

7th Annual Report

**BHARAT
BHUSHAN**

**BHARAT
BHUSHAN
SHARE
STOCK
BROKERS
LIMITED**

&

REPORTJUNCTION.COM

1998-99

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BHARAT
BHUSHAN**

BOARD OF DIRECTORS	: SANT KUMARI AGGARWAL R.C. MODY NISHA AHUJA BEHRAM A. HATHIKHANAVALA VIJAY BHUSHAN JOGESH C. AHUJA
FINANCIAL CONTROLLER	: R.C. CHUGH
AUDITOR'S	: M/S P. BHOLUSARIA & CO. 26/11, SHAKTI NAGAR DELHI - 110 007
REGD. OFFICE	: 5-E, RANI JHANSI ROAD JHANDEWALAN EXTN., NEW DELHI - 110 055. PHONE NO. - 3540997-999
SHARE TRANSFER AGENTS	: I.I.T. CORPORATE SERVICES LTD. 5-E, RANI JHANSI ROAD, JHANDEWALAN EXTN., NEW DELHI - 110 055 PHONE NO. 3553701-704
BANKERS	: BANK OF MADURA LTD. E-4, CONNAUGHT CIRCUS, NEW DELHI-110 001

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

NOTICE

Notice is hereby given that the :-

ANNUAL GENERAL MEETING of M/S BHARAT BHUSHAN SHARE & STOCK BROKERS LTD will be held at SHAH AUDITORIUM , 2, Rajniwas Marg, Civil Lines, Delhi - 110054 on Wednesday the 29th Sept'99 at 11:30 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive and consider & to adopt the Audited Statements of Accounts for the year ended on 31st March'99 & the balance sheet as at that date.
2. To declare dividend on Ordinary Shares.
3. To appoint a director in place of Mrs. Sant Kumari Aggarwal who retires by rotation and is eligible for re-appointment.
4. To appoint a director in place of Sh. Jogesh C Ahuja who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration. M/s. P. Bholusaria & Co, Chartered Accountants, New Delhi retire and are eligible for re-appointment.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution.

"RESOLVED that the pursuant to section 31 and all other applicable provisions, if any of the companies Act, 1956, the Articles of Association of the company be altered as follows :

1. Insert the following Article as Article 3 (A) with marginal Article 3.

3A. BUY-BACK OF SHARES & SECURITIES

Notwithstanding anything contained in these Articles and subject to the provisions of the Act or any other applicable law in force at the relevant time, the Board of Directors shall have power and is authorised to purchase any of the shares including equity shares of the Company and may make payments out of its

capital, free reserves and/or the surplus in the profit and loss account, or from such other sources including borrowings as may be permitted for such purchases".

BY Order of the Board

Place : New Delhi
Dated : 28th May, 1999

(Vijay Bhushan)
(Director)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Article 3 of the Articles of Association of the Company prohibits the Company from purchasing its own shares. Hence a new Article, i.e. Article 3A, is proposed to be inserted as set out in the resolution to enable the Company to purchase its own shares and or securities as permissible under law.

The Board of Directors recommend the Shareholders to adopt the proposed resolution as a Special Resolution.

None of the Directors of the Company is concerned or interested in the said resolution.

NOTES :

Kindly note that there shall be no gift distribution at the AGM.

1. Explanatory Statements pursuant to provisions of section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS, BEFORE THE TIME FOR HOLDING THE MEETING. THE PROXY FORM IS ENCLOSED.
3. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
4. Members seeking further information on the Accounts or any other matter contained in the notice are requested to write to the company at least 7 days

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

**BHARAT
BHUSHAN**

before the meeting so that relevant information can be kept ready at the meeting.

5. The Register of members and Share Transfer Books of the company will remain closed from **20th Sept '99 to 29th Sept '99** (both days inclusive)
6. Members attending the meeting are requested to bring their copy of Annual Report as extra copies will not be supplied at the time of meeting.
7. A large amount of unclaimed dividend is lying with *Indian Overseas Bank and Bank of Madura Ltd* which pertains to the year 94-95 onwards. Those share holders who have not received the payment of dividend for these years may contact the company officials for claiming the same.
8. Persons holding shares in the identical names in different folios are requested to apply for reconsolidation of the said folios and send relevant

share certificates, to the company for this purpose.

9. Our company is listed with **DELHI STOCK EXCHANGE & BOMBAY STOCK EXCHANGE** and the listing fee for the period upto 31st March'2000 already stands deposited with the respective STOCK EXCHANGES.
10. As per the provision of the amended Companies Act 1956, facilities for making nomination is now available to the share holders of the company in respect of shares held by them. Nomination forms are available for this purpose with the company & Share Transfer Agents i.e. M/s. IIT CORPORATE SERVICES LTD.

BY Order of the Board

Place : New Delhi
Dated : 28th May, 1999

(Vijay Bhushan)
(Director)



BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**DIRECTOR'S REPORT**

We have pleasure to present the 7th Annual Report on the business and operations of the Company alongwith Audited Accounts for the year ended on 31st March'99.

The company has earned an Income of Rs. 67.03 lacs for the year against Rs. 40.08 lacs during the previous period. The net profit after taxation is Rs. 18.34 lacs against Rs. 8.00 lacs during the previous period.

FINANCIAL RESULTS

Particulars	Rs. For the year ended on 31st March '99	Rs. For the Nine month period ended on 31st March '98.
Profit before Depreciation & Interest	3043223	2549271
Depreciation & Interest	208740	249030
Profit before tax	2834483	2300241
Provision for taxation	1000000	1500000
Profit after tax	1834483	800241
Prior year adjustment	+3523	+23841
Balance profit B/F from Balance Sheet	1711990	2203440
Profit available for appropriation	3549996	3027522
APPROPRIATION :		
Transfer to General Reserve	—	200000
Proposed Dividend	1352160	1014120
Provision for Dividend Tax	148738	101412
Profit C/F to Balance Sheet	2049098	1711990

DIVIDEND

The Directors recommend dividend @ 4% for the year ended on 31st March'99, which would attract dividend tax @ 11% on the dividend amount. If this recommendation is approved at the forthcoming Annual General Meeting, it would involve outflow of Rs. 15.01 lacs against an outflow of Rs. 11.15 lacs on this account during the previous year.

GENERAL CORPORATE MATTERS

Your directors are pleased to report that during the year under report the management had taken steps to reduce the Investments where considerable loss had already been incurred and which could affect future profitability. The Company is now moving to a system of valuation

based on cost or market price whichever is lower in line with conservative policy. Thus it was a year of consolidation so that future profitability could be ensured. The profit during the year could have been better but for the loss sustained in one of the Bill Discounting Transactions where company had to go in for an out of court settlement by accepting 60% of the amount of Investment. Another factor which contributed towards lower profitability was due to expiry of lease agreements. The increase in profit was due to improvement in the operating efficiency and maximising the usage of available funds with the company through out the year in the most profitable ventures keeping in view the risk factor.

DIRECTORS

SMT. SANT KUMARI AGGARWAL & SH. JOGESH C AHUJA retire by rotation & being eligible offer themselves for reappointment.

AUDITORS

The Auditors M/s P. Bholusaria & Co. retire at the conclusion of this Annual General Meeting & being eligible offer themselves for re-appointment.

AUDITORS REMARKS

The observations made by the Auditors with reference to notes on the accounts for the year under report are self explanatory and need no further comments from the Directors.

PARTICULARS OF EMPLOYEES

There is no employee in receipt of remuneration in excess of amount specified in Section 217(2A) read with Companies (particulars of employees) rules 1975 as amended.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

FIXED DEPOSITS

The Company has not accepted fixed deposit till date.

STATUTORY INFORMATION

The Company's (Disclosure of particulars in the report of Board of Directors) rules 1988, require the disclosure of particulars regarding Conservation of energy in Form A and technology Absorption in form B prescribed by

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

**BHARAT
BHUSHAN**

the rules. The requirements of forms A and B are not applicable as the company is not a manufacturing company.

The Company had no foreign Exchange out-go or inflow during the year.

ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation for the co-operation patronage, assistance and guidance by their business associates, bankers and clients.

The Board members also place on record their appreciation of the services rendered by the dedicated

employees of the company.

The Board is also beholden to you all, partners in our enterprise, for your confidence, encouragement and unstinting support.

For & on Behalf of the Board of Directors

(Vijay Bhushan)
(Director)

Place : New Delhi
Dated : 28th May, 1999

(Nisha Ahuja)
(Director)



BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BHARAT
BHUSHAN****AUDITOR'S REPORT**

**TO THE MEMBERS OF
BHARAT BHUSHAN SHARE & STOCK BROKERS
LIMITED**

We have audited the attached Balance Sheet of Bharat Bhushan Share & Stock Brokers Limited as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date annexed thereto and report that :-

1. As required by Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - (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 it appears from our examination of the said books.
 - (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - (d) In our opinion, the profit & loss account and Balance sheet complies with the accounting standards referred to in sub section 3(c) of section 211 subject to Accounting Policy no. 6 and 14 of Annexure X regarding accounting of Income on receipt basis, although the same has not any impact on the Profit of the year.
 - (e) In our opinion and to the best of our information and according to the explanations given to us the said accounts subject to our remarks given above and read together with the other notes and significant accounting policies thereon give the information required by Companies Act, 1956 in the manner so required and give a true and fair view :-
 - (i) In the case of Balance Sheet of the State

of Affairs of the company as at 31st March, 1999.

- (ii) In the case of the Profit & Loss Account of the Profit for the year ended on that date.

**FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS.**

PLACE : New Delhi
DATED : 28TH MAY, 1999

VEENU AGGARWAL
Partner

ANNEXURE TO THE AUDITOR'S REPORT

(ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT TO THE MEMBERS OF BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999)

1. The Company has maintained proper records showing full particulars including quantitative details and location of Fixed Assets. The Fixed Assets have been physically verified by the management during the year, and no discrepancy was noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. As explained to us Stock-in-trade has been Physically verified by the Management at reasonable intervals.
4. In our opinion and according to the information and explanations given to us, the procedure for Physical Verification of Stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
5. As explained to us, no discrepancies have been noticed on physical Verification of Stocks as compared to book records.
6. In our opinion and on the basis of our examination, valuation of Stock, is fair and proper and in accordance with the normally accepted accounting principles.
7. The Company has entered into transactions for services rendered with firms / companies listed in

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

**BHARAT
BHUSHAN**

- the register maintained Under Section 301 of the Companies Act, 1956 aggregating to more than Rs. 50000/- during the year and in our opinion the prices charged are reasonable as compared to prevailing market prices.
8. The Company has not taken any loans from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there are no Companies under the same management as this Company within the meaning of section 370 (1-B) of the Companies Act, 1956.
 9. The Company has not granted any loans to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there are no Companies under the same management as this Company within the meaning of section 370 (1-B) of the Companies Act, 1956.
 10. The parties to whom loans and advances have been given are repaying the principal amount and are also regular in payment of interest wherever applicable. There are however no stipulations in writing.
 11. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of shares/debentures but it needs further strengthening.
 12. The Company has not accepted any deposits from the public during the year to which the provisions of section 58A of the Companies Act, 1956 and Reserve Bank of India guidelines as applicable to NBFCs would apply.
 13. The Company does not have any formal internal audit system but has procedures to maintain sufficient checks on its transactions.
 14. There are no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Custom Duty and Excise Duty as at 31st March, 1999 which are outstanding for a period of more than six months from the date they became payable.
 15. In our opinion and according to the information and explanations given to us, personal expenses have not been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
 16. The Company has not granted loans and advances on the basis of security by way of pledge of shares/debentures and other securities during the year.
 17. We are informed that the provisions of any special statutes applicable to Chit Funds, Nidhi or Mutual benefits society do not apply to the Company.
 18. The shares/debentures in hand have been physically verified during the year by the management and no major discrepancies have been noticed on such verifications.
 19. The Company has maintained proper records of its transactions and contracts in respect of investments in shares/debentures. All the shares and debentures have been held by the Company in its own name except to the extent of certain shares and debentures which are either lodged for transfer or held with valid transfer forms.
 20. The provision of Employees State Insurance & Provident Fund Act are not yet applicable to the Company.
 21. The service activities of the Company are such that the question of recording receipts, issues and allocation of man hours to the relative job does not arise. Consequently the authorisation and control on the allocation of labour jobs is not applicable.
- As required by the Non banking finance companies Auditors report (Reserve Bank Directions, 1998). We further state that we have submitted report to the Board of Directors of the company containing a statement on the matters of supervisory concern specified in said directions.

FOR P. BHOLUSARIA & CO.
Chartered Accountants

Place : New Delhi
Dated : 28TH MAY,1999

VEENU AGGARWAL
Partner

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BALANCE SHEET AS AT 31ST MARCH, 1999**

(AMOUNT IN RUPEES)

PARTICULARS	ANNEXURE	AS AT 31ST MARCH, 1999	AS AT 31ST MARCH, 1998
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
SHARE CAPITAL	I	33788500	33788500
RESERVES & SURPLUS	II	3449098	3111990
TOTAL		37237598	36900490
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	III	1637565	3309621
LESS : DEPRECIATION		508228	911904
LEASE ADJUSTMENT A/C		—	337592
NET BLOCK		1129337	2060125
INVESTMENTS	IV	3395496	4943391
CURRENT ASSETS, LOANS & ADVANCES	V		
INVENTORIES OF SHARES		10558889	16277385
SUNDRY DEBTORS		2399125	738955
CASH & BANK BALANCES		2752874	7243911
OTHER CURRENT ASSETS		19510	23746
LOANS & ADVANCES		20862963	16482532
TOTAL		36593361	40766529
LESS : CURRENT LIABILITIES & PROVISIONS	VI		
LIABILITIES		1181949	8453167
PROVISIONS		4000898	3970532
TOTAL		5182847	12423699
NET CURRENT ASSETS		31410514	28342830
MISCELLANEOUS EXPENDITURE	VII	1302251	1554144
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
TOTAL		37237598	36900490

ACCOUNTING POLICIES & NOTES ON ACCOUNTS X

AS PER OUR REPORT OF EVEN DATE ANNEXED
FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

VEENU AGGARWAL
PARTNER

R.C.CHUGH
FINANCIAL CONTROLLER

NISHA AHUJA
DIRECTOR

VIJAY BHUSHAN
DIRECTOR

PLACE : NEW DELHI
DATE : 28TH MAY, 1999