

*17<sup>th</sup>*

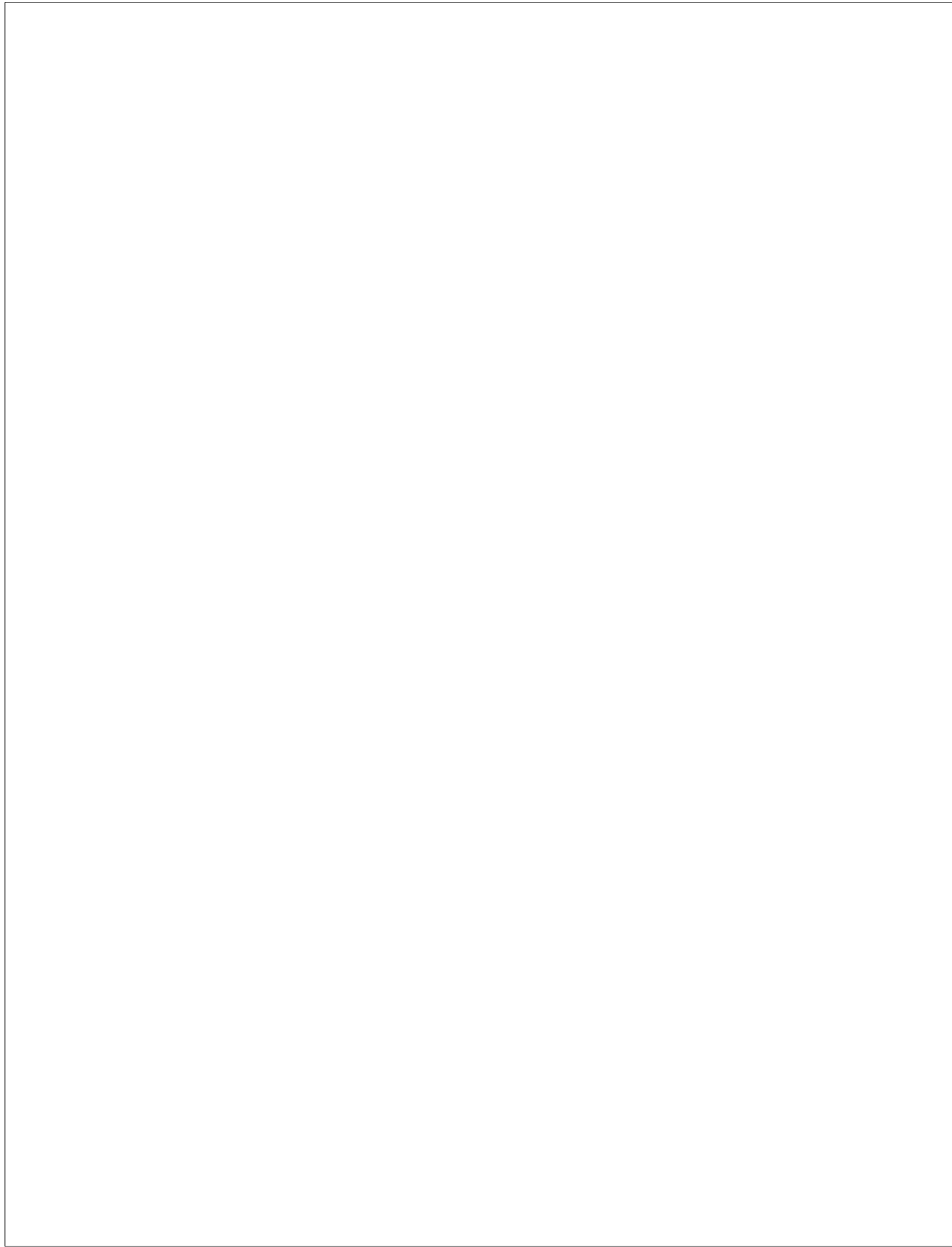
*Annual Report*

*2010 -2011*

**BHILWARA TEX-FIN LIMITED**

**Registered Office**

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



# BHILWARA TEX–FIN LIMITED

## NOTICE

Notice is hereby given that the **17<sup>th</sup> Annual General Meeting** of the Company shall be held on **Friday, 30<sup>th</sup> day of September, 2011 at 11.30 a.m.** at the Farm House of M/s Kapil Construction Private Limited, Kishangarh-Mehrauli Road, Near Maa Anandmai Ashram, New Delhi –110057 to transact the following businesses:

### Ordinary Business:

1. To consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March 2011 and Profit & Loss Account of the Company for the period from 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March 2011 together with the Directors' Report and Auditors' Report thereon.

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

**“RESOLVED THAT Mr. Baldev Singh Kashtwal**, who retires by rotation at the ensuing Annual General Meeting has expressed his desire not to offer himself for reappointment as Director and the resulting vacancy be not filled up at the meeting.”

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

**“RESOLVED THAT Mr. Ajay Sachdeva**, who retires by rotation at the ensuing Annual General Meeting, has expressed his desire not to offer himself for reappointment as Director and the resulting vacancy be not filled at the meeting.”

4. **To appoint Statutory Auditors and to fix their remuneration and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution in this regard:**

**“RESOLVED THAT M/s Nagar Goel & Chawla**, Chartered Accountants, New Delhi, retiring Statutory Auditors of the Company, being eligible for re-appointment and offer themselves for re-appointment, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office as such from the date of conclusion of the ensuing Annual General Meeting till the date of conclusion of the next Annual General Meeting on such remuneration as mutually agreed by the Board and the Statutory Auditors.”

### SPECIAL BUSINESS

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

**“RESOLVED THAT** Pursuant to the section 260 of the Companies Act, 1956, **Mr. Sanjay Hasija**, who was appointed as an Additional Director of the Company at the meeting of Board of Directors of the Company, held on 10<sup>th</sup> August, 2011 whose term expires on the Annual General Meeting scheduled to be held on 30<sup>th</sup> September, 2011 and for appointment of whom a Notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director has been received, be and is hereby appointed as a Director of the Company whose period of office will be liable to be determined by rotation.”

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

**“RESOLVED THAT** Pursuant to the section 260 of the Companies Act, 1956, **Mr. Samai Singh**, who was appointed as an Additional Director of the Company at the meeting of Board of Directors of the Company, held on 10<sup>th</sup> August, 2011 whose term expires on the Annual General Meeting scheduled to be held on 30<sup>th</sup> September, 2011 and for appointment of whom a Notice under Section 257 of the Companies Act, 1956

# BHILWARA TEX–FIN LIMITED

proposing his candidature for the office of Director has been received, be and is hereby appointed as a Director of the Company whose period of office will be liable to be determined by rotation.”

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

“**RESOLVED THAT** Pursuant to the section 260 of the Companies Act, 1956, **Mr. Vadake Chundayil Sreenivasan**, who was appointed as an Additional Director of the Company at the meeting of Board of Directors of the Company, held on 10<sup>th</sup> August, 2011 whose term expires on the Annual General Meeting scheduled to be held on 30<sup>th</sup> September, 2011 and for appointment of whom a Notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director has been received, be and is hereby appointed as a Director of the Company whose period of office will be liable to be determined by rotation.”

**By order and on behalf of the Board  
Bhilwara Tex-Fin Limited**

**Sd/-**

**(Satish Kumar Sharma)  
Director**

**Place: New Delhi  
Date: 25<sup>th</sup> August, 2011**

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL, IF ANY, INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2. PROXIES IN ORDER TO THE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THEN 48 HOURS BEFORE 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 of the Report 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. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board Resolution / Power of Attorney authorising their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Book of the Company shall remain closed from **Saturday, 24<sup>th</sup> September, 2011 to Friday, 30<sup>th</sup> September, 2011** (both days inclusive) for the purpose of Annual General Meeting.
- 6. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is given below:**

**Item No. 2**

Since **Mr. Baldev Singh Kashtwal**, Director retiring by rotation has not offered himself for re-appointment and it is decided not to fill up the vacancy at the ensuing meeting, the above resolution in terms of Section 256 of the Companies Act, 1956 and Clause 150 the Articles of Association of the Company, is proposed.

None of the Directors of the Company, except **Mr. Baldev Singh Kashtwal** is interested or concerned in passing of the said Ordinary Resolution. The Board of Directors of your Company commends the resolution for approval.

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## Item No. 3

Since **Mr. Ajay Sachdeva**, Director retiring by rotation has not offered himself for re-appointment and it is decided not to fill the vacancy at the meeting, the above resolution in terms of Section 256 of the Companies Act, 1956 and Clause 150 of the Articles of Association of the Company, is proposed.

None of the Directors of the Company, except **Mr. Ajay Sachdeva** is interested or concerned in passing of the said Ordinary Resolution. The Board of Directors of your Company commends the resolution for approval.

## Item No. 5

Pursuant to the section 260 of the Companies Act, 1956, **Mr. Sanjay Hasija** was appointed as an Additional Director of the Company w.e.f. 10<sup>th</sup> August, 2011 whose directorship will expire on the date of the ensuing Annual General Meeting of the Company. He being eligible, has offered himself to be appointed as Director of the Company whose office will be liable to be retired by rotation. A notice under Section 257 of the Companies Act, 1956 has been received by the Company from **Mr. Sanjay Hasija**, offering his candidature for the office of Director liable to retire by rotation. He will act as an Independent Director of the Company. You directors recommend the resolution for your approval.

None of the Directors is interested in the passing of this resolution except **Mr. Sanjay Hasija**.

## Item No. 6

Pursuant to the section 260 of the Companies Act, 1956, **Mr. Samai Singh** was appointed as an Additional Director of the Company w.e.f. 10<sup>th</sup> August, 2011 whose directorship will expire on the date of the ensuing Annual General Meeting of the Company. He being eligible, has offered himself to be appointed as Director of the Company whose office will be liable to be retired by rotation. A notice under Section 257 of the Companies Act, 1956 has been received by the Company from **Mr. Samai Singh**, offering his candidature for the office of Director liable to retire by rotation. He will act as an Independent Director of the Company. You directors recommend the resolution for your approval.

None of the Directors is interested in the passing of this resolution except **Mr. Samai Singh**.

## Item No. 7

Pursuant to the section 260 of the Companies Act, 1956, **Mr. Vadake Chundayil Sreenivasan** was appointed as an Additional Director of the Company w.e.f. 10<sup>th</sup> August, 2011 whose directorship will expire on the date of the ensuing Annual General Meeting of the Company. He being eligible, has offered himself to be appointed as Director of the Company whose office will be liable to be retired by rotation. A notice under Section 257 of the Companies Act, 1956 has been received by the Company from **Mr. Vadake Chundayil Sreenivasan**, offering his candidature for the office of Director liable to retire by rotation. He will act as an Independent Director of the Company. You directors recommend the resolution for your approval.

None of the Directors is interested in the passing of this resolution except **Mr. Vadake Chundayil Sreenivasan**.

By order and on behalf of the Board  
Bhilwara Tex-Fin Limited

Sd/-  
(Satish Kumar Sharma)  
Director

Place: New Delhi  
Date: 25<sup>th</sup> August, 2011

# BHILWARA TEX-FIN LIMITED

## DIRECTORS' REPORT

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

Your directors have pleasure in presenting their 17<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March 2011.

### 1. FINANCIAL RESULTS

(Amount in Rupees)

Particulars		2010-11	2009 -10
	Income	4,136,653.00	2,15,821.00
Less:	Total Expenditure	3,929,132.00	3,02,800.59
	Net Profit/(Loss) before Tax & Depreciation (PBDT)	207,520.00	(86,979.59)
Less:	Depreciation	-	-
	Net Profit/(Loss) after Depreciation before Tax (PBT)	207,520.00	(86,979.59)
Less:	Provision for Income Tax-Current	37,449.00	9,506.39
	Provision for Income Tax- Deferred	-	-
	Provision for Fringe Benefit Tax	-	-
	<b>Profit after Tax</b>	<b>170,071.00</b>	<b>(96,485.98)</b>
Less:	Transfer to Special Reserve Fund	-	-
Add:	Balance brought forward from Previous Year	(3,624,239.00)	(35,27,752.74)
	Balance carried forward to the Balance Sheet	(3,488,418.00)	(36,24,238.72)

The Company has transferred Rs. 34,014/- 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, 2011.

### 3. DIRECTORS

Mr. Baldev Singh Kashtwal and Mr. Ajay Sachdeva, Directors of the Company who retires by rotation and have expressed their desire not to offer themselves for reappointment as Directors and the resulting vacancy be not filled at the ensuing Annual General Meeting.”

Further, **Mr. Sanjay Hasija, Mr. Samai Singh and Mr. Vadake Chundayil Sreenivasan** were appointed as Additional Directors of the Company w.e.f. 10<sup>th</sup> August, 2011 and their office will expire on the date of the Annual General Meeting of the Company scheduled to be held on 30<sup>th</sup> September, 2011. They being eligible, have offered themselves to be appointed as Directors of the Company and they will be liable to be retired by rotation. The notices under Section 257 of the Companies Act, 1956 have been received by the Company from them offering their candidatures for the office of Directors liable to retire by rotation. They will act as an Independent Directors of the Company. Your directors recommend their appointment.

### 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.

### 5. AUDITORS REPORT

The Report of Auditors' on Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2011 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, retiring Statutory Auditors of the company 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) of the Companies Act 1956, confirming their eligibility for re-appointment. You directors recommend their re-appointment for the period commencing from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

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

The provisions 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 earnings 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, 2011, 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

A detailed report on Corporate Governance prepared in accordance with the Clause 49 of the Listing Agreement is annexed herewith and is forming part of this Annual Report.

## 11. SECRETARIAL COMPLIANCE CERTIFICATE:

The Secretarial Compliance Certificate, pursuant to proviso to sub-section (1) of section 383A of the Companies Act, 1956, is obtained from Practicing Company Secretary and the same is annexed herewith.

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## **12. LISTING OF SHARES**

Presently the Equity Shares of the Company are listed at Bombay Stock Exchange. Listing fees for the financial year 2011-12 has been paid by the Company to the Stock Exchange. However, the Company has got delisted its securities voluntarily from two other Stock Exchanges i.e. namely - Delhi Stock Exchange Limited and Jaipur Stock Exchange Limited vide their letter No.DSE/List/8226/14952 dated 21<sup>st</sup> June, 2011 and JSEL/2010/500 dated 4<sup>th</sup> March, 2010 respectively.

## **13. 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  
**Bhilwara Tex-Fin Limited**

**Place: New Delhi**  
**Date: 25<sup>th</sup> August, 2011**

**Sd/-**  
**Sanjay Hasija**  
**Director**

**Sd/-**  
**Satish Kumar Sharma**  
**Director**



# BHILWARA TEX–FIN LIMITED

## Corporate Governance Report for the year ended 31<sup>st</sup> March, 2011

*“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 candour; 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

#### 2.1 Composition of the Board of Directors

The Board of Directors provides 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. The composition of the Board of Directors as on date is as follows:

NAME OF DIRECTOR	CATEGORY
Mr. Rajendra Prasad Baldwa	Promoter - Executive Director
Mr. Satish Kumar Sharma	Non-Independent - Executive Director
Mr. Sanjay Hasiya*	Independent Non-Executive Director
Mr. Samai Singh*	Independent Non-Executive Director
Mr. Vadake Chundayil Sreenivasan*	Independent Non-Executive Director
Mr. Ajay Sachdeva	Independent Non-Executive Director
Mr. Baldev Singh Kashthwal	Independent Non-Executive Director

\* appointed as additional directors at the Board of Director of the company w.e.f. 10<sup>th</sup> August, 2011.

Mr. Satish Kumar Sharma, Director of the Company acts as Chairman at the Board Meetings and at the General Meetings of the Company. He is also the Compliance Officer of the Company.

None of the Director 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.

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## 2.2 Number of Board Meetings

As against the requirement of holding one meeting every three months and at least four such meeting in every year under section 285 of the Companies Act, 1956, the Board of director of the Company met **7 (Seven)** times on i.e. **30<sup>th</sup> April 2010, 31<sup>st</sup> July 2010, 4<sup>th</sup> September 2010, 29<sup>th</sup> October 2010, 10<sup>th</sup> November 2010, 31<sup>st</sup> January 2011 and 31<sup>st</sup> March 2011** during the year under review. The time gap between two meetings was not more than four months as stipulated in clause 49 of the listing agreement.

## 2.3 Attendance record of Directors at Board Meeting and Annual General Meeting and number of other Directorships / Committee memberships / Chairmanships.

Attendance of each Director at Board Meetings and at the last Annual General Meeting held during the year 2010-2011 and number of other Directorship / Committee Memberships / Chairmanships of each director is given below:

NAME OF DIRECTOR	ATTENDANCE DETAILS		NUMBER OF OTHER COMPANIES IN WHICH DIRECTOR**	OTHER COMMITTEES OF WHICH	
	BOARD MEETING	AGM HELD ON 30-09-2010		CHAIRMAN	MEMBER
Mr. Rajendra Prasad Baldwa	NIL	No	2	--	--
Mr. Satish Kumar Sharma	7	Yes	3	2	2
Mr. Ajay Sachdeva	6	Yes	-	-	-
Mr. Baldev Singh Kashthwal	6	Yes	-	-	-
Mr. Sanjay Hasija*	N.A.	N.A.	2	1	3
Mr. Samai Singh*	N.A.	N.A.	-	-	-
Mr. Vadake Chundayil Sreenivasan*	N.A.	N.A.	-	-	-

\* appointed as additional directors at the Board of Director of the company w.e.f.10<sup>th</sup> August, 2011.

\*\*Excluding directorship in Private Limited Companies and Foreign Companies.

## 2.4 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.

### 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. Mr. Baldev Singh Kashtwal acts as the Chairman of the Committee who has in-depth knowledge of Accounts, Finance & Banking. However, Audit Committee was re-constituted w.e.f. 10<sup>th</sup> August, 2011 and Mr. Sanjay Hasija was inducted as Chairman of the Audit Committee in place of Mr. Baldev Singh Kashthwal and Mr. Vadake Chundayil Sreenivasan was inducted as member in place of Mr. Ajay Sachdeva in Audit Committee. The Audit Committee as on date comprises of the following Directors:

Mr. Sanjay Hasija	Chairman	Independent - Non Executive Director
Mr. Satish Kumar Sharma	Member	Non Independent - Executive director
Mr. Vadake Chundayil Sreenivasan	Member	Independent - Non Executive Director