

12th

ANNUAL REPORT

2005 – 06

BHILWARA TEX-FIN LIMITED

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Registered Office

290, VASANT ENCLAVE, RAO TULA RAM MARG, NEW DELHI-110057

BHILWARA TEX-FIN LIMITED

Regd. Office: 290, VASANT ENCLAVE, RAO TULA RAM MARG, NEW DELHI-110057

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Company shall be held on **Friday the 29th September, 2006** at 11.30 a.m. at its Registered Office at **290, Vasant Enclave, Rao Tula Ram Marg, New Delhi-110057** to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 2006 and Profit & Loss Account of the Company for the Year ended on 31st March 2006 together with the Directors' Report and Auditors' Report thereon.
2. To re-appoint M/s Nagar Goel & Chawla, Chartered Accountants, New Delhi the retiring Auditors being eligible, have offered themselves for re-appointment to hold office from the date of the conclusion of this Annual General Meeting till the date of the conclusion of the Next annual General Meeting and to fix their remuneration.
3. To re-appoint a Director in place of Sh. Ashok Arora, who retires by rotation at the Annual General Meeting and being eligible, has offered himself for being reappointed as Director of the Company.

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By Order of the Board
For Bhilwara Tex-Fin Limited

Place: New Delhi
Date: 2nd September, 2006

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. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2 A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE SCHEDULED TIME FOR HOLDING OF THE MEETING. A PROXY FORM IS ENCLOSED HERewith.

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- 3 Annual report has been sent to all members and member 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 endeavour of the Company to reduce operational cost.
- 4 The share transfer record of the company will remain closed from **Tuesday 26th day of September, 2006 to Friday, the 29th day of September, 2006** (both days inclusive) for the year 2005-06.

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

**Place: New Delhi
Date: 2nd September, 2006**

**sd/-
Satish Kumar Sharma
(Director)**



BHILWARA TEX- FIN LIMITED

Regd. Office: 290, VASANT ENCLAVE, RAO TULA RAM MARG, NEW DELHI-110057

DIRECTORS' REPORT

The Members,
BHILWARA TEX-FIN LIMITED

Your directors have pleasure in presenting their 12th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March 2006.

1. FINANCIAL RESULTS

The financial results for the year under review are as follows:

(Rs. In Lacs)		
Particulars	2005-06	2004-05
Net profit before tax	3.07	1.09
Add: Balance in profit & loss Appropriation A/c brought forward from last year	(32.35)	(28.69)
Less: Provision for income tax - Current	0.26	.08
- Deferred	(0.09)	0.01
Less : Fringe Benefit Tax	0.01	----
Add: Income tax for earlier year	--	4.66
Less: Transfer to Special Reserve Fund	0.58	---
Net profit carried forward to next year	(30.04)	(32.35)

2. DIVIDEND

Your directors do not recommend any dividend for the financial year ended on 31st March, 2006.

3. DIRECTORS

Sh. Ashok Arora, Director of the Company retires by rotation and being eligible, has offered himself for re-appointment. There was no other change in Board of Director of the Company during the year under review.

4. PUBLIC DEPOSITS

The Company has not accepted / invited any public deposit under section 58A & 58AA of the Companies Act, 1956 with rules made hereunder during the financial year ended on 31st March, 2006.

5. AUDITORS REPORTS

The Report of Auditors' on Annual Account of the company for the year ended on 31st March, 2006 is self explanatory. Hence, no explanation is required to be given.

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.

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 31st March, 2006, 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 is listed on Bombay Stock Exchange, Delhi Stock Exchange and Jaipur Stock Exchange. These shares were not traded during the year under review at the Stock Exchanges. Trading of equity has been suspended by the Bombay Stock Exchange. Application to revoke suspensions of trading of shares has been made to Bombay Stock Exchange. Such application is pending till the date.

12. ACKNOWLEDGEMENTS

The directors wish to place on record their gratitude to the Company's bankers for their support and co-operation. The directors also acknowledge with appreciation the support and co-operation rendered by various Govt. agencies and Departments. Your Directors would also like to thank all the employees of the Company for putting in their hard work for the Company.


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

**Place: New Delhi
Dated: 2nd September, 2006**

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



**CERTIFIED TRUE COPY
For BHILWARA TEX-FIN LIMITED**


Director

BHILWARA TEX-FIN LIMITED

Corporate Governance Report

1. Company's Philosophy on Corporate Governance:

The Corporate Governance refers to set of policies, systems, regulations and procedures to be followed in the best interest of stakeholders i.e. Shareholders, Consumers, Banks, financial institutions and employees etc. Our Company is making regular compliances and furnishing the information related to the performance and prospect of the company keeping in view of true spirit of the Corporate Governance. As required under clause 49 of the Listing Agreement entered into with the Stock Exchange, following disclosures are set out towards achievements of good corporate governance.

2. Board of Directors

The Board of Directors of the Company provides leadership, strategic guidance to the Company and exercises control over the Company and accountable at all time to the shareholders of the Company.

The Company has a professionally constituted Board of Directors with all the Directors being non-executives directors and Four of these Directors are independent Directors

During the Year 2005-06, **Thirteen (13)** meetings of the Board of Directors of the Company were held on 01/04/2005, 02/04/2005, 30/04/2005, 16/06/2005, 30/07/2005, 26/08/2005, 05/10/2005, 31/10/2005, 11/11/2005, 15/11/2005, 31/01/2006, 17/02/2006 and 31/03/2006.

The Composition of the Board of Director of the Company as on **2nd September, 2006** 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	Non-Executive Director	Promoter Director	--	13	4	Yes
Mr. Satish Kumar Sharma	Non-Executive Director	Independent Director	4	13	13	Yes
Mr. Ashok Arora	Non-Executive Director	Independent Director	--	13	13	Yes
Mr. Ajay Sachdeva	Non-Executive Director	Independent Director	--	13	13	Yes
Mr. Baldev Singh Kashthwal	Non-Executive Director	Independent Director	--	13	7	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	4	4
MR. ASHOK ARORA	1	1
MR. AJAY SACHDEVA	2	-
MR. BALDEV SINGH KASTHWAL	-	-

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 **audit Committee set up** by the board is primarily responsible for internal control and financial reporting process.

As on Date, the Audit Committee has the following members:

Sh. Satish Kumar Sharma	Chairman	Independent non -executive Director
Sh. Ashok Arora	Member	Independent non executive Director
Sh. Ajay Sachdeva	Member	Independent non executive Director

Sh. Satish Kumar Sharma is finance literate member of the Committee.

The Audit Committee met **five** times during the last financial year. The following table summarises the attendance at the Audit Committee meetings:

Date of meeting	Sh. Satish Kumar Sharma	Sh. Ashok Arora	Sh. Ajay Sachdeva
29-04-2005	Yes	Yes	Yes
30-07-2005	Yes	Yes	Yes
20-08-2005	Yes	Yes	Yes
30-10-2006	Yes	Yes	Yes
25-01-2006	Yes	Yes	Yes

The terms of reference of the Audit Committee are the same as detailed in guidelines set out in the listing agreement with the Stock Exchange and in section 292A of the Companies Act, 1956.

3.2 Remuneration Committee

- a) The Company does not have a Remuneration Committee as on date.
b) Rs. 1,20,000/- has been paid as remuneration to Mr. R.P. Baldwa, Director of the Company.

3.3 Share Transfer, Shareholder's / Investor's Grievance Committee

The Committee comprises of the following members:

Name	Chairman/ Members	Category of Directorship	Promoter/ Independent Director	No. of meetings Attended during the year
Mr. Ashok Arora	Chairman	Non- Executive Director	Independent	3
Mr. Satish Kumar Sharma	Member	Non- Executive Director	Independent	3
Mr. Ajay Sachdeva	Member	Non- Executive Director	Independent	3

Such Committee met on 2nd April, 2005, 15th December, 2005 and 31st March, 2006 during the year.

The Share Transfer and Shareholders`/Investors' Grievances Committee looks into the matters of complaints by the investors and shareholders relating to the non-receipt of dividend warrants, annual reports, share transfers / transmission in time, issue of duplicate share certificate, change of address etc. and the redressed of these complaints.

Details of status of queries/ complaint and share transfer during the year:

Sl.No.	Particulars	Status/ No.
1	Number of queries/ complaints received from shareholders/ investors from 1 st April, 2005 to 31 st March, 2006 regarding non-receipt of dividend/ interest warrant, non-receipt of shares sent for transfer etc.	NIL
2	Number of queries / complaint not attended	NIL
3	Number of request of share transfer/ transmission received during the year	
4	Number of share transfer cases done during the year	2
5	Number of share transfer pending during the year	NIL

4. General Body Meetings

a) Particulars of last three Annual General Meetings:

Year	Date	Time	Location
2005	30 th September, 2005	4.30 P.M.	82, Vasant Enclave, Rao Tula Ram Marg, New Delhi-110057.
2004	30 th September, 2004	11.00 A.M.	82, Vasant Enclave, Rao Tula Ram Marg, New Delhi-110057.
2003	26 th September, 2003	12.30 P.M.	16, Rajendra Marg, Bhilwara-311001.

b) No special resolution was passed in previous 3 AGM's.

c) No special resolution passed last year through postal ballot.

5. Disclosures

- (a) On materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, Directors or the management, their subsidiaries/relatives that may have potential conflict with the interests of the Company at large. -None
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, or the Securities and Exchange Board of India or any other statutory body/ authority, on any matter related to capital markets during the last three years -None

6. Means of Communications with the investors/shareholders

- a. **Quarterly/ Half Yearly Results** The Company publishes unaudited quarterly/ half yearly financial results reviewed by the auditors and audited annual financial results in newspaper regularly. The said results are also furnished to the stock exchanges where shares of the company are listed.
- b. **Quarterly results** Usually Published in the following newspapers:
 (i) The Financial Express" in English Edition
 (ii) The Jansatta, Delhi" in Hindi Edition.
- c. **Any website where displayed** N.A.
- d. **Whether the website also displays official news releases** N.A.