

12th Annual Report

**BHARAT
BHUSHAN**

**BHARAT
BHUSHAN
SHARE
STOCK
BROKERS
LIMITED**

&

2003 - 2004

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BOARD OF DIRECTORS**

: SANT KUMARI AGGARWAL
R.C. MODY
NISHA AHUJA
VIJAY BHUSHAN
JOGESH C. AHUJA
SHANKER SINGAL
R.S. ENDLAW

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. 23540997-999

SHARE TRANSFER AGENTS

: I.I.T. CORPORATE SERVICES LTD.
5-E, RANI JHANSI ROAD
JHANDEWALAN EXTN.,
NEW DELHI - 110 055.
PHONE NO. 23553701-704

FROM : 1ST OCTOBER, 2004
ALANKIT ASSIGNMENTS LTD.
205-208, ANARKALI MARKET
JHANDEWALAN EXTN.,
NEW DELHI - 110 055.

BANKERS

: ICICI BANK LTD.
9A PHELPS BUILDING,
CONNAUGHT CIRCUS
NEW DELHI - 110 001.

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

NOTICE OF THE MEETING

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of M/S BHARAT BHUSHAN SHARE & STOCK BROKERS LTD will be held at **SHAH AUDITORIUM, 2, RAJNIVAS MARG, CIVIL LINES, DELHI - 54 on Wednesday the 29th September 2004 at 11.30 A.M** to transact the following business:-

ORDINARY BUSINESS

- To receive, consider and adopt the Balance Sheet as at 31st March, 2004 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- To declare dividend for the year ended 31st March, 2004.
- To appoint a director in place of Mr. Shanker Singal who retires by rotation and being eligible offers himself for reappointment.
- To appoint a director in place of Mr. R.S. Endlaw who retires by rotation and being eligible offers herself for re-appointment.
- To appoint M/s P.Bholusaria & Co., Chartered Accountants as Auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special resolution:

'RESOLVED THAT pursuant to the provisions of Section 21 and Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the approval of Company be and is hereby accorded for the change of name of the Company from 'Bharat Bhushan Share & Stock Brokers Ltd.' to 'Bharat Bhushan Share & Commodity Brokers Ltd.' and the name Bharat Bhushan Share & Stock Brokers Ltd. be replaced with the name Bharat Bhushan Share & Commodity Brokers Ltd. wherever it appears in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, things incidental thereto and connected therewith.

By order of the Board

PLACE : New Delhi.
Dated : 27th August, 2004

NISHA AHUJA
DIRECTOR

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED.
- Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting.
- The Register of Members and Share Transfer Books of the company will remain closed from 25th September 2004 to 29th September 2004 (both days inclusive).
- The dividend declared at the Meeting will be made payable after 29th September, 2004 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 25th September, 2004 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).
- Members are requested to :
(a) Intimate to the Company's Registrar & Share transfer Agent, Changes, if any, in their respective addresses alongwith Pin Code Number.
(b) Quote Folio Numbers in all their correspondence.
- The time limit for transfer of Un-paid Dividend declared for the financial year 1996-97 will be expiring in December 2004 and therefore the amount of unclaimed dividend will be transferred to the "Investor Education and Protection Fund". Those who have not yet encashed their dividend warrants for the year 1996-97 or thereafter are requested to write to the Company or Company's Registrar and Transfer Agents.
- 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.
- 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.
- The shares of your company are listed on the Delhi Stock Exchange and the Stock Exchange, Mumbai and the annual listing fees upto March 2005, already stand paid to the Stock Exchange, Mumbai.
- Members are requested to affix their signature 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.
- There will be no gift distribution at the Annual General Meeting.

By order of the Board

PLACE : New Delhi.
Dated : 27th August, 2004

NISHA AHUJA
DIRECTOR

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

Item No. 6

As you all are aware that the business of your Company has been recently diversified by entering in the field of commodities and the Company has already acquired the trading cum

clearing membership of National Commodity & Derivative Exchange Ltd. The members has already approved the alteration in Object Clause of the Memorandum of Association of the Company in accordance with the provisions of Section 17 of the Companies Act, 1956 in order to enable the Company to carry on the business of trading in agricultural products, metals, precious stones, diamonds, petroleum and other energy products and all other commodities by way of Special resolution through postal ballot in terms of Section 192A of the Companies Act, 1956. Therefore your directors are of the opinion that it would be desirable to change the name of the Company from 'Bharat Bhushan Share & Stock Brokers Ltd.' to 'Bharat Bhushan Share & Commodity Brokers Ltd.' as the proposed name apparently highlights the main objects of the Company including the object of trading in commodities.

The approval of Registrar of Companies (ROC) for availability of proposed name has already been acquired vide ROC letter dated 16/08/2004 the copy of which will be available for inspection at the registered office of the Company during working hours.

The Shareholders consent by way of special resolution is sought for change of name of the Company as stated above. The Board recommends this resolution for your approval.

None of the Directors of your Company shall be deemed to be considered interested or concerned in this resolution.

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the 12th Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended March 31, 2004.

FINANCIAL HIGHLIGHTS

	Fiscal year ended March 31, 2004	(Rs. In lacs) Fiscal Year ended March 31, 2003
Profit before depreciation & Tax	30.69	17.40
Depreciation	1.19	0.94
Profit Before Tax	29.5	16.45
Provision for Taxation		
- Current	2.05	1.55
- Deferred	0.53	0.01
Profit After Tax	26.92	14.90
Prior Year Adjustment		
Balance Profit B/F from earlier year	56.14	59.47
Profit available for appropriation	83.35	74.37
APPROPRIATION:		
Transfer to Reserve Fund	5.38	2.98
Transfer to General Reserve	—	—
Proposed Dividend	13.52	13.52
Provision for Dividend Tax	1.73	1.73
Profit C/F to Balance Sheet	62.71	56.14

DIVIDEND

The directors recommend dividend @ 4% for the year ended March 31, 2004. If this recommendation is approved at the forthcoming Annual General Meeting, it would involve outflow (excluding dividend tax) of Rs. 13.52/- Lacs. Dividend tax will be subject to the applicable taxation rates.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

It has been good year for equities as the benchmark BSE Sensex gave a return of 83% over the year and India emerged as one of the best performing markets worldwide. The growth has been led by strong corporate performance across sectors in the backdrop of improving macro factors namely strong economic performance, benign interest rates, a conducive regulatory environment and a demand pick up. Performance of your Company during the year under review continues to be encouraging as internal efficiencies, better stock market performance and cost rationalization have provided good operating leverage.

Management Discussion and Analysis of financial condition and results of operation of the Company for the year under review, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in the Annual Report.

EXPANSION & DIVERSIFICATION PLANS

The Company has expanded its area of operations by entering into commodities Trading in agricultural products, metals, precious stones, diamonds, petroleum and other energy products etc. The Company has acquired the membership of National Commodity & Derivatives Exchange Ltd. (NCDEX) to facilitate trading in said commodities. Your directors feel that these activities can be conveniently carried on by the Company apart from its other activities. The Company continues to face competition in the present economic scenario due to the increased penetration in the financial market.

CORPORATE GOVERNANCE

A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is enclosed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, your Directors certify as follows :-

- In the preparation of the annual accounts for the financial year ended March 31, 2004, the applicable accounting standards have been followed.
- Your directors have selected such accounting policies and applied them consistently and made judgments 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 at March 31, 2004 and of the profit of the company for the year under review.
- Your directors have taken proper and sufficient care 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.
- Your directors have prepared the annual accounts of the Company on a going concern basis.

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

DIRECTORS

Sh. Shanker Singal and Sh. R.S. Endlaw Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board of Directors recommends their re-appointment as Directors.

A brief resume of Directors retiring by rotation at the ensuing Annual General Meeting, nature of their expertise in specific functional areas, and names of companies in which they hold the directorship and the membership/chairmanship of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in section on Corporate Governance elsewhere in this Annual Report.

AUDITORS

Your Company's Statutory Auditors, M/S P.BHOLUSARIA & CO., Chartered Accountants, Delhi, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. They are not otherwise disqualified within the meaning of sub-section (3) of Section 226 of the Companies Act, 1956, for such appointment.

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 technology Absorption in Form B prescribed by the rules. The requirement 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 would like to express their sincere appreciation for the co-operation patronage, assistance and guidance by their business associates, bankers and clients and other business constituents during the year under review.

Your Directors also wish to place on record the deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance during the year.

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 : 27th August, 2004

NISHA AHUJA

DIRECTOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company is engaged in investment and trading in shares & debentures. During the year under review your Company became an active trading member of the National Commodities & Derivatives Exchange (NCDEX).

1. Industry Trends and Business Analysis

Stock market volatility touches every participant directly/indirectly in the capital market. General feeling is that the stock markets worldwide have become very fragile in the recent past on account of various developments. Many far-reaching stock reforms have been introduced in the Indian market for the last few years. These reforms, in turn, changed market structure. Changing market structure influences nature of stock price behavior. The financial sector is in a process of rapid transformation. Reforms are continuing as part of the overall structural reforms aimed at improving the productivity and efficiency of the economy. The Indian capital markets have witnessed a transformation over the last decade. India is now placed among the mature markets of the world.

2. Operating Results

As you all are aware that this financial year was excellent for capital market enabling the Company to perform well and earn more profits as compared to the last financial year.

Particulars	(Rs. In Lacs)	
	Current year ended 31 st March, 2004	Previous year ended 31 st March, 2003
Total Income	59.14	42.80
Profit after depreciation & tax	26.92	14.89
Administrative and other Expenditure	28.45	25.40
Reserve & Surplus	110.08	98.12
Current Assets	390.82	351.49
Current Liabilities	41.89	92.75
Net Current Assets	348.93	258.74
Share Capital	338.04	338.04

3. Future Prospects and Outlook

In the emerging economic scenario the financial sector and capital market is expected to show signs of revival and sustained growth to have a salutary impact in enhancing the economic prospects of the country. The immediate object of Indian Economy is to have plans for attaining sustainable and progressively increasing rate of growth. Recently the Government of India removed the restrictions for the forward trading and has permitted the forward trading in 122 commodity including agricultural commodity such as oilseeds, edible oil, cereals, sugar etc. and precious metal such as Gold, Silver etc. The Government of India had set up a regulatory authority named as Forward Market Commission under the Forward Contracts (Regulation) Act, 1952. The market regulator has mandated four entities

for setting up the nation wide online commodity exchange including National Commodity & Derivatives Exchange Ltd. (NCDEX), it is a technology driven de-mutualized commodity exchange promoted by ICICI Bank limited, Life Insurance Corporation of India (LIC), National Bank for Agriculture and Rural Development (NABARD) and National Stock Exchange of India Limited (NSE). During the year under review the company has become the member of NCDEX for the commencement of business of commodities. Your Directors believe and are confident that this is positive move towards the sustained growth and profitability. Despite the above efforts your directors have plans to take major initiatives that will position us uniquely to be able to enjoy and exploit our growth potential to the fullest. In this process your directors are more vibrant and expecting to grow at a much higher pace than that of previous year. Your directors feel that today we are stronger and better prepared to face the future.

4. Risks and concerns

Your Company is exposed to specific risks that are particular to its business and the environment within which it operates including interest rate volatility, economic cycle, market risk and credit risk. Your directors manage these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

5. Internal control system and their adequacy

An extensive system of Internal Control is practiced by your Company to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are authorized, recorded and reported correctly. The Company ensures adherence to all internal control policies and procedures. The Company has continued its efforts to align all its processes and control in accordance with the best acceptable practices.

Besides, the Audit Committee of the Board of Directors reviews periodically the adequacy of internal control.

6. Human Resources

The Company has adequate human resources to maintain its various activities as of now. However, on taking up further new activities, additional resources shall be made up accordingly from time to time.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Philosophy on corporate governance envisages that implementation of Corporate governance policy definitely results in the achievement of corporate goals, highest level of transparency, enhancement of shareholder's wealth and accountability in all facets of its operations including the dealing with shareholders, employees and other stakeholders. It has been our belief as well as endeavor to give prime importance to transparency, responsibility, accountability that would serve the ultimate goal of enhancing shareholders value and thus benefitting the shareholders as well as other interested groups and the society at large. The Company is in full Compliance of conditions stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

1. Board of Directors

The Board of Directors comprises 7 directors, out of which 4 directors are non-executive promoter directors and 3 directors are independent Directors. Mr. Vijay Bhushan is the Chairman of the Board. The Board is responsible for the management of the business and meets regularly for discharging its role and functions.

During the year under review, 8 Board Meetings were held on April 18, 2003, June 18, 2003, July 19, 2003, July 30, 2003, August 30, 2003, October 14, 2003, December 05, 2003 and January 30, 2004.

The Company has held at least one meeting in every three months and the maximum time gap between any two Board Meetings was not more than 62 days.

Details about the Company's Board of Directors:

Name of Director	Category of Directorship	Attendance		No. of other Directorship	No. of other Board Committee	
		Board	AGM		As Chairman	As Member
Mr. Vijay Bhushan	Promoter / Non-Executive	8	Yes	4	1	4
Mrs. Nisha Ahuja	Promoter / Non-Executive	8	Yes	1	—	—
Mr. Jogesh C. Ahuja	Non-Executive	8	No	1	—	—
Mrs. Sant Kumari Aggarwal	Non-Executive	7	No	—	—	—
Mr. R. S. Endlaw	Independent	6	No	—	—	—
Mr. Shanker Singal	Independent	6	Yes	—	—	—
Mr. R. C. Mody	Independent	8	No	1	1	—

* Excludes Directorships in Private Limited companies, Bodies Corporate, Memberships of Managing committees of various Chambers/ Bodies and Alternate Directorships.

Brief resume of Directors being re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas is furnished hereunder:

- Mr. Shanker Singal
Mr. Shanker Singal is the fellow member of Institute of Chartered Accountants of India with over two decade experience. His extensive experience in the field of Company Law can be exploited to the utmost benefit of the Company.
- Mr. R.S. Endlaw
Mr. R.S. is a renowned Advocate, with his forte being fiscal laws, and commercial laws having extensive experience of more than decade and has conducted litigation in all major forums in the country.

BOARD COMMITTEES

A. AUDIT COMMITTEE

The audit Committee of the Board is comprising of three Non executive Directors majority being independent viz. Mr. Shanker Singal, Mr. Vijay Bhushan and Mr. R.C. Mody. Mr. Vijay Bhushan was appointed as the member of the Audit Committee on 19th July 2003 in place of Mrs. Nisha Ahuja.

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

The terms of reference of the Audit Committee as stipulated by the Board are in line with the powers, responsibilities and duties as prescribed under Section 292A of the Companies Act, 1956.

Brief description and terms of reference:

- To review reports of Internal Audit Department and recommend the Board to decide about the scope of its work including the examination of major items of expenditure
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct and credible
- Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services.
- Reviewing the Annual Financial Statements before its submission to the Board
- Reviewing with the Management, External and Internal Auditors, the adequacy of Internal Control System
- To act as a link between the statutory and internal auditors and the Board of Directors
- Reviewing the company's financial and risk management policies.
- To obtain outside legal or other professional advice.
- To have discussion with External Auditors on the nature and scope of audit before the commencement of audit
- To review the auditors report on the financial statement and to seek clarification thereon, if required from the auditors.
- To look into the reasons for substantial defaults in the payment to shareholders (in case of non payment of declared dividends) and creditors.
- And, generally all items listed in Clause 49 (II) (D) of the Listing Agreement.

MEETINGS

The Committee met thrice during the year. All the members of the Committee attended all the meetings.

B. REMUNERATION OF DIRECTORS/REMUNERATION COMMITTEE
As the Company is not having any Executive Director, therefore, no remuneration committee has been constituted by the Company.

C. SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE

The Shareholders/ Investors' Grievance Committee of Board of Directors consists of Mrs. Nisha Ahuja, Mr. R.S. Endlaw, (Independent Director) and Mr. Jogesh C. Ahuja. Being after the appointment of Sh. Vijay Bhushan as the member of Audit Committee, the Shareholder / Investor Grievance Committee was reconstituted on 19th July, 2003 by induction of Smt. Nisha Ahuja and Sh. Jogesh Ahuja as the members of the Committee.

This committee, inter alia, approves issue of duplicate share certificates, duplicate dividend warrants, etc. The Committee oversees the performance of the Registrars and Transfer Agents and recommends measures to improve the level of investor services. The Company's shares are compulsorily required to be traded in dematerialized form. Hence the committee met at regular intervals considering the volume of investor correspondence/grievance.

During the year the Company received 108 requests/ complaints from shareholders. The complaints were attended to promptly and resolved to the satisfaction of the shareholders. Outstanding compliant as on 31st March, 2004 was 1.

GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Location	Date	Time
2000-2001	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	28.09.2001	11.30 A.M.
2001-2002	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	30.09.2002	11.30A.M.
2002-2003	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	29.09.2003	11.30 A.M.

During the year ended 31st March, 2004, the Company passed one Special resolution through postal ballot in terms of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for alteration in Object Clause of the Memorandum of Association of the Company in accordance with the provisions of Section 17 of the Companies Act, 1956 in order

to enable the Company to carry on the business of trading in agricultural products, metals, precious stones, diamonds, petroleum and other energy products and all other commodities and securities through Commodity Exchange. Mr. Arun Garg, Chartered Accountant was appointed as the scrutinizer. The Notice of Postal Ballot dated 30th August, 2003 along with the explanatory statement were dispatched to the respective shareholders on 8th September, 2003 and the shareholders were requested to return the ballot paper by The 7th October, 2003. According to the scrutinizers report the special resolution was carried by more than three-fourth majority, the said special resolution was passed by 1310830 votes in favour and 1400 votes against by way of postal ballot. The result of the said Postal Ballot were announced on 14th October, 2003 at the Registered Office of the Company.

DISCLOSURES

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.
None of the transactions with any of the related parties were in conflicts with the interest of the Company.
- There was no non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

MEANS OF COMMUNICATION

- QUARTERLY RESULTS**
Pursuant to the Clause 41 of the Listing Agreement of the Company with the Stock Exchanges, the Company regularly intimated Unaudited as well as Audited financial results to Stock Exchanges immediately after they are taken on record by the Board. Quarterly results were published in "The Pioneer" (English) and "Vir Arjun" (Hindi) at Delhi.
- The Company posts its financial results on SEBI website sebidifar.nic.in for all the quarters.
- Management discussion and analysis forms part of the Report of the Directors.

GENERAL SHAREHOLDERS INFORMATION

- Annual General Meeting**
Date : September 29, 2004
Venue : Shah Auditorium, 2, Rajniwas Marg, Civil Lines, Delhi - 110054
Time : 11.30 A.M.
- Announcement of Quarterly Results during the year ended 31.03.2004**

Quarter ended	Dates of Announcement
June, 2003	: 19 th July, 2003
September, 2003	: 14 th October, 2003,
December, 2003	: 30 th January, 2004
March, 2004	: 28 th June, 2004
- Announcement of quarterly results for the year ended 31.03.2005**

Quarter ended	Tentative dates of Announcement
June, 2004	: 23 rd July 2004
September, 2004	: Last week of October 2004
December, 2004	: Last week of January, 2005
March, 2005	: Last week of April, 2005 or Last week of June, 2005
- Book Closure**
The dates of the Book Closure are from 25th September, 2004 to 29th September, 2004
- Dividend**
Your Directors recommended payment of dividend @ 4% subject to the approval of shareholders in the ensuing Annual General Meeting and will be paid on or after 4th November, 2004.
- A Equity Shares listed on :** The Stock Exchange, Mumbai & The Delhi Stock Exchange Association Ltd., New Delhi
Stock Exchange at
B. Annual Listing Fees : Duly paid to both the above Stock Exchanges for the year 2004-05
Stock Code
A. Trade Symbol at : The Stock Exchange, Mumbai
Stock Exchanges : Stock Code: BHAR BHUSH
Stock No. : 511501
B. Demat ISIN in NSDL and CDSL : INE900A01013

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

7) Stock Market data (In Rs./per share) for the period: April 2003 to March 2004

Months	BSE	
	High (Rs.)	Low (Rs.)
April, 2003	No price quoted	No price quoted
May, 2003	No price quoted	No price quoted
June, 2003	9.20	9.20
July, 2003	No price quoted	No price quoted
August, 2003	9.25	3.75
September, 2003	5.76	3.75
October, 2003	4.40	3.30
November, 2003	4.10	2.98
December, 2003	6.30	3.60
January, 2004	5.75	4.02
February, 2004	5.39	3.60
March, 2004	3.99	3.00

8) Share Price performance in comparison to broad based Indices-BSE Sensex

Company's share price performance in comparison to BSE Sensex for the financial year 2003-04

Period	Company's share price	BSE Sensex
April 2003	*100%	97.08%
May 2003	*100%	104.33%
June 2003	80.34%	118.32%
July 2003	**80.34%	124.40%
August 2003	80.78%	139.23%
September 2003	50.30%	146.07%
October 2003	38.42%	160.95%
November 2003	35.80%	165.47%
December 2003	55.02%	191.52%
January 2004	50.21%	186.82%
February 2004	47.07%	185.90%
March 2004	34.85%	183.37%

* Since there was no trading during the period April & May, 2003, no price reported during the said period, therefore last quoted price i.e. the price quoted in January 2003 (Rs.11.45/-) has been taken into consideration.

** Since there was no trading during the period July, 2003, no price reported during the said period, therefore last quoted price i.e. the price quoted in June 2003 (Rs.9.20/-) has been taken into consideration.

9. Registrar and Share Transfer Agents:

For shares held in Physical Mode / Depository Mode

I.I.T. Corporate Services Ltd.,

5-E, Rain Jhansi Road, Jhandewalan Extn., New Delhi-110 055

Tel: 23553701/04, Email: iitcsdclhi@indiatimes.com

10. Share Transfer System

Share transfer is usually affected within a maximum period of 15 days from the date of receipt, if the documents submitted are in order. The Board of directors approves all share transfers/transmission. In the demat segment M/s I.I.T. Corporate Services Ltd., 5-E, Rain Jhansi Road, Jhandewalan Extn., New Delhi-110 055 are acting as Registrar for providing the connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). However the Company has appointed M/s Alankit Assignments Ltd., having its registered office at 205-208, Anarkali Market, Jhandewalan Extn., New Delhi-110 055, as its R & T Agent (Registrar) with effect from 1st October, 2004.

Dematerialisation of Shares

The shares of the Company are in compulsory demat segment. The Company's share are available for trading in the depository systems, of both the National Depository Limited and the Central Depository Services (India) Limited as on 31st March 2004, 21,60,380 Equity shares of the Company forming 63.91% of the share Capital of the Company, stand dematerialised.

International Securities Identification Number- 900A01013 (with NSDL and CDSL)

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2004

Share holding of nominal value	Shareholders		Share/Debenture Amount	
Rs.	Number	% To Total	Rs.	% To Total
(1)	(2)	(3)	(4)	(5)
Upto 2,500	2887	54.11	3760960	11.13
2,501-5,000	1813	33.99	6810920	20.15
5,001-10,000	427	8.00	3541570	10.48
10,001-20,000	103	1.94	1541240	4.56
20,001-30,000	44	0.82	1101900	3.26
30,001-40,000	15	0.28	557300	1.65
40,001-50,000	13	0.24	619000	1.82
50,001-1,00,000	14	0.26	865970	2.56
1,00,001 and above	19	0.36	15005140	44.39
Total	5335	100.00	33804000	100.00

11. PATTERN OF SHAREHOLDING AS ON MARCH 31, 2004

CATEGORY	NO OF SHARES	% AGE HOLDING
A. Promoter's holding		
1. Promoters*		
— Indian Promoters	1363715	40.34
— Foreign Promoters		
2. Persons acting in Concert #	45160	1.34
Sub-Total	1408875	41.68
B. Non-Promoters holding		
C. Institutional Investors		
1. Mutuals Funds and UTI	500	0.01
2. Banks, Financial Institutions, Insurance Companies (Central /State Gov. Institutions, Non-Government Institutions)		
3. FIIs		
Sub-Total	500	0.01
D. Others		
1. Private Corporate Bodies	107160	3.17
2. Indian Public	1818350	53.79
3. NRI's/OCBs	41100	1.22
4. Clearing Member	4415	0.13
Sub-Total	1971025	58.31
Grand Total	3380400	100

12. Address for Correspondence

The Company's registered office is situated at 5-E, Rani Jhansi Road, Jhandewalan Extn., New Delhi -110055. The shareholders may address their communication / suggestion / queries to:

Bharat Bhushan share & Stock Brokers Ltd.

5-E, Rani Jhansi Road, Jhandewalan Extn., Delhi-110055

Phone: (011) 23540997-8-9, 3549996, Fax: (011) 23540996

Email: admin@bharatbhushan.com

13. Transfer of unclaimed amount to the Investor Education and Protection Fund:

The Investors are advised to claim the unencashed dividends for the year 1996-97 onwards lying in the unpaid dividend accounts of the Company before the same gets credited to the Investor Education and Protection Fund. During the year under review the Company has credited a sum Rs. 66,224/- (unclaimed dividend for the year 1995-96) to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

Auditor's certificate on Compliance of conditions of Corporate Governance

To

The Members

Bharat Bhushan Share & Stock Brokers Ltd., New Delhi.

We have examined the compliance of conditions of Corporate Governance by Bharat Bhushan Share & Stock Brokers Ltd. for the year ended 31st March, 2004, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the guidance notes issued by the Institute of Chartered Accountants of India, we have to state that Registrar and Share Transfer Agent of the Company and the management have maintained records to show Investors' Grievance against the Company and have certified that as on 31st March 2004 there were no Investors' Grievances remaining unattended / pending for a period exceeding one month.

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

FOR P. BHOLUSARIA & CO.,
CHARTERED ACCOUNTANTS

Place : New Delhi

Dated : 1st September, 2004

(VEENU AGGARWAL)
(Partner)

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED

AUDITORS' REPORT

To the Members of Bharat Bhushan Share & Stock Brokers Ltd.

We have audited the attached Balance Sheet of Bharat Bhushan Share & Stock Brokers Ltd. as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the statements. An audit also included assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinions, 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) As per the information and explanations given to us, none of the directors of the Company are disqualified as on 31st March, 2004 from being appointed as 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 explanation given to us, the said accounts read together with the Significant Accounting Policies and other notes on accounts and annexures thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India;
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2004.
 - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

FOR P. BHOLUSARIA & CO.,
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 28th June, 2004

(VEENU AGGARWAL)
Partner
M.No.94425

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 2 of our report of even date

- i.) In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. The Company has not disposed of substantial part of fixed assets during the year and therefore going concern status of the Company is not affected.
- ii.) In respect of its inventories:
 - a. According to the information and explanations given to us the inventories have been physically verified by the management during the year at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The company has maintained the proper records of inventories.
 - c. The discrepancies noticed on verification between the physical verification and the book records were not material and have been properly dealt with in the books of accounts.
- iii.) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- iv.) In our opinion and according to the information and explanation given to us, there are adequate internal control procedure's commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across or have been informed of any instance of major weaknesses in the aforesaid Internal Control procedures.
- v.) In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 - vi.) In our opinion and according to information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and directions issued by Reserve Bank of India.
 - vii.) According to the information and explanations given to us, the Company has an internal audit system commensurate with the size of the Company.
 - viii.) The nature of business activities is such that clause 4(viii) of Companies (Auditors Report) 2003 regarding maintenance of cost record, is not applicable to the Company.
 - ix.) In respect of statutory dues:
 - a. According to the records of the Company and information and explanation given to us, the undisputed statutory dues including provident fund, Investor education and protection fund, employee state Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Cess etc. as applicable to the company has depositing the same with the appropriate authorities. There are no undisputed amount payable in respect of the aforesaid dues which were outstanding as at 31st March 2004 for a period of more than six months from the date of becoming payable.
 - b. According to the information and explanation given to us, there are no dues of sales tax/Income Tax/Custom tax/wealth tax/excise duty/Cess, outstanding on account of any dispute.
 - x.) The Company has not any accumulated losses and also not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
 - xi.) As the Company has not any outstanding dues of financial institutions, banks or debenture holders during the year, paragraph 4 (xi) of the order is not applicable.
 - xii.) According to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
 - xiii.) As the Company is not a chit fund or a nidhi/mutual benefit funds/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4 (xiii) of the order is not applicable.
 - xiv.) According to information & explanation given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures and other investments and timely entries have been made therein. All the shares / debentures / units etc. have been held by the company in its own name or pledged with others except to the extent to the certain shares / debenture, which are either lodged for transfer or held with valid respective transfer deeds or the documents for getting the shares dematerialised in its name. As per Depository Participants Statements, there are some shares in the name of Company pertaining to others for which the company has obtained the necessary confirmations.
 - xv.) According to the information and explanation given to us, during the year, the company has not given any guarantee for loans taken by others from banks or financial institutions.
 - xvi.) According to the information and explanation given to us, during the year, the Company has not obtained any term Loans.
 - xvii.) On the basis of overall examination of the balance sheet of the Company and information and explanation given to us, we report that during the period, short term funds have not been used to finance long term investment and vice versa.
 - xviii.) During the year, the Company has not made any preferential allotment of shares.
 - xix.) The company has not issued any debentures during the year.
 - xx.) The company has not raised any money by way of public issue, during the year.
 - xxi.) In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

FOR P. BHOLUSARIA & CO.,
CHARTERED ACCOUNTANTS

Place : New Delhi
Dated : 28th June, 2004

(VEENU AGGARWAL)
Partner
M.No.94425

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**BALANCE SHEET AS AT 31st MARCH, 2004**

(AMOUNT IN RUPEES)

PARTICULARS	ANNEXURE	AS AT 31st MARCH, 2004	AS AT 31st MARCH, 2003
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	I	33804000	33804000
RESERVES & SURPLUS	II	11008338	9812458
		44812338	43616458
TOTAL		44812338	43616458
APPLICATION OF FUNDS			
FIXED ASSETS :			
GROSS BLOCK	III	2916071	2110807
LESS: DEPRECIATION		1105855	987212
NET BLOCK		1810216	1123595
INVESTMENTS	IV	8296191	16515618
CURRENT ASSETS, LOANS & ADVANCES	V		
STOCK IN TRADE		25738377	27986242
SUNDRY DEBTORS		58991	23204
CASH AND BANK BALANCES		5128436	3651676
OTHER CURRENT ASSETS		-	162
LOANS AND ADVANCES		8156891	3487782
		39082695	35149066
LESS : CURRENT LIABILITIES & PROVISIONS	VI		
CURRENT LIABILITIES		2347012	6766986
PROVISIONS		1842395	2508330
		4189407	9275316
NET CURRENT ASSETS		34893288	25873750
DEFERRED TAX ASSET/LIABILITY (NET)		(244439)	(191184)
(Refer Annexure XI: Note No. 10)			
MISCELLANEOUS EXPENDITURE	VII	57082	294679
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
TOTAL		44812338	43616458
SIGNIFICANT ACCOUNTING POLICIES	X		
NOTES ON ACCOUNTS	XI		

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

FOR & ON BEHALF OF THE BOARD

VEENU AGGARWAL
PARTNER

KAVITA SEWANI
Company SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

Place : New Delhi
Dated : 28th June, 2004

BHARAT BHUSHAN SHARE & STOCK BROKERS LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004**

(AMOUNT IN RUPEES)

PARTICULARS	ANNEXURE	CURRENT YEAR ENDED 31st MARCH, 2004	PREVIOUS YEAR ENDED 31st MARCH, 2003
INCOME			
INCOME FROM OPERATIONS & OTHER SOURCES		5914886	4280954
		5914886	4280954
EXPENDITURE			
ADMINISTRATIVE & OTHER EXPENSES		2845615	2540814
		2845615	2540814
PROFIT BEFORE DEPRECIATION & TAX		3069271	1740140
LESS : DEPRECIATION		118643	94397
PROVISION FOR TAXATION			
- CURRENT		205000	155000
- DEFERRED (NET)		53255	994
PROFIT AFTER DEPRECIATION AND TAX		2692373	1489749
ADD : EXCESS PROVISION OF INCOME TAX WRITTEN BACK		28913	0
ADD : SURPLUS BROUGHT FORWARD		5614108	5947715
PROFIT AVAILABLE FOR APPROPRIATION		8335394	7437464
APPROPRIATIONS			
PROPOSED DIVIDEND		1352160	1352160
DIVIDEND TAX ON ABOVE		173246	173246
TRANSFERRED TO RESERVE FUND		538500	297950
SURPLUS CARRIED FORWARD		6271488	5614108
		8335394	7437464
FACE VALUE PER EQUITY SHARE		10	10
EARNING PER SHARE			
- BASIC & DILUTED		0.805	0.441
SIGNIFICANT ACCOUNTING POLICIES	X		
NOTES ON ACCOUNTS	XI		

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

FOR & ON BEHALF OF THE BOARD

VEENU AGGARWAL
PARTNER

KAVITA SEWANI
Company SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

Place : New Delhi
Dated : 28th June, 2004