

8th Annual Report

**BHARAT
BHUSHAN**

**BHARAT
BHUSHAN
SHARE
STOCK
BROKERS
LIMITED**

Report  Junction.com

1999 - 2000

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITEDBHARAT
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 - 110055. 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 Friday, the 29th Sept, 2000 at 11.30 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 together with the Profit & Loss Account, schedules and notes thereon, the Auditors' Report and Directors' Report for the year ended 31st March, 2000.
2. To declare dividend on equity shares.
3. To appoint a director in place of Sh R.C. Mody who retires by rotation at this meeting and being eligible offers himself for reappointment.
4. To appoint a director in place of Sh. B.A. Hathikhanavala who retires by rotation at this meeting and being eligible offers himself for reappointment.
5. To re-appoint M/s P. Bholusaria & Co. as Auditors of the Company for the period commencing from the conclusion of this meeting till the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.

By order of the Board

Place : New Delhi
Dated : 30th May, 2000

VIJAY BHUSHAN
(Director)

NOTES :

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

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy and such 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 commencement of the meeting.

2. Members seeking further information on the Accounts or any other matter contained in the notice are requested to write to the Company atleast seven days before the meeting so that relevant information can be kept ready at the meeting.
3. The Register of members and Share Transfer Books of the company will remain closed from the 20th September, 2000 to 29th September, 2000 (both days inclusive) in connection with the Annual General Meeting.
4. Some amount of unclaimed dividend is lying with Indian Overseas Bank & Bank of Madura Ltd., which pertains to the year 94-95 onwards. Those shareholders who have not received the payment of dividend for these years may contact the Company officials for claiming the same immediately.
5. Members are requested to inform the Company of any change in their address immediately so as to enable the Company to dispatch dividend warrants to their correct address.
6. Our Company is listed with Delhi Stock Exchange & Bombay Stock Exchange and the listing fee for the period upto 31st March, 2001 already stands deposited with the respective Stocks Exchanges.
7. 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.
8. The conversion of Physical stock of shares of the Company to electronic form has already started and around 25% of the total shares are in the electronic form as at the close of Financial Year i.e. as on 31st March, 2000. Our ISIN NO. is INE900A01013 and shares can be got converted into electronic form with any of the depository participant Registered with NSDL or CDSL.

By order of the Board

Place : New Delhi
Date : 30th May, 2000

VIJAY BHUSHAN
(Director)

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BHARAT
BHUSHAN****DIRECTORS REPORT :**

Your Directors are pleased to present the 8th Annual Report on the business and operations of the company along with Audited Accounts for the year ended on 31st March, 2000.

The company has earned an income of Rs.118.78 lacs for the year against Rs.67.03 lacs during the previous year. The net profit after taxation is Rs.67.04 lacs against Rs.18.35 lacs during the previous year.

FINANCIAL RESULTS

| Particulars | (Rs. in lacs) | |
|---------------------------------------|--|---|
| | for the current year ended on 31st March, 2000 | for the previous year ended on 31st March, 99 |
| Profit before Depreciation & Interest | 94.39 | 30.44 |
| Depreciation & Interest | 1.35 | 2.09 |
| Profit before tax | 93.04 | 28.35 |
| Provision for taxation | 26.00 | 10.00 |
| Profit after tax | 67.04 | 18.35 |
| Prior year adjustments | -1.29 | +0.03 |
| Balance profit B/F from Balance Sheet | 20.49 | 17.12 |
| Profit available for Appropriation | 86.24 | 35.50 |
| APPROPRIATION | | |
| Transfer to General Reserve | 15.00 | - |
| Proposed dividend | 13.52 | 13.52 |
| Provision for Dividend Tax | 2.97 | 1.49 |
| Profit Balance Carried Forward | 54.75 | 20.49 |

DIVIDEND

The Directors recommend dividend @ 4% for the year ended on 31st March 2000, which would attract dividend tax @ 22% on the dividend amount. If this recommendation is approved at the forthcoming Annual General Meeting, it would involve outflow of Rs.16.49 lacs against an outflow of Rs.15.01 lacs on this account during the previous year.

GENERAL CORPORATE MATTERS

This year has been exceptionally good for the company as your company could make good profits by investing available funds in the Vyaj Badla segment where the return during the year was much better as compared to the past. Moreover, the risk involved in utilising the funds on this account was not there. The company has reduced its investment portfolio which at present is Rs.20.39 lacs. The company is holding majority of its shares, debentures as stock on the conservative basis of cost or market value which ever is lower. The market value of closing stock was Rs.158.22 lacs against book value of Rs.113.60 lacs as on 31st March, 2000.

The main reason for increase in profitability during the year is on account of improved market conditions and all round operational efficiency with which the activities of the company were conducted during the year.

DIRECTORS

S/Sh. R.C. Mody and B.A. Hathikhanavala retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

The auditors M/s P. Bholusaria & Co. retire at the conclusion of this Annual General Meeting and 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 are no employees 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, requires the disclosure of particulars regarding conservation of energy in Form-A and technology absorption in Form-B prescribed by the rules. The requirement of Form A and Form B are not applicable, as our company is not a manufacturing company.

The company has no foreign exchange out-go or in-flow during the year.

ACKNOWLEDGMENTS

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 dedicated employees of the company.

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

For & on Behalf of the Board of Directors

VIJAY BHUSHAN
(Director)

Place : New Delhi
Date : 30th May, 2000

NISHA AHUJA
(Director)

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**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, 2000 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 of the Companies Act, 1956, subject to Accounting policy No. A(1) of Annexure X regarding accounting of Income on receipt basis, although the same has not any material 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 :-
 - j) In the case of Balance Sheet of the State of Affairs of the company as at 31st March, 2000.

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

FOR P. BHOLUSARIA & CO.,
CHARTERED ACCOUNTANTS

Place : NEW DELHI
Dated : 30th May, 2000

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, 2000)

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 Stock 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 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.

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

8. The Company has not taken any loans from Companies, firms or 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 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 amounts 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 etc. 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, 2000 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 provision of any special statutes applicable to Chit Funds, Nidhi or Mutual benefits society do not apply to the Company.
18. 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/debentures which are either lodged for transfer or held with valid respective transfer deeds.
19. The provision of Employees State Insurance & Provident fund Act are not yet applicable to the Company.
20. 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 authorization 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 : 30th May, 2000

VEENU AGGARWAL
Partner

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BHARAT
BHUSHAN****BALANCE SHEET AS AT 31st MARCH, 2000**

(AMOUNT IN RUPEES)

| PARTICULARS | ANNEXURE | AS AT 31st MARCH, 2000 | AS AT 31st MARCH, 1999 |
|--|----------|---------------------------|---------------------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUNDS | | | |
| SHARE CAPITAL | I | 33789000 | 33788500 |
| RESERVES & SURPLUS | II | 8374387 | 3449098 |
| | | 42163387 | 37237598 |
| TOTAL | | 42163387 | 37237598 |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| GROSS BLOCK | III | 1855887 | 1637565 |
| LESS : DEPRECIATION | | 633750 | 508228 |
| NET BLOCK | | 1222137 | 1129337 |
| INVESTMENTS | IV | 2039187 | 3395496 |
| CURRENT ASSETS, LOANS & ADVANCES | V | | |
| INVENTORIES | | 11359833 | 10558889 |
| SUNDRY DEBTORS | | 200900 | 2399125 |
| CASH AND BANK BALANCES | | 4135339 | 2752874 |
| OTHER CURRENT ASSETS | | 17213 | 19510 |
| LAONS AND ADVANCES | | 28967497 | 20862963 |
| | | 44680782 | 36593361 |
| LESS : CURRENT LIABILITIES & PROVISIONS | VI | | |
| LIABILITIES | | 2579438 | 1181949 |
| PROVISIONS | | 4249636 | 4000898 |
| | | 6829074 | 5182847 |
| NET CURRENT ASSETS | (V - VI) | 37851708 | 31410514 |
| MISCELLANEOUS EXPENDITURE | VII | 1050358 | 1302251 |
| (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED) | | | |
| TOTAL | | 42163387 | 37237598 |
| SIGNIFICANT ACCOUNTING POLICIES | X | | |
| NOTES ON ACCOUNTS | XI | | |

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

FOR & ON BEHALF OF THE BOARD

VEENU AGGARWAL
PARTNER

R.C. CHUGH
FINANCIAL
CONTROLLER

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

PLACE : NEW DELHI
DATED : 30TH MAY, 2000

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BHARAT
BHUSHAN****PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2000**

(AMOUNT IN RUPEES)

| PARTICULARS | ANNEXURE | AS AT 31st MARCH, 2000 | AS AT 31st MARCH, 1999 |
|---|----------|---------------------------|---------------------------|
| INCOME | | | |
| INCOME FROM OPERATIONS & OTHER SOURCES | VIII | 11878433 | 6702515 |
| | | <u>11878433</u> | <u>6702515</u> |
| EXPENDITURE | | | |
| ADMINISTRATIVE & OTHER EXPENSES | IX | 2439851 | 3659292 |
| | | <u>2439851</u> | <u>3659292</u> |
| PROFIT BEFORE DEPRECIATION & TAX | | 9438582 | 3043223 |
| LESS : DEPRECIATION | | 134879 | 208740 |
| PROVISION FOR INCOME TAX | | 2600000 | 1000000 |
| PROFIT AFTER DEPRECIATION AND TAX | | 6703703 | 1834483 |
| LESS : BALANCES NO MORE RECOVERABLE (NET) | | 4296 | 2397 |
| LESS : INCOME TAX FOR EARLIER YEARS (NET) | | 124482 | — |
| ADD : EXCESS PROVISION WRITTEN BACK | | — | 5920 |
| SURPLUS BROUGHT FORWARD | | <u>2049098</u> | <u>1711990</u> |
| PROFIT AVAILABLE FOR APPROPRIATION | | <u>8624023</u> | <u>3549996</u> |
| APPROPRIATIONS | | | |
| PROPOSED DIVIDEND | | 1352160 | 1352160 |
| DIVIDEND TAX ON ABOVE | | 297476 | 148738 |
| TRANSFERRED TO GENERAL RESERVE | | 1500000 | — |
| SURPLUS CARRIED FORWARD | | <u>5474387</u> | <u>2049098</u> |
| | | <u>8624023</u> | <u>3549996</u> |
| SIGNIFICANT ACCOUNTING POLICIES | X | | |
| NOTES ON ACCOUNTS | XI | | |

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

FOR & ON BEHALF OF THE BOARD

VEENU AGGARWAL
PARTNER

R.C. CHUGH
FINANCIAL
CONTROLLER

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

PLACE : NEW DELHI
DATED : 30TH MAY, 2000