



8th
Annual Report
1998-99

BMB MUSIC & MAGNETICS LTD.

8TH ANNUAL REPORT 1998-99

Board of Directors :

Shri K.C. Bokadia
Shri M.C. Bokadia
Shri Pramod Bokadia
Shri N.L. Goenka
Shri M.M. Goenka

Bankers :

The Bank of Rajasthan Ltd.
'C'- Scheme, Jaipur

Auditors :

M/s Kallash chand Agarwal & Co.
1751, Jindal Bhawan,
Khazanewalon Ka Rastha,
Jaipur -302 001.

Registered Office & Works :

SPL4, RIICO Industrial Area,
Sitapura, Tonk Road,
Jaipur - 303 905

NOTICE

Notice is hereby given that the 8th Annual General Meeting of the members of BMB Music and Magnetics Ltd. will be held at SPL-4, RIICO Industrial Area Sitapura, Tonk Road, Jaipur on Thursday 30th DECEMBER 1999 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS

5. To consider and adopt the audited P&L A/c for the year ended on 30th JUNE 1999 & Balance Sheet as at that day together with Director's Report & Auditor's Report thereon.
6. To appoint a Director in place of Shri Pramod Bokadia who retires by rotation & being eligible offers himself for reappointment.
7. To appoint a Director in place of Shri Nand Lal Goenka who retires by rotation & being eligible offers himself for reappointment.
8. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting & fix their remuneration.

By the Order of the Board

PLACE : JAIPUR
DATED: 3rd DECEMBER, 1999

(K.C. BOKADIA)
(MANAGING DIRECTOR)

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NOTES

1. A member is entitled to attend and vote is entitled to appoint a proxy to attend & vote instead of himself & the proxy need not to be a member.
2. The instrument of proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of meeting.
3. All documents referred to in notice are open for inspection at the registered office of the company during office hours on all working days between 11.00a.m. up to the date of the A.G.M.
4. Members / Proxies should bring the attendance slips duly filled in.
5. Shareholders seeking any information with regards to accounts are requested to write the company early so as to enable the management to keep the information ready.
6. Members are requested to notify immediately any change in their address to the company and quote your account numbers in all correspondence with the company.

DIRECTORS REPORT

Dear Members,

Your Directors are presenting the 8th Annual Report together with Audited Statements of Accounts for the financial year ended on 30th June, 1999.

FINANCIAL HIGHLIGHTS

The financial results of Your Company's working are as under : -

	(RS. in Lacs)	
	1998-99	1997-98
Turnover (including other income)	46.31	44.49
Gross Profit/ (Loss)	20.91	(147.46)
Interest	0.01	75.99
Depreciation	09.57	25.11
Prior year adjustment	13.19	(4.34)
Net Profit/ (Loss)	11.34	(248.56)
Add : Balance in profit & loss B/f from previous year	(440.61)	(187.71)
	<u>416.11</u>	<u>440.61</u>

DIVIDEND

In view of the financial results of the company no dividend is being recommended by your directors.

PERFORMANCE AND FUTURE PROSPECTUS :

During the year under review your company's performance was not encouraging but it could oversee the increasing losses and its toward recovery. Music division could not yield much profitability of hit and popular music rights.

Now company has revamped its entire operations. Company is working up total settlement with financial institutions, banks and plans to liquidate its entire debts.

Company has decided to diversify into making of Software for T.V. Serials, marketing of mega films and construction of multi complex theatre. Company has already finalised/making of Hindi T.V. Serial for Popular entertainment network, Mumbai and few Tamil serials for T.V.. Further towards marketing of mega films company has acquired marketing rights of HUM TUMHARE HAIN SANAM starring Sharukh Khan, Salman Khan, Madhuri Dixit and others on commission basis for the company which would result into definite earning. Besides this company is negotiating for other such releases. Further company is negotiating with few leading Indian and Foreign companies for tie up of its audio division. Looking to all this future of company seems to be bright.

DIRECTORS

Shri Pramod Bokadia and Shri Nand Lal Goenka directors of the retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The board recommend their re-appointment in the interest of the company.

AUDITORS

M/s Kailash Chand Agrawal & Co., Chartered Accountants, statutory auditors of your company hold office until the conclusion of 8th Annual General Meeting and being eligible for re-appointment. The company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed Under Section 224(1) of the Companies Act, 1956.

PUBLIC DEPOSITS

The company has not accepted any deposit under Section 58 A of the Companies Act, 1956 during the year under review.

PERSONNEL

None of the employees fall under purview of section 217 (2A) of the Companies Act, 1956 read together with Companies (Particulars of Employee Rules) 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 are given as under :

- III. Conservation of Energy : Company's activities do not involve any significant energy consumption, however, every effort is being made to conserve energy.
- IV. Technology Absorption : Efforts made in Technology Absorption as per Form 'B'.

FORM "B"

Research and Development (R & D)

4. Specific Areas in which R & D carried out by the company
 - c) To upgrade the quality of the product.
 - d) For reducing the waste of raw material and /Or re-using the scrap.
5. Benefits derived as a result of the above R & D.
 - c) Better quality of the product
 - d) Reduced wastage of raw material thereby reduced cost of product.
3. Future plan of Action

To put in all efforts for Quality improvement and further reduction in cost of product, thereby achieving higher profitability.
6. Expenditure on R & D

The expenditure on the house R & D is shown under respective functional heads and no separate account is maintained.

Technology Absorption, Adaptation and Innovation.

Company's Engineers always keep in touch with the latest technical developments and to upgrade quality to the desired levels within the existing constraint. The company has been able to improve the quality and reduce the cost of product due to such efforts.

III. (a) Foreign Exchange Earnings	NIL
(b) Foreign Exchange outgo RS.

Acknowledgement

The board of Directors wish to thank the State Government, Industrial Financial Institutions of India (IFCI), RICO, The Bank of Rajasthan Ltd. for all the help and support.

For and on behalf of the Board

Dated : 3rd December, 1999
Place : Jaipur

(K.C. BOKADIA)
Chairman & Managing Director.



AUDITOR'S REPORT

We have audited the attached Balance Sheet of M/s. BMB MUSIC & MAGNETICS LIMITED as at 30.06.1999 together with the Profit and Loss Account of the company for the year ended on that date annexed thereto.

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the Said Order.
2. Further to our comments referred to in paragraph (1) above, we report that :
 - (a) We have obtained all the informations 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 Accounts as required by Law have been kept by the company so far as appears from our examination of the books of accounts.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion the balance sheet and the profit & loss account referred to in this report are comply with the Accounting Standards referred to in sub-section 3(c) of section 211 of the Companies Act, 1956 to the extent applicable except AS 15.
 - (e) In our opinion and to the best of our information and according to explanations given to us, the accounts subject to Accounting Policy No. 20 regarding non-provision of retirement benefits, Note no. 5 regarding non-provision of custom duty, note no.7 regarding written off of certain old liabilities, note no.11 for non-provision of interest, note no.13 regarding non charging of depreciation on certain plant & machinery, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) In the case of the Balance Sheet of the state of affairs of the company as at 30th June, 1999 and
 - (ii) In case of Profit & Loss Account of the Profit for the period ended on that date.

for **KAILASH CHAND AGARWAL & CO.**

Chartered Accountants

Place : Jaipur

Dated : 3rd Dec., 1999

(K.C.AGARWAL)

Partner

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 1 thereof)

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate we report that:

1. The company is maintaining proper records to show full particulars including quantitative details and situations of fixed assets. As explained to us, all the assets have been physically verified by the management during the year. On the basis of explanation given to us no serious discrepancies have been noticed on verification.
2. Fixed Assets has not been revalued during the year.
3. The stocks of finished goods and raw material have been physically verified by the management during the year at the year end only.
4. In our opinion and according to the information and explanation given to us, the procedures of 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. The material discrepancies noticed on physical verification of the stock of raw material, stores and spares and finished goods and the books to the extent they are ascertainable have been properly dealt in the books of accounts.
6. In our opinion the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
7. The company has not taken loans from companies, firms or other parties as listed in the Register maintained under Section 301 of the Companies Act, 1956 or from Companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
8. The company has not granted any loan, secured and unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 or to Companies under the same management as defined under Section 370 (1-B) of the Companies Act, 1956.
9. The parties to whom loans & advances in nature of loans have been given by the company are not generally repaying the principal amount as stipulated and are also not paid the interest where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase.
11. According to the informations and explanations given to us that there are no transactions of purchase of goods and materials and sale of goods and materials and services made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard