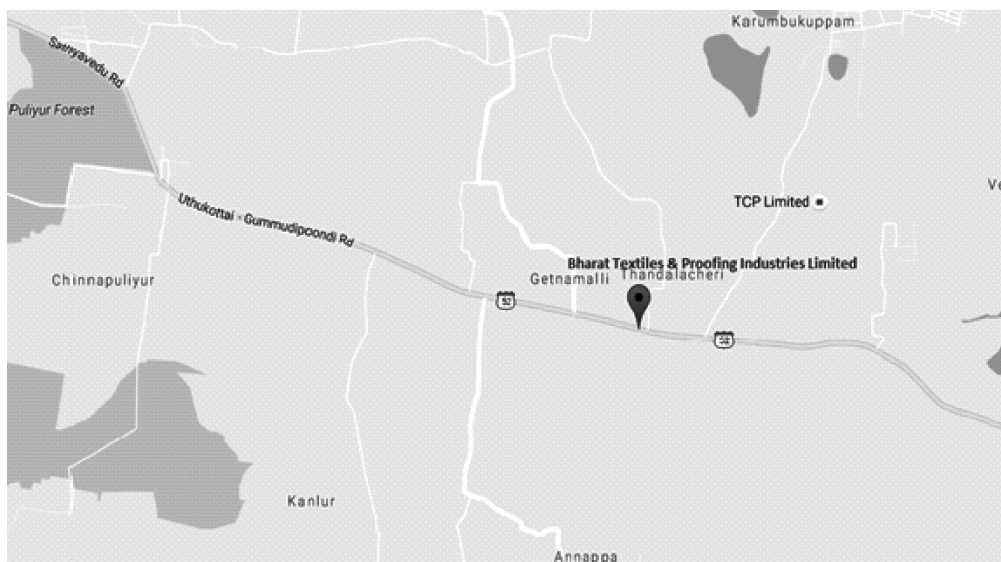
Sd/-
(Priyanka Tater)
Company Secretary

NOTES:

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Pursuant to Secretarial Standard on General Meeting (SS- 2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
3. **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 CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR A MEMBER.**
4. **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.**
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Register of members and the share transfer books of the Company will remain closed from 18th September, 2017 to 23rd September, 2017 (both days inclusive) for the purpose of determining members eligible for participating in voting on the resolutions contained in the Notice of AGM.
6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorising their representative to attend and vote on behalf of the Company in the meeting.
7. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
8. 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.
9. To promote green initiative, members are requested to register their e-mail address through their Depository Participants for sending future communications to them by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
10. Shareholders/proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the meeting hall.
11. Members desirous of getting any information about the accounts and operations 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.
12. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.

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13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.
14. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company or the RTA for consolidating their holdings into one folio.
15. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. 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.
17. 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.
18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
19. 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.
20. Electronic copy of the Annual Report is being sent to all the members whose e-mail IDs are registered with the Company's RTA/Depository Participants, unless such members have requested for a hard copy of the same. For members, who have not yet registered their e-mail address, physical copies of the Annual Report are being sent through the permitted mode.
21. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for Financial Year 2016-17 will also be available on the Company's website www.bharattarpaulin.com to 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.
22. At the ensuing Annual General Meeting of the Company, Ms. Shikha Bhandari, Director who retires by rotation and being eligible, offer herself for re-appointment.
23. The Route map of the Annual General Meeting is attached below and available in the Company's website as well.



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24. Pursuant to Section 108 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

25. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and Regulation 44 of the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

Members may note that those who have already voted on the resolutions through remote e-voting facility may attend the meeting but shall not be allowed to vote at the meeting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 20.09.2017 at 9.00 a.m. and ends on 22.09.2017 at 5.00 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 17.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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 8 digits of 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 in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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



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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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

- 26. 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.
- 27. The Scrutinizer immediately after the conclusion of voting at the Annual general Meeting will first count the votes cast at the meeting and thereafter will unblock the votes in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours from conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against the resolution, invalid votes, if any and whether the Resolution(s) has/have been carried or not, to the Chairman or a person authorised by him in writing who shall countersign the same.
- 28. The Results declared along with the Scrutinizer's report shall be placed on the Company's website www.bharattarpaulin.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") where the shares of the Company are listed.

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

Place : Chennai
Date : 10.08.2017

Sd/-
(Priyanka Tater)
Company Secretary



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Annexure to the Notice of the 27th Annual General Meeting

Annexure I

Statement pursuant to Section 102 (1) of the Companies Act 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 to 7 of the accompanying Notice dated 10th August, 2017.

On Item No.3

M/s. Sakaria & Associates., Chartered Accountants, the present auditors, who were re-appointed at the 24th AGM to hold office for a period of 3 years subject to ratification in every AGM, will complete their term as auditors after the conclusion of the ensuing Annual General Meeting. The Audit Committee of the Board and later the Board of Directors at their meetings held on 10th August, 2017 discussed this matter and placing on record their appreciation for the long and valuable association of the above said Firm with the company and further, have recommended the appointment of M/s. Chandarana & Sanklecha, 137 Naimiappa Naicken Street, 2nd floor, Chennai-600003, Chartered Accountants (Firm Registration No. 000557S) as Statutory Auditors of the company for a period of 5 years from the conclusion of the ensuing Annual General Meeting and resolved to seek the approval of the shareholders for the same. Accordingly, the resolution in Item No.3 is placed before the shareholders for approval.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested, financially or otherwise in the Resolution.

On Item No.4

As the tenure of Shri. Ajeet Kumar as Managing Director had come to an end on 31st March 2017, with a view to continuing to avail his services, the Board, on the recommendation of its Nomination and Remuneration Committee, has re-appointed him as Managing Director for a period of five years with effect from 1st April, 2017 on a remuneration as recommended by the said committee and detailed in the resolution. Shri. Ajeet Kumar has been associated with the company for over two decades as its Managing Director. His business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company. The Board is of a firm view that it would be in the interest of the company that he be re-appointed as Managing Director and accordingly it commends the resolution for approval of the Members.

As the resolution is for the re-appointment of Shri. Ajeet Kumar as Managing Director and payment of remuneration to him, to that extent he along with Shri. Anil Bhandari and Ms. Sikha Bhandari, who are the other directors related to him may be deemed to be interested in the resolution.

None of the other Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs apart from Shri. Ajeet Kumar, Shri. Anil Bhandari and Ms. Shikha Bhandari are concerned or interested, financially or otherwise in the Resolution.

On Item No.5

As the tenure of Shri Anil Bhandari, Whole-Time Director had come to an end on 31st March 2017, with a view to continuing to avail his services, the Board, on the recommendation of its Nomination and Remuneration Committee, has re-appointed him as Whole-Time Director for a period of five years with effect from 1st April, 2017 on a remuneration as recommended by the said committee and detailed in the resolution. Shri. Anil Bhandari has been associated with the company for over two decades as its Whole-Time Director. His business acumen and qualities of leadership have contributed in an immense measure to the growth and stability of the company. The Board is of the firm view that it would be in the interest of the company that he be re-appointed as Whole-Time Director and accordingly it commends the resolution for approval of the Members.

As the Resolution is for the re-appointment of Shri Anil Bhandari as Whole Time Director and payment of remuneration to him, to that extent he along with Ajeet Kumar, who are the other directors related to him may be deemed to be interested in the resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested, financially or otherwise in the Resolution

On Item No.6

Your Company is proposed to enter into certain business transactions with M/s. Rudraksh Textiles LLP and M/s. Krishna Tarpaulin Industries Private Limited, which is a "Related Party" as defined under Section 2 (76) of the Companies Act, 2013 during Financial Year 2017-18. These transactions are estimated at ` 5.00 Crores for F.Y. 2017-18 which are of value exceeding 10% of the Annual Turnover of the Company as per the Last Audited Financial Statement of the Company.

As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires obtaining prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within

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threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires taking prior approval of the Company by Special Resolution where transactions proposed to be entered to falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in sub-section (1) of Section 188 applies where transactions are entered into by the company in the ordinary course of business other than transactions which are not on an arm's length basis. All transactions entered into by the Corporation with M/s. Rudraksh Textiles LLP and M/s. Krishna Tarpaulin Industries Private Limited are in the ordinary course of business and are at arm's length basis.

The amended Listing Agreement with Stock Exchanges which was made applicable from October 01, 2014 contains clause in respect of Related Party Transactions. The clause also defines term Material Related Party Transaction. It provides that all related party transactions shall be considered as "Material" if the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a Financial Year exceed 10% of the Annual Turnover of the company as per the Last Audited Financial Statement of the Company. The Material Related Party Transactions requires approval of the Shareholders by passing a Special Resolution and in respect of voting on such resolution(s), the said related party shall abstain from voting.

Members may please note that based on the criteria as mentioned above in the Listing Agreement, transactions entered into by the Corporation with M/s. Rudraksh Textiles LLP and M/s. Krishna Tarpaulin Industries Private Limited proposed to be entered into for F.Y. 2017- 18 are "Material" and therefore requires approval of the Company by Special Resolution.

Circular issued by SEBI inter-alia providing applicability of the provisions relating to Related Party Transactions states that this provision shall be applicable to all prospective Related Party Transactions. All existing material related party contracts or arrangements as on the date of this circular i.e. April 17, 2014 which are likely to continue beyond March 31, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to October 01, 2014. As this is first Annual General Meeting subsequent to October 01, 2014, the proposed transactions to be entered into for Financial Year 2017-18 are also placed for the approval of shareholders.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives except Shri. Anil Bhandari, Shri. Ajeet Kumar and Smt. Sikha Bhandari are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board recommends the Special Resolution set out at item No. 6 for the approval of the Shareholders

On Item No.7

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Regulation 25(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri. Sivaraman Uthayakumar was appointed as Additional Directors of the Company on 10th August 2017 in the category of Non-Executive Independent Director of the Company. She is a member of Audit Committee and Nomination & Remuneration Committee, of the Board of Directors of the Company. The Company has received notices in writing under the provisions of Section 160 of the Act from Members along with required deposit proposing the candidature of Shri. Sivaraman Uthayakumar for the office of Director of the Company.

Shri. Sivaraman Uthayakumar has given declaration to the Board of Directors that he meets the criteria of independence as provided under Section 149 of the Act. The above appointee is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his/her consent to act as Director in accordance with Section 152 of the Act. In the opinion of the Board, the above Director fulfills the conditions for his appointment as an Independent Director in terms of Section 149 of the Companies Act, 2013. Keeping in view his vast experience, expertise and knowledge, it would be in the interest of the Company that Shri. Sivaraman Uthayakumar be appointed as an Independent Director.

The names of companies and the committees in which Shri. Sivaraman Uthayakumar is a director/member, the letter of appointment and terms and conditions of the appointment are available for inspection at the registered office of the company during normal business hours.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution as set out at No 7 of the Notice.

The Board commends the resolution at Item No.7 for approval of the Members as an Ordinary Resolution.