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THE BHARAT LINE LIMITED

Report and Accounts

For

The Accounting year ended

31st March 2006

BHAVNAGAR

**BALANCE SHEET AND PFOFIT & LOSS ACCOUNT
WITH**

**DIRECTOR'S REPORT
OF THE BHARAT LINE LIMITED**

To be laid before the

SIXTYTH ANNUAL GENERAL MEETING

TO BE HELD ON

SATURDAY THE 30TH SEPTEMBER 2006

Board of Directors;

- **SHRI ARVIND G.KAMDAR**
- **SHRI SHANTILAL N.SHAH**
- **SHRI KHIMJI G.KAMDAR Executive Director**
- **SHRI ATUL M NAIK W.E.From 18.11.2005**
- **SHRI ABHIJIT B.SHAH W.E.From 18.11 2005**

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-364001
(GUJARAT)**

THE BHARAT LINE LIMITED**Mumbai****NOTICE**

NOTICE is hereby given that the 60th 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 Saturday, the 30th September 2006, at 11.00 hrs to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the Director's Report and Audited Balance Sheet and Profit and Loss Account for the accounting year ended 31st March, 2006.
2. To declare a Dividend.
3. To elect a Director in place of Shri. A. 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

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

5. **"RESOLVED THAT** Shri. Atul M. Naik, in respect of whom the company has received a notice u/s 257 of the Companies Act, 1956 from a Shareholder proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retirement by rotation."
6. **"RESOLVED THAT** Shri. Abhijit B. Shah, in respect of whom the company has received a notice u/s 257 of the Companies Act, 1956 from a Shareholder proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, liable to retirement by rotation."
7. **"RESOLVED THAT** pursuant to the provisions of Section 372A and other applicable provisions, if any of the Companies Act, 1956, approval of the Company be and is hereby accorded to the Board of Directors to make loan to any other body corporate, invest in securities of other bodies corporate, to give guarantee, or provide any security, from time to time and on such terms and conditions as the Board of Directors may deem fit provided that the aggregate value of all loans, investments made, guarantees given or securities provided shall not exceed **Rs. 10 Crores (Rupees Ten Crores only) outstanding at any one time"**

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all decisions and to do all such acts, matters, deeds and things as may be usual, expedient and necessary for implementing the aforesaid resolution”

8. **“RESOLVED THAT** the consent of the company be and is hereby accorded for giving the office premises on lease basis to M/s. T. P. & Company, (the partner of the statutory auditors M/s. Vatsaraj & Co., is interested as partner or otherwise) as per the terms and conditions indicated in the draft lease deed duly initialled by the chairman for the purpose of identification.

RESOLVED FURTHER THAT Board of Directors or any one of the Director be and is hereby authorised to do all such acts, deeds, matters and things and to execute such deeds, documents, writings and agreements and to take such action and steps as may be desirable, proper and expedient with a view to give effect to the above resolution.

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

Place : Mumbai
Date: 27-7-2006

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. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Share Transfer Books of the Company will remain closed from 28.9.2006 to 30.9.2006 (both days inclusive)
3. The Dividend if declared will be paid to those Members whose names appear in the Company's Register of Members on 30.9.2006.
4. Pursuant to the provisions of Sections 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1997 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, 1999, 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.

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

ITEM No. 5

Shri. Atul M. Naik was appointed as Director of the Company by the Board of Directors in its meeting held on 18.11.2005 and he holds office upto the date of this Annual General Meeting.

A notice u/s 257 of the Companies Act, 1956 has been received from a shareholder along with the requisite fee, intending to propose the candidature of Shri. Atul M. Naik for the office of Director of the Company.

The resolution at item no. 5 is, therefore, commended for your approval.

None of the other Director is concerned or interested in the proposed resolution except Shri. Atul M. Naik.

ITEM NO. 6

Shri. Abhijit B. Shah was appointed as Director of the Company by the Board of Directors in its meeting held on 18.11.2005 and he holds office upto the date of this Annual General Meeting.

A notice u/s 257 of the Companies Act, 1956 has been received from a shareholder along with the requisite fee, intending to propose the candidature of Shri. Abhijit B. Shah for the office of Director of the Company.

The resolution at item no. 6 is, therefore, commended for your approval.

None of the other Director is concerned or interested in the proposed resolution except Shri. Abhijit B. Shah.

ITEM NO. 7

Section 372A of the Companies Act, 1956 provides interalia that

No company shall directly or indirectly

- a) Make any loan to any body corporate
- b) Give any guarantee or provide any security in connection with a loan made by any other person or to any other person by any body corporate
- c) Acquire by way of subscription, purchase or otherwise the security of any other body corporate

exceeding 60% of its paid up capital and free reserves or 100% of its free reserves whichever is more.

Provided that where the aggregate of the loans, and investments so far made, the amounts for which guarantee or security so far provided to or in all other bodies corporate along with the

investment, loan, guarantee or security proposed to be made or given by the Board, exceeds the aforesaid limits, no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a Special Resolution passed in a general meeting.

The company in the past invested in securities of other bodies corporate.

In accordance with the provisions of Section 192A of the Companies Act, 1956 (the Act) giving of loans, investment in other bodies corporate or extending guarantees or providing security in excess of the limit prescribed under Sub-Section (I) of Section 372A is necessary to be transacted by Special Resolution.

In process of the management of the business, it is expected that the company may be required to advance loan/guarantee/security/acquire by investment in excess of the limits envisaged under the Companies Act, 1956 (the "Act") and the company need to take approval of the member every time. Pursuant to provisions of the Section 372A of the Act provides inter alia for approval of the shareholders by a Special Resolution passed in general meeting to give guarantee or provide security in connection with a loan exceeding 60% of its paid up capital and free reserves or 100% of its free reserves whichever is more.

The company is required to advance loan/guarantee/security/acquire by investment of other bodies corporate for its various general corporate purpose /strategic investments etc. It is provided that the consent of the members is hereby accorded to the Board within the overall limits of **Rs. 10 Crores (Rupees Ten Crores only) being sought now.**

The Board therefore recommends passing of the resolution.

Mr. Arvind Kamdar, Mr. Khimji Kamdar Directors/ Members may be deemed to be interested in the resolution to the extent they may be Director/ Member of the other bodies corporate (where proposed loan or investment to be made hereinafter from time to time).

ITEM NO. 8

As an abundant precaution, the company is seeking members' approval in respect of giving office premises on lease basis to M/s. T. P & Company or their nominees where the partner of M/s. Vatsaraj & Co., Statutory Auditors Chartered Accountants are concerned and interested as Partner or otherwise.

No Directors of the Company is concerned or interested in the proposed resolution.

The Board commends the proposal for members approval.

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

Place : Mumbai
Date: 27/7/2006

THE BHARAT LINE LIMITED

DIRECTORS' REPORT

To,

The Shareholders

Gentlemen,

Your 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 2006.

FINANCIAL RESULTS

	Current year 31.03.2006 Rs.	Previous year 31.03.2005 Rs.
Income	1,03,47,224	1,06,73,472
Less: Expenditure	66,52,333	57,90,835
	36,94,891	48,82,637
Add: Opening Balance	46,388	39,431
	37,41,279	49,22,068
Less: Provision for Depreciation	5,17,108	5,50,657
	32,24,171	43,71,411
Less: Provision for Taxation	16,57,335	15,85,180
Less: F.B.T	43,149	-
Less: Provision for deferred tax	- 14,390	-21033
	15,38,077	28,07,264
Less: Transfer to General Reserve	1,28,000	2,76,783
Less: Income tax arrears of earlier year	2,61,418	16,28,906
	11,48,659	9,01,575
Less: Proposed Dividend	10,00,000	7,50,000
	1,48,659	1,51,575
Less: Dividend Corporate Tax	1,40,250	1,05,187
Balance Carried Forward to Next Accounting year	8409	46,388

DIVIDEND

Your directors have decided to recommend to you the declaration of a Dividend of 1.00 paise per share (100 %)

PERFORMANCE APPRAISAL

Consequent upon the amendment in Rent control Act, & after filing the cases in Small Causes Court the Company has given the office, premises on lease basis to certain parties on stipulated terms and conditions.

Accordingly, the Company has received the compensation and service charges being Income from premises given on lease.

The Company had to incur property expenses, for repairing, renovating & reconditioning & legal & professional charges for the office premises with an intent to give the same on lease basis

GENERAL RESERVE:

The General Reserve at 31st March 2005 stood at Rs.21,49,865/- which is augmented by the sum of Rs.1,28,000/- as proposed under allocations and the General Reserve as at 31st March, 2006 aggregates to Rs.22,77,865/-

FIRST REFUND ON CAPITAL:

During the year under Report, no claim was lodged with the Company For Rs.500 and the Balance outstanding at the end of the year is Rs.3,26,880/-.

SECOND REFUND ON CAPITAL:

During the year under Report, claim was lodged with the Company for Rs. 400/- and the Balance Outstanding at the end of the year is Rs.3,54,214/-.

DIRECTORS:

Your Director Shri. A.G. Kamdar retires 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 is aggregate amounted to Rs.2,00,000/- per month or more or to Rs.24,00,000/- per year or more.

DIRECTORS' RESPONSIBILITY STATEMENT.

The Directors confirm

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed except the observations of the Auditors in their report para II.1.
- (b) that 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 affairs of the Company at the end of the financial year on 31st March 2006 and of the Profit of the Company for that period;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the annual accounts on a going concern basis.

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 Fifty Ninth 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 (IB) 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 Accounts and need no further explanation.

COMPLIANCE CERTIFICATE:

In accordance with Sec. 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2002, the Company has obtained a Certificate from a Secretary in the whole time practice and a copy of such Certificate is attached to this Report.

For and on behalf of the Board
Directors of
THE BHARAT LINE LIMITED
I remain, Gentlemen
Yours faithfully,

Arvind G. Kamdar
Director

Place : Mumbai
Date : 27.07.2006