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THE BHARAT LINE LIMITED

Report and Accounts
for

the Accounting Year ended

31st March, 1999

BHAVNAGAR

BALANCE SHEET AND PROFIT & LOSS ACCOUNT
with
DIRECTORS REPORT
of
THE BHARAT LINE LIMITED
to be laid before the
FIFTYTHIRD ORDINARY ANNUAL GENERAL MEETING
TO BE HELD ON
FRIDAY THE 29TH OCTOBER, 1999.

Board of Directors :

SHRI ARVIND G. KAMDAR
SHRI C.S. NARASIMHAN
SHRI B. N. SHAH
SHRI KHIMJI G. KAMDAR

BANKERS : CENTRAL BANK OF INDIA
DENA BANK
CORPORATION BANK
SOLICITORS : MESSRS. CHIMANLAL SHAH & CO.
AUDITORS : MESSRS. VATSARAJ & CO.
REGISTERED OFFICE : KUNDAN KUNJ,
GHOGHA CIRCLE,
BHAVNAGAR - 364 001.
(GUJARAT)

THE BHARAT LINE LIMITED

NOTICE

NOTICE is hereby given that the 53rd Annual General Meeting of THE BHARAT LINE LIMITED, will be held at the Registered Office of the Company at Kundan Kunj, Ghogha Circle, Bhavnagar-364001, on Friday, the 29th Oct., 1999 at 11.00 hrs. to transact the following business:-

ORDINARY BUSINESS :

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the accounting year ended 31st March, 1999 :
2. To declare a Dividend :
3. To elect a Director in place of Shri Khimji G. Kamdar, who retires by rotation under Article 145 and eligible, offers himself for re-election under Article 146 of the Articles of Association of the Company.
4. To appoint Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration :

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification the following Resolution as an Special Resolution :

" Resolved that pursuant to Section 31 and other applicable provisions if any, of the Companies Act, 1956 Article 134 of the Articles of Association of the Company be and is hereby substituted as under. Article 134. Subject to the applicable provisions of the Companies Act, 1956, the sitting fees payable to Directors for every meeting of the Board or a committee thereof attended by him shall be such amount, as the Board may fix, from time to time. The Directors shall be entitled in addition to the above sitting fees actual travelling, hotel and other expenses incurred in consequences of their attendance at Board Meeting or the Meeting of the Committee thereof or otherwise, in the execution of any of their duties as Directors."

Kundan Kunj,
Ghogha Circle,
Bhavnagar - 364 001.

Date: 27-9-1999.

By Order of the Board
For and on behalf of
THE BHARAT LINE LIMITED
KHIMJI G. KAMDAR
Director

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than fortyeight hours before the commencement of the Meeting.
2. The Share Transfer Books of the Company will remain closed from 21st September, 1999 to 30th September, 1999 both days inclusive.
3. The Dividend if declared will be paid on or after to those Members whose name appear in the Company's Register of members on 30th September, 1999.
4. Pursuant to the provisions of Sections 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1995 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 1995, or any subsequent financial years are requested to make their claim to the Company.
5. Members are requested to kindly notify change of address, if any.
6. The relative Explanatory Statement for agenda item no. 5 is attached herewith and forms part of the notice.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act 1956.

Vide Agenda item No. 5

The existing Article 134 restricts the sitting fees payable to the Directors to Rs. 100/- only plus actual travelling and other expenses payable for attending the meetings. The said Article is embodied in the Articles of Association since inception of the Company.

Considering the factor of inflation on account of passage of time it is proposed to amend the existing Article 134 by substituting the same with the proposed Article.

Persuant to Section 31 of the Companies Act, 1956, the above resolution is to be passed as a Special Resolution.

All the Directors shall deemed to be concerned or interested in the above resolution as it relates to payment of sitting fees payable for the meetings attended by them.

THE BHARAT LINE LIMITED

Kundan Kunj, Ghogha Circle,
BHAVNAGAR, 27th Sept.'99.

DIRECTOR'S REPORT

To,

The Shareholders
The Bharat Line Ltd.

Gentlemen,

Yours Directors have the honour to present their Report and Audited Balance Sheet and the Profit & Loss Account of the Company for the Accounting Year ended 31st March 1999.

FINANCIAL RESULTS :

	This Year Rs.	Previous Year Rs.
Income	23,37,319	23,55,501
Less: Expenditure	15,66,600	15,42,293
	<u>7,70,719</u>	<u>8,13,208</u>
Add: Opening Balance	8,600	24,721
	<u>7,79,319</u>	<u>8,37,929</u>
Less: Income Tax for early years	--	--
	<u>7,79,319</u>	<u>8,37,929</u>
Less: Provision for Depreciation	15,622	19,329
	<u>7,63,697</u>	<u>8,18,600</u>
Less: Provision for Taxation	2,75,000	2,80,000
	<u>4,88,697</u>	<u>5,38,600</u>
Less: Transfer to General Reserve	60,000	2,00,000
	<u>4,28,697</u>	<u>3,38,600</u>
Less: Proposed Dividend	3,50,000	3,00,000
	<u>78,697</u>	<u>38,600</u>
Less: Dividend Corporate Tax	38,850	30,000
	<u>40,197</u>	<u>8,600</u>
Balance Carried Forward to Next Accounting Year	<u>40,197</u>	<u>8,600</u>

DIVIDEND :

Your Directors have decided to recommend to you the declaration of a Dividend of 35 paise per Share.

GENERAL RESERVE :

The General Reserve as at 31st March 1998 stood at Rs. 14,90,000/- which is augmented by the sum of Rs. 60,000/- as proposed under allocations and the General Reserve as at 31st March, 1999 aggregates to Rs.15,50,000/-

PROVISION FOR INCOME TAX :

Income Tax Assessment upto Assessment Year 1995-96 are completed and as per their demand Rs.6,63,000/- is outstanding against which Appeals are pending before the Income-Tax Appellate Tribunal and as such no provision is made.

FIRST REFUND ON CAPITAL :

During the year under Report no claim was lodged with the Company and the Balance outstanding at the end of the year is Rs.3,27,630/-

SECOND REFUND ON CAPITAL :

During the year under Report no claim was lodged with the Company and the Balance outstanding at the end of the year is Rs.3,58,264/-

Y2K PROJECT :

The Company has taken necessary steps to ensure that all System and equipments are Y2K Compliant.

DIRECTORS :

Your Director Shri Khimji G. Kamdar retire by rotation under Articles 145 of the Articles of Association of the Company and being eligible, offers himself for the re-election under Articles 146.

REMUNERATION OF EMPLOYEES :

During the period under report none of the employees of the Company was in receipt of remuneration which in aggregate amounted to Rs. 50,000/- per month or more or to Rs. 6,00,000/- per year or more.

STATUTORY INFORMATION :

- (i) Since the Company does not have any manufacturing activity the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.
- (ii) There is no foreign exchange earnings and outgo.

APPOINTMENT OF AUDITORS :

The term of office of your Auditors, Messers. Vatsaraj & Company Bombay expires with the conclusion of this Fiftythird Ordinary Annual General Meeting of the Share Holders. Your Directors have obtained a Certificate from the Auditors as required under Section 224 of the Companies Act, 1956 to the effect that the appointment if made, will be in accordance with the limits specified in Sub Section 1B of Section 224 of the Companies Act, 1956. You are requested to appoint Auditors for the ensuing year and to fix their remuneration.

AUDITORS OBSERVATIONS :

As regards the observations made by the Auditors in their Report to you, the same have been dealt with in the notes forming part of Account and need no further explanation.

With reference to the further observations of the Auditors Report II-2a and b, the amount due from erstwhile subsidiaries Ship Repairers Ltd. was granted when the said Company was a 100% subsidiary of the Company, such loans are exempt u/s 370 of the Act and therefore, the question of excess of limit u/s 370 does not arise.

As for investment , the investment in a Unit Trust, is not investment in Share as contemplated in Section 372 of the Act and that the units are not Shares, in view of Company Law Board Circular Letter dated 8 (15) quoted in Companies News and Notes dated 16.1.65. The question of exceeding the limit therefore, does not arise.

As regards Auditors observation in item 4, the amount lying in a seperate Bank account has not been transferred to Central Government since no reconciliation statement is received from the Bank.

For and on behalf of the Board of
Directors of
THE BHARAT LINE LIMITED
I remain, Gentlemen
Your's faithfully,
Khimji G. Kamdar
Director

AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of THE BHARAT LINE LIMITED as at 31st March, 1999 and also the annexed Profit & Loss Account for the year ended on that date and report that :-

1. As required by the Manufacturing and other Companies (Auditor's Report) order 1988 issued by the Central Government and on the basis of such checks as we considered appropriate, we state that :-
 - i) The Company has maintained records to show particulars including quantitative details of its fixed assets. We are informed by the management that no physical verification of fixed assets had been carried out during the year.
 - ii) The fixed assets have not been revalued during the year under report.
 - iii) The Company has not taken any unsecured loan from Parties as mentioned under Section 301 of the Companies Act, 1956. The Company has not taken any other loan from the company under the same management as defined under Section 370 (1-B) of the Companies Act, 1956.
 - iv) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956 and/or to the Companies under the management as defined under Section 370 (1-B) of the Companies Act, 1956.
 - v)
 - a) The Company has given advances in the nature of loans to its employees free of interest and without any stipulation as to the repayment and we are informed that these loans will be recovered out of salary payable to employees.
 - b) The Company has to recover a sum of Rs.1,60,000/- on account of loan and Rs.6,77,894/- on current account from Ship Repairers Ltd. , the erstwhile subsidiary of the Company. According to memorandum of understanding in the matter the said amount was to be recovered by 31.3.1986.