



PROUD TO BE INDIAN  
PRIVILEGED TO BE GLOBAL



**Bhilwara Technical Textiles Limited**

Annual Report 2012 - 2013

## BOARD OF DIRECTORS

|                        |                              |
|------------------------|------------------------------|
| Shri Shekhar Agarwal   | Chairman & Managing Director |
| Shri Riju Jhunjunwala  | Director                     |
| Shri P.S. Dasgupta     | Director                     |
| Shri Pawan Kumar Deora | Director                     |

## COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Ms. Sweta Garg

## REGISTERED OFFICE

LNJ Nagar, Mordi,  
Banswara – 327 001 (Rajasthan)  
Phone: 02962 – 302400  
Fax: 02961 – 231254

## CORPORATE OFFICE

Bhilwara Towers  
A-12, Sector-1  
Noida – 201 301 (U.P.)  
Phone: 0120-4390300, 4390000  
Fax: 0120-4277841  
Website : [www.bttil.co.in](http://www.bttil.co.in)

## AUDITORS

M/s. Ashim & Associates,  
E – 36, Greater Kailash Part – 1  
New Delhi – 110 048.

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# NOTICE

## **BHILWARA TECHNICAL TEXTILES LIMITED** Regd. Office: LNJ Nagar, Mordi, Banswara - 327 001, RAJASTHAN

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of the Company will be held on Wednesday, the 18<sup>th</sup> day of September, 2013 at 11:30 A.M. at the Registered Office of the Company at LNJ Nagar, Mordi, Banswara – 327 001, Rajasthan to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at the 31st March, 2013 and the Statement of Profit & Loss for the period ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri P. S. Dasgupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board  
For **BHILWARA TECHNICAL TEXTILES LIMITED**

Place : Noida (U. P.)  
Date : 17th July, 2013

**SWETA GARG**  
**COMPANY SECRETARY &**  
**CHIEF FINANCIAL OFFICER**

### **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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The relevant detail in respect of item no. 2 pursuant to Clause 49 of the Listing Agreement is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 13<sup>th</sup> September, 2013 to Wednesday, the 18<sup>th</sup> September, 2013 (both days inclusive).
4. Members are requested to:
  - (i) Quote their folio number/ Client ID No. in all correspondence with the Company.
  - (ii) Notify immediately to the Company all changes with respect to their bank details, mandate, nomination, Power of Attorney and change of address. Members holding shares in electronic form should send their requests regarding the same to their respective Depository Participants.
5. Members who are holding Company's shares in electronic form are required to bring details of their Depository Account, such as Client ID and DPID numbers for identification.
6. Members seeking any information/ clarification with regard to accounts and audit are requested to write to the Company in advance and their queries should reach the registered office of the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information/ clarification ready.
7. Members holding shares in physical form are requested to furnish their email ID through e-mail at **bttl.investor@lnjbhilwara.com** and/or send letter to us quoting their Folio No. and e-mail ID to enable us to serve any document, notice, communication, annual reports etc. through e-mail. Members holding shares in demat form may get their email ID updated with their respective Depository Participants. We request the members to continue to support the Green Initiative introduced by MCA and make it a success.
8. The Annual Report of the Company will also be available on the website of the Company, **www.bttl.co.in**. Documents in physical form shall be sent to members upon request.
9. Members holding shares in physical form are requested to dematerialize their holdings in their own interest.
10. In case of the transfer of Shares, transferee is requested to furnish a copy of the PAN card to the Registrar & Transfer Agent (RTA) for registration of transfer of shares in physical form.

By Order of the Board  
For **BHILWARA TECHNICAL TEXTILES LIMITED**

Place : Noida (U. P.)  
Date : 17th July, 2013

**SWETA GARG**  
**COMPANY SECRETARY &**  
**CHIEF FINANCIAL OFFICER**

**DETAILS OF THE DIRECTOR SEEKING APPOINTMENT/  
RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING**  
(In pursuance of Clause 49 of the Listing Agreement)

|  |  |
|--|--|
| <b>Name of Director</b>  | Shri P. S. Dasgupta  |
| <b>Category</b>  | Independent- Non Executive   |
| <b>Interse Relationship</b>  | N.A.   |
| <b>Date of Birth</b>   | 30th June, 1955  |
| <b>Date of Appointment</b>   | 6th April, 2009  |
| <b>Qualification</b>   | Post Graduate Diploma in Corporate Laws and labour Laws, LLB and B.A. Eco (H).   |
| <b>Expertise in specific functional areas</b>                                      | Renowned international corporate lawyer and represents a leading law firm in Delhi.  |
| <b>List of other Public Companies in which Directorships held #</b>                | <ol style="list-style-type: none"> <li>1. Asian Hotels (North) Ltd.</li> <li>2. Cummins India Ltd.</li> <li>3. Ester Industries Ltd.</li> <li>4. Interstar Financial Services Ltd.</li> <li>5. Maral Overseas Ltd.</li> <li>6. Otis Elevator Co. India Ltd.</li> <li>7. Timken India Ltd.</li> <li>8. Tricone Projects India Ltd.</li> </ol> |
| <b>Chairman/Member of the Committee of the Board of Directors of the Company *</b> | <ol style="list-style-type: none"> <li>1. Audit Committee – Member</li> <li>2. Shareholders'/Investors' Grievance Committee - Chairman</li> </ol>  |
| <b>No. of Equity Shares held in Company</b>  | NIL  |
| <b>Chairman/Member of the Committees of Directors of other Companies * :</b>       |  |
| <b>a) Audit Committee</b>  | <ol style="list-style-type: none"> <li>1. Cummins India Ltd. – Member</li> <li>2. Maral Overseas Ltd – Member</li> <li>3. Otis Elevator Co. India Ltd. – Member</li> <li>4. Timken India Ltd. – Chairman</li> <li>5. Tricone Projects India Ltd. – Member</li> </ol>   |
| <b>b) Shareholders'/Investors' Grievance Committee</b>                             | <ol style="list-style-type: none"> <li>1. Cummins India Ltd. - Member</li> <li>2. Otis Elevator Co. India Ltd. – Member</li> </ol>   |

# Excludes Directorships in private limited companies, foreign companies, memberships of management committees of various chambers, bodies and section 25 companies

\* Includes Audit and Shareholders'/Investors' Grievance Committees only.

# MANAGEMENT DISCUSSION & ANALYSIS

## INDUSTRIAL GROWTH

While India's recent slowdown is partly due to external causes, domestic reasons are also important. The strong post-financial-crisis stimulus led to stronger growth in 2009-10 and 2010-11, as the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6 per cent and 9.3 per cent respectively. The consequent slowdown, especially in 2012-13, has been across the board, with no sector of the economy unaffected. The increase in consumption, coupled with supply side constraints, led to higher inflation which resulted in raising of policy rate by Reserve Bank of India. High interest rate has adversely impacted investment, and in the past two years viz. 2011-12 and 2012-13, the growth rate slowed to 6.2 per cent and 5.0 per cent respectively. Nevertheless, despite this slowdown, the compounded annual growth rate (CAGR) for gross domestic product (GDP) at factor cost, over the decade ending 2012-13 is 7.9 per cent.

After recovering to a growth of 9.2 per cent in 2009-10 and 2010-11, growth of value added in industrial sector, comprising manufacturing, mining, electricity and construction sectors, slowed to 3.5 per cent in 2011-12 and to 3.1 percent in 2012-13. The manufacturing sector, the most dominant sector within industry, also witnessed a decline in growth to 2.7 per cent in 2011-12 and 1.9 per cent in 2012-13 compared to 11.3 per cent and 9.7 per cent in 2009-10 and 2010-11, respectively. Growth in agriculture has also been weak in 2012-13, due to the lower-than-normal rainfall, especially in the initial phases (months of June and July) of the south-west monsoon.

However, there are early signs of turnaround in the global economy. The Indian economy also is exhibiting early signs of recovery, as indicated by moderation in inflation, return of investor confidence through surge in portfolio investment flows and stable market conditions. The balance of payments, however, is under strain with current account deficit (CAD) widening to 4.6 per cent of GDP in the first half of 2012-13, after touching 4.2 per cent in 2011-12. Economic growth though important cannot be an end in itself. The Twelfth Five Year Plan, with its focus on 'Faster, More Inclusive and Sustainable Growth', puts the growth debate in the right perspective. The government's targeted policies for the poor, with the prospect of fewer leakages, can help better translate outlays into outcomes.

## TEXTILE INDUSTRY

India is poised to become a significant player in global textile trade both as a consumer and as a producer of textiles. The synergistic efforts of all the stakeholders including the Government has resulted in the industry

growth rate of 8-9% during the last 2-3 years as compared to 3-4% during the last six decades since independence. Currently, India is the 9th largest economy in the world in absolute terms and is expected to overtake most of the European nations in the next 15 to 20 years. India's GDP has been growing at a rate of 6% since the liberalization of economy in 1991 and has grown by over 8% in the past few years. The 12th Five Year Plan targets a growth rate of 9.8% for the manufacturing sector.

The role of the Textile Industry is to provide one of the most basic needs of people and the importance of its sustained growth for improving quality of life. The textile industry recognize its unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; and its major contribution to the country's economy. The tremendous impetus provided by the Textile Policy of 1985 to the economy, resulting over these years in compounded annual growth rates of 7.13% in cloth production, 3.6% in the per capita availability of fabrics and 13.32% in the export of textiles; raising the share of textiles to 13% of value added domestic manufacturing of the country and to one third of the export earnings of the country.

The flagship scheme of the Ministry of Textiles i.e. Technology Upgradation Fund Scheme (TUFS) has facilitated technology upgradation of the textile industry to meet the challenges of the quota free globalised trade which has helped the textile industry on a wide basis. The Union Budget 2013-14 has proposed to continue the TUFS for the textile sector in the 12th Plan with an investment target of ₹ 151,000 crore. A new scheme with an outlay of ₹ 500 crore called the Integrated Processing Development Scheme will be implemented in the 12th Plan to address the environmental concerns of the textile industry.

Indian textile industry which is broad based and vertically integrated consumes diverse range of textiles fibres and yarns to produce various types of products for the domestic and export markets. The range of fibres consumed by the industry includes natural fibres like cotton, silk, wool, jute and man-made fibres like polyester, viscose, nylon, acrylic, polypropylene etc. Though the textiles industry is pre-dominantly cotton based, the consumption of other fibres / yarns is also significant.

## TECHNICAL TEXTILES

Technical Textiles has often been referred to as the sunshine sector in India and there is little doubt about the growth of technical textiles industry in the years to come. The success of technical textiles is primarily due

to the creativity, innovation and versatility in fibres, yarns and woven/knitted/non-woven fabrics with applications spanning an enormous range of uses in a very diverse range of economic activities including automobiles, aerospace, civil engineering and construction, healthcare, industrial safety, personal protection, entertainment etc. The ability of technical textiles to combine different technologies to create new functional products offer unlimited opportunity for growth.

Technical Textiles is the emerging field for investments in India. The production of different items of technical textile industry has been slowly but steadily increasing in the country. It has registered compounded annual rate of growth of 11% during 11th five year plan and the working group report for the twelfth five year plan has projected growth of 20% for technical textiles. The Ministry of Textiles has taken various initiatives for the improvement in Technical Textiles such as the major machinery for production of technical textiles is covered under TUFs and comes under the list of concessional customs duty of 5% .

## BUSINESS

The Management is making all efforts to embark on a suitable opportunity in the Technical Textile space. In the meanwhile, the Company started trading of Yarn till the time a suitable and viable project is identified. The Company's management is keeping all its options open to pursue a profitable business opportunity.

BTTL has invested in BMD Pvt. Ltd. which is a leading manufacturer of high performance specialized furnishing fabrics for automobiles, contract furnishing, flame retardant fabric & air texturised yarn.

BMD have a continuous track record of good performance and have achieved leadership for its products in the domestic as well as global market.

## STRENGTHS AND OPPORTUNITIES

1. Continuous raw material availability that help industry to control costs and reduce the lead times across the operation.
2. Availability of Low Cost and Skilled Manpower provides competitive advantage to industry.
3. Large and diversified segments in this industry that provide wide variety of products.
4. The cultural diversity and rich heritage of the country offers good inspiration base for designs and thus ensuring value addition in the product range.
5. Natural demand drivers including rising income levels, increasing urbanisation and growth of the purchasing population drive domestic demand.
6. Large domestic market, enabling manufacturers to spread out risks.

## WEAKNESSES AND THREATS

1. Fragmented Industry restricts the scope of enlarging base and emergence as global leaders.

2. Lack of desirable levels of Technological Development affect the productivity and other activities in whole value chain.
3. Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
4. There has been an increase in seasons per year which has resulted in shortening of the fashion cycle.

## HUMAN RESOURCES

BTTL recognizes human resources as a key component for facilitating organization growth as they are drivers for operational efficiencies, competitive advantage, profitability and growth of the Company. The Company is bringing in new HR initiatives in line with the business strategy at group level. The Company at present has one employee.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. The Company believes that through CSR, Company can achieve a balance of economic, environmental and social imperatives while at the same time addressing the expectations of shareholders and stakeholders. As the companies are now expected to perform well in non-financial areas such as human rights, business ethics, environmental policies, corporate contributions, community development, corporate governance and workplace issues, BTTL recognizes its social responsibility towards employees, shareholders and government in various ways viz. by providing true and fair position of Company's financial position to the shareholders and by providing all necessary information to the government and complying all the applicable laws, rules and regulations.

## CAUTIONARY STATEMENT

*Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Such statements, however involve known or unknown risks, significant changes in the political and economic environment in India or key markets abroad, exchange rate fluctuations and other costs that could cause actual outcomes and results to be materially different from those expressed or implied. The Company takes no responsibility in respect of forward looking statement herein which may undergo changes in future on the basis of subsequent developments, information or events.*

# DIRECTORS' REPORT

To the Members,

Your Directors present the Sixth Annual Report together with the audited Balance Sheet and the Statement of Profit and Loss of Bhilwara Technical Textiles Limited (BTTL) for the year ended the 31st March 2013.

## COMPANY'S PERFORMANCE

Your Company's performance during the fiscal year 2012-2013 is summarized below:

## FINANCIAL RESULTS

|   | (₹ in lacs)   |                  |
|---|---------------|------------------|
|   | This<br>Year  | Previous<br>Year |
| <b>Total Income</b>                           | <b>284.39</b> | 157.18           |
| Profit before Interest,<br>Depreciation & Tax | <b>157.44</b> | 138.61           |
| <b>Profit before Tax</b>                      | <b>157.33</b> | 138.48           |
| <b>Profit after Tax</b>                       | <b>150.75</b> | 137.23           |
| Add: Opening Balance                          | <b>361.64</b> | 224.41           |
| <b>Profit available for<br/>appropriation</b> | <b>512.39</b> | 361.64           |
| <b>Profit carried to Balance<br/>Sheet</b>    | <b>512.39</b> | 361.64           |

## OPERATIONAL INFORMATION

Your Directors inform the members that the Company is in the process of identifying opportunities to pursue a profitable venture in technical textiles space. However, in the meantime during the year, the Company started trading of yarn to generate revenues for the Company.

Your Directors feel pleasure in informing the members that the Company earned profit after tax of ₹ 150.75 lacs for the year ended the 31st March, 2013 as against ₹ 137.23 lacs during the previous year ended the 31st March, 2012.

## DIVIDEND AND OTHER APPROPRIATIONS

In order to conserve resources, your directors do not recommend any dividend for the year under review.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- appropriate Accounting Policies have been selected and applied consistently and they have 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 on the 31st March, 2013 and of the Profit or Loss of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required to be disclosed pursuant to section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, is given in Annexure - I forming part of this report.

## DIRECTORS

Shri P. S. Dasgupta, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

## INTERNAL CONTROL SYSTEMS

The Company has put in place an adequate system of internal control commensurate with its size and nature of

business. These systems provide a reasonable assurance in respect of providing financial information, complying with applicable statutes and ensuring compliance with corporate policies.

The Company's Audit Committee reviews adherence to internal control systems and legal compliances. This Committee reviews all quarterly and yearly results of the Company and recommends the same to Board for its approval.

#### **PARTICULARS OF EMPLOYEES**

There was no employee drawing remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

#### **AUDITORS**

The Company's Auditors M/s. Ashim & Associates, Chartered Accountants, New Delhi retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the Auditors, if any, are explained wherever necessary, in the appropriate Notes to the Financial Statements.

#### **CORPORATE GOVERNANCE**

A comprehensive report on Corporate Governance in this regard is made part of this Annual Report and a Certificate from the Statutory Auditors of your Company i.e. M/s Ashim & Associates, Chartered Accountants regarding compliance of the conditions of the Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

#### **ACKNOWLEDGEMENTS**

Your Directors place on record their gratitude for the co-operation and assistance extended by the stakeholders, Central Government & State Government including various other authorities. The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

for and on behalf of the Board

Place : Noida  
Dated: 30th April, 2013

**SHEKHAR AGARWAL**  
Chairman &  
Managing Director  
DIN : 00066113

#### **ANNEXURE –I TO THE DIRECTORS' REPORT**

#### **STATEMENT OF PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

##### **1. CONSERVATION OF ENERGY**

Not Applicable

##### **2. TECHNOLOGY ABSORPTION**

Not Applicable

##### **3. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, the Company has earned foreign exchange of ₹ 1,11,01,148/- against an outgo of ₹ 39,433/-.



# CORPORATE GOVERNANCE

## Corporate Governance Philosophy

Corporate Governance philosophy stems from our belief that it is a key element in improving efficiency and growth as well as enhancing investor confidence. We believe that Corporate Governance is a journey to constantly improving sustainable value creation and is an upward moving target. Further, it brings about sustained corporate growth and long-term benefits for stakeholders. Ethical business conduct, integrity and commitment to values, which enhance and retain stakeholders' trust are the hallmarks of good corporate governance. The philosophy of your Company is to satisfy not just the letter of the law but also the spirit of Law. Accordingly accurate disclosure of information regarding the financial situation, performance, ownership, governance of the Company and to maintain a high degree of disclosure levels is an integral part of Corporate Governance.

The Board of Directors of Bhilwara Technical Textiles Limited (the "Company") sets high standards and exercises its fiduciary responsibilities in the widest sense of the term.

## Board of Directors

### Composition of the Board

As on the 31st March, 2013, BTTL's Board comprises 4 (four) Directors, out of which 3 (Three) Directors are Non-Executive, of these, 2 (two) Directors are independent. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchange.

### Details of Directors' Attendance and Directorships Held in other Companies

| Sl. No. | Name of Director       | Position                     | Category                    | No. of meetings held in 2012-13 during tenure | No. of meetings attended | No. of outside Directorships of public companies* | No. of Outside Board-level Committees where chairperson or member # |             |
|---------|------------------------|------------------------------|-----------------------------|---|--------------------------|---|---|-------------|
|         |                        |                              |                             |   |                          |   | Member  | Chairperson |
| 1.      | Shri Shekhar Agarwal   | Chairman & Managing Director | Promoter – Executive        | 4   | 4                        | 5   | 4   | –           |
| 2.      | Shri Riju Jhunjunwala  | Director                     | Promoter – Non-Executive    | 4   | 3                        | 8   | 4   | –           |
| 3.      | Shri P.S. Dasgupta     | Director                     | Independent – Non-Executive | 4   | 3                        | 8   | 7   | 1           |
| 4.      | Shri Pawan Kumar Deora | Director                     | Independent – Non-Executive | 4   | 4                        | –   | –   | –           |

\* Excludes Directorships in Private Limited Companies, Foreign Companies, Memberships of Management Committees of various Chambers, Bodies and Section 25 companies.

# Includes Audit and Shareholders'/Investors' Grievance Committees only.

### Number of Board Meetings

During 2012-2013, the Board of BTTL met 4 (four) times on - 3rd May, 2012, 7th August, 2012, 23rd October, 2012 and 22nd January, 2013. The maximum time gap between any two consecutive meetings was less than four months.

The previous Annual General Meeting of the Company was held on the 17th September, 2012 and was attended by Shri Pawan Kumar Deora, Chairman of the Audit Committee.

None of the Directors is a member of more than 10 Board-level Committees or Chairman of more than five such Committees.

As mandated in the Clause 49, the Independent Directors on BTTL's Board:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Holding Company, its Subsidiaries and Associates which may affect independence of the Director.
- Are not related to Promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
  - Statutory audit firm or the internal audit firm that is associated with the Company.

- Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial shareholders of the Company, i.e. do not own two percent or more of the block of voting shares.

#### Directors with Materially Significant Pecuniary Relationship or Business Transaction with the Company

Non-Executive Directors receive sitting fees. There have been no materially significant pecuniary relationships or transactions between the Company and its Directors in the financial year under review.

#### Shareholding of Non-Executive Directors

##### Equity Shares and Convertible Instruments held by Non-Executive Directors as on the 31st March, 2013

| Name of Director       | Category                    | Number of Equity shares held | Convertible Warrants |
|------------------------|-----------------------------|------------------------------|----------------------|
| Shri Riju Jhunjunwala  | Promoter – Non-Executive    | NIL                          | N.A.                 |
| Shri P.S. Dasgupta     | Independent – Non-Executive | NIL                          | N.A.                 |
| Shri Pawan Kumar Deora | Independent – Non-Executive | NIL                          | N.A.                 |

#### Board-Level Committees

##### I. Audit Committee

As on the 31st March, 2013, BTTL's Audit Committee comprised three members — two of whom, including the Chairman of the Committee, are independent while the third is a Non-Executive Promoter Director. The terms of reference of the Audit Committee are in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchange as well as Section 292A of the Companies Act, 1956. In 2012-13, the Audit Committee met four times on — 3rd May, 2012, 7th August, 2012, 23rd October, 2012 and 18th January, 2013.

##### a) Details of the Audit Committee

| Name of the Member                | Category                    | No. of Meetings held during tenure | No. of Meetings Attended | Sitting fee (₹) |
|-----------------------------------|-----------------------------|------------------------------------|--------------------------|-----------------|
| Shri Pawan Kumar Deora (Chairman) | Independent – Non-Executive | 4                                  | 4                        | 8,000/-         |
| Shri Riju Jhunjunwala             | Promoter – Non-Executive    | 4                                  | 4                        | 8,000/-         |
| Shri P. S. Dasgupta               | Independent – Non-Executive | 4                                  | 4                        | 8,000/-         |

Ms. Sonali Manchanda, Company Secretary of the Company, was the Secretary to the Committee till the 19th September, 2012. Thereafter Shri P. S. Puri was acting as the Compliance Officer of the Company and Secretary to the Committee. Ms. Sweta Garg was appointed as Company Secretary of the Company w.e.f. the 1st April, 2013 who has since been acting as Secretary to the Committee.

Shri Pawan Kumar Deora, Chairman of the Audit Committee, is a Chartered Accountant and possesses high degree of accounting and financial management expertise and all members of the Committee have sound accounting and financial knowledge.

The Company has complied with the requirements of Clause 49II(A) as regards composition of Audit Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on the 17th September, 2012.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.

- Major accounting entries involving estimates based on the exercise of judgement by Management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as listed under Clause 49II(D) of the Listing Agreement

The Audit Committee has been granted powers as prescribed under Clause 49II(C) of the Listing Agreement.

BTTL has systems and procedures in place to ensure that the Audit Committee mandatorily reviews, wherever applicable:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management.
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital etc.), as part of the quarterly declaration of financial results.
- If applicable, on an annual basis, statement certified by the Statutory Auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice.

## II. Remuneration Committee

### a) Terms of reference

The Remuneration Committee is empowered with the powers to determine the remuneration package of the executive directors.

### b) Composition of the Committee

As on the 31st March, 2013, the Composition of Remuneration Committee is as follows:

| Sr. No. | Name of the Member             | Position                    |
|---------|--------------------------------|-----------------------------|
| 1.      | Shri P. S. Dasgupta (Chairman) | Independent – Non-Executive |
| 2.      | Shri Riju Jhunhunwala          | Promoter – Non-Executive    |
| 3.      | Shri Pawan Kumar Deora         | Independent – Non-Executive |

During the financial year 2012-13, no meeting of Remuneration Committee was required to be held.

### c) Remuneration Policy

The compensation terms of executive directors are approved by the Board of Directors upon recommendation

of the Remuneration Committee and subsequently approved by the shareholders in the General Meeting. The Remuneration Committee recommends the remuneration based on the criteria such as responsibilities given, past track record of performance, industry standards and various other factors.

The non-executive directors are paid sitting fee for attending the Board Meetings as well as other Committee Meetings.

#### d) Remuneration of Directors

Remuneration paid or payable to Directors for 2012-13

(₹)

| Name of Director       | Category                     | Sitting fees | Salaries, allowances and perquisites | Commission | Total  |
|------------------------|------------------------------|--------------|--------------------------------------|------------|--------|
| Shri Shekhar Agarwal   | Promoter – Executive         | –            | –                                    | –          | –      |
| Shri Riju Jhunjunwala  | Promoter – Non-Executive     | 22,000       | –                                    | –          | 22,000 |
| Shri P.S. Dasgupta     | Independent – Non-Executive, | 22,000       | –                                    | –          | 22,000 |
| Shri Pawan Kumar Deora | Independent – Non-Executive  | 30,000       | –                                    | –          | 30,000 |

None of the Directors hold stock options.

### III. Shareholders'/Investors' Grievances Committee

The Company has constituted a Shareholders'/Investors' Grievance Committee of Directors to look into the redressal of complaints of investors.

As on the 31st March, 2013, the Company's Shareholders'/Investors' Grievances Committee comprised of three Directors - Shri P.S. Dasgupta (Chairman), Shri Riju Jhunjunwala and Shri Pawan Kumar Deora.

During 2012-13, the Committee met four times on 3rd May, 2012, 7th August, 2012, 23rd October, 2012 and 18th January, 2013.

#### Details of Shareholders'/Investors' Grievances Committee

| Name of the Member            | Position                    | No. of Meetings held during tenure | No. of Meetings Attended | Sitting fees (₹) |
|-------------------------------|-----------------------------|------------------------------------|--------------------------|------------------|
| Shri P.S. Dasgupta (Chairman) | Independent – Non-Executive | 4                                  | 4                        | 8,000/-          |
| Shri Riju Jhunjunwala         | Promoter – Non-Executive    | 4                                  | 4                        | 8,000/-          |
| Shri Pawan Kumar Deora        | Independent – Non-Executive | 4                                  | 4                        | 8,000/-          |

The erstwhile Company Secretary, Ms. Sonali Manchanda acted as the Compliance Officer till the 19<sup>th</sup> September, 2012, thereafter Shri P. S. Puri was acting as the Compliance Officer of the Company. Ms. Sweta Garg has been appointed as Company Secretary of the Company w.e.f. the 1<sup>st</sup> April, 2013 who has since been acting as Compliance Officer of the Company. The Company received two complaints from the shareholders during the financial year under review which were duly resolved.

The Company also has a Share Transfer Committee to deal with the requests of transfer/transmission of Equity Shares, issue of duplicate share certificates and consolidation/split/replacement of share certificates etc. To expeditiously approve transfer of shares, Shri Shekhar Agarwal, Chairman and Managing Director and Shri P. S. Puri, President (Corporate Finance) also attend and approve the share transfer requests on fortnightly basis under the delegated authorisation of the Board of Directors.

#### General Body Meetings

##### Details of the Previous Annual General Meetings

| Year    | Date                 | Time       | Location                                       | Special resolution(s) passed |
|---------|----------------------|------------|--|------------------------------|
| 2009-10 | 19th July, 2010      | 2:00 p.m.  | LNJNagar, Mordi, Banswara, Rajasthan – 327001. | –                            |
| 2010-11 | 30th September, 2011 | 10:00 a.m. | LNJNagar, Mordi, Banswara, Rajasthan – 327001. | –                            |
| 2011-12 | 17th September, 2012 | 11.30 a.m. | LNJNagar, Mordi, Banswara, Rajasthan – 327001. | –                            |

## POSTAL BALLOT

During the year under review, no resolution was passed through Postal Ballot.

## DISCLOSURES

### a) Related Party Disclosure

As required by the Accounting Standard (AS)-18, the details of related party transactions are given in Note 2.8.1 to the Annual Accounts.

With regard to information on related party transactions, whenever applicable, the Audit Committee is presented with the following information, wherever applicable:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with Management's justification for the same.

### b) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

### c) Risk Management

The Board has also laid down the procedures to inform the Board Members about the risk assessment and minimization procedures.

### d) Details of Non-Compliance by the Company in Previous Years

BTTL has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital market during the last three years.

### e) Initiatives on Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management staff and relevant business associates. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of BTTL, and cautions them on consequences of violations.

### f) Compliance with Clause 49

#### Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49. A certificate from Statutory Auditors to this effect is enclosed in the Annual Report.

#### Adoption of Non-Mandatory Requirements

##### Remuneration Committee

Although it is not mandatory, the Board of BTTL has constituted a Remuneration Committee. Details of the Remuneration Committee have been provided under the Section 'Remuneration Committee'.

##### Audit Qualifications

The Company's Financial Statements are free from any qualifications by the Auditors and Company continues to adopt best practices to move towards a regime of unqualified financial statements.

##### Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis.

##### Disclosures by Management to the Board

All details on the financial and commercial transactions where Directors may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

##### CEO & CFO Certification

The CEO & CFO certification of the Financial Statements for the year form part of this Annual Report.

##### Code of Conduct

BTTL Board has laid down a code of conduct for all Board members and Senior Management of the Company. The Code of Conduct is displayed on the website of the Company [www.bttl.co.in](http://www.bttl.co.in). Board Members and designated Senior Management Officials have affirmed compliance with the Code of Conduct for the current year. It is further affirmed that access to the Audit Committee of the Company has not been denied to any personnel. A declaration to this effect will form part of this Annual Report.

### Means of Communication

The quarterly & annual audited results are forthwith sent to the Stock Exchange where the Company's shares are listed after they are approved by the Board of Directors. The results of the Company are published in at least one prominent national and one regional newspaper. The financial results are also displayed on the Company's website www.bttl.co.in.

The Company has designated an email-id bttl.investor@lnjbhilwara.com.

### Shareholders

#### Re-Appointments of Directors

Three of the Directors of your Company are liable to retire by rotation. Of these Directors, at least one-third retire every year and if eligible, proposes himself for the re-appointment. This year, Shri P. S. Dasgupta, is retiring by rotation and being eligible, offers himself for re-appointment in the Annual General Meeting. His brief resume is given below:

#### Shri P. S. Dasgupta (58)

Shri P. S. Dasgupta has been engaged in the practice of Law since 1978. He worked as a Sr. Associate for 14 years with JB Dadachanji & Co., and where he was regularly consulted on strategic corporate and commercial issues. In 1992, he set up his own practice and founded New Delhi Law Offices, offering full spectrum legal services. Under his guidance and support, NDLO provides highly specialized legal advisory services in areas of strategic investments both in and outbound, entry strategy, mergers, acquisitions and restructuring, consolidation and liquidation, finance, securities and capital markets, infrastructure, technology transfer, anti-dumping and real estate. He is a specialist, inter alia, in structuring and negotiation of Joint Ventures and Foreign Collaborations and devising entry strategies.

#### Details of Other Directorships Held in Other Public Limited Companies

| Name of Director            | Name of the company in which Directorship held* | Committee Chairmanship | Committee Membership   |
|-----------------------------|---|------------------------|--|
| Shri P. S. Dasgupta         | Asian Hotels (North) Ltd.                       | –                      | –  |
|                             | Cummins India Ltd.                              | –                      | 1. Audit Committee<br>2. Share holders'/investors' Grievance Committee |
|                             | Ester Industries Ltd.                           | –                      |  |
|                             | Interstar Financial Services Ltd.               | –                      |  |
|                             | Maral Overseas Ltd.                             | –                      | Audit Committee  |
|                             | Otis Elevator Co. India Ltd.                    | –                      | 1. Audit Committee<br>2. Share holders'/investors' Grievance Committee |
|                             | Timken India Ltd.                               | Audit Committee        | –  |
| Tricone Projects India Ltd. | –   | Audit Committee        |  |

\* Excludes Directorships in Private Limited Companies, Foreign Companies, Memberships of Management Committees of Various Chambers, Bodies and Section 25 Companies.

### ADDITIONAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 18th September, 2013

Day : Wednesday

Time : 11:30 A.M.

Venue : LNJ Nagar, Mordi, Banswara, Rajasthan – 327 001.

### Financial Results

Financial year: 1st April to 31st March

For the year ended the 31st March, 2013, results were announced on:

- 7th August, 2012 : First quarter
- 23rd October, 2012 : Second quarter and Half year
- 22nd January, 2013 : Third quarter and Nine months
- 30th April, 2013 : Fourth quarter and Annual.

For the financial year ending the 31st March, 2014, quarterly results will be announced within 45 days from the end of the each quarter except fourth quarter when the audited annual results will be published within 60 days.

### Book Closure

The dates of book closure are from Friday, the 13th September, 2013 to Wednesday, the 18th September, 2013 (Both days inclusive).

### Dividend Dates

No dividend has been recommended on the Equity Shares.

### Listing and Stock Codes

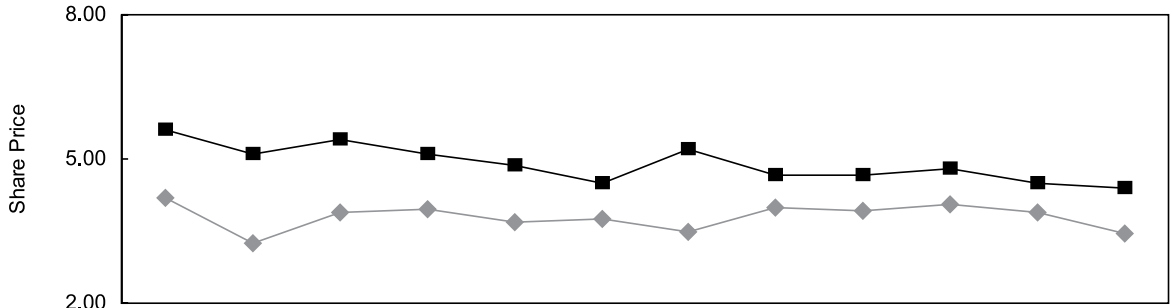
The Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE). Listing fee as prescribed has been paid to the BSE up to the 31st March, 2014. The scrip code of the Company at BSE is given below:

### Scrip Code of the Company

| Stock Exchange | Scrip ID | Scrip code |
|----------------|----------|------------|
| BSE            | BTTL     | 533108     |

### Stock Data

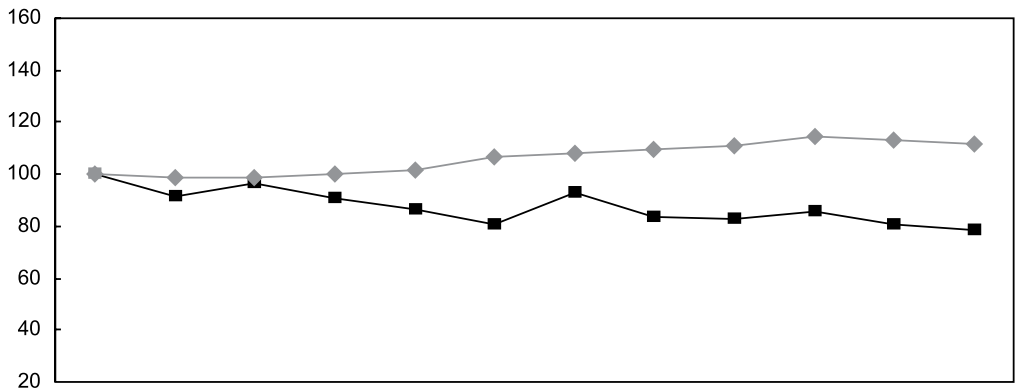
#### A. Stock Market Data: Monthly High Low (in ₹) at BSE:



|          | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | Jan-13 | Feb-13 | Mar-13 |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| —■— High | 5.60   | 5.11   | 5.41   | 5.10   | 4.85   | 4.50   | 5.20   | 4.67   | 4.65   | 4.81   | 4.50   | 4.39   |
| —◆— Low  | 4.20   | 3.26   | 3.90   | 3.97   | 3.70   | 3.75   | 3.50   | 4.00   | 3.93   | 4.05   | 3.90   | 3.44   |

Source : Bombay Stock Exchange Ltd.

#### B. Performance in comparison with BSE Sensex (Both series indexed to 100 as on April, 2012)



|                   | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | Jan-13 | Feb-13 | Mar-13 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| —■— BTTL (High)   | 100.00 | 91.25  | 96.61  | 91.07  | 86.61  | 80.36  | 92.86  | 83.39  | 83.04  | 85.89  | 80.36  | 78.60  |
| —◆— Sensex (High) | 100.00 | 98.69  | 98.78  | 99.81  | 101.75 | 106.83 | 108.34 | 109.67 | 111.03 | 114.38 | 113.04 | 111.84 |

Source : Bombay Stock Exchange Ltd.

### Shareholding Pattern

#### Shareholding Pattern by Ownership as on the 31st March, 2013

| Categories                                     | No. of shares      | Percentage    |
|--|--------------------|---------------|
| Promoters, Directors, Relatives and Associates | 3,49,44,753        | 59.86         |
| Foreign Institutional Investors/Mutual Funds   | 251                | 0.00          |
| Mutual Funds (Indian)                          | 52,638             | 0.09          |
| Nationalised and other banks                   | 25,83,248          | 4.43          |
| NRIs/Foreign Companies                         | 13,60,965          | 2.33          |
| Public   | 1,94,31,450        | 33.29         |
| <b>Total</b>                                   | <b>5,83,73,305</b> | <b>100.00</b> |

**Shareholding Pattern by Size-Class as on the 31st March, 2013**

| Categories       | No. of Shareholders | No. of shares held | Percentage    |
|------------------|---------------------|--------------------|---------------|
| upto 5000        | 11,500              | 58,19,789          | 9.97          |
| 5001-10000       | 181                 | 13,16,401          | 2.26          |
| 10001-20000      | 79                  | 11,15,200          | 1.91          |
| 20001-30000      | 35                  | 8,77,148           | 1.50          |
| 30001-40000      | 19                  | 6,72,502           | 1.15          |
| 40001-50000      | 12                  | 5,62,146           | 0.96          |
| 50001-100000     | 20                  | 13,68,787          | 2.35          |
| 100001 and above | 30                  | 4,66,41,332        | 79.90         |
| <b>Total</b>     | <b>11,876</b>       | <b>5,83,73,305</b> | <b>100.00</b> |

**Dematerialisation of Shares**

As on the 31st March, 2013, 5,61,24,043 Equity Shares representing 96.15 percent of the total equity capital were held in dematerialised form. Trading in shares of the Company is permitted in dematerialised form only.

The ISIN number for BTTL's equity shares on NSDL and CDSL is INE274K01012.

**Share Transfer System**

Matters related to share transfer and transmission are attended by the delegated authorities on a fortnightly basis. Share transfers are registered and returned within 15 days from the date of receipt, if the documents are in order in all respects. 1,85,477 Equity shares were transferred during the year 2012-13.

**Details of Public Funding Obtained in the Last Three Years**

BTTL has not obtained any public funding in the previous three years.

**Investor Correspondence**

Investor correspondence should be addressed to:

**Registrar & Share Transfer Agent:**

BEETAL Financial & Computer Services (P) Ltd.  
Beetal House, 3rd Floor,  
99, Madangir, Behind Local Shopping Centre,  
New Delhi – 110 062.  
Phone Nos. : 011-29961281  
Fax No. : 011-29961284  
E-mail : beetal@rediffmail.com

**Company Secretary**

Bhilwara Technical Textiles Limited  
Bhilwara Towers  
A-12, Sector 1, Noida  
Uttar Pradesh-201301.  
Phone Nos. : 0120-4390300, 4390000  
Fax Nos. : 0120-4277841  
E-mail : bttl.investor@lnjbhilwara.com

**Registered Office**

LNJ Nagar  
Mordi, Banswara  
Rajasthan – 327 001, INDIA

Place : Noida  
Dated : 30th April, 2013.

**SHEKHAR AGARWAL**  
Chairman & Managing Director  
DIN: 00066113

**Information pursuant to Clause 5A of the Listing Agreement**

The Company transferred 1,72,295 equity shares in respect of 677 shareholders in the name of "Bhilwara Technical Textiles Limited – Unclaimed Suspense Account" on the 23rd October, 2012 and these shares were subsequently dematted. Thereafter, the Company received claim from 3 shareholders comprising of 573 shares which were duly transferred in their respective names. As on the 31st March, 2013, 1,71,722 equity shares are still lying in the Unclaimed Suspense Account.



**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY**

We, Shekhar Agarwal, Managing Director & Chief Executive Officer and Sweta Garg, Company Secretary & Chief Financial Officer, of Bhilwara Technical Textiles Limited, hereby certify to the Board that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by Bhilwara Technical Textiles Limited during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Bhilwara Technical Textiles Limited and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- (e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- (f) We further declare that all Board members and designated senior management have affirmed compliance with the Code of Conduct for the current year.

Place : Noida (U.P.)

Dated : 30th April, 2013

**Shekhar Agarwal**

Managing Director &  
Chief Executive Officer  
DIN : 00066113

**Sweta Garg**

Company Secretary &  
Chief Financial Officer

**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of

Bhilwara Technical Textiles Limited

We have examined the compliance of conditions of Corporate Governance by Bhilwara Technical Textiles Limited, for the financial year ended on the 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountant of India and was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affair of the Company.

For Ashim & Associates

Chartered Accountants

Firm Registration No.006064N

**Ashim Agarwal**

Partner

Membership No.084968

Place : Noida (U.P.)

Dated : 30th April, 2013

# INDEPENDENT AUDITORS' REPORT

## To the Members of

### Bhilwara Technical Textiles Limited

#### Report on the Financial Statements

We have audited the accompanying Financial Statements of Bhilwara Technical Textiles Limited ("the Company"), which comprise the Balance Sheet as at the 31st March, 2013, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at the 31st March, 2013;
- (b) in the case of the Statement of Profit And Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on the 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on the 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Ashim & Associates  
Chartered Accountants  
Firm Registration No.006064N

**Ashim Agarwal**  
Partner

Membership No.084968

Noida (U.P.)  
30th April, 2013

#### Annexure 'A' referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Bhilwara Technical Textiles Limited

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The management has physically verified the fixed assets during the year. As informed to us, no material discrepancies were noticed on such verification.

- (c) There were no fixed assets disposed off / discarded during the year.
2. The Company's current nature of operations does not require it to hold inventories. Accordingly Clause 4 (ii) of the Order is not applicable to the Company and hence not commented upon.
  3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.  
(b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
  4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
  5. Based upon the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there were no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that were required to be entered in the register to be maintained under that section.
  6. The Company has not accepted any deposits from the public.
  7. In our opinion, the Company has a group inhouse internal audit system commensurate with the size & nature of its business.
  8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, in respect of activities carried out by the Company.
  9. (a) According to the records of the Company, undisputed statutory dues have been regularly deposited during the year with the appropriate authorities. According to the records of the Company and as explained to us the Company did not have any dues on account of provident fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, custom duty, excise duty and cess.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us and the records of the Company examined by us, there were no statutory dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
  10. The Company did not have any accumulated losses at the end of the financial year. The Company has not incurred cash loss in the current financial year and immediately preceding financial year.
  11. According to the information and explanations given to us and the records of the Company examined by us, the Company has not borrowed funds from any financial institution or bank.
  12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
  14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
  15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
  16. In our opinion, and according to the information and explanations given to us, the Company did not raise any term loans from banks / financial institutions during the year.
  17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of Balance Sheet, the Company has not raised any funds on short term basis.
  18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
  19. The Company has not issued any debentures.
  20. The Company has not raised any money by way of public issue, during the year.
  21. Based on the audit procedures performed and as per the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the year.

For Ashim & Associates  
Chartered Accountants  
Firm Registration No.006064N

**Ashim Agarwal**  
Partner

Noida (U.P.)  
30th April, 2013

Membership No.084968

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

|                               | Notes | As At<br>31.03.2013<br>₹ | As At<br>31.03.2012<br>₹ |
|-------------------------------|-------|--------------------------|--------------------------|
| <b>Equity and Liabilities</b> |       |                          |                          |
| <b>Shareholders' Funds</b>    |       |                          |                          |
| Share Capital                 | 2.1.1 | 58,373,305               | 58,373,305               |
| Reserves and Surplus          | 2.1.2 | 59,987,388               | 44,912,574               |
|                               |       | <b>118,360,693</b>       | 103,285,879              |
| <b>Current Liabilities</b>    |       |                          |                          |
| Trade Payables                | 2.2.1 | 81,235                   | 55,202                   |
| Other Current Liabilities     | 2.2.2 | 29,641                   | 15,782                   |
| Short Term Provisions         | 2.2.3 | 357,554                  | -                        |
|                               |       | <b>468,430</b>           | 70,984                   |
| <b>Total</b>                  |       | <b>118,829,123</b>       | 103,356,863              |
| <b>Assets</b>                 |       |                          |                          |
| <b>Non Current Assets</b>     |       |                          |                          |
| Fixed Assets                  |       |                          |                          |
| Tangible Assets               | 2.3.1 | 10,292                   | 20,581                   |
| Non-Current Investments       | 2.3.2 | 66,000,000               | 66,000,000               |
| Long-Term Loans and Advances  | 2.3.3 | 148,234                  | 81,798                   |
| Other Non-Current Assets      | 2.3.4 | -                        | 10,933,925               |
|                               |       | <b>66,158,526</b>        | 77,036,304               |
| <b>Current Assets</b>         |       |                          |                          |
| Cash and Bank Balances        | 2.4.1 | 49,993,228               | 25,558,308               |
| Short Term Loans and Advances | 2.3.3 | 10,636                   | 6,620                    |
| Other Current Assets          | 2.3.4 | 2,666,733                | 755,631                  |
|                               |       | <b>52,670,597</b>        | 26,320,559               |
| <b>Total</b>                  |       | <b>118,829,123</b>       | 103,356,863              |

Summary of significant accounting policies 1.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date  
For Ashim & Associates  
Chartered Accountants  
Firm Registration No.006064N

For and on behalf of the Board of Directors of  
**Bhilwara Technical Textiles Limited**

**Ashim Agarwal**  
Partner  
Membership No. 084968

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN: 00066113

**Riju Jhunjunwala**  
Director  
DIN: 00061060

Place : Noida (U.P.)  
Dated : 30th April, 2013

**Sweta Garg**  
Company Secretary  
& Chief Financial Officer

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

| Particulars  | Notes | For the<br>Year Ended<br>31.03.2013<br>₹ | For the<br>Year Ended<br>31.03.2012<br>₹ |
|--|-------|--|--|
| <b>Income</b>  |       |  |  |
| Revenue from Operations                                  | 2.5.1 | 11,420,785                               | -  |
| Other Income   | 2.5.2 | 17,018,663                               | 15,718,560                               |
| <b>Total Revenue</b>                                     |       | <b>28,439,448</b>                        | 15,718,560                               |
| <b>Expenses</b>  |       |  |  |
| Purchases of Stock-in-Trade                              | 2.6.1 | 10,695,888                               | -  |
| Employee Benefits Expense                                | 2.6.2 | 283,719                                  | 607,094                                  |
| Depreciation and Amortization Expense                    | 2.6.3 | 10,289                                   | 12,039                                   |
| Other Expenses   | 2.6.4 | 1,716,174                                | 1,250,966                                |
| <b>Total Expenses</b>                                    |       | <b>12,706,070</b>                        | 1,870,099                                |
| <b>Profit Before Tax</b>                                 |       | <b>15,733,378</b>                        | 13,848,461                               |
| Tax Expense:   |       |  |  |
| Current Tax  |       | (725,000)                                | (190,000)                                |
| Adjustments for Earlier Years                            |       | 66,436                                   | 64,309                                   |
| <b>Profit / (Loss) for the year</b>                      |       | <b>15,074,814</b>                        | 13,722,770                               |
| Earnings per Equity Share ( <i>par value ₹1/- each</i> ) |       |  |  |
| Basic  | 2.7.1 | 0.26                                     | 0.24                                     |
| Diluted  |       | 0.26                                     | 0.24                                     |

Summary of significant accounting policies 1.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date  
For Ashim & Associates  
Chartered Accountants  
Firm Registration No.006064N

**Ashim Agarwal**  
Partner  
Membership No. 084968

Place : Noida (U.P.)  
Dated : 30th April, 2013

For and on behalf of the Board of Directors of  
**Bhilwara Technical Textiles Limited**

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN: 00066113

**Riju Jhunjunwala**  
Director  
DIN: 00061060

**Sweta Garg**  
Company Secretary  
& Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Basis of preparation

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Financial Statements have been prepared to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year.

### 1.1 Summary of Significant Accounting Policies

#### a. Use of Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### b. Revenue Recognition

Income is accounted for on accrual basis in accordance with Accounting Standard (AS) 9 - "Revenue Recognition".

- i) Sale revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price.
- ii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- iii) Dividend income on investments is accounted for when the right to receive the dividend is established.

#### c. Investments

Long term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

#### d. Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less provision for impairment losses, if any, and depreciation.

#### e. Depreciation on Tangible Fixed Assets

Depreciation on tangible fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used the following rates / useful life to provide depreciation on its fixed assets.

- i) Computer hardware systems are depreciated uniformly over a useful life of 3 years.
- ii) Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

#### f. Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount being the higher of the asset's net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Previously recognised impairment losses are reversed where the recoverable amount increases because of a favourable change in the estimates used to determine the recoverable amount since the last impairment was recognised. A reversal of an asset's impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization), had no impairment loss been recognised in prior years.

#### **g. Foreign Currency Transactions**

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the Statement of Profit and Loss of the period.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at exchange rates prevailing on the last working day of the accounting year. The resultant exchange differences are recognized in the Statement of Profit and Loss.

#### **h. Tax on Income**

- i) Current corporate tax is provided on the results for the year after considering applicable tax rates and laws.
- ii) Deferred tax is provided on timing differences between tax and accounting treatments that originate in one period and are expected to be reversed or settled in subsequent periods. Deferred tax assets and liabilities are measured using the enacted / substantively enacted tax rates and laws for continuing operations.

Deferred tax assets in the event of unabsorbed depreciation and carry forward losses under tax laws, that exceed the deferred tax liability, are recognized only where there is virtual certainty of realization.

Deferred tax assets on other accounts are recognized only to the extent there is reasonable certainty of realization.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date to reassess realization.

- iii) MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

#### **i. Provisions and Contingent Liabilities**

Provisions are recognized for present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the possibility of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the possibility of outflow of resources embodying economic benefits is remote.

#### **j. Earnings Per Share**

Basic earnings per share is computed by dividing the net profit after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**k. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**2. Notes to the Financial Statements**

**2.1.1 Share Capital**

| Particulars  | ₹                   |                     |
|--|---------------------|---------------------|
|  | As At<br>31.03.2013 | As At<br>31.03.2012 |
| <b>Authorised</b>  |                     |                     |
| 70,000,000 (Previous Year 70,000,000) Equity Shares of ₹ 1/- each  | 70,000,000          | 70,000,000          |
|  | 70,000,000          | 70,000,000          |
| <b>Issued, Subscribed &amp; Fully Paid-Up</b>                      |                     |                     |
| 58,373,305 (Previous Year 5,83,73,305) Equity Shares of ₹ 1/- each | 58,373,305          | 58,373,305          |
|  | 58,373,305          | 58,373,305          |

**a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

| Particulars                          | 2012-13       |            | 2011-12       |            |
|--------------------------------------|---------------|------------|---------------|------------|
|                                      | No. of Shares | ₹          | No. of Shares | ₹          |
| <b>Equity Shares</b>                 |               |            |               |            |
| At the beginning of the period       | 58,373,305    | 58,373,305 | 58,373,305    | 58,373,305 |
| Issued during the period             | -             | -          | -             | -          |
| Bought back during the period        | -             | -          | -             | -          |
| Outstanding at the end of the period | 58,373,305    | 58,373,305 | 58,373,305    | 58,373,305 |

**b) Terms/rights attached to Equity Shares**

Company has only one class of equity shares having a par value of ₹ 1/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholders holding more than 5% shares in the Company**

| Particulars                                   | As at 31.03.2013      |           | As at 31.03.2012      |           |
|---|-----------------------|-----------|-----------------------|-----------|
|   | No. of Shares<br>Held | % holding | No. of Shares<br>Held | % holding |
| <b>Equity Shares of ₹ 1/- each fully paid</b> |                       |           |                       |           |
| Shashi Agarwal                                | 7,759,855             | 13.29     | 7,759,855             | 13.29     |
| Shantanu Agarwal                              | 5,308,115             | 9.09      | 5,308,115             | 9.09      |
| Shekhar Agarwal(Karta)                        | 4,027,344             | 6.90      | 4,027,344             | 6.90      |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**d) The Company has not allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date are as follows:**



₹

| <b>Particulars</b>   | <b>As At<br/>31.03.2013</b> | <b>As At<br/>31.03.2012</b> |
|--|-----------------------------|-----------------------------|
| Equity shares issued for consideration other than cash, pursuant to the scheme of demerger of RSWM Limited | <b>57,873,305</b>           | 57,873,305                  |

## 2.1.2 Reserves and Surplus

₹

| <b>Particulars</b>  | <b>As At<br/>31.03.2013</b> | <b>As At<br/>31.03.2012</b> |
|---|-----------------------------|-----------------------------|
| <b><i>Securities Premium Account</i></b>                              |                             |                             |
| Balance as per the Last Financial Statements                          | <b>8,748,418</b>            | 8,748,418                   |
| Add: Additions during the Period                                      | –                           | –                           |
| <b>Closing Balance</b>  | <b>8,748,418</b>            | 8,748,418                   |
| <b><i>Surplus / (Deficit) in the Statement of Profit and Loss</i></b> |                             |                             |
| Balance as per the Last Financial Statements                          | <b>36,164,156</b>           | 22,441,386                  |
| Add: Amount Transferred from Statement of Profit and Loss             | <b>15,074,814</b>           | 13,722,770                  |
| <b>Closing Balance</b>  | <b>51,238,970</b>           | 36,164,156                  |
|   | <b>59,987,388</b>           | 44,912,574                  |

## 2.2.1 Trade Payables

₹

| <b>Particulars</b> | <b>As At<br/>31.03.2013</b> | <b>As At<br/>31.03.2012</b> |
|--------------------|-----------------------------|-----------------------------|
| Trade Payables     | <b>81,235</b>               | 55,202                      |
|                    | <b>81,235</b>               | 55,202                      |

Based on the information available with the Company, no supplier / service provider has informed of having filed any memorandum with the notified authority under The Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"), claiming their status as a Micro or Small Enterprise. This information has been relied upon by the auditors. Consequently, as of now, it is neither possible for the Company to ascertain whether payment to such enterprises has been made within 45 days from date of acceptance of supply of goods or services rendered by a supplier nor to give the relevant disclosures as required under the Act.

## 2.2.2 Other Current Liabilities

₹

| <b>Particulars</b> | <b>As At<br/>31.03.2013</b> | <b>As At<br/>31.03.2012</b> |
|--------------------|-----------------------------|-----------------------------|
| Other Payables     | <b>29,641</b>               | 15,782                      |
|                    | <b>29,641</b>               | 15,782                      |

## 2.2.3 Short-Term Provisions

₹

| <b>Particulars</b>                                    | <b>As At<br/>31.03.2013</b> | <b>As At<br/>31.03.2012</b> |
|---|-----------------------------|-----------------------------|
| Other Provisions                                      |                             |                             |
| Provision for Current Taxes (Net of Advance Payments) | <b>357,554</b>              | –                           |
|   | <b>357,554</b>              | –                           |

## 2.3.1 Tangible Assets

| Particulars                | ₹                |               |
|----------------------------|------------------|---------------|
|                            | Office Equipment | Total         |
| <b>Gross Block</b>         |                  |               |
| At 1st April, 2011         | –                | –             |
| Additions                  | 32,620           | 32,620        |
| Disposals                  | –                | –             |
| <b>At 31st March, 2012</b> | <b>32,620</b>    | <b>32,620</b> |
| Additions                  | –                | –             |
| Disposals                  | –                | –             |
| <b>At 31st March, 2013</b> | <b>32,620</b>    | <b>32,620</b> |
| <b>Depreciation</b>        |                  |               |
| At 1st April, 2011         | –                | –             |
| Charge for the year        | 12,039           | 12,039        |
| Disposals                  | –                | –             |
| <b>At 31st March, 2012</b> | <b>12,039</b>    | <b>12,039</b> |
| Charge for the year        | 10,289           | 10,289        |
| Disposals                  | –                | –             |
| <b>At 31st March, 2013</b> | <b>22,328</b>    | <b>22,328</b> |
| <b>Net Block</b>           |                  |               |
| <b>At 31st March, 2012</b> | <b>20,581</b>    | <b>20,581</b> |
| <b>At 31st March, 2013</b> | <b>10,292</b>    | <b>10,292</b> |

## 2.3.2 Non-Current Investments

| Particulars   | ₹                |                  |
|---|------------------|------------------|
|   | As At 31.03.2013 | As At 31.03.2012 |
| Non-Trade Investments (Valued at Cost Unless Stated Otherwise)              |                  |                  |
| <b>Investments in Equity Instruments</b>                                    |                  |                  |
| <i>Unquoted</i>   |                  |                  |
| <b>In Associates</b>  |                  |                  |
| BMD Private Limited   |                  |                  |
| 6,600,000 (Previous year 6,600,000) Equity Shares of ₹ 10/- each fully paid | 66,000,000       | 66,000,000       |
|   | 66,000,000       | 66,000,000       |
| Aggregate Amount of Quoted Investments                                      | –                | –                |
| Market Value of Quoted Investments  | –                | –                |
| Aggregate Amount of Unquoted Investments                                    | 66,000,000       | 66,000,000       |
| Aggregate Provision for Diminution in Value of Investments                  | –                | –                |

## 2.3.3 Loans and Advances

| Particulars   | ₹                |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
|   | Long-term        |                  | Short-term       |                  |
|   | As At 31.03.2013 | As At 31.03.2012 | As At 31.03.2013 | As At 31.03.2012 |
| <i>Unsecured, Considered Good Unless Stated Otherwise</i> |                  |                  |                  |                  |
| Security Deposits   | 20,000           | 20,000           | –                | –                |
| Prepaid Expenses  | –                | –                | 10,636           | 6,620            |
| Direct Taxes Refundable (Net of Provisions)               | 128,234          | 61,798           | –                | –                |
|   | 148,234          | 81,798           | 10,636           | 6,620            |

### 2.3.4 Other Assets

₹

| Particulars                                  | Non-current         |                     | Current             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As At<br>31.03.2013 | As At<br>31.03.2012 | As At<br>31.03.2013 | As At<br>31.03.2012 |
| Others                                       |                     |                     |                     |                     |
| Interest accrued on bank deposits            | –                   | 433,925             | 2,559,074           | 755,631             |
| Export benefits receivable                   | –                   | –                   | 107,659             | –                   |
| Non-current bank balances (Refer note 2.4.1) | –                   | 10,500,000          |                     |                     |
|  | –                   | 10,933,925          | 2,666,733           | 755,631             |

### 2.4.1 Cash and Bank Balances

₹

| Particulars   | Non-current         |                     | Current             |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | As At<br>31.03.2013 | As At<br>31.03.2012 | As At<br>31.03.2013 | As At<br>31.03.2012 |
| <b>Cash and Cash Equivalents</b>  |                     |                     |                     |                     |
| Balances with Banks   |                     |                     |                     |                     |
| In Current Accounts   |                     |                     | 319,400             | 138,990             |
| In Deposit Accounts, with original maturity of upto 3 months                  |                     |                     | 3,450,000           | 8,700,000           |
| Cash on Hand  |                     |                     | 23,828              | 19,318              |
|   |                     |                     | 3,793,228           | 8,858,308           |
| <b>Other Bank Balances</b>  |                     |                     |                     |                     |
| Held as Margin Money  | –                   | –                   | 1,500,000           | –                   |
| Deposits with original maturity for 12 months and more                        | –                   | 10,500,000          | 44,700,000          | 16,700,000          |
|   | –                   | 10,500,000          | 46,200,000          | 16,700,000          |
| Amount disclosed under the head “other non-current assets” (Refer note 2.3.4) | –                   | (10,500,000)        |                     |                     |
|   | –                   | –                   | 49,993,228          | 25,558,308          |

### 2.5.1 Revenue from Operation

₹

| Particulars                     | Year Ended<br>31.03.2013 | Year Ended<br>31.03.2012 |
|---------------------------------|--------------------------|--------------------------|
| Sale of Products - Traded Goods |                          |                          |
| Yarn                            | 11,101,148               | –                        |
| Other Operating Revenues        |                          |                          |
| Export Incentives               | 319,637                  | –                        |
|                                 | 11,420,785               | –                        |

### 2.5.2 Other Income

₹

| Particulars                       | Year Ended<br>31.03.2013 | Year Ended<br>31.03.2012 |
|-----------------------------------|--------------------------|--------------------------|
| Dividend on Long Term Investments | 13,200,000               | 13,200,000               |
| Interest Income                   |                          |                          |
| Bank Deposits                     | 3,798,663                | 2,508,661                |
| Others                            | –                        | 8,899                    |
| Other Non-operating Income        |                          |                          |
| Miscellaneous Income              | 20,000                   | 1,000                    |
|                                   | 17,018,663               | 15,718,560               |

**2.6.1 Purchases of Stock-in-Trade**

| Particulars             | ₹                        |                          |
|-------------------------|--------------------------|--------------------------|
|                         | Year Ended<br>31.03.2013 | Year Ended<br>31.03.2012 |
| Purchases (for Trading) |                          |                          |
| Yarn                    | 10,695,888               | —                        |
|                         | 10,695,888               | —                        |

**2.6.2 Employee Benefit Expense**

| Particulars            | ₹                        |                          |
|------------------------|--------------------------|--------------------------|
|                        | Year Ended<br>31.03.2013 | Year Ended<br>31.03.2012 |
| Salaries, Wages, Bonus | 281,155                  | 602,211                  |
| Staff Welfare Expenses | 2,564                    | 4,883                    |
|                        | 283,719                  | 607,094                  |

**2.6.3 Depreciation and Amortisation Expense**

| Particulars                     | ₹                        |                          |
|---------------------------------|--------------------------|--------------------------|
|                                 | Year Ended<br>31.03.2013 | Year Ended<br>31.03.2012 |
| Depreciation of Tangible Assets | 10,289                   | 12,039                   |
|                                 | 10,289                   | 12,039                   |

**2.6.4 Other Expenses**

| Particulars                  | ₹                        |                          |
|------------------------------|--------------------------|--------------------------|
|                              | Year Ended<br>31.03.2013 | Year Ended<br>31.03.2012 |
| Fees & Subscription          | 126,989                  | 118,226                  |
| Legal & Professional         | 149,833                  | 563,474                  |
| Publication Charges          | 143,856                  | 171,801                  |
| Directors Sitting Fees       | 74,000                   | 74,000                   |
| Rates & Taxes                | 6,922                    | —                        |
| Insurance                    | 9,067                    | —                        |
| Miscellaneous Expenses       | 242,013                  | 274,965                  |
| Commission to Selling Agents | 214,728                  | —                        |
| Freight & Forwarding         | 580,905                  | —                        |
| Exchange Fluctuation (Net)   | 122,362                  | —                        |
| Auditors' Remuneration       | 45,500                   | 48,500                   |
|                              | 1,716,174                | 1,250,966                |

Auditors' remuneration includes following payments to the Statutory Auditors (excluding service tax)

| As Auditor                          |        |        |
|-------------------------------------|--------|--------|
| Statutory Audit                     | 18,000 | 18,000 |
| Limited Review                      | 22,500 | 22,500 |
| Other Services (certification fees) | 5,000  | 8,000  |

**2.7.1 Earnings Per Share**

| Particulars                              | 2012-13      |            | 2011-12    |            |
|--|--------------|------------|------------|------------|
|  | Basic        | Diluted    | Basic      | Diluted    |
| <b>Numerator</b>                         |              |            |            |            |
| Net income for the year                  | ₹ 15,074,814 | 15,074,814 | 13,722,770 | 13,722,770 |
| <b>Denominator</b>                       |              |            |            |            |
| Weighted average number of Equity Shares | 58,373,305   | 58,373,305 | 58,373,305 | 58,373,305 |
| Dilutive Potential Equity Shares         | —            | —          | —          | —          |
| Total average equivalent shares          | —            | 58,373,305 | —          | 58,373,305 |
| <b>Net earnings per share</b>            | ₹ 0.26       | 0.26       | 0.24       | 0.24       |
| Nominal value per share                  | ₹ 1          | 1          | 1          | 1          |

The Company does not have any potential equity options.

### 2.8.1 Related Party Transactions

Following information regarding related parties has been determined on the basis of criteria specified in AS-18 "Related Party Disclosures"

#### a) Related Parties with whom transactions have taken place

- i) Associate Companies
  - BMD Private Limited

#### b) Transactions with Related Parties

| Particulars   | 2012-13           | 2011-12    |
|---|-------------------|------------|
| ₹   |                   |            |
| <b>i) For the parties referred to in item (i) above</b> |                   |            |
| Dividend income received from                           |                   |            |
| – BMD Private Limited                                   | <b>13,200,000</b> | 13,200,000 |

2.8.2 The Company's main objects envisage carrying on business in various textile products. Current operations, according to the management, constitute a single segment and accordingly the disclosure requirements as per AS-17 issued under the Companies (Accounting Standards) Rules, 2006 are not applicable.

#### 2.8.3 Expenditure in Foreign Currency

| Particulars | Year Ended<br>31.03.2013 | Year Ended<br>31.03.2012 |
|-------------|--------------------------|--------------------------|
| ₹           |                          |                          |
| Commission  | <b>39,433</b>            | –                        |

#### 2.8.4 Earnings in Foreign Currency

| Particulars                      | Year Ended<br>31.03.2013 | Year Ended<br>31.03.2012 |
|----------------------------------|--------------------------|--------------------------|
| ₹                                |                          |                          |
| FOB value of Exports             | <b>10,671,130</b>        | –                        |
| Others (Freight, Insurance etc.) | <b>430,018</b>           | –                        |

2.8.3 Previous period's figures have been regrouped and recast wherever considered necessary.

As per our report of even date  
For Ashim & Associates  
Chartered Accountants  
Firm Registration No.006064N

**Ashim Agarwal**  
Partner  
Membership No. 084968

Place : Noida (U.P.)  
Dated : 30th April, 2013

For and on behalf of the Board of Directors of  
**Bhilwara Technical Textiles Limited**

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN: 00066113

**Riju Jhunjunwala**  
Director  
DIN: 00061060

**Sweta Garg**  
Company Secretary  
& Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

|   | ₹                                   |                                     |
|---|-------------------------------------|-------------------------------------|
| Particulars   | For the<br>year ended<br>31.03.2013 | For the<br>year ended<br>31.03.2012 |
| <b>A. Cash Flow from Operating Activities</b>                                 |                                     |                                     |
| Net Profit / (Loss) before Tax  | 15,733,378                          | 13,848,461                          |
| Adjustments for:  |                                     |                                     |
| Depreciation on Tangible Assets   | 10,289                              | 12,039                              |
| Dividend Income   | (13,200,000)                        | (13,200,000)                        |
| Interest Income   | (3,798,663)                         | (2,517,560)                         |
| <b>Operating Profit before Working Capital Changes</b>                        | <b>(1,254,996)</b>                  | <b>(1,857,060)</b>                  |
| Movements in Working Capital:   |                                     |                                     |
| Loans and Advances  | (4,016)                             | (6,620)                             |
| Other Assets  | (107,659)                           | -                                   |
| Trade Payables  | 26,033                              | 20,334                              |
| Other Current Liabilities   | 13,859                              | (67,145)                            |
| <b>Cash Generated from / (Used in) Operations</b>                             | <b>(1,326,779)</b>                  | <b>(1,910,491)</b>                  |
| Direct Taxes Paid (Net of Refunds)  | (367,446)                           | (98,457)                            |
| <b>Net Cash Flow from / (Used in) Operating Activities</b>                    | <b>(1,694,225)</b>                  | <b>(2,008,948)</b>                  |
| <b>B. Cash Flow from Investing Activities</b>                                 |                                     |                                     |
| Purchase of Fixed Assets  | -                                   | (32,620)                            |
| Investments in Bank Deposits<br>(Original Maturity of more than three months) | (35,700,000)                        | (27,200,000)                        |
| Redemption of Bank Deposits<br>(Original Maturity of more than three months)  | 16,700,000                          | 22,777,059                          |
| Dividend received   | 13,200,000                          | 13,200,000                          |
| Interest received   | 2,429,145                           | 2,049,040                           |
| <b>Net Cash Flow from / (Used in) Investing Activities</b>                    | <b>(3,370,855)</b>                  | <b>10,793,479</b>                   |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>                 | <b>(5,065,080)</b>                  | <b>8,784,531</b>                    |
| Opening Cash and Cash Equivalents   | 8,858,308                           | 73,777                              |
| Closing Cash and Cash Equivalents   | 3,793,228                           | 8,858,308                           |
| <b>Notes:</b>   |                                     |                                     |
| Components of Cash and Cash Equivalents                                       |                                     |                                     |
| Cash on Hand  | 23,828                              | 19,318                              |
| Balances with Bank  |                                     |                                     |
| In Current Accounts   | 319,400                             | 138,990                             |
| In Deposit Accounts   | 3,450,000                           | 8,700,000                           |
| Total Cash and Cash Equivalents (Refer Note 2.4.1)                            | 3,793,228                           | 8,858,308                           |

Summary of significant accounting policies

1.1

As per our report of even date  
For Ashim & Associates  
Chartered Accountants  
Firm Registration No.006064N

For and on behalf of the Board of Directors of  
**Bhilwara Technical Textiles Limited**

**Ashim Agarwal**  
Partner  
Membership No. 084968

**Shekhar Agarwal**  
Chairman & Managing Director  
DIN: 00066113

**Riju Jhunjunwala**  
Director  
DIN: 00061060

Place : Noida (U.P.)  
Dated : 30th April, 2013

**Sweta Garg**  
Company Secretary  
& Chief Financial Officer



# PROXY FORM

## BHILWARA TECHNICAL TEXTILES LIMITED

Regd. Office: LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan.

DP Id\* ..... Folio No. ....

Client Id\* ..... No. of Share(s) held .....

I/We ..... of .....  
..... being a member/members of Bhilwara Technical Textiles  
Limited hereby appoint ..... of ..... failing him .....  
..... of ..... or failing him .....  
of ..... as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf  
at the 6<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 18<sup>th</sup> day of September, 2013 at  
11:30 A.M. and at any adjournment thereof.

As WITNESS my/our hand/hands this ..... day of ..... 2013.

Signed by the said .....

Please affix  
15 Paise  
Revenue  
Stamp here

**Note :** The Proxy must be deposited at the Registered Office of the Company at LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan not less than forty eight hours before the time of holding the meeting.

\* Applicable for investors holding Shares in electronic form

## BHILWARA TECHNICAL TEXTILES LIMITED

Regd. Office: LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan.

### ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting premises.

DP Id\* ..... Folio No. ....

Client Id\* ..... No. of Share(s) held .....

Name and address of the Shareholders :

I hereby record my presence at the 6<sup>th</sup> Annual General Meeting of the Company held on Wednesday, the 18<sup>th</sup> day of September, 2013 at 11:30 A.M. at the Registered Office of the Company at LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan.

Signature of the Shareholder/Proxy/Representative\*\*

\* Applicable for investors holding Shares in electronic form

\*\* Strike out whichever is not applicable

# BOOK - POST



*If undelivered, please return to:*

**Bhilwara Technical Textiles Limited**

LNJ Nagar, Mordi, Banswara - 327 001, Rajasthan.