

14<sup>th</sup>  
**ANNUAL REPORT**

2007 - 08

**BHILWARA TEX - FIN LIMITED**



**Registered office**

129, Transport Centre, Punjabi Bagh, Rohtak Road, New Delhi - 110035  
Tel No. 011-28315036; Fax No. 011- 28315044



# BHILWARA TEX-FIN LIMITED

129, Transport Center, Punjabi Bagh, Rohtak Road, New Delhi- 110035.

Telephone No - 011- 28315036 ; Fax No - 011-28315044

## NOTICE

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Company shall be held on **Tuesday, the 30<sup>th</sup> day of September, 2008 at 11.30 a.m.** at its Registered Office at 129, Transport Centre, Punjabi Bagh, Rohtak Road, New Delhi-110035 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at **31<sup>st</sup> March 2008** and Profit & Loss Account of the Company for the period commencing from 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March 2008 together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of **Sh. Satish Kumar Sharma**, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.
3. To appoint a Director in place of **Sh. Rajendra Prasad Baldwa**, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.
4. To appoint **M/s Nagar Goel & Chawla, Chartered Accountants** Statutory Auditors for the period commencing from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration. **M/s Nagar Goel & Chawla, Chartered Accountants**, the retiring auditors being eligible, have offered themselves for reappointment

By Order of the Board  
For Bhilwara Tex-Fin Limited

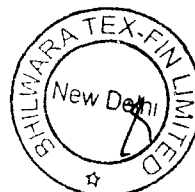
Place: New Delhi  
Date: 4<sup>th</sup> September, 2008

Sd/-  
(Satish Kumar Sharma)  
Director

### NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2 IN ORDER TO BE EFFECTIVE PROXY FORM DULY COMPLETED MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE SCHEDULED TIME FOR HOLDING OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED HEREWITH.
- 3 Annual report has been sent to all members and members are requested to bring their copy to the meeting along with duly filled attendance slip (to be handed over at the entrance). No copy of Annual Report shall be distributed at the meeting as an endeavor of the Company to reduce operational cost.
- 4 The share transfer record of the Company will remain closed from **Thursday, 25<sup>th</sup> day of September, 2008 to Tuesday, 30<sup>th</sup> day of September, 2008** (both days inclusive) for the year 2007-08.

Cont. 2/-





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**Information as required under clause 49 of the Listing Agreement in respect of Directors being re-appointed:****a) Sh. Satish Kumar Sharma**

Sh. Satish Kumar Sharma is an Associate Member of The Institute of Company Secretaries of India and a Law Graduate. He has in - depth knowledge in the field of legal and finance. He is fully conversant with the working of the NBFC & has extensive knowledge of the Financial Markets as well. He has been associated with the Company for the last 3 years. As on date, Sh. Satish Kumar Sharma does not hold any shares of the Company.

Apart from the Company, Sh. Satish Kumar Sharma is Director in 4 other Public Limited Companies. He is holding membership of the Four Committees and acts as a Chairman of the Four Committees.

**b) Sh. Rajendra Prasad Baldawa**

Sh. Rajendra Prasad Baldawa is a professionally qualified and a promoter director of the Company. He is a member of The Institute of Chartered Accountants of India. He has been on the Board of the Company since 1994. He has in-depth knowledge in the field of Capital Market, Investment Portfolio and Financing & Leasing. As on date, Sh. Rajendra Prasad Baldwa does not hold any shares of the Company.

Apart from the Company, Sh. Rajendra Prasad Baldwa is Director in 1 other Public Limited Company. Presently, he is neither a member nor Chairman of any of the Committees of the Board.



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## DIRECTORS' REPORT

The Members,  
BHILWARA TEX-FIN LIMITED

Your directors have pleasure in presenting their 14<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March 2008.

### 1. FINANCIAL RESULTS

		(In Rs.)	
	Particulars	2007-08	2006-07
	Income	2,669,188.00	2,819,123.00
Less:	Total Expenditure	4,337,371.54	774,815.73
	Net Profit/(Loss) before Tax & Depreciation (PBDT)	(1,708,183.54)	2,044,307.27
Less:	Depreciation	-	-
	Net Profit/(Loss) after Depreciation before Tax (PBT)	(1,708,183.54)	2,044,307.27
Less:	Provision for Income Tax-Current	-	229,371.00
	Provision for Income Tax- Deferred	-	-
	Provision for Fringe Benefit Tax	-	2,825.00
	<b>Profit after Tax</b>	<b>(1,708,183.54)</b>	<b>1,812,111.17</b>
Less:	Transfer to Special Reserve Fund	-	362,422.00
Add:	Balance brought forward from Previous Year	(1,554,165.00)	(3,003,854.36)
	Balance carried forward to the Balance Sheet	(3,262,348.63)	(1,554,165.09)

The Company has not earned any profits during the year under review hence no amount is required to be transferred to the Special Reserve Fund in Compliance of Section 45 IC of the Reserve Bank of India Act, 1934.

### 2. DIVIDEND

Your directors do not recommend any dividend for the financial year ended on 31<sup>st</sup> March, 2008.

### 3. DIRECTORS

Sh. Satish Kumar Sharma and Sh. Rajendra Prasad Baldawa, Directors of the Company retire by rotation and being eligible, has offered themselves for re-appointment. Your directors recommend their re-appointment subject to retire by rotation as per the provisions of the Companies Act, 1956. Sh. Ashok Arora resigned from the Directorship w.e.f. 5<sup>th</sup> October, 2007 during the year under review.

### 4. PUBLIC DEPOSITS

The Company has not invited or accepted any public deposits within the meaning of Section 58A & 58AA of the Companies Act, 1956 and section 45-I(bb) of the Reserve Bank of India Act, 1934 during the year under review. The company does not hold any public deposit as on date and will not accept the same in future without the prior approval of Reserve Bank of India in writing.

### 5. AUDITORS REPORTS

The Report of Auditors' on Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2008 is self explanatory. Hence, no explanation is required to be given.

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## 6. RE-APPOINTMENT OF AUDITORS

M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received a certificate from them pursuant to section 224(1B) confirming their eligibility for re-appointment. Your Director's recommend their re – appointment.

## 7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The provision of section 217(1) (e) of the Companies Act, 1956 is not applicable to our Company. Hence, Statement detailing the particulars required under the said section read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 are not being furnished. There was no foreign exchange earning and outgo in the company during the financial year.

## 8. PARTICULARS OF EMPLOYEE U/S 217 (2A) OF THE COMPANIES ACT, 1956

None of the employees of the Company has drawn salary in excess of the limits prescribed in the section 217(2A) of the Companies act, 1956 read with Companies (Particulars of employees) Rules, 1975 and hence no such list is being provided.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the Annual Accounts for the financial year ended on 31<sup>st</sup> March, 2008, the applicable Accounting Standards had been followed along with proper explanation relating to the material departures.
- b) That the Directors had selected such Accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit or loss of the Company for that period.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud or other irregularities.
- d) That the Directors had prepared the Annual Accounts on a **going concern** basis.

## 10. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report is annexed herewith.

## 11. LISTING OF SHARES

The Equity Shares of the Company are listed on Bombay Stock Exchange, Delhi Stock Exchange and Jaipur Stock Exchange. These shares were not traded during the year under review at the said Stock Exchanges. Trading of equity has been suspended by the BSE. Application to revoke suspensions of trading of shares has been made to BSE.

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The Company is pursuing with the BSE for the revocation in Suspension of Security of the Company. The Company has paid to BSE the revocation fees and has even put under Lock –in the promoters shareholding as directed by BSE as a precondition for revoking the suspension in the Company's equity share.

## 12. ACKNOWLEDGEMENT

Your directors would like to place their grateful appreciation for the assistance and co-operation received from the Company's bankers during the year under review. The directors also acknowledge with appreciation the support and co-operation rendered by various Govt. agencies and Departments. Your Directors would also wish to place on record their deep sense of appreciation for the continued support of all the investors of the Company.

By Order of the Board of Directors  
For Bhilwara Tex-Fin Limited

Place: New Delhi  
Dated: 4<sup>th</sup> September, 2008

Sd/-  
(Satish Kumar Sharma)  
Chairman



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## **Corporate Governance Report** **(for the year ended 31<sup>st</sup> March, 2008)**

*"Corporate Governance is about working ethically and finding a balance between economic and social goals. It includes the ability to function profitably while obeying laws, rules and regulations."*

### **1. Board's Philosophy on Corporate Governance**

Effective corporate governance requires a clear understanding of the respective roles of the Board and senior management, and their relationship with others in the corporate structure; relationship of the Board and the Management with stakeholders should be characterized by candor; their relationship with employees should be characterized by fairness; their relationship with the communities in which they operate should be characterized by good citizenship; and their relationship with the government should be characterized by a commitment to compliance.

We believe that sound corporate governance is critical to enhance and retain stakeholders' trust. Accordingly, we always seek to ensure that we attain our performance rules with integrity. Board exercises its fiduciary responsibilities in the widest sense of the term.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Management is the trustee of the shareholder's capital and not the owner.

### **2. Board of Directors**

The Board of Directors provide strategic direction and the thrust to the operations of the Company and accountable at all time to the shareholders of the Company. The Company has a professionally constituted Board of Directors.

During the year under review, the Board of Directors met **Ten** times on 30<sup>th</sup> April 2007, 31<sup>st</sup> July 2007, 3<sup>rd</sup> September 2007, 1<sup>st</sup> October 2007, 5<sup>th</sup> October 2007, 31<sup>st</sup> October 2007, 27<sup>th</sup> November 2007, 7<sup>th</sup> January 2008, 31<sup>st</sup> January 2008 and 18<sup>th</sup> February 2008.



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The attendance record of the Directors at each Board Meeting and the last Annual General Meeting held on 29<sup>th</sup> September, 2007 is as follows:

Name of Directors	Category of Directorship	Promoter/ Independent Director	Directorship In other Companies (In No.)#	No. of Board Meeting Held	No. of Meeting Attended	Attendance at the Last AGM
Mr. R.P. Baldwa	Executive Director	Promoter Director	--	10	1	No
Mr. Satish Kumar Sharma	Executive Director	Independent Director	4	10	10	Yes
Mr. Ajay Sachdeva	Non-Executive Director	Independent Director	--	10	8	Yes
Mr. Baldev Singh Kashthwal	Non-Executive Director	Independent Director	--	10	9	Yes
Mr. Ashok Arora*	Non-Executive Director	Independent Director	--	10	4	Yes

# Excluding directorship in Private Limited Companies.

\* Resigned & ceased to be Director w.e.f. 5<sup>th</sup> October, 2007

None of the directors of the Company is member in more than **ten** Committees and they do not act as Chairman of more than **five** Committees across all companies in which they are directors. The following table summarises the position of Chairmanship and Membership of Committees of all the Directors:

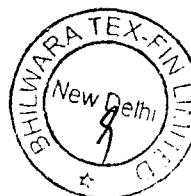
NAME OF DIRECTORS	NO. OF MEMBERSHIP IN COMMITTEE	CHAIRMANSHIP IN COMMITTEE
Mr. R.P. Baldwa	-	-
Mr. Ashok Arora	2*	1*
Mr. Satish Kumar Sharma	4	4
Mr. Ajay Sachdeva	1	1
Mr. Baldev Singh Kashthwal	2**	-

\* Resigned & ceased to be member and Chairman of the committee's w.e.f. 5<sup>th</sup> October, 2007.

\*\* Became member of the committee w.e.f. 5<sup>th</sup> October, 2007.

**The Board has access to the following information/records:**

- Annual operating plans and budgets;
- Quarterly results;
- Minutes of the meetings of the Share transfer and shareholders'/investors' grievances Committee;
- Any other items/events of materially important nature.



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