

14th

ANNUAL REPORT

2005-2006

BHANDARI CONSULTANCY AND FINANCE LIMITED



REGD.OFFICE:

**18, VASANT ENCLAVE, RAO TULA RAM
MARG, NEW DELHI-110057.**

BHANDARI CONSULTANCY AND FINANCE LIMITED

Regd. Office: 18, Vasant Enclave, Rao Tula Ram Marg, New Delhi - 110 057

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NOTICE

Notice is hereby given that the Forteenth Annual General Meeting of the Company shall be held on Wednesday, the 30th August, 2006 at the Registered Office of the Company at 18, Vasant Enclave, Rao Tula Ram Marg, New Delhi - 57 at 11:00 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2006 and Profit & Loss Account of the company for the Year ended on 31st March, 2006 together with the Directors' Report and Auditors' Report thereon.
2. To appoint auditors for the period commencing from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration. M/s Nagar Goel & Chawla, Chartered Accountants, the retiring auditors being eligible, have offered themselves for reappointment.
3. To appoint a Director in place of Ex. Capt. Abhimanyu Sindhu, who retires by rotation at the annual general meeting and being eligible, has offered himself for being reappointed as Director of the Company.

Special Business

4. **Re-appointment of Mr. Satish Kr. Sharma as Director liable to retire by rotation**

To pass, with or without modification(s), the following resolution as an ordinary resolution:

"Resolved that pursuant to Section 260 of the Companies Act, 1956, Mr Satish Kumar Sharma, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company, held on 1st October, 2005, whose term expires on the Annual General Meeting of the Company scheduled to be held on 30th August , 2006 and for the appointment of whom Notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director has been received, be and is hereby appointed as a Director of the Company whose period of office will be liable to be determined by rotation."

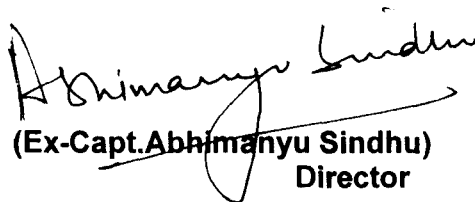
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5. Re-appointment of Mr. Sanjay Hasija, as Director liable to retire by rotation

To pass, with or without modification(s), the following resolution as an ordinary resolution:

"Resolved that pursuant to Section 260 of the Companies Act, 1956, Mr. Sanjay Hasija, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company, held on 30th December, 2005, whose term expires on the Annual General Meeting of the Company scheduled to be held on 30th August, 2006 and for the appointment of whom Notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director has been received, be and is hereby appointed as a Director of the Company whose period of office will be liable to be determined by rotation."

By Order of the Board
For **Bhandari Consultancy and Finance Limited**


(Ex-Capt. Abhimanyu Sindhu)
Director

Place: New Delhi
Date: 30th May, 2006

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Notes:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the company.
- 2 A proxy in order to be effective must be received by the company at its registered office not less than 48 hours before scheduled time for holding of the meeting. A proxy form is enclosed herewith.
- 3 The register of members and share transfer registers of the Company will remain closed from 27th August, 2006 to 30th August, 2006. (Both Days inclusive).
- 4 The Explanatory Statement in terms of Section 173(2) is annexed with and forms part of the Notice.

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BHANDARI CONSULTANCY AND FINANCE LIMITED

Regd. Office: 18, Vasant Enclave, Rao Tula Ram Marg, New Delhi -110 057

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Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 to be annexed to the Notice of the Annual General Meeting of the Company to be held on Wednesday 30th August, 2006 at at the Registered Office of the Company at 18, Vasant Enclave, Rao Tula Ram Marg, New Delhi - 57 at 11:00 a.m.

Item No. 3

Ex. Capt. Abhimanyu Sindhu S/o Ch. Mitter Sen Sindhu R/o 96-A, Sindhu Bhawan, Subhash Nagar, New Delhi – 110056 is an experienced businessman.

At present, he is associated as Director with many concerns viz. M/s B&S Realtors P. Ltd; M/s Indus Portfolio P. Ltd.; Sindhu Holdings Ltd.; Sindhu Realtors P. Ltd.; Ideal Capital Services P. Ltd.

None of the Directors except Ex. Capt. Abhimanyu Sindhu is interested in the resolution.

Item No. 4

Mr Satish Kumar Sharma was appointed as an Additional Director of the Company w.e.f. 1st October, 2005. As per the provisions of Section 260 of the Companies Act, 1956, his term of Directorship will get expired on the date of AGM i.e. 30th August, 2006. He, being eligible, has offered himself to be re-appointed as the Director liable to retire by rotation.

A Notice under Section 257 of the Companies Act, 1956 has been received by the Company from Mr. Sharma offering his candidature for the office of Director liable to retire by rotation.

Mr. Satish Kumar Sharma is highly qualified having done M.A.(Eco.), LL.B., A.C.S., C.A.I.I.B. and SMP (IIM-C). He has a vast experience in Secretarial and Legal field. The Company would surely be benefited with his association.

None of the Directors except Sh. Satish Kumar Sharma is interested in the resolution.

Item No. 5

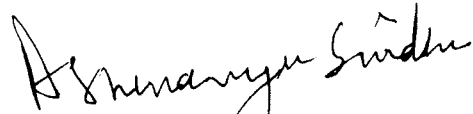
Mr Sanjay Hasija appointed as an Additional Director of the Company w.e.f. 30th December, 2005. As per the provisions of Section 260 of the Companies Act, 1956, his term of Directorship will get expired on the date of AGM i.e. 30th August, 2006. He, being eligible, has offered himself to be re-appointed as the Director liable to retire by rotation.

A Notice under Section 257 of the Companies Act, 1956 has been received by the Company from Mr. Hasija offering his candidature for the office of Director liable to retire by rotation.

Mr. Hasija has done B. Com. (Honours) and F.C.A. and has a vast experience of Accounting and Finance. The Company would be benefited a lot with such experience.

None of the Directors except Mr. Sanjay Hasija is interested in the resolution.

By Order of the Board
For **Bhandari Consultancy and Finance Limited**



(Ex-Capt. Abhimanyu sindhu)
Director

Place : New Delhi
Date : 30th May, 2006



BHANDARI CONSULTANCY AND FINANCE LIMITED

Regd. Office: 18, Vasant Enclave, Rao Tula Ram Marg, New Delhi -110 057

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DIRECTORS' REPORT

The Members,

Your directors have pleasure in presenting their 14th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March 2006.

1. Financial Results:

The financial results for the year under reviews are as follows: (Rs.in lacs)

Particulars	2005-06	2004-05
Net profit /(Loss) before tax	57.94	62.63
Add: Balance in Profit & Loss Appropriation A/c brought forward from last year	62.64	23.33
Less: Provision for Income Tax - Current	19.50	23.32
Less: Fringe Benefit Tax	0.03	----
Add: Income Tax For Earlier Years	0.70	----
Less: Transfer to Special Reserve Fund	20.35	----
Net profit carried forward to next year	81.40	62.64

2. Operations:

The Company has mainly focused on investment and financing, which are the Company's core business activities, during the year.

3. Dividend:

Yours directors do not recommend any dividend for the financial year 2005-06.

4. Public Deposits:

The Company has not invited or accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 during the year. There are no unclaimed deposits as on date with the Company.

5. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo:

Section 217(1) (e) of the Companies Act, 1956 is not applicable to the Company. Hence, Statement detailing the particulars required under the said section read with the Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 are not being furnished.

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6. Particulars of Employees u/s 217 (2A) of the Companies Act, 1956:

None of the employees of the Company has drawn salary in excess of the limits prescribed in the said section of the Companies act, 1956 read with Companies (Particulars of employees) rules, 1975 and hence no such list is being provided.

7. Directors Responsibility Statement:

As per the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors make the following statement:

- a) That in preparation of Annual Accounts for 2005-06, the applicable Accounting Standards have been followed along with proper explanation relating to the material departures.
- b) That the 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 at the end of 2005-06 and of the profit or loss of the Company for that period .
- c) That the Directors have 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 for preventing and detecting fraud or other irregularities.
- d) That the Directors have prepared the Annual Accounts on a going concern basis.

8. Directors:

Ex. Capt. Abhimanyu Sindhu, Director of the Company, retires by rotation and being eligible, has offered himself for re-appointment. Your directors recommend the re-appointment.

Sh. Satish Kumar Sharma and Sh. Sanjay Hasija were appointed as Additional Directors of the Company by the Board w.e.f. 1st October, 2005 and 30th December, 2005 respectively. In terms of Section 260 of the Companies Act, 1956, their Directorships expire on the date of Annual General Meeting i.e. 30th August , 2006. Sh. Satish Kumar Sharma and Sh. Sanjay Hasija being eligible have offered themselves for re-appointment. The details of the Directors form part of the Notice of the Annual General Meeting as per Clause 49 of the Listing Agreement.

9. Auditors:

M/s Nagar Goel and Chawla, Chartered Accountants, retires at the conclusion of this Annual General Meeting and being eligible, have offered themselves for re-appointment. The company has received a certificate from them pursuant to Section 224 (1B) of the Companies Act, 1956, confirming their eligibility for re-appointment.

10. Listing:

The Equity Shares of the Company are listed on Delhi Stock Exchange, Mumbai Stock Exchange, Madras Stock Exchange & Kolkata Stock Exchange. The Mumbai Stock Exchange has suspended trading activity in the shares of your company and the company has taken up the issue with them for its revocation and the issue is still pending. As regards other stock exchanges there has been no trading in the shares of the company.

11. Corporate governance:

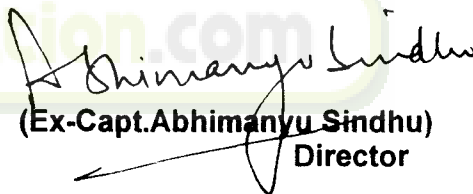
A detailed report on corporate governance prepared in accordance with the listing agreement forms part of this report.

12. Acknowledgements:

The directors wish to place on record their gratitude to the Company's bankers for their support and co-operation. The directors also acknowledge with appreciation the support and co-operation rendered by various Govt. agencies and Departments. Your Directors would also like to thank all the employees of the Company for putting in their hard work for the Company.

By Order of the Board of Directors
For Bhandari Consultancy and Finance Limited

Place: New Delhi
Dated: 30th May, 2006


(Ex-Capt. Abhimanyu Sindhu)
Director

BHANDARI CONSULTANCY AND FINANCE LIMITED

1. Company's Philosophy

The underlying principles of Corporate Governance are the values, ethics and commitment to follow best business practices. Thus, it rests upon the foundations of transparency, disclosures and fairness in dealing with its' stakeholders.

Our Corporate Governance philosophy stems from our belief that the business strategy and plans should be consistent with the welfare of all stakeholders and should be in line with National Economic policies of the Government of India. The Corporate Governance philosophy has been scripted as under:

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success."

We have made conscious efforts to institutionalize Corporate Governance practices and we believe that it shall go beyond adherence to the regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. We will continuously endeavour to take forward the best practices to enhance stakeholders' value.

2. Board of Directors

The Board of Directors of the Company directs the Company by formulating and reviewing the Company's policies, strategies and business plans. The Board of Directors of the Company provides leadership, strategic guidance to the Company and exercises control over the Company and accountable at all time to the shareholders of the Company.

The Composition of the Board of Director of the Company as on 30th May, 2006 is as follows.

S. No.	Name	Category
1.	Capt. Abhimanyu Sindhu	Non-Independent Non-Executive Director
2.	Sh. Kulbir Singh	Non-Independent Non-Executive Director
3.	Smt. Ekta Sindhu	Non-Independent Non-Executive Director
4.	Sh. Satish Kr. Sharma	Independent Director (Appointed on the Board w.e.f. 1 st October, 2005).
5.	Sh. Sanjay Hasija	Independent Director (Appointed w.e.f. 30 th December, 2005)

During the Year 2005-06, Eight (10) Meetings of the Board of Directors of the Company were held on 30/04/2005, 09/07/2005, 20/07/2005, 30/07/2005, 01/10/2005, 29/10/2005, 31/10/2005, 30/12/2005, 30/01/2006 and 22/03/2006 respectively.

None of the directors of the Company is member in more than ten Committees and they do not act as Chairman of more than five Committees across all companies in which they are directors.

The following table summarises the attendance of all the Directors at the said Board meetings.

Name of Director	Number of meetings attended	Presence in the AGM dated 09-09-2005	No. of other directorship (except Pvt. Co.)	No. of member of committee	Chairman ship of other committee
Capt. Abhimanyu Sindhu	10	YES	1	2	Nil
Sh. Kulbir Singh	10	YES	1	Nil	Nil
Smt. Ekta Sindhu	10	YES	Nil	Nil	Nil
Sh. Satish Kr Sharma	*06	NO	4	4	4
Sh. Sanjay Hasija	#03	NO	3	2	2

* Appointed w.e.f. 1st October, 2005.

Appointed w.e.f. 30th December, 2005.

Capt. Abhimanyu Sindhu acts as Chairman at the Board meetings and at the Annual General Meetings.

The Board has access to the following information/records:

Annual operating plans and budgets;

- Quarterly results;
- Minutes of the meetings of the Audit Committee, share transfer and shareholders'/investors' grievances Committee;
- Any other items/events of materially important nature.

Notes on Director Seeking Re-Appointment:

The details regarding the director seeking re-appointment forms part of notice of Annual General Meeting schedule to be held 30th, August, 2006.

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