

*15<sup>th</sup>*

*Annual Report*

*2008 - 2009*

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**BHILWARA TEX-FIN LIMITED**

Registered office

129 Transport Centre, Rohtak Road, Punjabi Bagh, New Delhi-110035

Tel. 011-28315036 Fax : 011-28315044

# BHILWARA TEX-FIN LIMITED

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

## NOTICE

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the Company shall be held on **Wednesday, the 30<sup>th</sup> day of September, 2009 at 11.30 a.m.** at its Registered Office at 129, Transport Centre, Rohtak Road, Punjabi Bagh New Delhi-110035 to transact the following business:

### Ordinary Business:

1. To consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March 2009 and Profit & Loss Account of the Company for the period from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March 2009 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend on equity shares, if any.
3. To appoint a Director in place of **Sh. Ajay Sachdeva**, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.
4. To appoint a Director in place of **Sh. Baldev Singh Kashtwal**, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.
5. To appoint M/s Nagar Goel & Chawla, Chartered Accountants as Statutory Auditors for the period commencing from the date of conclusion of ensuing Annual General Meeting till the date of 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

  
(Satish Kumar Sharma)

Date: 1<sup>st</sup> September, 2009

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 **Friday, 25<sup>th</sup> day of September, 2009 to Wednesday, 30<sup>th</sup> day of September, 2009** (both days inclusive) for the year 2008-09.

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

Sh. Ajay Sachdeva is a law graduate and a Practising advocate in Tis Hazari Court in Delhi. He has in Depth knowledge of legal and finance functions of the Company. He is fully conversant with the working of the NBFC and knows the financial market very well. He has been associated with the Company for the last five years. As on date, Sh. Ajay Sachdeva does not hold any share of the Company.

Apart from the Company, Sh. Ajay sachdeva is neither a director on Board nor the member of any committee of any other limited company.

**b) Sh. Baldev Singh Kashtwal**

Sh. Baldev Singh Kashtwal is a Company Secretary and a fellow member of the Institute of Company Secretaries of India. He is a Practicing Company Secretary for the last 9 years. He has been associated with the Company for the last five years. He has in depth knowledge in the field of Capital Market, Investment Portfolio and Financing & Leasing. As on date, Sh. Baldev Singh Kashtwal does not hold any share of the Company.

Apart from the Company, Sh. Baldev Singh Kashtwal is a director in the following another limited company:-

Name of Company	Date of Appointment
Pioneer Agro Extracts Limited	1 <sup>st</sup> April, 2008

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**BHILWARA TEX-FIN LIMITED**

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

**DIRECTORS' REPORT**

The Members,  
**BHILWARA TEX-FIN LIMITED**

Your directors have pleasure in presenting their 15<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March 2009.

**1. FINANCIAL RESULTS**

(In Rs.)

Particulars		2008-09	2007-08
	Income	2,41,999.00	26,69,188.00
Less:	Total Expenditure	5,07,403.11	43,77,371.54
	Net Profit/(Loss) before Tax & Depreciation (PBDT)	(2,65,404.11)	(17,08,183.54)
Less:	Depreciation	-	-
	Net Profit/(Loss) after Depreciation before Tax (PBT)	(2,65,404.11)	(17,08,183.54)
Less:	Provision for Income Tax-Current	-	-
	Provision for Income Tax- Deferred	-	-
	Provision for Fringe Benefit Tax	-	-
	<b>Profit after Tax</b>	<b>(2,65,404.11)</b>	<b>(17,08,183.54)</b>
Less:	Transfer to Special Reserve Fund	-	-
Add:	Balance brought forward from Previous Year	(32,62,348.63)	(15,54,165.09)
	Balance carried forward to the Balance Sheet	(35,27,752.74)	(32,62,348.63)

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, 2009.

**3. DIRECTORS**

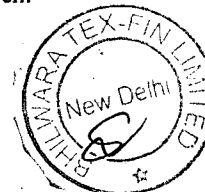
Sh. Ajay Sachdeva and Sh. Baldev Singh Kashtwal, Directors of the Company retire by rotation and being eligible, has offered themselves for re-appointment. Your directors recommend their re-appointment subject to retire by rotation as per the provisions of the Companies Act, 1956.

**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 REPORT**

The Report of Auditors' on Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2009 is self explanatory. Hence, no explanation is required to be given.



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**6. APPOINTMENT OF STATUTORY 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, 2009, 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. Listing fees for the year 2009-10 has been paid to all the Stock Exchanges. During the year under review, the Company has received approval from Bombay Stock Exchange, pertaining to revocation for suspension of trading of its securities w.e.f December 1, 2008. However, securities of the Company were not traded during the year at the said Stock Exchanges.

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**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



(Satish Kumar Sharma)  
Chairman

Place: New Delhi  
Dated: 1<sup>st</sup> September, 2009

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## Corporate Governance Report

(for the year ended 31<sup>st</sup> March, 2009)

*"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:

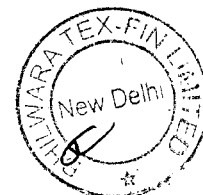
- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Management is the trustee 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 nine times on 1st April 2008, 30th April, 2008, 26th May, 2008, 31st July, 2008, 25th August, 2008, 4th September, 2008, 31st October, 2008, 31st January, 2009 and 31st March, 2009.

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The attendance record of the Directors at each Board Meeting and the last Annual General Meeting held on 30<sup>th</sup> September, 2008 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	--	9	--	No
Mr. Satish Kumar Sharma	Executive Director	Non-Independent Director	5	9	9	Yes
Mr. Ajay Sachdeva	Non-Executive Director	Independent Director	--	9	7	Yes
Mr. Baldev Singh Kashthwal	Non-Executive Director	Independent Director	1	9	6	Yes

# Excluding directorship in Private Limited Companies.

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. Satish Kumar Sharma	5	3
Mr. Ajay Sachdeva	1	1
Mr. Baldev Singh Kashthwal	1	1

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.

### 3. Committees of the Board

The Board of Directors has constituted various committees of the Board to ensure focused attention on the various aspects of the Company's working. The Company has the following Committees of the Board.

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## **3.1 Audit Committee**

The Constitution of the Audit Committee meets with the requirements of section 292A of the Companies Act, 1956 as well as the Listing Agreement. All the members of the committee are financially literate members. During the year under review, the Audit Committee was reconstituted and Sh. Baldev Singh Kashtwal was inducted as Chairman of the Audit Committee w.e.f. 01/04/2008.

The Audit Committee as on report date i.e. 31<sup>st</sup> March, 2009 comprises of the following Directors:

Sh. Baldev Singh Kashtwal	Chairman	Independent - Non Executive Director
Sh. Satish Kumar Sharma	Member	Non Independent - Executive director
Sh. Ajay Sachdeva	Member	Independent - Non Executive Director

The representatives of the Internal Auditors and Statutory Auditors attend the meeting of the Committee as and when invited.

The Audit Committee is responsible for the effective supervision of the financial reporting process to ensure proper disclosure of financial statements, their credibility, and compliance with the Accounting Standards, stock exchanges and other legal requirements, reviewing with internal and external audit and internal control systems, assessing their adequacy ensuring compliance with internal controls, reviewing findings of internal audit, reviewing the company's financial and risk management policies and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and yearly annual accounts.

During the year 2008-2009 five Audit Committee meetings were held on 30<sup>th</sup> April, 2008, 31<sup>st</sup> July, 2008, 4<sup>th</sup> September, 2008, 31<sup>st</sup> October, 2008, 31<sup>st</sup> January, 2009. The attendance record of the members during these meetings is set down below:

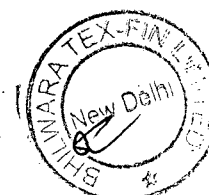
S. No.	Name of Director	No. of Audit Committee Meetings Attended
1.	Sh. Satish Kumar Sharma	5
3.	Sh. Ajay Sachdeva	5
4.	Sh. Baldev Singh Kashtwal	5

The Report of the Chairman as well as the minutes of the Audit Committee is circulated to all the Board Members for their consideration.

## **3.2 Remuneration Committee**

The Company does not have Remuneration committee as contemplated under the Listing Agreement, as the Company is not paying any remuneration to its Directors.

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## **3.3 Share Transfer & Shareholder's/Investor's Grievance Committee**

The Share Transfer & Shareholders'/Investors' Grievances Committee has been constituted to look into approval/rejection of transfer/transmission, issue of duplicate certificates, review & redressal of shareholders' and investors' grievances/complaints. The Committee is a Board level committee comprising of the following:

Sh. Ajay Sachdeva	Chairman	Independent - Non Executive director
Sh. Satish Kumar Sharma	Member	Non Independent - Executive Director
Sh. Baldev Singh Kashtwal	Member	Independent - Non Executive Director

During the year under review, the committee met Five times dating 30<sup>th</sup> April, 2008, 31<sup>st</sup> July, 2008, 31<sup>st</sup> October, 2008, 31<sup>st</sup> January, 2009, 5<sup>th</sup> February, 2009. The attendance record of the members during these meetings is summarised as under:

S.No.	Name of Director	No. of Committee Meetings Attended
1.	Sh. Ajay Sachdeva	5
2.	Sh. Satish Kumar Sharma	5
3.	Sh. Baldev Singh Kashtwal	5

The Board of Directors have appointed Sh. Satish Kumar Sharma as Compliance Officer of the Company.

During the year 2008-09, the Company didn't receive any complaints from shareholders/investors. There were no complaints pending as at the end of the year. The Shareholder's/Investor Grievance are periodically reviewed by the Company.

## **4. General Body Meetings**

a) Particulars of last three Annual General Meetings:

Year	Date of Meeting	Time	Venue
2008	30 <sup>th</sup> September, 2008	11.30 A.M.	129, Transport Centre, Rohtak road, Punjabi bagh, New Delhi-110035.
2007	29th September, 2007	11.30 A.M.	290, Vasant Enclave, Rao Tula Ram Marg, New Delhi-110057.
2006	29 <sup>th</sup> September, 2006	11.30 A.M.	290, Vasant Enclave, Rao Tula Ram Marg, New Delhi-110057.

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