

15TH
ANNUAL REPORT

2006-2007

**BHANDARI CONSULTANCY AND FINANCE
LIMITED**

REGISTERED 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

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Company shall be held on **Saturday, the 25th August, 2007** at the Registered Office of the Company at 18, Vasant Enclave, Rao Tula Ram Marg, New Delhi -110057 at 3:00 p.m. to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2007 and Profit & Loss Account of the company for the period 1st April, 2006 to 31st March, 2007 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 **Smt. Ekta Sindhu**, who retires by rotation at the annual general meeting and being eligible, has offered herself for being reappointed as Director of the Company.
4. To appoint a Director in place of **Sh. Kulbir Singh**, who retires by rotation at the annual general meeting and being eligible, has offered himself for being reappointed as Director of the Company.

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By Order of the Board
For Bhandari Consultancy and Finance Limited

Kulbir Singh
(Kulbir Singh)
Director

Place: New Delhi
Date: 31st July, 2007

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 **Tuesday, 21st August, 2007 to Saturday, 25th August, 2007** (Both Days inclusive) for the year 2006-2007.



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For Bhandari Consultancy & Finance Limited

[Signature]
Director

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Information as required under clause 49 of the Listing Agreement in respect of Directors being re-appointed:**a) Smt. Ekta Sindhu**

Smt. Ekta Sindhu is a Ph.D. holder. She is having wide experience in the field of finance and educational activities. She runs a Public School named as Indus Public School. As on date, Smt. Ekta Sindhu holds 416400 equity shares of the Company.

Except this Company, Smt. Ekta Sindhu is neither a Director on Board nor the member of any committees of any other Public Limited Company.

b) Sh. Kulbir Singh

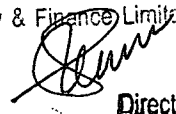
Sh. Kulbir Singh is a Law graduate. He has vast experience in the field of capital market. He is director in Indust Portfolio Pvt. Limited which is members of NSE & BSE. His inclusion in the Board will help the company in complying with the SEBI's and Stock Exchange Guideliness & will also help the company in its growth. As on date, Sh. Kulbir Singh holds none of the share of the Company.

Except this Company, Sh. Kulbir Singh is neither a Director in Board nor the member of any committees of any other Public Limited Company.

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For Bhandari Consultancy & Finance Limit


Direct

BHANDARI CONSULTANCY AND FINANCE LIMITED

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

DIRECTORS' REPORT

To,
The Members,

Your directors have pleasure in presenting their 15th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March 2007.

1. FINANCIAL RESULTS:

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

Particulars	2006-07	2005-06
Net profit /(Loss) before tax	99.48	57.94
Add: Balance in Profit & Loss Appropriation A/c brought forward from last year	81.40	62.64
Less: Provision for Income Tax - Current	33.49	19.50
Less: Fringe Benefit Tax	0.02	0.03
Add: Income Tax For Earlier Years	-	0.70
Less: Transfer to Special Reserve Fund	13.19	20.35
Net profit carried forward to next year	134.18	81.40

The company has transfer a sum of Rs. 13,19,490.00 to Special Reserve Fund in compliance of sec 45 1 (c) of The Reserve Bank of India Act 1934.

2. OPERATIONS:

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

3. DIVIDEND:

Your directors do not recommend any dividend for the financial year 2006-07.

4. PUBLIC DEPOSITS:

The Company has not invited or accepted any public deposits within the meaning of Section 58A & 58AA of the Companies Act, 1956 and section 45-I(bb) of the Reserve Bank of India Act, 1934 during the year under review. The company does not hold any public deposit as on date and will not accept the same in future without the prior approval of Reserve Bank of India in writing.

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.

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.

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For Bhandari Consultancy & Finance Limited

[Signature]
Director



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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 2006-07, the applicable Accounting Standards has 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 2006-07 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:

Sh. Kulbir Singh and Smt. Ekta Sindhu, Directors of the Company, retire by rotation and being eligible, have offered themselves for re-appointment. Your directors recommend their re-appointment subject to retire by rotation as per the provision of the Companies Act, 1956.

9. AUDITORS REPORT:

The Report of Auditors' on Annual Account of the company for the year ended on 31st March, 2007 is self explanatory. Hence, no explanation is required to be given.

10. AUDITORS:

M/s Nagar Goel and Chawla, Chartered Accountants, retire 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.

11. LISTING:

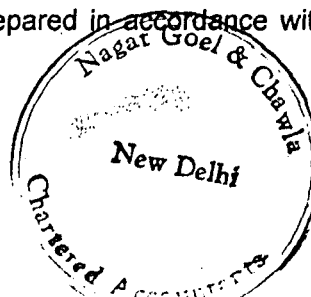
The Equity Shares of the Company are listed on Delhi Stock Exchange, Mumbai Stock Exchange, Madras Stock Exchange & Kolkata Stock Exchange. The Bombay Stock Exchange Limited had suspended trading activity in the equity shares of the company. Now the Suspension in trading of equity shares of the company has been revoked by Bombay Stock Exchange Limited vide its letter no. DCS/COMP/PR/NM/190/2007-2008 dated 8th May, 2007. As regards other stock exchanges there has been no trading in the shares of the company.

12. CORPORATE GOVERNANCE REPORT:

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

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For Bhandari Consultancy & Finance Limited

[Signature]
Director



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13. 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

Kulbir Singh
(Kulbir Singh)
Chairman

Place: New Delhi
Dated: 31st July, 2007



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For Bhandari Consultancy & Finance Limited

[Signature]
Director

Nagar Goel & Chawla
CHARTERED ACCOUNTANTS

M-53, 2nd Floor, M-Block Central Market,
Greater Kailash-II, New Delhi-110048
Tel. : 011 41435260, 41435261
Fax : 011 41435262
E-mail : ngcca@rediffmail.com

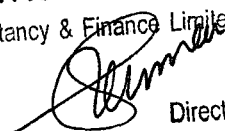
AUDITOR'S REPORT

To,

The Members of **BHANDARI CONSULTANCY & FINANCE LTD.**

1. We have audited the attached balance sheet of **BHANDARI CONSULTANCY & FINANCE LTD.**, as at 31st March 2007, and also the profit and loss account for the year ended 31st March 2007. 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.
2. We have conducted our audit in accordance with the 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
 - (iii) The balance sheet & profit and loss account dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the balance sheet, profit and loss account dealt with by this report complies with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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For Bhandari Consultancy & Finance Limited


Director



- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2007,
 - b) in the case of the profit and loss account, of the profit for the year ended on that date,
 - c) In the case of cash flow statement of the cash flows for the year ended on that date.

For **NAGAR GOEL & CHAWLA**
Chartered Accountants

Deepak

(DEEPAK NAGAR)
Partner

Place: New Delhi
Dated: 31ST July 2007



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For Bhandari Consultancy & Finance Limited

[Signature]
Director

ANNEXURE**Re : BHANDARI CONSULTANCY & FINANCE LTD.**

Referred to in paragraph 3 of our report of even date.

- 1 Based on our scrutiny of the company's books of account and other records and according to the information and explanations received by us from the management, we are of the opinion that the question of commenting on proper records of fixed assets, physical verification of fixed assets and any substantial sale thereof does not arise since the company had no fixed assets as on 31st March 2007 nor at any time during the financial year ended 31st March, 2007.
- 2 The company has not purchased/sold goods during the year therefore, requirements of reporting on physically verification of stocks or maintaining proper records of inventory, does not arise.
- 3 (a) The company has not taken loan from any party covered in the register maintained under section 301 of the Companies Act, 1956.

(b) The company had granted loan to nine parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1255.00 Lacs and the year-end balance of loans taken from such parties was 1006.48 Lacs.

(c) In our opinion the rate of interest and other terms and condition on which loans have been taken /granted to companies, firms or other parties listed in the register maintained under section 301 are not, prima facie, prejudicial to the interest of the company.

(d) The company is regular in repaying the principal amount as stipulated and are not, prima facie, prejudicial to the interest of the company,

(e) There are no overdue amounts of loans taken /granted to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act.1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. The company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

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For Bhandari Consultancy & Finance Limited

[Signature]
Director



8. The provision of section 209(1)(d) of the Companies Act, 1956 does not apply.
- 9(a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, service tax and excise duty were outstanding, as at 31st March 2007 for a period of more than six months from the date they became payable.
- (c) According to the records of the company, there are no dues of sale tax, income tax, customs duty / wealth tax, excise duty / cess, service tax which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses for the previous years. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. According to records of the company, the company has not borrowed from financial institution, bank or issued debentures till 31st March, 2007. Hence in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture does not arise.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities
13. In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the company is neither a Chit Fund nor a Nidhi / mutual benefit society. Hence, in our opinion, the requirements of Clause 4 (xiii) of the order do not apply to the company.
14. As per records of the company and the information and explanations given to us by the management, Company has no dealings or trading in shares, securities and debentures and other investments during the year under report.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment and vice versa.
17. Based on our examination of records and the information provided to us by management we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

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For Bhandari Consultancy & Finance Limited

[Signature]
Director

