9th Annual Report 2003 - 2004

S R U

SRU SHARE BROKERS LTD.

MANAGEMENT

BOARD OF DIRECTORS

Mr. SUBHASH CHANDER CHOPRA
Mr. SUNIL KUMAR CHOPRA
Mr. RAKESH KUMAR UPPAL
Mr. VIVEK KUMAR UPPAL
Mr. RAJ MITTAL

AUDITORS

CHARDRA KIRAN & CO.
Chartered Accountants,
30-Parkash Nagar,
Model Town,
Jalandhar.

BANKERS

CORPORATION BANK
Feroze Gandhi Market,
Ludhiana.

REGISTERED OFFICE

SCO-12, BASEMENT,
FEROZE GANDHI MARKET,
LUDHIANA-141001

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NOTICE

Notice is hereby given that the NINTH ANNUAL GENERAL MEETING of the members of the Company will be held on Thursday, the 30th September 2004 at 9:00 A.M. at the Premises of Plot No. S.C.O.12, Basement Feroze Gandhi Market, Ludhiana to transact the following business:

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the company made as at 31st March, 2004 and Profit & Loss account and other statements of accounts for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To elect a director in place of Mr. Rakesh Kumar Uppal who retires by rotation and has shown his unwillingness for re-appointment.
3. To Appoint Auditors M/s Chandra Kiran & Co., who retire at the ensuing Annual General Meeting and who are eligible for re-appointment and to fix their remuneration.

AS SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"Resolved that Nirmal Kumar Chopra who was appointed as an additional director of the company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as director of the company liable to retire by rotation."

By order of the Board
For SRU SHARE BROKERS LTD.

Sd/-
(Sunil Kumar Chopra)
Director

Sd/-
(Subhash Chander Chopra)
Director

Place: Ludhiana
Dated: 01-09-2004

NOTES :

1. A member is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxies need not be a member of the company. Proxy in order to be effective should be lodged with the company not less than 48 hours before the commencement of the meeting. A blank proxy form is enclosed.
2. Members are requested to notify to the company, any change in their address immediately.
3. Members are requested to bring their copies of the annual report to the meeting.
4. The members registers and share transfer books shall remain closed from Tuesday, the 28th day of September 2004 to Thursday, the 30th day of September, 2004 (both days inclusive).
5. In case you intend to raise any queries in the forthcoming Annual General Meeting, you are requested to forward the same at least 7 days before the date of the meeting so that the same may be attended to appropriately to your entire satisfaction.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to section 173 (2) of the companies act, 1956. For item No. 4 of business.

Item No. 04.

Mr. Nirmal Kumar Chopra was appointed as additional director of the company w.e.f. 23.08.2004 by the Board of Directors of the company. According to the provisions of Section 260 of the companies Act, 1956 he holds office as directors only up to the date of the ensuing Annual General Meeting.

As required under section 257 of the Companies Act, 1956 the company has received notice along with a deposit of Rs. 500.00 from a member signifying his intention to propose the appointment of Mr. Nirmal Kumar Chopra as Director liable to retire by rotation.

Board recommends the adoption of this resolution. No other director is concerned or interested in the resolution except the appointee in respect of his own appointment individually, Sh. Sunil Kumar Chopra and Subhash Chander Chopra being relative of the appointee.

By order of the Board
For SRU SHARE BROKERS LTD.

Sd/-
(Sunil Kumar Chopra)
Director

Sd/-
(Subhash Chander Chopra)
Director

Place: Ludhiana

Dated: 01-09-2004

Director' s Report

Your directors have pleasure in presenting their Ninth Annual Report together with Audited Accounts of your company for the year ended 31st March 2004.

Financial Results (Rs. In Lacs)

	(2003-2004)	(2002-2003)
Income from Operations	3.26	2.95
Total Expenses	2.62	2.32
Gross Profit before depreciation	0.64	0.63
Less: Depreciation	0.40	0.47
Profit after Depreciation	0.24	0.16
Less: Preliminary & Public Issue written off	0.78	0.78
Add: Profit on sales of Investments	NIL	0.41
Less: Loss on sales of Investments	0.07	NIL
Profit available for appropriation	(–) 0.61	(–) 0.21

Dividend :

Due to inadequacy of profits your directors are unable to recommend dividend for the year ending 31st March 2004.

Management Discussions and Analysis

Structural changes in the Capital Market such as ban on age old badla system, introduction of rolling settlement and derivative products has not proved positive for the Capital Market. As a result the market has remained very sluggish in the recent past. However your directors have tried their best to tap each and every opportunity in the market and have saved the company from suffering cash losses during the year under consideration.

Directors

Mr. Rakesh Kumar Uppal director of the company retires at the ensuing Annual General Meeting and has shown his unwillingness for re-appointment.

The Board on 23-08-2004 appointed Mr. Nirmal Kumar Chopra as additional director to hold the office of director and he holds office till the conclusion of the ensuing Annual General Meeting, pursuant to section 257 of the Companies Act, 1956 the company has received request along with a deposit of Rs.500 from a member of the company proposing his candidature for election as director liable to retire by rotation.

Mr. Nirmal Kumar Chopra, aged about 50 years is a graduate in Arts. He has experience of more than 25 years in the business of publishing of books. He also holds directorship in M/s.Evergreen Publication (India) Ltd.

Director's responsibility statement

i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures;

(ii) Appropriate accounting policies have been selected and applied consistently and have made judgement and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the company for the year ended 31st March 2004.

(iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguard the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concerns basis.

Corporate Governance

As per listed agreement with stock exchanges the code of Corporate Governance is already applicable to the company from the financial year 2002-2003. Accordingly report on Corporate Governance is enclosed as per Annexure-I.

Auditors

M/s Chandra Kiran & Co., Chartered Accountants, the statutory auditors of your company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The company has obtained the required certificate from M/s Chander Kiran & Co., Chartered Accountants, Jalandhar, the proposed auditors that if they are appointed will be within the limits laid down by Sec, 224(1B) of Companies Act, 1956.

Auditors' Report

The observations made in the Auditor's Report are self explanatory and therefore, do not call for any further comments as there are no adverse remarks by the Auditors.

Particulars of Employees

No employee is covered by section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. As such the information under this is NIL.

Particulars required to be furnished under the Companies (disclosure of Particulars in the report of Board of Directors) Rules, 1988.

(a) **Parts A and B :** pertaining to conservation of energy and technology absorption is not applicable to the company.

(b) **Foreign Exchange Earnings and outgo :** The Company has neither used nor earned foreign exchange during the year under review.

Name of Stock Exchanges where the Equity Share of the company are listed.

1.The Ludhiana Stock Exchange Association Ltd.

2.The Stock Exchange, Mumbai

3.Delhi Stock Exchange Association Ltd.

4.Jaipur Stock Exchange Ltd.

Annual Listing fee for the year 1998-99, 1999-2000, 2000-2001, 2001-2002, 2002-2003 and 2003-2004 are outstanding for payment as on 31-03-2003 in respect of the Ludhiana Stock Exchange Association Ltd., for the year 2000-2001, 2001-2002, 2002-2003 and 2003-2004 in respect of Delhi Stock Exchange Association Ltd., and for 2003-2004 in respect of Bombay Stock Exchange.

Acknowledgement

Your directors wish to place on record their appreciation of the valuable support given by our client, Bankers, Govt. agencies and share holders.

The Board also takes this opportunity to express its whole hearted appreciation of the dedication and efforts put in by the employees without which the good performance would not have been possible.

By order of the Board

For SRU SHARE BROKERS LTD.

Sd/-	Sd/-
(Sunil Kumar Chopra)	**(Subhash Chander Chopra)**
Director	**Director**

Place: Ludhiana

Dated: 01-09-2004

ANNEXURE -I TO DIRECTORS' REPORT

CORPORATE GOVERNANCE

(a) Company's philosophy

The company firmly believes in practising good Corporate Governance. The company appreciates the values of transparency, professionalism and accountability. The company ensures all the necessary steps required to improve on these aspects on an on going basis.

(b) Board of Directors

The board of directors comprises of five Non-Executive directors. Out of which two are promoters and three are independent directors.

During the year, 7 Board meetings were held on 30.04.2003, 31.05.2003, 31.07.2003, 03.09.2003, 03.10.2003, 31.10.2003 and 31-01-2004.

The attendance of directors of the Board meeting held during the year and at the last Annual General Meeting as also the number of other directorship/membership of committees are as under:

Name of Director	Designation	No. of Board Meetings Attended	Attendance at last AGM	No. of other Directorship	Committee
Rakesh Kumar Uppal	Promoter	4	Yes	3	
Vivek Kumar Uppal	Promoter	4	Yes	2	
Raj Mittal	Independent	4	Yes	1	
Sunil Kumar Chopra	Independent	7	Yes	1	
Subhash Chander Chopra	Independent	7	Yes	1	

(C) Audit Committee :

1. Terms & References

The terms of references of Audit Committee includes review and discussion with the auditors about internal control system, the scope of audit including the observations of the auditors, and the review of quarterly, half yearly and annual financial statements before they are submitted to the Board of Directors.

2. **Composition**

The audit committee of the Board of Directors was formed in 2003 (24-03-03) and as on today it comprises of three non-executive Independent Directors. The committee met once during the year ending 31-03-2004.

Name of Member	Status	No. of meetings Attended
Raj Mittal	Chairman	5
Subhash Chander Chopra	Member	5
Sunil Kumar Chopra	Member	5

(D) Remuneration policy of Directors

The company does not has any policy to pay commission on profits to any director of the company. No remuneration was paid to the directors during the year. As such there was no need to constitute a remuneration committee.

(E) Shareholder's Committee

The company has a committee to look into issues relating to shareholders and focus primarily on Share Transfers, redressals of shareholders and investor's complaints and matters relating thereto. The chairman of the committee is Sh. Sunil Kumar Chopra, a non-executive director. Sh. Vivek Kumar Uppal, is the compliance officer. No share holder's complaint was received during the year under consideration as such no complaint was pending as on 31-03-2004. No share is pending for transfer as on 31-03-2004.

(F) General Body Annual General Meeting

The details of last three annual general meetings are given below:

Year	Day & Date	Time	Location
2002-03	Tuesday, 30.09.2003	9:00 AM	Plot No. B-29-544/2, Guru Ram Dass Road Dhandari Kalan, Ludhiana.
2001-02	Monday, 30.09.2002	9:00 AM	Plot No. B-29-544/2, Guru Ram Dass Road Dhandari Kalan, Ludhiana.
2000-01	Friday, 28.09.2001	9:00 AM	Plot No. B-29-544/2, Guru Ram Dass Road Dhandari Kalan, Ludhiana

No postal ballots were used for voting at these meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot. Further, no Extra Ordinary General Meeting was held during the year 2003-2004.

(G) Disclosures :

1. During the year, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the company.
2. There is no instance of non-compliance on any matter related to capital markets, during the last three years.

(H) Means of communications :

Quarterly results are published in prominent daily newspapers viz Chardhikala Business Times and Chardhikala (Punjabi) and also informed to all the stock exchanges where the shares are listed through post/by hand.

Management discussion & analysis forms part of the Director's Report sent to the shareholders.

(I) General Shareholder Information

1. **Date of AGM** : 30.09.2004

   Day : Thursday

   Time : 9:00 AM

   Venue : S.C.O.12, Basement Feroz Gandhi Market, Ludhiana

2. **Financial Calendar :**

Annual results of previous year	Sep. 2004
Financial results for the first quarter ending 30-06-2004	July 2004
Financial results for the second quarter ending 30-09-2004	Oct. 2004
Financial results for the third quarter ending 31-12-2004	Jan. 2005
Financial results for the forth quarter ending 31-03-2005.	April 2005
AGM for the year ending, March, 2005	Sep. 2005

3. **Day of Book Closures**

   28th day of September, 2004 and 30th day of September 2004 (both days inclusive).

4. **Dividend payment date** : N.A
5. **Listing on stock exchanges** : Ludhiana, Mumbai, Delhi and Jaipur.
6. **Stock Code** :

Ludhiana	SRUS
Mumbai	30733
Delhi	19472
Jaipur	Not available

7. **Stock Market Date** : as per stock exchanges records.
8. **Performance in comparison to board-based indices such as Sensex. Crisil Index etc.** : As per stock exchanges records.
9. **Registrar and transfer Agents :** All the related work is handled in house at the Registered office of the company.

10. Share transfer system : Share transfer would be registered and returned within a period of 30 days from the date of receipt, if the documents are in order in all respects. The share transfer committee holds need based meetings.

11. a) Distribution of Share Holding (as on 31-03-2004) :

Shares of Nominal Value of Rs.		Share Holder No.	% to total	Number of Shares No.	% to total
Up to	5000	621	82.47	71000	2.25
5001	10000	34	4.52	31600	1.00
10001	20000	10	1.33	15500	0.49
20001	30000	8	1.06	20900	0.66
30001	40000	15	1.99	57200	1.81
40001	50000	14	1.86	65400	2.07
50001	100000	11	1.46	83700	2.66
100001and above		40	5.31	2806800	89.05
TOTAL		**753**		**3152100**	

b) Share holding pattern (as on 31-03-2004) :

Category	No. of Shares Held	Percentage of Shareholding (%)
Promoters		
Indian Promoters	16,11,900	51.14
Foreign Promoters	NIL	
Other		
Private Corporate Bodies	5,86,600	18.61
Indian Public	9,53,600	30.25
	31,52,100	100.00

12. Dematerialization of shares and liquidity : The exercise of getting the shares of the company demat is in process.

13. Outstanding GDRs / ADRs / Warrants or any convertible instruments. Conversion data likely impact on equity : N.A

14. Plant Location : N.A.

15. Address for correspondence : SRU SHARE BROKERS LTD.
Sco-12, Basement, Feroze Gandhi Market,
Ludhiana (Pb.) 141001

By order of the Board
For SRU SHARE BROKERS LTD.

Sd/-
(Sunil Kumar Chopra)
Director

Sd/-
(Subhash Chander Chopra)
Director

Place: Ludhiana
Dated: 01-09-2004

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of **SRU SHARE BROKERS LIMITED, LUDHIANA**

We have examined the compliance of the mandatory conditions of Corporate Governance Procedure by SRU Share Brokers Ltd. during the year ended 31st March 2004, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of Corporate as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2004, no investor grievances are pending for a period exceeding one month against the company as the records maintained by the Shareholders/Investors Grievances Committee.

We Further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For CHANDRA KIRAN & CO.
Chartered Accountants

Sd/-
(PARMINDER SINGH)
PROP.
PLACE: Jalandhar City
DATE: This 31st Day of August 2004.

AUDITORS' REPORT

To the members of **SRU SHARE BROKERS LTD.**

We have audited the attached Balance Sheet of SRU SHARE BROKERS LTD. as at 31st March 2004 and also the Profit and Loss Account & Cash Flow Statement for the year ended on that date annexed thereto for the year ended on that date. 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.

We conducted our audit in accordance with 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 amount 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.

As required by the manufacturing and other 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 Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

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 purpose of our audit.

II. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

III. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

IV. In our Opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply 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 2004 and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31st March 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.

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 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 2004.

(b) in the case of the Profit and Loss Account of the profit /loss for the year ended on that date.

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For CHANDRA KIRAN & CO.
Chartered Accountants

Sd/-

(PARMINDER SINGH)

PROP.
PLACE: Jalandhar
DATE: This 31st Day of August 2004.

ANNEXURE REFERRED TO IN PARAGRAPH (1) OF AUDITORS REPORT OF EVEN DATE

(i) (a) The Company has maintained proper records showing full particulars of quantitative details and situations of fixed assets.

(b) all the fixed assets have been physically verified by the management during the year. As explained by the management there is a regular Programme of verification which, in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed by the management during the year.

(c) during the year, fixed assets have been disposed off by the company. According to information and explanations given to us, we are of the opinion that the sale of the assets have not affected the going concern status of the company.

(ii) (a) The stock of securities has been physically verified during the year by the management in our opinion, the frequency of verification is reasonable.

(b) In our opinion, the prescribed procedures of physical verification of stock of securities followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) no discrepancies between the physical stock of securities and the book stock of securities have been found during the year under audit.

(iii) (a) as per the information furnished to us the company has neither granted loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

(v) (a) according to information and explanation given to us, we are of the opinion that the transactions that need to be entered in to the register maintained u/s. 301 of the companies act, 1956 have been so entered.

(b) In our opinion, according to information and explanations given to us, no such transactions are made in pursuance of contracts or arrangement entered in register maintained under Section 301 of the companies act 1956 and of the value of Rs..5,00,000/- or more.

(vi) The company has not accepted any deposits from the public with in the meaning of section 58-A and 58 AA of the Companies Act 1956 and the rules framed there under.

(vii) In our opinion, the company has Internal Audit system commensurate with the size and nature of its business.

(viii) Cost records as required to be maintained under section 209 (I) of the Companies Act 1956 are not applicable to the company.

(ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, excise duty, cess and other material statutory dues if applicable to it.

(b) According to the information and explanations given to us, no disputed amounts are payable in respect of Income-Tax, Wealth Tax, Custom Duty, Excise duty sales tax as on 31st March 2004.

(x) In our opinion, the accumulated losses of the company are not more than 50% of its net worth the company has not incurred cash losses during the financial year covered by the audit and immediately preceding the financial year.

(xi) In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues to a financial institution or bank.

(xii) In our opinion, the company and as per the information given by the management company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities

(xiii) In our opinion, the company is not a chit fund or nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 of the companies (Auditor's Report) order, 2003 are not applicable to the company.

(xiv) In our opinion, the company has maintained proper records of its transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have bee made therein. Since the principal business of company consist of buying and selling of shares or securities, provisions of section 49 (1) are not applicable to the company by virtue of section 49 (4).

(xv) the company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) In our opinion, no term loans is availed by the company during the period under audit.

(xvii) According the information and explanations given to us and on overall examination of the balance sheet of the company we report that the no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term assets.

(xviii) According the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

(xix) According the information and explanations given to us, during the period covered by our audit report the company had not issued debentures.

(xx) According the information and explanations given to us, no money was raised by public issue during the period covered by our audit report.

(xxi) According the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit

For CHANDRA KIRAN & CO.
Chartered Accountants

Sd/-

(PARMINDER SINGH)
PROP.
PLACE: Jalandhar
DATE: This 31st Day of August 2004.

BALANCE SHEET AS ON 31-03-2004

PARTICULARS	SCHUDULE	31-03-2004	31-03-2003
I) **SOURCES OF FUNDS**			
A) **SHARE HOLDERS' FUNDS**			
a) SHARE CAPITAL	I	31,521,000.00	31,521,000.00
b) RESERVE & SURPLUS			0.00
B) **LOAN FUNDS**			
a) SECURED LOANS		0.00	0.00
b) UNSECURED LOANS		0.00	0.00
TOTAL ——————>		31,521,000.00	31,521,000.00
II) **APPLICATION OF FUNDS**			
C) **FIXED ASSETS**	II		
GROSS BLOCK			
LESS : DEPRECIATION			
NET BLOCK			
CAPITAL W.I.P		0.00	111,019.50
D) **INVESTMENTS**	III	0.00	50,000.00

E) **CURRENT ASSETS, LOANS & ADVANCES**	IV	
a) STOCK IN TRADE		194,000.00
b) SUNDRY DEBTORS		32,250.00
c) CASH & BANK BALANCE		305,741.22
d) OTHER CURRENT ASSETS		0.00
e) LOANS & ADVANCES		31,000,000.00
TOTAL A ——————>		**31,531,991.22**

LESS :- CURRENT LIABILITIES & PROVISIONS

a) CURRENT LIABILITIES	179,150.00			
b) PROVISIONS	0.00			
TOTAL B ——————>	**179,150.00**			
NET CURRENT ASSETS (A-B)			31,352,841.22	31,152,825.06
F) MISC. EXP. TO THE EXTENT NOT WRITTEN OFF		V	58,054.90	138,175.90
ACCUMULATED LOSSES			110,103.88	68,979.54
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS		IX		
			31,521,000.00	31,521,000.00

TO ABOVE MENTIONED SCHEDULES FROM AN INTEGRAL PART OF THE BALANCE SHEET.

FOR SRU SHARE BROKERS LTD.

For CHANDRA KIRAN & CO.
CHARTERED ACCOUNTANTS

Sd/-	Sd/-	Sd/-
(SUNIL KUMAR CHOPRA)	**(SUBASH CHANDAR CHOPRA)**	**(PARMINDER SINGH)**
DIRECTOR	**DIRECTOR**	**PROP.**

PLACE : Jalandhar
DATE: This 31st Day of Aug. 2004

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2004

PARTICULARS	SCHUDULE	31-03-2004	31-03-2003
I) **INCOME**			
INCOME FROM OPERATION	VI	326,454.66	295,206.04
TOTAL A——————>		326,454.66	295,206.04
II) **EXPENDITURE**			
ADMN. & ESTABLISHMENT EXPENSES	VII	102,908.50	137,768.00
PERSONNEL EXPENSES	VIII	137,005.00	88,974.00
TOTAL B——————>		239,913.50	226,742.00
PROFIT BEFORE INTEREST & DEPRECIATION (A-B)		86,541.16	68,464.04
FINANCIAL EXPENSES		5,930.00	5,600.00
PROFIT BEFORE DEPRECIATION		80,611.16	62,864.04
DEPRECIATION		40,220.00	46,718.00
PROFIT AFTER DEPRECIATION		40,391.16	16,146.04
PRELIMINARY EXPENSES WRITTEN OFF		13,538.00	13,538.00
SHARE ISSUE EXPENSES WRITTEN OFF		64,678.00	64,678.00
OPERATING PROFIT/(LOSS) FOR THE YEAR		(37,824.84)	(62,069.96)
PROFIT/(LOSS) ON SALE OF INVESTMENTS		(7,299.50)	40,850.00
PROFIT/(LOSS) FOR THE YEAR		(45,124.34)	(21,219.96)
ADD PROFIT/(LOSS) B/F		(68,979.54)	(52,759.58)
TOTAL		(114,103.88)	(73,979.54)
LESS: PROVISION OF INCOME TAX (P.Y.2002-03)			1,000.00
ADD: PROVISION OF I. T (P.Y.99-00) WRITTEN BACK		4,000.00	4,000.00
ADD: PROVISION OF I. T (P.Y.00-01) WRITTEN BACK			2,000.00
PROFIT/(LOSS) TRANSFERRED TO BALANCE SHEET		(110,103.88)	(68,979.54)

ACCOUNTING POLICIES AND NOTES ON ACCOUNT IX

THE ABOVE MENTIONED SCHEDULES FORM AN INTEGRAL PART OF THE PROFIT AND LOSS A/C

For SRU SHARE BROKERS LTD.

For CHANDRA KIRAN & CO.
CHARTERED ACCOUNTANTS

Sd/-
(SUNIL KUMAR CHOPRA)
DIRECTOR

Sd/-
(SUBASH CHANDAR CHOPRA)
DIRECTOR

Sd/-
(PARMINDER SINGH)
PROP.

PLACE : Jalandhar
DATE: This 31st Day of Aug. 2004

SCHEDULE-I

SHARE CAPITAL	AMOUNT (RS) 31.3.2004	AMOUNT (RS) 31.3.2003
AUTHORISED		
4000000 EQUITY SHARE OF RS.10/- EACH	40,000,000.00	40,000,000.00
ISSUED , SUBSCRIBED,CALLED-UP AND PAID UP		
3152100 EQUITY SHARES OF RS. 10/- EACH FULLY CALLED UP AND PAID UP	31,521,000.00	31,521,000.00
	31,521,000.00	31,521,000.00

SCHEDULE -III

INVESTMENT NAME OF THE COMPANY	FACE VALUE (RS)	AMOUNT (RS) 31.3.2004	AMOUNT (RS) 31.3.2003
SHARE APPLICATION MONEY		-	50,000.00
VISHAL HOUSING PVT. LTD.			50,000.00

SCHEDULE -IV

CURRENT ASSETS , LOANS & ADVANCES	AMOUNT (RS) 31.3.2004	AMOUNT (RS) 31.3.2003
a) STOCK IN TRADE	194,000.00	194,000.00
TOTAL A ——————>	194,000.00	194,000.00
b) SUNDRY DEBTORS		
UNSECURED BUT CONSIDERED GOOD		
Outstanding for a Period exceeding six months	32,250.00	1,230,382.50
Other Debts	0.00	0.00
TOTAL B ——————>	32,250.00	1,230,382.50
c) CASH & BANK BALANCE		
Cash in Hand	172,029.57	125,985.57
Balance with schedule banks	133,711.65	116,493.51
TOTAL C ——————>	305,741.22	242,479.08
d) OTHER CURRENT ASSETS		
Tax deducted at source (P.Y. 2002-03)	-	29,991.00
Tax deducted at source (P.Y. 2001-02)	-	12,408.00
TOTAL D ——————>	-	42,399.00
e) LOANS & ADVANCES		
(UNSECURED BUT CONSIDERED GOOD)		
(Recoverable in kind or cash for the value to be received)	31,000,000.00	31,251,066.84
TOTAL E ——————>	31,000,000.00	31,251,066.84
GRAND TOTAL A+B+C+D+E ——————> I	**31,531,991.22**	**32,960,327.42**

CURRENT LIABILITIES & PROVISIONS

f) CURRENT LIABILITIES

Expenses Payable	179,150.00	345,900.00
Other Creditors	-	1,457,602.36
TOTAL F ——————————>	179,150.00	1,803,502.36

g) PROVISIONS

Provision for income tax (P.Y. 2002-03)	-	1,000.00
Provision for income tax (P.Y. 2001-02)	-	3,000.00
TOTAL G ——————————>	-	4,000.00
GRAND TOTAL (F+G) — II	**179,150.00**	**1,807,502.36**

SCHEDULE II

NAME OF ASSETS	GROSS BLOCK OPENING BALANCE	ADDITIONS	SALES	TOTAL	DEPRECIATION upto 31-3-2003	DEPRECIATION FOR THE YEAR	DEP. W/BACK	TOTAL DEPRECIATION	NET BLOCK BALANCE AS ON 31-3-2004	NET BLOCK BALANCE AS ON 31-3-2003
Car	461,867.00		461,867.00	-	351,090.00	40,220.00	391,310.00	-	-	110,777.00
Computer	70,150.00	-	70,150.00	-	69,907.50		69,907.50	-	-	242.50
TOTAL	532,017.00	-	532,017.00	-	420,997.50	40,220.00	461,217.50	-		111,019.50

FOR SRU SHARE BROKERS LTD.

Sd/-
(SUBHASH CHANDER CHOPRA)
DIRECTOR

Sd/-
(SUNIL KUMAR CHOPRA)
DIRECTOR

SUBJECT TO OUR SEPARATE REPORT OF EVEN DATE ATTACHED
FOR CHANDRA KIRAN & CO.
CHARTERED ACCOUNTANTS

Sd/-
(PARMINDER SINGH)
PROP.

PLACE: LUDHIANA
DATED : 31.08.2004

SCHEDULE -V

MISCELLANEOUS EXPENSES TO THE EXTENT NOT WRITTEN OFF	AMOUNT (RS) 31.3.2004	AMOUNT (RS) 31.3.2003
PRELIMINARY EXPENSES	9,641.50	23,179.50
SHARE ISSUE EXPESES	48,413.40	114,996.4
	58,054.90	138,175.90

SCHEDULE -VI

INCOME FROM OPERATION	AMOUNT (RS) 31.3.2004	AMOUNT (RS) 31.3.2003
PROFIT FROM STOCK MARKET OPERATION	319,127.50	(233,801.96)
INTEREST EARNED	2,572.00	529,008.00
REBATE & DISCOUNT	4,755.16	–
	326,454.66	295,206.04

SCHEDULE -VII

ADMN. AND ESTABLISHMENT EXPENSES	AMOUNT (RS) 31.3.2004	AMOUNT (RS) 31.3.2003
PRINING & STATIONERY	2,677.00	10,843.00
COMPUTER MAINTENANCE CHARGES	2,500.00	2,500.00
POSTAGE & TELEGRAM	11,350.00	6,950.00
TELEPHONE EXPENSES	11,054.00	18,068.00
VEHICLE RUNNING & MAINTENANCE EXPENSES	14,461.00	17,645.00
ADVERTISEMENT EXPENSES	13,051.00	12,249.00
FEE & SUBSCRIPTION	42,100.00	43,125.00
A.G.M. EXPENSES	1,675.00	1,270.00
INSURANCE CHARGES	-	4,346.00
ENTERTAINMENT EXPENSES	3,953.00	4,572.00
DEPOSITORY CHARGES	87.50	-
AUDITORS FEE :		
.FOR AUDIT WORKS	-	12,960.00
.FOR TAX AUDIT	-	3,240.00
	102,908.50	137,768.00

SCHEDULE -VIII

PERSONNEL EXPENSES	AMOUNT (RS) 31.3.2004	AMOUNT (RS) 31.3.2003
SALARIES	131,700.00	86,400.00
STAFF WALFARE	5,305.00	2,574.00
	137,005.00	88,974.00

SCHEDULE 'IX' SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS 2003–2004.

1. **Nature of operation**

   The company is dealing in sale purchase of stock of securities.

2. **Significant Accounting Policies**

   The Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on actual basis. Accounting Policies not referred to otherwise are consistent with generally accepted accounting principals.

   (a) Fixed Assets & Depreciation : Fixed Assets are stated at cost of acquisition including Freight, duties, taxes, pre–operative expenses and other incidental expenses relating to acquisition and installations. Depreciation on Fixed Assets is provided on straight-line method in accordance with Schedule XIV of the companies Act 1956 (inserted by companies Amendment Act 1988) on all assets added/disposed off during the year on prorata basis with reference to the month of addition/commercial production.

   (b) Investments : Taken at cost.

   (c) Inventories : Stock in trade is valued at cost.

   (d) Deferred Income Tax : Deferred Income Tax reflects the impact of the previous years timing differences between taxable income & accounting income & of current year timing differences between taxable income & accounting income. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation losses if there is virtually certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. The management expects no immediate profits with certainty, therefore, no deferred tax assets or deferred tax liabilities is accounted for in the books of accounts. Subject to the above-deferred tax asset/ liability is taken at NIL.

   (e) Gratuity : Payment of gratuity Act 1972 is not applicable to the company.

   (f) Patent and Trademarks : N.A

   (g) Miscellaneous Expenses : Expenses in connection with the formation of the company are written off over a period of ten years.

3. **Notes to accounts**

(a) Contingent Liabilities : NIL

(b) Estimated amount of contracts remaining to be executed on Capital Account NIL

(c) Directors Remuneration : NIL

(d) Debit credit balances are subject to confirmation.

(e) None of the employees throughout the financial year was in receipt of remuneration aggregating Rs.24,00,000/- and if employed for part of that year at a Rate which in aggregate was Rs.2,00,000/-

(f) Previous year figures are re–casted and regrouped wherever necessary to make them comparable.

(g) *Additional information pursuant to the provisions of paragraph (3) to 4 (D) of part A of* Schedule VI of the companies Act 1956 together with the other notes is given:

1. **Particulars in Respect of**

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		This Yr.	Last Yr.	This Yr.	Last Yr.	This Yr.	Last Yr.
	N.A	N.A	N.A	N.A	N.A	N.A	N.A

2. **Particulars in Respect of Stocks of Finished Goods and Sales**

CLASS OF GOODS UNIT	OPENING STOCK				CLOSING STOCK				SALES			
	THIS YEAR		LAST YEAR		THIS YEAR		LAST YEAR		THIS YEAR		LAST YEAR	
(Value in Lacs) (Qty in Nos.)	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Stock & Securities	19400	1.94	19400	1.94	19400	1.94	19400	1.94	13650	12.94	26000	5.17

3. **Particulars of Purchases**

Class of Goods	Unit	This Year		Last Year	
(Value Rs. In Lac)	Nos.	Qty	Value	Qty.	Value
Stock & Securities		13650	9.75	26000	7.51

4. **Value of Imports:** N.A
5. **Expenditure in Foreign Currency :** N.A
6. **Earnings in Foreign Currency:** N.A

FOR SRU SHARES BROKERS LIMITED

FOR CHANDRA KIRAN & CO.
CHARTERED ACCOUNTANTS

Sd/-
(SUNIL KUMAR CHOPRA)
DIRECTOR

Sd/-
(SUBASH CHANDAR CHOPRA)
DIRECTOR

Sd/-
PARMINDER SINGH
PROP.

PLACE: LUDHIANA
DATE: This 31st Day of August 2004.

SRU SHARE BROKERS LTD.

BALANCE SHEET & COMPANY'S GENERAL BUSINESS PROFILE
FOR THE F.Y. 2003-2004
(In terms of amendment to Schedule VI Part IV)

I. Registration Details

Registration Number.	State Code	Balance Sheet Date
15406	16	DATE: This 30th Day of June 2004

II. Capital Raised during the year (Amt. In Thousands)

Public Issue	Right Issue	Bonus Issue	Pvt. Placement (Conversion of Debentures)
NIL	NIL	NIL	NIL

III. Position of Mobilization and deployment of funds (Amt. In Thousands)

Total Liabilities	Total Assets
31,700.15	31,700.15

Sources of Funds

Paid Up Capital	Reserve & Surplus
31,521.00	NIL

Secured Loans	Unsecured Loans
NIL	NIL

Applications of Funds

Net Fixed Assets (Including Capital Work in Progress)	Investments
NIL	NIL

Net Current Assets	Misc. Expenditure
31,352.84	58.05

Accumulated Losses

110.10

IV. Performance of the Company (Amt. In Thousands)

Turnover & Other Income	Total Expenditure
326.45	371.58
PROFIT	
Profit before Tax	Profit After Tax
(45.12)	(45.12)
Earning per Share in Rs.	Dividend Rate (%)
NIL	NIL

For CHANDRA KIRAN AND CO.
CHARTERED ACCOUNTANTS.

For SRU SHARE BROKERS LTD.

Sd/-	Sd/-	Sd/-
(PARMINDER SINGH)	(SUNIL KUMAR CHOPRA)	(SUBASH CHANDAR CHOPRA)
PROP. :	DIRECTOR	DIRECTOR

PLACE : JALANDHAR CITY.
DATE: This 31st Day of Aug. 2004

SRU SHARE BROKERS LTD.
REGD. OFFICE : SCO 12 BASEMENT
LUDHIANA

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH 2004 **RS. IN THOUSAND**
PERSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		24.13
ADJUSTMENT FOR		
1. DEPRECIATION	40.22	
2. FOREIGN EXCHANGE	-	
3. INVESTMENTS	-	
4. INTEREST/DIVIDEND	-	
		40.22
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :		64.35
1. TRADE AND OTHER RECEIVABLES	1,491.60	
2. INVENTORIES	-	
3. TRADE PAYABLES	(1,608.09)	(116.49)
CASH GENERATED FROM OPERATIONS		(52.14)
1. INTEREST PAID	-	
2. DIRECT TAX PAID	-	
CASH FLOW BEFORE EXTRAORDINARY ITEMS		
1. EXTRA ORDINARY ITEMS		1.90
NET CASH FROM OPERATING ACTIVITIES		(50.24)
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCAHSE OF FIXED ASSETS	-	
SALE OF FIXED ASSETS	63.50	
ACQUISITION OF COMPANIES	-	
PURCHASE OF INVESTMENTS	-	
SALE OF INVESTMENTS	50.00	
INTEREST RECEIVED	-	
DIVIDEND RECEIVED		
NET CASH FROM INVESTING ACTIVITIES		113.50

C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	-	
PROCEEDS FROM LONG TERM BORROWING	-	
REPAYMENT OF FINANCE LEASE LIABILITIES	-	
DIVIDEND PAID	-	
NET CASH FROM FINANCING ACTIVITIES	-	
NET INCREASE IN CASH AND CASH EQUIVALENTS		63.26
CASH AND CASH EQUIVALENTS AS AT 01-04-2003 (OPENING BAL.)		242.48
CASH AND CASH EQUIVALENTS AS AT 31-03-2004 (CLOSING BAL.)		305.74

FOR CHANDRA KIRAN & CO.
CHARTERED ACCOUNTANTS

For SRU SHARE BROKERS LTD.

Sd/-	**Sd/-**	**Sd/-**
(PARMINDER SINGH)	**(SUBHASH CHANDER CHOPRA)**	**(SUNIL KUMAR CHOPRA)**
PROP.	**DIRECTOR**	**DIRECTOR**

SRU SHARE BROKERS LIMITED

REGD. OFFICE : SCO – 12, BASEMENT,
FEROZE GANDHI MARKET, LUDHIANA - 141001

PROXY FORM

Reg. Folio No.

I/We.....

of..... being a member/member(s) of

SRU SHARE BROKERS LTD. hereby appoint.....

of.....

or failing him/her.....

of.....

as my/our proxy to vote for me/us on my/our behalf at the Nineth Annual General Meeting of the company to be held on Thursday, the 30th September, 2004 at the premises of SCO – 12, Basement Feroze Gandhi Market, Ludhiana and at any adjournment thereof.

Signed this.....Day of ..... 2004.

Signature

Affix a One Rupee revenue stamp

NOTE :

This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the meeting.

— — — — — — — — — — — — CUT HERE — — — — — — — — — — — —

SRU SHARE BROKERS LIMITED

REGD. OFFICE : SCO – 12, BASEMENT,
FEROZE GANDHI MARKET, LUDHIANA - 141001

ATTENDANCE SLIP

(To be handed over at the entrance of meeting hall)
9th ANNUAL GENERAL MEETING - Sept. 30, 2004

I/We hereby record my/our presence at the 9th Annual General Meeting of the Company held on Thursday, 30th September, 2004 at the premises of SCO – 12, Basement, Feroze Gandhi Market, Ludhiana.

Name of the Share holder/Proxy.....L.F. No. .....

Address .....

No. of Shares held.....

Strike out which is not applicable

Signature of Shareholder/Proxy

BOOK - POST

TO

_____

_____

_____

IF UNDELIVERED PLEASE RETURN TO :
SRU SHARE BROKERS LIMITED.
REGD. OFFICE : SCO-12, BASEMENT,
FEROZE GANDHI MARKET,
LUDHIANA - 141001