

9th Annual Report

**BHARAT
BHUSHAN**

**BHARAT
BHUSHAN
SHARE
STOCK
BROKERS
LIMITED**

&

2000 - 2001

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

AUDITORS : 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 : ICICI BANK LTD.
E-4, CONNAUGHT CIRCUS
NEW DELHI - 110 001.

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BHARAT
BHUSHAN****NOTICE OF THE MEETING**

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of M/S BHARAT BHUSHAN SHARE & STOCK BROKERS LTD will be held at SHAH AUDITORIUM, 2, RAJNIWAS MARG, CIVIL LINES, DELHI – 54 on FRIDAY, the 28th Sept'2001 at 11.30 A.M to transact the following business: -

ORDINARY BUSINESS

1. To receive and adopt the Directors Report and the Audited Profit and Loss Account for the year ended 31st March, 2001 and the Balance Sheet as at that date and the Auditor's Report thereon.
2. To declare dividend on Equity shares.
3. To appoint a director in place of Sh. Jogesh C. Ahuja who retires by rotation at this meeting and being eligible offers himself for reappointment.
4. To appoint a director in place of Mrs. Sant Kumari Agarwal who retires by rotation at this meeting and being eligible offers herself for re-appointment.
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 : 13th June, 2001

(VIJAY BHUSHAN)
DIRECTOR

NOTES :

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

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A 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.
2. The Register of Members and Share Transfer Books will remain closed from 24th September 2001 to 28th September 2001 (both days inclusive).

3. The dividend declared at the Meeting will be made payable on or after 28th September, 2001 in respect of shares held in physical form to those members whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company as at the end of business hours on 22nd September, 2001 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services (India) Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL).
4. Members are requested to notify the change of address, if any, to the Share Department of the Company as well as to the Share Transfer Agents latest by 22nd September, 2001.
5. Some amount of unclaimed dividend is lying with Indian Overseas Bank and ICICI Limited, 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.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
7. As per the provision of the amended Companies Act 1956, facilities for making nomination is now available to the shareholders 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. Members are requested to affix their signatures at the space provided for on the attendance sheet annexed to the proxy form and hand over the slip at the entrance to the place of the meeting.

By order of the Board

Place : New Delhi
Dated : 13th June, 2001

(VIJAY BHUSHAN)
DIRECTOR

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BHARAT
BHUSHAN****REPORT OF THE DIRECTORS FOR THE YEAR
ENDED 31ST MARCH, 2001**

The Directors have pleasure in presenting their 9th Annual Report and Statement of Accounts for the year ended 31st March 2001.

FINANCIAL RESULTS

PARTICULARS	FOR THE CURRENT	FOR THE PREVIOUS
	YEAR ENDED ON	YEAR ENDED ON
	31ST MARCH'2001 (RS. IN LACS)	31ST MARCH'2000 (RS. IN LACS)
Profit before Depreciation & Tax	33.80	94.39
Depreciation	1.49	1.35
Profit before tax	32.31	93.04
Provision for taxation	9.50	26.00
Profit after tax	22.81	67.04
Prior year adjustment	1.48	(1.29)
Balance profit B/F from earlier year	54.74	20.49
Profit available for	79.03	86.24
Appropriation		
APPROPRIATION:		
Transfer to General Reserve	5.00	15.00
Proposed dividend	13.52	13.52
Provision for Dividend Tax	1.38	2.98
Profit C/F to Balance Sheet	59.13	54.74

DIVIDEND

The Directors recommend dividend @ 4% for the year ended on 31st March'2001, which would attract dividend tax @ 10.2 % on the dividend amount. If this recommendation is approved at the forthcoming Annual General Meeting, it would involve outflow (including dividend tax) of Rs.14.90 Lacs against an outflow of Rs.16.50 Lacs on this account during the previous year.

GENERAL CORPORATE MATTERS

The year under report has been difficult for the Stock Market as the market behaved with great volatility and Market Index showed movement both upward and down ward frequently. Moreover, payment problems affecting Stock Market also caused considerable damage to the investor's confidence in the market. It also affected the overall turnover in the Stock Market. The Stock Market indexes as on 31st March, 2001 were at a very low level, as a result of which there was depletion in the value of Stock held by the company as at the end of year. It also affected company's profitability for the year 2000-2001. However, a major part of funds of the company were invested in the secured transactions in the Stock Exchanges in which the good results were earned during 2000-2001.

EXPANSION & DIVERSIFICATION PLANS

The management took a decision to apply for Limited Trading Membership under the derivative segment of Bombay Stock Exchange. Our application stands cleared by the Bombay Stock Exchange and the matter rests with SEBI for final approval. The management also proposes to seek registration as a DP. The company is also examining the opportunities available in the insurance sector, which has now been opened for private sector.

CORPORATE GOVERNANCE

Your company has always striven to incorporate appropriate standards for good corporate governance and has been practicing these principles since inception. Corporate Governance has evolved in the company over the years, not only on account of regulatory requirements but also on account of sound management values for enhancing and meeting stakeholders expectations.

The Company is taking adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges are complied by 2002-2003 i.e. within the time schedule laid down by Stock Exchanges.

GENERAL INFORMATION

The Shares of your company are listed on the Delhi Stock Exchange and Mumbai Stock Exchange and the Annual Listing fees upto March 2002, already stand paid to both the exchanges.

Your company's equity Shares are compulsorily traded in dematerialized form as per the SEBI guidelines. As on 31st March, 2001 about 50% of the Company's Equity Shares had already been converted into electronic mode. Company's ISIN No. is INE900A01013 and Company's shares can be got converted into electronic form with any of the Depository Participant registered with NSDL or CDSL.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) which was introduced by the Companies (Amendment) Act, 2000 your Directors confirm that:-

- In the preparation of the annual accounts, the applicable accounting standards had been followed.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2001 and the Profit and Loss Account of the company for the year ended 31st March, 2001.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- (iv) The Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

SH. Jogesh C.Ahuja & Mrs. Sant Kumari Agarwal 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 & 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 any fixed deposits during the year.

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 Form B and Absorption in Form B prescribed by the rules. The requirements of Forms A and B are not applicable, as our 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 : 13th June, 2001

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, 2001 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.
 - (e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2001 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the 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, 2001.
- 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
DATE : 13TH JUNE, 2001**

**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, 2001)

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 that 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.

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

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.
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, 2001 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 that payable under contractual obligations or in accordance with generally accepted business practice.
16. The company has 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 does 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 or the documents for getting the shares dematerialised.
19. As per the information provided to us, 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.

FOR P. BHOLUSARIA & CO,
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI
 DATE : 13TH JUNE, 2001

VEENU AGGARWAL
 PARTNER

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BHARAT
BHUSHAN****BALANCE SHEET AS AT 31st MARCH, 2001****(AMOUNT IN RUPEES)**

PARTICULARS	ANNEXURE	AS AT 31st MARCH, 2001	AS AT 31st MARCH, 2000
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	I	33804000	33789000
RESERVES & SURPLUS	II	<u>9313675</u>	<u>8374387</u>
		43117675	42163387
TOTAL		<u>43117675</u>	<u>42163387</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	III	2000203	1855887
LESS : DEPRECIATION		<u>782978</u>	<u>633750</u>
NET BLOCK		1217225	1222137
INVESTMENTS	IV	4304352	2039184
CURRENT ASSETS, LOANS & ADVANCES	V		
INVENTORIES		13609587	11359833
SUNDRY DEBTORS		—	200900
CASH AND BANK BALANCES		5037408	4135339
OTHER CURRENT ASSETS		17006	17213
LAONS AND ADVANCES		<u>21854347</u>	<u>28967497</u>
		40518348	44680782
LESS : CURRENT LIABILITIES & PROVISIONS	VI		
CURRENT LIABILITIES		1280635	2579438
PROVISIONS		<u>2440081</u>	<u>4249636</u>
		3720716	6829074
NET CURRENT ASSETS		36797633	37851708
MISCELLANEOUS EXPENDITURE	VII	798465	1050358
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
TOTAL		<u>43117675</u>	<u>42163387</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 : 13TH June, 2001

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2001**

(AMOUNT IN RUPEES)

PARTICULARS	ANNEXURE	CURRENT YEAR ENDED 31st MARCH, 2001	PREVIOUS YEAR ENDED 31st MARCH, 2000
INCOME			
INCOME FROM OPERATIONS & OTHER SOURCES	VIII	6287799	11878433
		<u>6287799</u>	<u>11878433</u>
EXPENDITURE			
ADMINISTRATIVE & OTHER EXPENSES	IX	2908044	2439851
		<u>2908044</u>	<u>2439851</u>
PROFIT BEFORE DEPRECIATION & TAX		3379755	9439582
LESS : DEPRECIATION		149228	134879
PROVISION FOR INCOME TAX		950000	2600000
PROFIT AFTER DEPRECIATION AND TAX		2280527	6703703
LESS : BALANCES NO MORE RECOVERABLE (NET)		—	4296
INCOME TAX FOR EARLIER YEARS (NET)		—	124482
ADD : EXCESS PROVISION OF TAX WRITTEN BACK		48442	—
PROVISION FOR BAD DEBTS WRITTEN OFF IN EARLIER YEARS NOW WRITTEN BACK		100000	—
SURPLUS BROUGHT FORWARD		<u>5474387</u>	<u>2049098</u>
PROFIT AVAILABLE FOR APPROPRIATION		<u>7903356</u>	<u>8624023</u>
APPROPRIATIONS			
PROPOSED DIVIDEND		1352160	1352160
DIVIDENE TAX ON ABOVE		137921	297476
TRANSFERRED TO GENERAL RESERVE		500000	1500000
SURPLUS CARRIED FORWARD		<u>5913275</u>	<u>5474387</u>
		<u>7903356</u>	<u>8624023</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
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DIRECTOR

PLACE : NEW DELHI
DATED : 13TH JUNE, 2001