

20th Annual Report

**BHARAT
BHUSHAN**

**BHARAT
BHUSHAN
FINANCE
COMMODITY
BROKERS
LIMITED**

&

2011-2012

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)

**BHARAT
BHUSHAN**

BOARD OF DIRECTORS	:	SANT KUMARI AGRAWAL ARUN KUMAR GARG NISHA AHUJA VIJAY BHUSHAN JOGESH C. AHUJA KULDEEP GUPTA RAVINDRA SINGH
AUDITORS	:	M/S. P. BHOLUSARIA & CO. 26/11, SHAKTI NAGAR, DELHI - 110007
REGD. OFFICE	:	5-E, RANI JHANSI ROAD JHANDEWALAN EXTN., NEW DELHI - 110055 PHONE NO. 23540997 - 999 43566777
SHARE TRANSFER AGENTS	:	ALANKIT ASSIGNMENTS LTD. 2E/21 ALANKIT HOUSE JHANDEWALAN EXTN., NEW DELHI - 110055 PHONE : 23541234 42541234
BANKERS	:	ICICI BANK LTD. 9A PHELPS BUILDING CONNAUGHT CIRCUS NEW DELHI - 110001

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)



NOTICE OF 20TH ANNUAL GENERAL MEETING-2012

Notice is hereby given that the 20th Annual General Meeting of the Members of M/s Bharat Bhushan Finance & Commodity Brokers Limited will be held at Shri Purushottam Hindi Bhawan Nyas Samiti (Regd.) 11 Vishnu Digamber Marg, Rouse Avenue, New Delhi – 110002 on Friday the 28th September, 2012 at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS

- To receive, consider and adopt the audited balance sheet of the Company as on 31st March 2012 and the Audited Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
- To declare dividend for the year ended 31st March, 2012.
- To appoint a Director in the place of Mr. Kuldeep Gupta who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in the place of Mr. Jogesh Ahuja who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint M/s P. Bholusaria & Co., Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For Bharat Bhushan Finance & Commodity Brokers Ltd.
Nisha Ahuja
Director

Date: July 26, 2012.

Place: New Delhi

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- Members /proxies should bring the enclosed attendance slip duly filled in and signed for attending the meeting.
- The register of Members and Share Transfer Books of the company will remain closed from 21st September, 2012 to 27th September, 2012 (both days inclusive).
- The payment of dividend, as recommended by the Board of Directors, subject to approval of the shareholders at the forthcoming Annual General Meeting, will be made after 15th October, 2012 in respect of shares held in physical form to those members whose names appear in the Register of members of the company after giving effect to all valid share transfers lodged with the company as at the end of business hours on 20th September, 2012 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services (India) Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL).
- Members are requested to:
 - Intimate to the company's Registrar & Share Transfer Agent, changes, if any, in their respective addresses along with pin code number.
 - Quote folio no. / demat account no. in all their correspondence with the Company/ R&T Agent.
- The time limit for transfer of un-paid dividend declared for the financial year 2004-2005 will be expiring in December 2012 and therefore the amount of unclaimed dividend will be transferred to the "Investor Education and Protection Fund". Those who have not yet encashed their dividend warrant for the year 2004-2005 or thereafter are requested to write to the Company or Company's registrar and share transfer Agents.
- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
- As per the provisions of the amended Companies Act 1956, facilities for making nomination is now available to the shareholders of the company in respect of shares held by them. Nomination forms are available for this purpose with the Company & Share Transfer Agents.
- The Shares of your company are listed on the Delhi Stock Exchange and the Bombay Stock Exchange and the annual listing fees upto March 2013, already stand paid to the Stock Exchanges.
- Members are requested to affix their signatures at the space provided for on the attendance sheet annexed to the proxy form and hand over the slip at the entrance to the place of the meeting.
- There will be no gift distribution at the Annual General Meeting.

By order of the Board
For Bharat Bhushan Finance & Commodity Brokers Ltd.
NISHA AHUJA
DIRECTOR

Place: New Delhi

Dated: July 26, 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Industry Trends and Business Analysis

The overall market mood remained negative during the financial year 2011-12; rather the momentum appears downhill due to negative feeds from the western markets. There were not much domestic triggers in the short terms. Macroeconomic worries arising from high oil prices also weighed on the domestic bourses. The uncertain global economy and messy domestic fiscal situation continued to be a major concern. Selling by the Foreign Institutional Investors (FIIs) driven primarily by the global market bleakness and the Indian rupee depreciation, higher interest rates and inflation led to the index falling sharply. The currency slid over 15% this year, the worst performance among Asian currencies.

The Euro zone debt worries continued to linger and become more contagion globally. Thus the negative feeds from both the global and the domestic market resulted in accelerated selling in the Indian market.

The market edged higher in the mid of April, 2011 as the outcome of substantial buying by foreign funds and prediction of normal monsoon for the June-September period boosted investor sentiments as a good rainfall could boost rural sales of automobiles, fast moving consumer goods and consumer durables as showing.

However expectations of normal monsoon were offset by rise in crude oil prices to 2-1/2 year high, inflation at high levels, worries about high interest rates and rising raw material costs.

The key benchmark indices fell in the closing stages April, 2011, as sustained selling by foreign institutional investors weighed on the sentiment. A sharp surge in global crude oil prices over the past few months raised macroeconomic worries. India imports majority of its crude oil requirements and high oil prices raised concerns about widening current account deficit. High oil prices have also raised concerns about higher oil subsidy bill for the government and its negative impact on the government's fiscal position

The government eased rules on foreign investments accordingly foreign companies operating in India won't need prior approval from their existing joint-venture partners to operate separately in same business segments in order to promote the competitiveness of India as an investment destination and to be instrumental in attracting higher levels of FDI (foreign direct investment) and technology inflows into the country.

The government also liberalized the rules to allow conversion of non-cash items like import of capital goods, machinery and pre-operative or pre-incorporation expenses into equity with approval from the government. Earlier only external commercial borrowing, lump-sum fee and royalty were allowed to convert into equity.

The key benchmark indices tumbled in May 2011 tracking weak global stocks, sustained foreign fund selling, rise in crude oil prices and on fears high interest rates, worries higher inflation which may impact corporate profitability. However in the mid of the month the key benchmark indices rose after poll results showed the Congress party and its coalition is set to come in power in most of the states, helping allay fears of a political uncertainty.

Early arrival of monsoon in most part of the country at the beginning of the month of June, 2011, did give some positive start for the domestic bourses however, the market corrected following poor global markets, political worries and inflation worries. In the mid of the month the domestic market corrected as the Reserve Bank of India (RBI) raised its key lending rate by 25 basis points to 7.5%, its 10th such move in the last 15 months, after a mid-quarter monetary policy review on 16th June 2011, to tame inflation.

Key benchmark indices extended their winning streak in the end of June 2011, attaining their highest closing level in more than 8-weeks, as sustained buying by foreign funds over the past few sessions, firm global stocks and easing of food inflation in mid-June 2011 boosted sentiments. The recovery helped the Sensex to regain the psychological 18,000 level. A steep fall in crude prices boosted sentiments.

A second bailout package for Greece boosted world stocks in July 2011, pick up in monsoon rains and easing of food inflation helped equities registers gains.

The RBI raised repo rate—its key lending rates by 50 basis points at a policy review on 26th July 2011, to tame high inflation. Key benchmark indices tumbled on 26th July 2011, after a higher-than-expected hike of 50 basis points by the Reserve Bank of India (RBI) in its key lending rate at a policy review.

The stock market regulator Securities and Exchange Board of India (SEBI) made sweeping changes to the takeover code, including raising the threshold that triggers an open offer to 25% from 15%.

Strong bull conviction was the missing word in the domestic bourses during the last stages of July 2011 as the key benchmark indices reached five week closing low. The US and euro zone debt worries weighed heavily on the domestic market, as a result some of the heavy weights Q1FY12 excellent results couldn't trigger any reversal. The domestic inflation also threatens to impact the wider economy. Nervousness in the global markets due to a US debt impasse also weighed on the domestic market. During the month of August, 2011 sustained selling by foreign fund amid concerns about corporate earnings growth, worries over global economic growth and standoff between the government and anti-corruption activist Anna Hazare over the Lokpal Bill, pulled Indian shares lower for the 5th week in a row. The Sensex fell below the psychological 16,000 mark and the Nifty slid below 4,800 level. Besides, growing fears of another recession in the US, the world's biggest economy, dragged the market lower.

FIIs had sold shares worth a net Rs 10833.60 crore in August 2011.

Commercial banks raised lending rates after the Reserve Bank of India (RBI) in late July raised its key lending rate by a steeper-than-expected 50 basis points at a policy review. Fears of a possible US double-dip recession and worsening European sovereign-debt woes pushed Indian shares to 13-1/2-month lows on 5th August 2011. Gains in European shares triggered by a fall in crude oil prices aided a recovery in Indian shares on 22nd August 2011. The positive global cues helped Indian shares register gains for the second day in a row on 23rd August 2011. Key benchmark indices slumped to 18-1/2-month lows on 26th August 2011 as foreign institutional investors (FIIs) have pressed heavy sales this month amid the ongoing credit crisis in the euro zone.

During the month of September, 2011, amid huge volatility key benchmark indices edged higher buoyed by European policy makers' efforts to support European countries struggling with debt. Good monsoon rains also aided sentiment. Easing of overseas borrowing rules by the government which will help Indian firms tap cheaper cash abroad boosted sentiment.

Sustained buying by foreign funds in the month of October, 2011 underpinned sentiment The market rose with the barometer index BSE Sensex settling above the psychological 17,000 mark and the S&P CNX Nifty regaining the psychological the 5,000 level.

On 25th October, 2011 the RBI announced a 25 basis points hike in its key policy rate viz. the repo rate to 8.5% after half-yearly review of the monetary policy. In the month of October the food inflation accelerated to a six-month high, propelled by soaring vegetable prices.

Aggressive selling by the Foreign Institutional Investors (FIIs) driven primarily by the global market bleakness and the Indian rupee depreciation led to the index

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falling sharply during the months of November and December 2011. The Euro zone debt worries continued to linger and became more contagion globally. Concerns over slowing growth, weak corporate earnings and a faltering rupee affected investor sentiment adversely. Fears of a global economic slowdown also weighed on Indian stocks. Besides the euro zone fears the continuous rise in domestic food inflation remained major worry for the market. The domestic industry growth slowdown due to price inflation, credit squeeze and various other macro issues loomed largely over the market.

Heavy sell-off pushed the key benchmark indices to their lowest level in 28 months on 20th December 2011, its lowest closing level since 21 August 2009. Key benchmark indices tumbled to hit their lowest level in more than two years after the Reserve Bank of India spoiled sentiments by keeping cash reserve ratio (CRR) unchanged, despite tight liquidity in the system. Higher-than-expected inflation reading for November 2011 and a decline in industrial production in October 2011 also dampened sentiment. Plans to allow foreign multi-brand retailers to open shop in India were also suspended.

The Indian market had an impressive start for the year 2012 helped by the governments move to allow qualified foreign investors to invest directly in local equities. The improvement in manufacturing activity in December 2011 and a steep decline in food inflation to the negative territory helped the markets further. Taking cues from the global markets, the Indian market continued its upward trajectory as the Foreign Institutional investors (FIIs) continued buying Indian stocks during the month of January, 2012. The market seems to have discounted all the global and domestic negatives and has surprised many market watchers during the said month. The Indian rupee too strengthened against the dollar. Investors cheered the Central bank's move to cut the cash reserve ratio (CRR) requirement for banks by 50 basis points at a quarterly policy review on 24th January 2012. Food inflation hovered in negative terrain also boosted sentiment. Investors were also encouraged with stepping up of buying of Indian stocks by foreign funds. The barometer index, BSE Sensex, regained the psychological 17,000 mark on 31st January, 2012.

Meanwhile, market regulator Securities & Exchange Board of India (SEBI) has allowed auctioning of securities through stock exchanges and introduced a new method for institutional placement of stocks. As per the auctioning route, a special window can be used by promoter stakeholders to sell at least 1% of the paid-up capital of a company. Exchanges will provide a separate window for the offer for sale of shares which will co-exist with the normal trading hours. SEBI also said the auction method can be only used by promoters of top 100 companies based on average market capitalisation for sale of their stakes.

Inflows from foreign institutional investors (FIIs) remained positive in February, 2012 despite the broad based selling in Indian shares. However macroeconomic worries arising from high oil prices weighed on the domestic bourses.

Key benchmark indices edged higher on 12th March 2012 after the Reserve Bank of India (RBI) after market hours on 9th March 2012 announced a reduction of 75 basis points in banks' cash reserve ratio (CRR) requirement to ease liquidity situation in the banking system, in addition firm global stocks boosted sentiment and helped markets to extend gains. The RBI kept its policy rate viz. the repo rate steady at 8.50% at a mid-quarter policy review on 15th March 2012 saying that the risks to inflation have increased due to higher crude prices, the large fiscal deficit and a weakening local currency. Sustained buying of Indian stocks by FIIs also boosted sentiment. However the market declined subsequently due to uninspiring budgetary proposals and weak global markets. Finance Minister Mr. Pranab Mukherjee unveiled Union Budget 2012-13 on 16th March 2012, which set only modest targets for trimming a ballooning fiscal deficit. A lack of clarity on taxation of Participatory Notes (P-notes) has contributed to the volatility in the domestic share market during the month of March, 2012. Key benchmark indices reached their lowest closing level in eight weeks on 26th March 2012. The BSE Sensex lost 308.96 points or 1.78% to 17,052.78, its lowest closing level since 30th January 2012.

The total value of trade of the Indian Commodity Futures Market during the year 2011-12 stood at Rs. 151.89 lakh crore. Trading volumes in India's commodity exchanges in April 2011 to March 2012 has risen 53.89% to Rs 173,69,550.60 cr as against Rs 112,86,676.02 cr, according to market regulator Forward Markets Commission. Trade in agri commodities was around Rs 22 lakh crore last fiscal and was 12.12 per cent of the total trade in all the commodity exchanges in the country, total volume of farm items traded in the 2011-12 fiscal was 4,942.09 lakh tonnes, which was 35.23 per cent of the volume of all commodities traded at the exchanges. Top five commodities — silver, gold, crude oil, copper & nickel — generated 86.8 per cent of business on the country's largest commodity exchange, the Multi Commodity Exchange (MCX). Soy oil, rapeseed/mustard seed, chana, soybean and guar seed remained the leading five performing commodities on India's second largest commodity futures market, the National Commodity & Derivatives Exchange (NCDEX).

2. Operating Results

The profitability of the Company in the current financial year is more or less at par as compared to the profitability of the Company in the previous financial year.

Particulars	(Rs. In Lacs)	
	Current year ended 31 st March, 2012	Previous year ended 31 st March, 2011
Total Income	93.65	90.19
Administrative and other Expenditure	35.64	30.99
Profit after depreciation & tax	46.67	48.23
Reserve & Surplus	383.21	356.19
Current Assets	160.90	235.58
Current Liabilities & Provisions	76.72	128.50
Net Current Assets	84.18	107.08
Share Capital	338.047	338.047

3. Future Prospects and Outlook

Given the robust growth prospects in India, the Company anticipates long-term and stable growth with the goal of achieving sustainable superior returns while managing risks prudently.

The Company as a NBFC engaged predominantly in the business of investment in securities and future prospects are closely linked with the buoyancy of the stock market which apart from political factors is a function of corporate performance and overall economic growth.

The Company has significant quoted investments, which are exposed to fluctuations in stock prices. These investments represent a material portion of the Company's business and are vulnerable to fluctuations in the stock markets. Any decline in the prices of the Company's quoted investments may affect its financial positions and the results of its operations. Nevertheless your company has a well-diversified portfolio of stocks to mitigate any stock market fluctuations and the management continuously monitors market exposure and manages an active portfolio. In the coming years it will be the endeavour of the management to strengthen and expand our portfolio to further penetrate to the Indian stock market.

The commodities broking business is being strengthened with its initiatives to build a diversified commodities trading platforms.

The Management of the Company is moving ahead rigorously for expanding and stimulating the business of commodity trading apart from strengthening its portfolio and taking effective steps in order to accomplish the goal of enhancing the clientele and market for commodities trading.

4. Risks and concerns

Since the business of the Company pertains to financial and capital-intensive sector, its performances largely driven by the fluctuations in the country's macro economic indicators, country's economic growth, international demand, prices, the government policies towards the industry, interest rate volatility, economic cycle, market risk, liquidity risk and credit risk. The commodity derivatives activity of an organization is subject to regulations, inspections, penalties by Forward Market Commission (FMC). The management of the Company is quick to watch the deterioration in the business outlook and being prone to higher degree of risk moderated the growth parameters. The investment model adopted by the Company continues to be guided by maximization of return on investment, while maintaining emphasis on risk management.

5. Internal control systems and their adequacy

Your Company conducts its business with integrity and high standards of ethical behavior and in compliance with the applicable laws and regulations that govern its business.

The Company has a well-established framework of internal controls in operation supported by standard operation procedures policies and guidelines commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The internal control system is designed to ensure that all financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets. Besides the Audit Committee of the Board of Directors of the Company periodically reviews the functionality and adequacy of the internal control system.

6. Human Resources

Your Company has made sustained efforts to make human resource management practice a strong catalyst in the growth of the Company by helping the creation of a competent human resource pool. The relationship with all the employees continues to be cordial. The management acknowledges the contribution of its employees and the spirit of commitment demonstrated by them in realizing the company's vision. The focus has been to create an environment where performance is rewarded, individuals are respected and associates get opportunities to realize their potential.

DIRECTORS REPORT

Your Directors have pleasure in presenting the 20th Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. In lacs)	
	Fiscal year ended March 31, 2012	Fiscal Year ended March 31, 2011
Total Income	93.65	90.19
Profit before depreciation & Tax	58.00	59.20
Depreciation	1.34	1.19
Profit Before Tax	56.67	58.01
Provision for Taxation	9.99	9.78
Profit After Tax	46.67	48.23
Balance Profit B/F from earlier year	236.21	217.27
Profit available for appropriation	282.88	265.50
APPROPRIATION:		
Transfer to Reserve Fund	9.33	9.65
Proposed Dividend	16.90	16.90
Provision for Dividend Tax	2.74	2.74
Profit C/F to Balance Sheet	253.90	236.21

DIVIDEND

The directors recommend dividend amounting to 50 Paise per share (5%) for the financial year ended 31st March, 2012. If this recommendation is approved at the forthcoming Annual General Meeting, it would involve outflow (excluding dividend tax) of Rs. 16,90,200/-. Dividend tax will be subject to the applicable taxation rates.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Your Company's performance in the financial year under review is similar to the performance in the previous financial year. In terms of profit after tax as its profit after tax in the current

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financial year is Rs. 46.67 Lacs as compared to previous year's profit after tax amounting to Rs. 48.23 Lacs. Despite worsening market conditions during the financial year under review the Company managed to maintain its net profitability as compared to the previous year's performance.

Overall the trend for the domestic market remained bearish as the global portfolio investors are going light on the emerging markets. Besides high interest rate and inflation, the sovereign debt crisis in the Euro zone, the political turmoil in Middle East, crude oil prices hike, the Rupee weakness against the USD continued to threaten domestic growth.

Global concerns continued to put negative pressure in the Indian bourses during the year as the participation of the foreign institutional investors (FII) and portfolio investors remained thin. Strong bull conviction was the missing word in the domestic bourses. The macro mood around the globe was sombre. The commodity markets were also volatile in view of the pressure on global commodity prices. Nevertheless the economy is expected to look up in the second half of the year.

Management Discussion and Analysis of financial condition and results of operation of the Company for the year under review, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, are given as a separate statement in the Annual Report.

COMMODITY MARKET

The Company earned a brokerage on commodity exchange of Rs. 19.90 Lacs in the financial year under review as compared to 8.22 Lacs in the previous financial year reflecting growth potential in this sector. The management of the Company had strengthened the profitability from commodity trading segment and focused on managing costs and prudent use of capital.

Your directors will continue to look for improvements in the business outlook for short and medium term and accordingly adjust its growth targets in the different segments of its business. With more experience in the line and prudent management of the commercial and financial risks, your directors aimed at achieving higher returns from this activity in the years to come.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance and a Certificate from the Practising Company Secretary regarding compliance with conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement with the stock exchanges, have been furnished in the Annual Report and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, your Directors certify as follows: -

- That in the preparation of the annual accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed.
- 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 as at 31st March, 2012 and of the profit or loss of the company for the year under review.
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the directors have prepared the annual accounts for the year ended 31st March, 2012 on a going concern basis.

DIRECTORS

In terms of Section 256 of the Companies Act, 1956 Mr. Kuldeep Gupta and Mr. Jogesh Ahuja, Directors of the company are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. The Board of Directors recommends their re-appointment as Directors.

A brief resume of Directors recommended for appointment/ re-appointment as Director at the ensuing Annual General Meeting, nature of their expertise in specific functional areas, and names of companies in which they hold the directorship and the membership/ chairmanship of committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in section on Corporate Governance in this Annual Report.

Mr. R.C. Mody, Director of the Company resigned from the Directorship of the Company w.e.f. 26.07.2012. In terms of Section 262 of the companies act, 1956, Mr. Arun Kumar Garg has been appointed as a Director of the company w.e.f. 26.07.2012 to fill in the casual vacancy caused by the resignation of Mr. R.C. Mody.

The Board places on record its gratitude for the most invaluable contribution made by Mr. R. C. Mody during his long tenure on the Board of the Company.

There are no other changes in the Composition of the Board of Directors of the Company.

AUDITORS

Your Company's Statutory Auditors, M/S P.BHOLUSARIA & CO., Chartered Accountants, Delhi, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. They are not otherwise disqualified within the meaning of sub-section (3) of Section 226 of the Companies Act, 1956, for such appointment.

PARTICULARS OF EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time are not applicable to the Company, since no employee of the Company was in receipt of the remuneration in excess of the limits as specified in the said rules.

SUBSIDIARY COMPANIES

The company does not have any subsidiary company.

LISTING OF SHARES

The Equity shares of the Company continue to be listed on the Bombay Stock Exchange Limited (BSE) and the Delhi Stock Exchange Association Limited (DSE).

PUBLIC DEPOSITS

The Company has continued its policy for not accepting any public deposits during the year.

STATUTORY INFORMATION

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per The Companies (Disclosure of particulars in the report of Board of Directors) rules 1988, regarding conservation of energy and technology absorption are not applicable.

The company had no foreign Exchange out-go or inflow during the year.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation patronage, assistance and guidance by their business associates, bankers and clients and other business constituents for their continued support throughout the year. Your Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

The Board would like to take this opportunity to express its gratitude to you all, partners in our enterprise, for your confidence, encouragement and unstinting support.

For & on Behalf of the Board of Directors

VIJAY BHUSHAN

DIRECTOR

NIISHA AHUJA

DIRECTOR

Place: New Delhi

Date: July 26, 2012

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorized through principle based standards and not just through a framework enforced by regulation.

Your Company believes that the management is the trustee of all investors' capital and is obligated to maximize shareholders value over the long term, while preserving the interests of all its stakeholders, such as employees, customers, business partners / vendors and the society at large. It is committed to high levels of ethics and integrity in all its business dealings that avoids all conflicts of interest. In order to conduct business with these principles, your company creates simple corporate structures based on business needs and maintains a high degree of transparency through regular disclosures and a focus on adequate control systems.

The objective of your Company is not only to meet the statutory requirements but also to go well beyond it by formulating such systems and procedures so as to make the management completely transparent and institutionally sound. The Company is fully committed to follow the procedures and practices in conformity with clause 49 of the Listing Agreement of the Stock Exchanges, as applicable. Your Directors present the Company's Report on Corporate Governance as under.

Board of Directors

The Board of Directors comprises of 7 directors, out of which 4 directors are non - executive promoter directors, 1 director is non-executive director and 2 directors are independent Directors.

As per the declarations received by the Company, none of the Directors are disqualified under Section 274(1)(g) of the Companies Act, 1956 read with Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003.

The Board is responsible for the management of the business and meets at least once in a quarter for discharging its role and functions and to consider quarterly performance of the Company and financial results. During the year under review, 4 Board Meetings were held on May 25, 2011, July 20, 2011, October 20, 2011 and January 24, 2012. The gap between any two consecutive meetings did not exceed four months. To enable the board to discharge its responsibilities effectively and take informed decisions, the necessary information is made available to the Board through agenda. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings. Requisite information under the statute and as per the all applicable guidelines on Corporate Governance and other material and significant information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last AGM, as also the number of Directorships and Committee position as held by them in other Public Limited Companies as on 31st March, 2012 are given below:

Name of Director	Category of Directorship	Attendance Board Last Meeting	AGM	*No. of other Directorship	**No of the other Board Committee As Chairman	As Member
Mr. Vijay Bhushan	Promoter/ Non-Executive	4	Yes	4	3	1
Mrs. Nisha Ahuja	Promoter/ Non-Executive	4	Yes	1	-	-
Mr. Jogesh C. Ahuja	Promoter/ Non-Executive	4	Nb	1	-	-
Mrs. Sant Kumari Agrawal	Promoter/ Non-Executive	4	Nb	-	-	-
Mr. Ravindra Singh	Independent	2	Nb	1	-	-
Mr. R.C. Mody#	Independent	4	Yes	-	-	-
Mr. Kuldeep Gupta	Independent	3	Nb	2	-	-

Mr. R. C. Mody, Director of the Company resigned from the Directorship of the Company w.e.f. 26.07.2012. In terms of Section 262 of the companies act, 1956, Mr. Arun Kumar Garg has been appointed as a Director of the company w.e.f. 26.07.2012 to fill in the casual vacancy caused by the resignation of Mr. R.C. Mody.

* Directorships in private Limited Companies, Associations, Memberships of Managing committees of various Chambers/ bodies as well as Alternate Directorships are excluded.

**In accordance with clause 49 of listing Agreement, Membership/Chairmanship of only

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the Audit Committees and Shareholders/Investor's Grievances Committees of all Public Limited Companies have been considered.

Brief resume of Directors being re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas is furnished hereunder:

- (i) Mr. Kuldeep Gupta
Mr. Kuldeep Gupta is a commerce graduate from Delhi University and has also cleared intermediate level of Chartered Accountants from Institute of Chartered Accountants of India. He has the extensive experience of more than 20 years in the field of investments and stock market. He is also holding the directorship in M/s Triumph Engineering Limited, Triumph Trading Limited, GNG Stock Holdings Private Limited (Managing Director).
- (ii) Sh. Jogesh Ahuja
Sh. Jogesh Ahuja is a commerce graduate from Shri Ram College of Commerce, Delhi University having extensive experience in the field of marketing, insurance and investment. Currently he is also holding the directorship in M/s Bharat Bhushan Equity Traders Limited and M/s Pushpdeep Builders Private Limited.

CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management personnel. The said Code of Conduct has also been posted on the website of bhinvestments.in.

All the Board members and senior management personnel have affirmed compliance with this Code for the year ended 31st March 2012.

BOARD COMMITTEES

A. AUDIT COMMITTEE

During the Financial Year under review, the audit Committee of the Board comprised of four Non executive Directors majority being independent viz. Mr. Kuldeep Gupta, Mr. Vijay Bhushan, Mr. Ravindra Singh and Mr. R. C. Mody, Independent Director, chairs the Audit Committee. All the members of the Committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and the quality of the financial reporting.

The Composition of the Audit Committee meets the requirements of section 292A of the Companies Act, 1956, and clause 49 of the Listing Agreement. The Company Secretary acts as a secretary of the Audit Committee meeting.

MEETINGS

During the year under review, the Committee met four times held on May 25, 2011, July 20, 2011, and October 20, 2011 and January 24, 2012. The attendance of the members of the meeting was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Vijay Bhushan	Non - Executive	4
Mr. R.C. Mody*	Independent	4
Mr. Ravindra Singh	Independent	2
Mr. Kuldeep Gupta	Independent	3

*Mr. R.C. Mody has resigned from the Directorship of the company on 26.07.2012.

The terms of reference of the Audit Committee are in accordance with the requirements of the Clause 49(II) of the Listing Agreement and as specified by the Board of Directors of the Company.

B. REMUNERATION OF DIRECTORS/REMUNERATION COMMITTEE

As the Company is not having any Executive Director no remuneration is being paid to the directors except sitting fees, therefore, no remuneration committee has been constituted by the Company.

C. SHAREHOLDERS/ INVESTOR GRIEVANCE COMMITTEE

During the Financial Year under review, the Board constituted Shareholders'/ Investors' Grievance Committee comprising of Mrs. Nisha Ahuja, Mr. R. C. Mody, (Independent Director) and Mr. Jogesh C. Ahuja. The Committee is chaired by Mrs. Nisha Ahuja, non-executive director.

The Company has been taking all steps to ensure that Shareholder's/Investor's Grievances activities are given due priority and matters/issues are resolved at the earliest. The Committee reviews complaints received and appropriate action is taken promptly. The Committee also oversees the performance of the Registrars and Transfer Agents and recommends measures to improve the level of investor services. To resolve & redress the investors' complaints an exclusive e-mail ID was created namely, investorgrievance@bharatbhushan.com on which the investors will be able to register their complaints and also take necessary follow-up actions thereon. The said email ID has also been posted on the website. The Company Secretary acts as a compliance officer of the Company.

Pursuant to Circular no. CIR/OIAE/2/2011, dated on June 3, 2011 issued by Securities & Exchange Board of India (SEBI), SEBI has commenced processing of investor complaints in a centralized web based complaints redress system 'SCORES'. According to which complaints pertaining to listed companies will be electronically sent through SCORES at <http://scores.gov.in/Admin> and such companies are required to view the complaints pending against them and submit ATRs alongwith supporting documents electronically in SCORES. As mandated by the aforesaid SEBI circular the Company has submitted necessary documents for registration of the Company under SCORES and for obtaining USER ID and password for logging into SCORES.

During the year the Company received 40 requests/ complaints from shareholders. All the complaints were attended immediately and resolved to the satisfaction of the shareholders. There was no complaint outstanding as on 31st March, 2012.

The committee met at regular intervals to check whether investor correspondences/ grievances are solved within the time frame. Four meetings of Shareholders/Investors Grievance Committee were held during the financial year ended May 25, 2011, July 20, 2011, and October 20, 2011 and January 24, 2012. The attendance of each member of the

Committee is given below:

Name of the member	Status	No. of meetings attended
Mrs. Nisha Ahuja	Non- Executive	4
Mr. Jogesh Ahuja	Non- Executive	4
Mr. R.C. Mody*	Independent	4

*Mr. R. C. Mody has resigned from the Directorship of the company on 26.07.2012

GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Location	Date	Time
2008-2009	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	24.09.2009	11.00 A.M.
2009-2010	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	30.08.2010	11.00 A.M.
2010-2011	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	23.09.2011	11.30 A.M.

DISCLOSURES

a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.**

None of the transactions with any of the related parties were in conflicts with interest of the Company.

b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.**

The Company has complied with all the requirements of the Listing agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties have been levied or Strictures have been passed by SEBI, Stock Exchanges or any other statutory Authority on matters relating to capital markets, in the last three years.

MEANS OF COMMUNICATION

a) QUARTERLY RESULTS

Pursuant to the Clause 41 of the Listing Agreement of the Company with the Stock Exchanges, the Company regularly intimated Quarterly Unaudited as well as Audited financial results to Stock Exchanges immediately after they are taken on record by the Board. Quarterly results were published in "The Pioneer" (English) and "Vir Arjun" (Hindi) at Delhi.

b) Management discussion and analysis forms part of the Report of the Directors.

GENERAL SHAREHOLDERS INFORMATION

1) Annual General Meeting

Date : 28th September, 2012
Venue : Shri Purushottam Hindi Bhawan Nyas Simiti (Regd.)
11 Vishnu Digamber Marg, Rouse Avenue,
New Delhi - 110002
Time : 11.00 A.M.

2) Announcement of Quarterly Results during the year ended 31.03.2012

Quarter ended	Dates of Announcement
June, 2011	: 20 th July, 2011
September, 2011	: 20 th October, 2011
December, 2011	: 24 th January, 2012
March, 2012	: 16 th May, 2012

3) Announcement of quarterly results for the year ended 31.03.2013

Quarter ended	Tentative dates of Announcement
June, 2012	: Last week of July 2012
September, 2012	: Last week of October 2012
December, 2012	: Last week of January, 2013
March, 2013	: Last week of April, 2013 or Last week of May, 2013

4) Book Closure

The dates of the Book Closure are from 21st September, 2012 to 27th September, 2012 (both days inclusive).

5) Dividend

Your Directors recommended payment of dividend 0.50 paise per share subject to the declaration by shareholders in the ensuing Annual General Meeting and will be paid on or after 15th October, 2012.

- 6) A. Equity Shares listed on : The Bombay Stock Exchange
Stock Exchange at & The Delhi Stock Exchange Association Ltd.
B. Annual Listing Fees : Duly paid to both the above Stock Exchanges for the year 2012-13

Stock Code

- A. Trade Symbol at : Bombay Stock Exchange
Stock Exchanges : Stock Code: BHAR BHUSH
Stock No. : 511501
B. Demat ISIN in NSDL and : INE900A01013
CDSL

7) Stock Market data (in Rs./per share) for the period: April 2011 to March 2012

Months	BSE	
	High(Rs)	Low(Rs)
April 2011	11.48	9.52
May 2011	10.54	9.62
June 2011	10.71	9.52
July 2011	11.12	9.65
August 2011	11.17	9
September 2011	10.64	8.06
October 2011	10.69	9.6
November, 2011	11	9.45

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(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)



December, 2011	10.5	9.05
January, 2012	10.05	8.9
February, 2012	11.5	9.25
March, 2012	10.15	8.75

8) **Share Price performance in comparison to broad based indices-BSE Sensex**
Company's share price performance in comparison to BSE Sensex for the financial year 2011-12

Period	Company's share price	BSE Sensex
April 2011	103.27%	98.41%
May 2011	100.20%	95.15%
June 2011	100.69%	96.92%
July 2011	108.13%	93.58%
August 2011	92.26%	85.76%
September 2011	96.73%	84.61%
October 2011	98.71%	91.05%
November 2011	99.21%	82.92%
December 2011	96.92%	79.48%
January 2012	88.29%	88.42%
February 2012	91.96%	91.29%
March 2012	94.74%	89.50%

9. **Registrar and Share Transfer Agents:**
For shares held in Physical Mode / Depository Mode
M/s Alankit Assignments Ltd.
2E/21, Alankit House, Jhandewalan Extn.,
New Delhi – 110 055.
Tel: 23541234/42541234, Email: rta@alankit.com

10. **Share Transfer System**
The Company's Registrars and Share Transfer Agents, M/s Alankit Assignments Ltd. (Alankit), having its registered office at 2E/21 Alankit House, Jhandewalan Extn., New Delhi – 110 055 have adequate Infrastructure to process the share transfers. Share transfer is usually affected within a maximum period of 15 days from the date of receipt, if the documents submitted are in order. The Board of directors confirms all share transfers/transmission. In the demat segment as well Alankit is acting as Registrar for providing the connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

11. **Dematerialisation of Shares**
The shares of the Company are available under dematerialization form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's shares are compulsorily traded in dematerialized form as per SEBI guidelines.

As on 31st March, 2012, 27,44,899 shares have been dematerialized representing 81.2% of the total shares. (27,28,979 shares were in dematerialized form representing 80.729% of the total shares as on 31st March, 2011)

International Securities Identification Number-900A01013 (with NSDL and CDSL)
DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2012

Share holding of nominal value		Shareholders		Share/ Debenture Amount	
Rs.	Rs.	Number	% To Total	Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto 5000		3429	86.766	7148340	21.146
5001 – 10000		313	7.92	2598370	7.687
10001 – 20000		112	2.834	1671940	4.946
20001 – 30000		40	1.012	1000550	2.96
30001 – 40000		17	0.43	619420	1.832
40001 – 50000		8	0.202	379200	1.122
50001 – 100000		11	0.278	779220	2.305
100001 and above		22	0.557	19608960	58.002
Total		3952	100.00	33804000	100.00

12. **SHAREHOLDING PATTERN AS ON MARCH 31, 2012**

CATEGORY	NO. OF SHARES HOLDING	% AGE HOLDING
A. Shareholding of Promoter and Promoter Group		
(1) Indian		
(a) Individuals/ Hindu Undivided Family	1749840	51.76
(b) Central Government/State Government(s)	—	—
(c) Bodies Corporate	—	—
(d) Financial Institutions/Banks	—	—
Any Other	—	—
Sub Total (A 1)	1749840	51.76
(2) Foreign	—	—
(a) Individuals	—	—
(Non- Resident Individuals/ Foreign Individuals)	—	—
(b) Bodies Corporate	—	—
(c) Institutions	—	—
(d) Any other	—	—
SUB – TOTAL (A2)	0	0
(B) Public Shareholding		
(1) Institutions	—	—
(a) Mutual Funds and UTI	500	0.01
(b) Financial Institutions/Banks	—	—
(c) Central Government/State Government(s)	—	—
(d) Venture Capital Funds	—	—

(e) Insurance Companies	—	—
(f) Foreign Institutional Investors	—	—
(g) Foreign Venture Capital Investors	—	—
(h) Any Other	—	—
SUB – TOTAL (B) (1)	500	0.01
(2) Non- Institutions		
(a) Bodies Corporate	109514	3.24
(b) Individuals-		
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1328526	39.30
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	150036	4.44
(c) Non Resident		
(i) Indian	29484	0.87
(ii) OCB	12500	0.37
SUB – TOTAL B((2a)+ (2b)+(2c))	1630060	48.22
Total Public Shareholding (B)	1630560	48.24
C. Shares held by Custodians and against which depository Receipts have been issued	—	—
GRAND TOTAL	3380400	100

13. Address for Correspondence

The Company's registered office is situated at 5-E, Rani Jhansi Road, Jhandewalan Extn., New Delhi – 110055. The shareholders may address their communication / suggestion / queries to:

Bharat Bhushan Finance & Commodity Brokers Ltd.
5-E, Rani Jhansi Road, Jhandewalan Extn., Delhi-110055
Phone: (011) 43566777, 23540997-8-9, Fax: (011) 23540996

Email: commodities@bharatbhushan.com, investor@grievance@bharatbhushan.com

14. Transfer of unclaimed amount to the Investor Education and Protection Fund:

The Investors are advised to claim the unclaimed dividends for the year 2004-2005 onwards lying in the unclaimed accounts of the Company before the same gets credited to the Investor Education and Protection Fund.

During the year under review the Company has credited a sum Rs. 1,15,279/- (Rupees one Lac Fifteen Thousand Two Hundred Seventy Nine) unclaimed dividend for the year (2003-2004) to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Since the company is having Manager Finance responsible for looking in to the financial operations of the Company, hence the declaration regarding CEO/CFO is given under Clause 49 of the Listing Agreement by Manager Finance which was placed before the Board of Directors of the Company in its meeting held on 16th May, 2012.

Place: Delhi

Date: July 26, 2012.

Vijay Bhushan

Director

Dear Sirs,

Sub: CEO/CFO Certificate

(Issued in accordance with provision of clause 49 of the listing Agreement)

Dear Sirs,

a) We have reviewed the financial statements and the cash flow of Bharat Bhushan Finance & Commodity Brokers Ltd. ('the Company') for the year ended 31st March 2012 and to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and Audit committee:

- Significant Changes in the internal control over financial reporting during the year;
- Significant changes in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements;
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 16th May, 2012.

Satish Aggarwal
Manager Finance

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

TO THE MEMBERS OF BHARAT BHUSHAN FINANCE AND COMMODITY BROKERS LIMITED (formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)

We have examined all the relevant records of Bharat Bhushan Finance & Commodity Brokers Limited for the purpose of certifying compliance of the conditions of corporate governance under clause 49 of the Listing Agreement with Stock Exchanges of the financial year ended March 31, 2012. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification. 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

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

For PS & Associates
Company Secretaries
Pawan Sharma
(Partner)
C.P. No. 5127

Place : New Delhi
Date : 26/07/2012

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)



Auditors' Report

To the Members,

Bharat Bhushan Finance & Commodity Brokers Ltd.

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)

(i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 2012.

(ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and

(iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

We have audited the attached Balance Sheet of Bharat Bhushan Finance & Commodity Brokers Ltd. (Formerly Known as Bharat Bhushan Share & Commodity Brokers Ltd.) as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement 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.

FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
PAWAN BHOLUSARIA
PARTNER
M.NO.80691
FRN:000468

1. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the statements. An audit also included assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Place: New Delhi
Date: 16/05/2012

ANNEXURE TO AUDITOR'S REPORT

(RE: BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LTD.)

(Formerly Known as Bharat Bhushan Share & Commodity Brokers Ltd.)

Referred to in Paragraph 2 of our report of even date for the year ended 31st March, 2012

2. As required by the Companies (Auditor's Report) Order 2003 (as amended) 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 hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinions, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the Balance Sheet Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) As per the information and explanations given to us, none of the directors of the Company is disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and other notes on accounts and annexures thereon 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;

i.) In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. The Company has not disposed of substantial part of fixed assets during the year and therefore going concern status of the Company is not affected.

ii.) In respect of its inventories:

- a. According to the information and explanations given to us the Inventories have been physically verified by the management during the year at reasonable Intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The company has maintained the proper records of inventories. The discrepancies noticed on verification between the physical verification and the book records were not material and have been properly dealt with in the books of accounts.

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)



- iii.) The Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
- Accordingly, paragraphs 4(iii)(a) (b), (c), (d), (e), (f) and (g) of the order are not applicable.
- iv.) In our opinion and according to the information and explanation given to us, there is adequate internal control System commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor we have been informed of any instance of major weaknesses in the aforesaid Internal Control System.
- v.) In respect of transactions covered under Section 301 of the Companies Act, 1956:
- a. According to the information and explanations given to us, the particulars of contracts or arrangements, that needed to be entered into in the register required to be maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi.) The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act.
- vii.) According to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
- viii.) The nature of business activities is such that clause 4(viii) of Companies (Auditors Report) 2003 regarding maintenance of cost record, is not applicable to the Company.
- ix.) In respect of statutory dues :
- a. According to the records of the Company and information and explanation given to us, undisputed statutory dues including provident fund, Investor education and protection fund, employee state Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other statutory dues to the extent applicable have been regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of the aforesaid dues which were outstanding as at 31st, March 2012 for a period of more than six months from the date of becoming payable.
- b. According to the information and explanation given to us, there are no dues of Income Tax/Sales Tax/ Wealth tax/Service Tax/Custom tax/excise duty / Cess, outstanding on account of any dispute.
- x.) The Company has not any accumulated losses and also not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi.) As the Company has not any outstanding dues of financial institutions, banks or debenture holders during the year, paragraph 4 (xi) of the order is not applicable.
- xii.) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of Security by way of pledge of shares, debentures and other securities.
- xiii.) As the Company is not a chit fund or a nidhi/mutual benefit funds/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4 (xiii) of the order is not applicable.
- xiv.) According to information & explanation given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures and other investments and timely entries have been made therein. All the shares / debentures / units etc. have been held by the company in its own name or pledged with others except for certain shares pending for dematerialization or bad deliveries pending for rectification.
- xv.) According the information and explanation given to us, during the year , the company has not given any guarantee for loans taken by others from banks or financial Institutions.
- xvi.) According to the information and explanation given to us, during the year, the Company has not obtained any term Loan.
- xvii.) On the basis of overall examination of the balance sheet of the Company and information and explanation given to us, we report that during the year, the company has not raised funds either on short term basis or long term basis.
- xviii.) During the year, the Company has not made any preferential allotment of shares.
- xix.) The company has not issued any debentures during the year.
- xx.) The company has not raised any money by way of public issue, during the year.
- xxi.) In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year nor we have been informed of such case by management.

FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
PAWAN BHOLUSARIA
PARTNER
M.NO.80691
FRN-000468N

Place: New Delhi
Date: 16/05/2012

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)



BALANCE SHEET AS AT 31ST MARCH, 2012

(AMOUNT IN RUPEES)

PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF THE CURRENT REPORTING PERIOD		FIGURES AS AT THE END OF THE PREVIOUS REPORTING PERIOD	
<u>EQUITY AND LIABILITIES</u>					
<u>SHAREHOLDERS FUND</u>					
SHARE CAPITAL	2.1	33804000		33804000	
RESERVES & SURPLUS	2.2	<u>38321553</u>	72125553	<u>35618676</u>	69422676
<u>NON-CURRENT LIABILITIES</u>					
DEFERRED TAX LIABILITIES (Refer Note No.2.12)			79069		94366
<u>CURRENT LIABILITIES</u>					
TRADE PAYABLES		3082298		5778392	
OTHER CURRENT LIABILITIES		1184589		1118043	
SHORT TERM PROVISIONS		<u>3404923</u>	7671810	<u>5908164</u>	12804599
TOTAL			<u>79876432</u>	<u>82321641</u>	
<u>ASSETS</u>					
<u>NON-CURRENT ASSETS</u>					
FIXED ASSETS (TANGIBLE ASSETS)	2.4		662089		696475
NON-CURRENT INVESTMENT	2.5		60568831		58112424
LONG TERM LOAN AND ADVANCES	2.6		2555482		2476180
<u>CURRENT ASSETS</u>					
INVENTORIES		3743534		4227076	
TRADE RECEIVABLES		1215257		2395625	
CASH & CASH EQUIVALENTS		5905016		5375972	
SHORT TERM LOANS & ADVANCES		<u>5226223</u>	16090030	<u>9037889</u>	21036562
TOTAL			<u>79876432</u>	<u>82321641</u>	
SIGNIFICANT ACCOUNTING POLICIES	1				
NOTES ON ACCOUNTS	2				

AS PER OUR REPORT OF EVEN DATE
FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
FRN:000468N

FOR & ON BEHALF OF THE BOARD

PAWAN BHOLUSARIA
PARTNER
M.No. : 080691

KAVITAPAMNANI
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

PLACE : NEW DELHI
DATE : 16/05/2012

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED
(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

(AMOUNT IN RUPEES)

PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF THE CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF THE PREVIOUS REPORTING PERIOD
REVENUE FROM OPERATIONS	2.8	7964291	7562560
OTHER INCOME	2.9	1401003	1456807
TOTAL REVENUE		9365294	9019367
EXPENSES			
EMPLOYEE BENEFIT EXPENSE	2.10	1555401	1400212
DEPRECIATION AND AMORTIZATION EXPENSE		133942	118812
OTHER EXPENSES	2.11	2008978	1698599
TOTAL EXPENSES		3698321	3217623
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		5666973	5801744
EXCEPTIONAL ITEMS		0	0
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		5666973	5801744
EXTRAORDINARY ITEMS		0	0
PROFIT BEFORE TAX		5666973	5801744
TAX EXPENSE:			
(1) CURRENT TAX		1015000	995000
(2) DEFERRED TAX		-15297	-16525
PROFIT/(LOSS) FROM THE PERIOD			
FROM CONTINUING OPERATIONS		4667270	4823269
PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS		0	0
TAX EXPENSE OF DISCOUNTING OPERATIONS		0	0
PROFIT/(LOSS) FOR THE PERIOD		4667270	4823269
EARNING PER EQUITY SHARE:			
(1) BASIC	2.13	1.381	1.427
(2) DILUTED		1.381	1.427
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

AS PER OUR REPORT OF EVEN DATE
FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
FRN:000468N

FOR & ON BEHALF OF THE BOARD

PAWAN BHOLUSARIA
PARTNER
M.No. : 080691

KAVITAPAMNANI
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

PLACE : NEW DELHI
DATE : 16/05/2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2012	CURRENT YEAR ENDED 31ST MARCH, 2011
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	5666.97	5801.74
Adjustments for :		
Depreciation	133.94	118.81
Profit on Sale of Investments	-5522.02	-5505.6
Interest/dividend	-1137.4	-1299.23
Provision for diminution in the value of investments	-0.58	6.92
Excess provision written back	90.59	0.00
Contingent Provision for standard assets	-3.25	12.75
Operating profit before working capital charges	-771.75	-864.61
Adjustment for :		
Trade and other receivables	2420.79	-3161.16
Change in Inventories	483.54	1633.28
Trade payables	-2629.54	3069.34
Cash generated from operations	-496.96	676.85
Direct taxes paid	-1113.08	-940.73
Cash flow before extraordinary items	-1610.04	-263.88
Extraordinary Items		
Net cash from operating activities	-1610.04	-263.88
B. Cash Flow from investing activities :		
Purchase of fixed assets	-99.55	-55.59
Purchase of investments	-65130.77	-48231.95
Sale of investments	68196.39	49447.14
Interest received	486.32	547.92
Dividend received	651.08	751.31
Net cash used in investing activities	4103.47	2458.83
C. Cash flow from financing activities :		
Dividend paid	-1690.2	-1352.16
Tax On Dividend	-274.19	-224.57
Net cash used in financing activities	-1964.39	-1576.73
Net increase in cash and cash equivalents(A+B+C)	529.04	618.22
Cash and cash equivalents (Opening balance)	5375.97	4757.75
Cash and cash equivalents (Closing balance)	5905.01	5375.97

FOR & ON BEHALF OF THE BOARD

PLACE : NEW DELHI
DATE : 16/05/2012

KAVITAPAMNANI
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

PAWAN BHOLUSARIA
PARTNER
M.No. : 080691
FR No. : 000468N

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)

SIGNIFICANT ACCOUNTING POLICIES

(Annexed to and forming part of the statement of accounts for the year ended 31st March, 2012)

A. SYSTEM OF ACCOUNTING :-

- (i) The accounts have been prepared under the historical cost convention except where otherwise stated.
- (ii) The company follows the mercantile system of accounting.

B. REVENUE RECOGNITION :-

- 1. Income / Expenses/ Revenues are accounting for on accrual basis in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India. Accordingly, wherever there are uncertainties in the ascertainment / realization of Income, the same is not accounted for.

C. FIXED ASSETS: -

Fixed assets are stated at cost less depreciation.

D. DEPRECIATION :-

Depreciation is charged on all the assets on the straight-line method in the manner and at the rates specified in schedule XIV to the Companies Act, 1956.

E. INVESTMENTS :-

Investments (long term) are valued at cost less permanent diminution, if any.

F. STOCK IN TRADE :-

Stock in Trade of shares/Debentures/Units etc. is valued at scrip wise lower of cost or net realizable value.

G. DEFERRED REVENUE EXPENDITURE :-

Preliminary and share issue expenses are amortized over a period of Ten years.

H. EMPLOYEES BENEFITS:-

Employee benefits are recognized / accounted for on the basis of revised AS-15 detailed as under:-

- (a) Short term employee benefits are recognized as expense at the undiscounted amount in the profit & loss account of the year in which they are incurred.
- (b) Employee benefits under defined benefit plans comprise of gratuity which is accounted for as at the year end based on actuarial valuation by following the projected unit credit (PUC) method.
- (c) Leave encashment benefits are paid to employees at the year end.
- (d) Termination benefits are recognized as an expense as and when incurred.
- (e) The actuarial gains & losses arising during the year are recognized in profit & loss account of the year without restoring to any amortization.

I. DEFERRED TAXATION:-

Tax liability of the company is estimated considering the provisions of the Income Tax Act, 1961. Deferred Tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

J. IMPAIRMENT OF FIXED ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

K. CONTINGENCIES

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)



SHARE CAPITAL

NOTE NO. 2.1

(AMOUNT IN RUPEES)

PARTICULARS	ASAT 31ST MARCH, 2012	ASAT 31ST MARCH, 2011
AUTHORISED		
SHARE CAPITAL		
70,00,000 EQUITY SHARES OF RS.10/- EACH	70000000	70000000
ISSUED , SUBSCRIBED & PAID UP		
33,80,400 EQUITY SHARES OF RS. 10/- EACH FULLY PAID-UP	33804000	33804000
TOTAL	33804000	33804000

- Reconciliation of the number of shares outstanding and amount of share capital as on 31st March 2012 & 31st March, 2011 is as under:

Particulars	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	3380400	33804000	3380400	33804000
Number of shares at the end	3380400	33804000	3380400	33804000

- Particulars of shares in the company held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Vijay Bhushan	765607	22.65%	702226	20.77%
Nisha Ahuja	623114	18.43%	579484	17.14%

RESERVES & SURPLUS

NOTE NO. 2.2

(AMOUNT IN RUPEES)

PARTICULARS	ASAT 31ST MARCH, 2012	ASAT 31ST MARCH, 2011
<i>CAPITAL RESERVE</i>		
BALANCE AS PER LAST ACCOUNT	400	400
RESERVE FUND		
(CREATED PURSUANT TO RESERVE BANK OF INDIA GUIDELINES)		
OPENING BALANCE	8021696	7057042
ADDITION DURING THE YEAR	933454	964654
GENERAL RESERVE		
BALANCE AS PER LAST ACCOUNT	3975658	3975658
PROFIT & LOSS ACCOUNT		
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	23620922	21726700
ADD: PROFIT FOR THE PERIOD	4667270	4823269
LESS: APPROPRIATIONS		
—PROPOSED DIVIDEND	1690200	1690200
—DIVIDEND TAX ON ABOVE	274193	274193
—TRANSFERRED TO RESERVE FUND	933454	964654
TOTAL	38321553	35618676

CURRENT LIABILITIES

NOTE NO. 2.3

(AMOUNT IN RUPEES)

PARTICULARS	ASAT 31ST MARCH, 2012	ASAT 31ST MARCH, 2011
A. TRADE PAYABLES		
SUNDRY CREDITORS	805714	807189
ADVANCES FROM CUSTOMERS	2276584	4971203
TOTAL A	<u>3082298</u>	<u>5778392</u>
B. OTHER CURRENT LIABILITIES		
TDS PAYABLE	12314	7170
UNPAID DIVIDEND *	1172275	1110873
TOTAL B	<u>1184589</u>	<u>1118043</u>
C. SHORT-TERM PROVISIONS		
FOR INCOME TAX	1015000	3535000
FOR DIVIDEND TAX	274193	274193
FOR PROPOSED DIVIDEND	1690200	1690200
FOR DIMINUTION IN THE VALUE OF INVESTMENT	381511	382099
FOR GRATUITY(NET)	34519	13922
FOR STANDARD ASSETS	9500	12750
TOTAL C	<u>3404923</u>	<u>5908164</u>
TOTAL (A+B+C)	<u>7671810</u>	<u>12804599</u>

* no amount was due for transfer to investor education and protection fund as on 31.03.2012
Unclaimed Dividend payable accounts are yet to be reconciled and therefore the same has been taken as per books.

FIXED ASSETS AS ON 31st March, 2012

NOTE 2.4

(AMOUNT IN RUPEES)

PARTICULARS TANGIBLE ASSETS	AS ON 01.04.2011	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	AS AT 31.03.2012	AS AT 01.04.2011	FOR THE YEAR	ADJUSTED DURING THE YEAR	AS AT 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
FURNITURE & FIXTURE	539145	0	0	539145	484291	34128	0	518419	20726	54854
OFFICE EQUIPMENT	1161763	6450	0	1168213	745654	55193	0	800847	367366	416109
DATA PROCESSING MACHINERY	1346152	93106	0	1439258	1229949	19031	0	1248980	190278	116203
VEHICLE	269366	0	0	269366	160057	25590	0	185647	83719	109309
TOTAL	3316426	99556	0	3415982	2619951	133942	0	2753893	662089	696475
PREVIOUS YEAR	3260841	55585	0	3316426	2501139	118812	0	2619951	696475	759702

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)

**BHARAT
BHUSHAN**

NON CURRENT INVESTMENT

NOTE : 2.5

(AMOUNT IN RUPEES)

NAME OF THE COMPANY	ASAT 31ST MARCH, 2012			ASAT 31ST MARCH, 2011	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
A. 1. QUOTED FULLY PAID UP EQUITY SHARES (TRADE)					
ALOK INDUSTRIES LTD.	10/-	10000	219100.00	10000	219100.00
A.P. SCOOTER LTD.	10/-	100	490.00	100	490.00
ADINATH TEXTILES LTD.	10/-	200	3572.00	200	3572.00
AGRO CHEM(PUNJAB) LTD.	10/-	40	2320.00	40	2320.00
AGRO TECH (INDIA) LTD	10/-	800	4061.00	800	4061.00
AMBIC PROTEIN LTD,	10/-	800	4080.00	800	4080.00
AMINSONS FOOD LTD.	10/-	100	4185.00	100	4185.00
ANSAL PROPERTIES & INFRASTRUCTURE LTD.	5/-	4000	1094720.00	4000	1094720.00
AGIO PAPER AND INDUSTRIES LTD.	10/-	100	4575.00	100	4575.00
ADITYA BIRLA AND MONEY LTD.	1/-	0	0.00	50	1900.00
APPOLO SINDHOORI CAPITAL INVST LTD.	1/-	50	1900.00	0	0.00
ARIHANT COTSYN LTD.	10/-	50	788.00	50	788.00
ARIHANT INDUSTRIES LTD.	10/-	450	3693.00	450	3693.00
ARLABS LTD.	10/-	100	2000.00	100	2000.00
ARVIND MILL LTD.	10/-	500	56935.00	500	56935.00
ASHIANA AGRO INDUSTRIES LTD.	10/-	100	2553.00	100	2553.00
B.N RATHI	10/-	50	1001.00	50	1001.00
BESTAVISION ELECTRONIC LTD.	10/-	200	4066.00	200	4066.00
BHARAT NIDHI LTD,	10/-	100	344.00	271	932.00
BHARAT PIPE & FITTINGS LTD.	10/-	200	6574.00	200	6574.00
BHARTIYA INTERNATIONAL LTD	10/-	1000	124562.00	1000	124562.00
BITS LTD.	2/-	8000	40320.00	8000	40320.00
BLB LTD.	1/-	1	26.00	1	26.00
BOMBAY EXTRACTIONS LTD.	10/-	400	6088.00	400	6088.00
BRITISH INDIA STEELS LTD.	10/-	100	1672.00	100	1672.00
CAREW Phipson LTD,	10/-	100	3055.00	100	3055.00
CEAT LTD.	10/-	6	450.00	6	450.00
CENTURY TUBES LTD.	10/-	100	1858.00	100	1858.00
CHEMIEQUIP LTD.	10/-	50	750.00	50	750.00
CHOKHANI INTERNATIONAL LTD,	10/-	700	4585.00	700	4585.00
CITRIC INDIA LTD.	10/-	50	500.00	50	500.00
CITY UNION BANK LTD.	1/-	10000	234196.00	6398	55288.00
COAL INDIA LTD.	10/-	500	122500.00	500	122500.00
DEE PHARMA LTD	5/-	5	100.00	5	100.00
DELTA CORP LTD	1/-	0	0.00	2000	210368.00
DIGITAL EQUIPMEN CO.LTD	10/-	100	8747.00	100	8747.00
DRAVYA INDUSTRIES CHEM LTD	10/-	600	4854.00	600	4854.00
ELB SCHLIFF (INDIA) LTD.	10/-	100	1045.00	100	1045.00
E-GOLD	gm	208	527848.00	8	17254.00
E-SILVER	gm	100	5029.00	100	5031.00
EMKAY SHARES LTD.	10/-	51	3433.00	51	3433.00
EQUIPMENT COND.CABLE LTD.	10/-	100	806.00	100	806.00
ESL LTD(ELECTROSTEEL STEELS LTD)	10/-	10000	110468.00	10000	110468.00
ESSAR SECURITIES LTD.	10/-	80	3514.00	80	3514.00
FEDDERS LLOYED LTD.	10/-	1000	23570.00	1000	23570.00
FISHING FALCONS LTD.	10/-	100	1000.00	100	1000.00
FIBER WEB INDIA LTD.	10/-	200	9622.00	200	9622.00
FORTIS HEALTH CARE	10/-	0	0.00	1000	112010.00
GEOGIT FINANCIAL SERVICE	1/-	1	52.00	1	52.00
GILT PACK LTD.	10/-	100	1820.00	100	1820.00
GROVER LEASING LTD.	10/-	100	1046.00	100	1046.00
GKW LTD.	10/-	10	7361.00	10	7361.00
GOLDEN TOBACCO LTD.	10/-	200	27256.00	200	27256.00
GRAPHITE INDIA LTD.	2/-	33	0.00	33	0.00
GUJARAT B.D. LUGGAGE LTD.	10/-	100	1241.00	100	1241.00
GUJARAT COTSYN LTD.	10/-	200	7666.00	200	7666.00
GUJARAT INJECT LTD.	10/-	500	4810.00	500	4810.00
HAYRANA PETRO CHEMICALS LTD.	10/-	400	6920.00	400	6920.00

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)

**BHARAT
BHUSHAN****NON CURRENT INVESTMENT (Cont.)**

(AMOUNT IN RUPEES)

NAME OF THE COMPANY	FACE VALUE	ASAT 31ST MARCH, 2012		ASAT 31ST MARCH, 2011	
		QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
HINDUSTAN FLUORO CARBONS LTD.	10/-	100	3060.00	100	3060.00
HDFC BANK	10/-	4250	1110716.00	850	1110716.00
HEXAWARE TECHNOLOGIES LTD	2/-	0	0.00	12000	701192.00
HOTLINE TELETUBE COMPONENTS LTD.	10/-	200	3276.00	200	3276.00
ISPL INDUSRTIAL LTD.	10/-	100	1735.00	100	1735.00
INDIA BULLS POWER	10/-	5000	179222.00	5000	179222.00
IFB VENTURE CAPITAL LTD.	10/-	100	4803.00	100	4803.00
INDIA INFOLINE LTD.	2/-	50	6928.00	50	6928.00
ITC LTD.	1/-	12000	1335576.00	12000	1335570.00
INDIA MAIZE & CHEMICALS LTD.	10/-	100	765.00	100	765.00
INDIA POLYFIBERS LTD.	10/-	50	590.00	50	590.00
INDIA SECURITES LTD	1/-	1200	5272.00	1200	5272.00
INDIAN HOTELS LTD	1/-	1230	157920.00	1230	157920.00
INDO JAPAN PHOTO LTD.	10/-	300	3030.00	300	3030.00
INTERNATIONAL CERAMIC LTD.	10/-	400	5544.00	400	5544.00
INTERGRATED KINETIC FIN. LTD.	10/-	100	1500.00	100	1500.00
INDIA CEMENT CAPITAL LTD	10/-	400	8470.00	400	8470.00
INDORAMA SYNTHETICS (INDIA) LTD.	10/-	2000	145640.00	2000	145640.00
JAI MATA INDUSTRIES LTD.	10/-	500	7552.00	500	7552.00
JRG SECURITIES LTD.	10/-	50	2025.00	50	2025.00
JAY PEE INFRATECH LTD.	10/-	9000	514800.00	0	0.00
KARNATAKA CEMENT LTD.	10/-	200	1650.00	200	1650.00
KEDIA AGGLONERATED MARBLED LTD.	10/-	100	1715.00	100	1715.00
KESORAM INDUSTRIES LTD.	10/-	20	3300.00	20	3300.00
KHAITAN HOSTOMB SPINNERS LTD.	10/-	125	1875.00	125	1875.00
KONGRAR INTERGRATED FIBER LTD.	10/-	400	4000.00	400	4000.00
KUNAL ENGINEERING CO.LTD.	10/-	53	1590.00	53	1590.00
LARSON & TOUBRO LTD.	2/-	768	1046816.00		
LOHIA STARLINGER LTD.	10/-	20	1733.00	20	1733.00
LUNAR DIAMONDS LTD.	10/-	200	8510.00	200	8510.00
LLOYD ELECTRIC LTD.	10/-	1800	96834.00	1800	96834.00
MEGAWARE COMPUTER LTD.	10/-	100	1545.00	100	1545.00
MANAPPURAM GENERAL FINANCE LTD	2/-	2000	163825.00	1000	163825.00
MAN INDUSTRIES INDIA LTD.	5/-	200	2500.00	200	2500.00
MANGLORE CHEM. & FERT. LTD.	10/-	100	2650.00	100	2650.00
MANSAROVAR PAPER & IND. LTD.	10/-	260	3932.00	260	3932.00
MAX INDIA LTD.	2/-	0	0.00	1000	189970.00
MAHINDRA & MAHINDRA LTD.	5/-	400	275248.00	0	0.00
MICRO ACCESSORIES LTD.	10/-	100	2050.00	100	2050.00
MINERVA HOLDING LTD.	10/-	5	2828.00	5	2828.00
MINI DIAMONDS (INDIA) LTD.	10/-	100	2051.00	100	2051.00
MIRNAL TEXT. (INDIA) LTD.	10/-	100	2802.00	100	2802.00
MODERN INSULATORS LTD.	10/-	50	740.00	50	740.00
MODI INDUSTRIES LTD.	10/-	100	1801.00	100	1801.00
MOHAN MEAKIN LTD.	5/-	100	1285.00	100	1285.00
MORDERN SHARE & STOCK BROKERS	10/-	50	763.00	50	763.00
MUKESH STEEL LTD.	10/-	100	2550.00	100	2550.00
NAGURJUNA FINANCE LTD.	10/-	200	6404.00	200	6404.00
NAHAR INVESTMENT	5/-	28	4894.00	28	4894.00
NAHAR SPINNING MILLS LTD	5/-	22	3846.00	22	3846.00
NAVINON LTD.	10/-	200	10516.00	200	10516.00
NELCO LTD.	10/-	1500	238635.00	1500	238635.00
NETWORTH STOCK BROKING LTD.	10/-	50	2503.00	50	2503.00
NIRAJ PETRO CHEMICALS LTD.	10/-	100	745.00	100	745.00
NIRUP SYNCHROME LTD.	10/-	400	6442.00	400	6442.00
NODURON FOUNDER (MAHARASHTRA) LTD.	10/-	50	2289.00	50	2289.00
NORTHERN DIGITAL EXCHANGE LTD.	10/-	100	1391.00	100	1391.00
NOVA IRON & STEELS LTD.	10/-	300	2673.00	300	2673.00

NON CURRENT INVESTMENT (Cont.)

(AMOUNT IN RUPEES)

NAME OF THE COMPANY	ASAT 31ST MARCH, 2012			ASAT 31ST MARCH, 2011	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
NTPC LTD.	10/-	4000	376440.00	4000	376440.00
ORISA SPONG LTD.	10/-	200	135306.00	200	135306.00
ONGC LTD.	5/-	7500	1707487.00	7500	1707487.00
OCEAN INFRASTRUCTURE LTD.	10/-	500	5780.00	500	5780.00
ORKAY SILK LTD.	10/-	200	2324.00	200	2324.00
OSWAL AGRO FURANE LTD.	10/-	200	2580.00	200	2580.00
OSWAL CHEMICALS & FERT. LTD.	10/-	200	6952.00	200	6952.00
POWERGRID CORPORATION	10/-	1200	132384.00	1200	132384.00
PNB MUTUAL FUND	10/-	150	1242.00	150	1242.00
PUNJAB NATIONAL FERTILISERS & CHEMICAL LTD.	10/-	100	1949.00	100	1949.00
POLAR LATEX LTD.	10/-	300	8319.00	300	8319.00
POLAR MARMO AGGLOMERATED LTD.	10/-	200	3392.00	200	3392.00
PARTAP STEEL ROLLING MILLS (1934) LTD.	10/-	200	3454.00	200	3454.00
PREMIER VINYL FLOORING LTD.	10/-	125	3950.00	125	3950.00
PIRAMAL HEALTHCARE LTD.	2/-	1500	742495.00	3345	1638960.00
PTL LTD.	2/-	2000	85180.00	10000	304438.00
PSL LTD	10/-	1000	141280.00	1000	141280.00
PUNJ LLOYD LTD.	2/-	1200	446763.00	1200	446763.00
R.S.SOFTWARE LTD	10/-	1280	83690.00	1280	83690.00
RADHA KRISHNA CEMENT LTD.	10/-	100	1398.00	100	1398.00
RAJASTHAN BREWERIES LTD.	10/-	100	3452.00	100	3452.00
RAJASTAN PERTO SYNTH. LTD.	10/-	100	2920.00	100	2920.00
RELIANCE BROADCAST NETWORK	5/-	2000	107944.00	2000	107944.00
RELIANCE CAPITAL LTD.	10/-	50	1665.00	50	1665.00
RELIANCE COMMUNICATION LTD.	5/-	2954	460913.00	2954	460913.00
RELIANCE INFRASTRUCTURE LTD.	10/-	75	9373.00	75	9373.00
RELIANCE POWER LTD	10/-	738	175792.00	738	175793.00
RELIANCE INDUSTRIES LTD.	10/-	2218	1107890.00	2218	1107890.00
RELIANCE MEDIA WORKS	5/-	1000	428595.00	1000	428595.00
RICHMEN SILK LTD.	10/-	200	2152.00	200	2152.00
RUCHI STRIPS & ALLOYS LTD.	10/-	100	2537.00	100	2537.00
S.M ENERGY TECHNIQUE LTD.	10/-	300	6101.00	300	6101.00
SAMTEL (INDIA) LTD.	10/-	23	1285.00	23	1285.00
SHIVA CEMENT	2/-	2200	18832.00	2200	18832.00
STORE ONE RETAIL LTD.	10/-	2000	64120.00	2000	64120.00
SREI INFRA FINANCE LTD.	10/-	1800	84550.00	1800	84550.00
SENTHUR SHOES LTD.	10/-	100	2152.00	100	2152.00
SHALIMAR WIRE LTD.	2/-	250	7508.00	250	7508.00
SHAMKEN COTSYNL. LTD.	10/-	1000	10000.00	1000	10000.00
SHIVALIK FERTILIZERS LTD.	10/-	100	1217.00	100	1217.00
SHRIYANS STEEL LTD.	10/-	100	1742.00	100	1742.00
SOMKAN MARINE FOOD LTD.	10/-	500	5045.00	500	5045.00
SOL PHARMA LTD,	10/-	2	1955.00	2	1955.00
STERLING BASIC ORGANIC LTD.	10/-	900	9000.00	900	9000.00
SUBHASH DALAL LTD.	10/-	100	3230.00	100	3230.00
SUL INDIA LTD.	10/-	50	1500.00	50	1500.00
SURAJ VANASPATI LTD.	10/-	300	5580.00	300	5580.00
TATA STEEL LTD.	10/-	8100	4260565.00	8047	4234805.00
TIN PLATE COMPANY	10/-	1000	92210.00	1000	92210.00
TAMILNADU INDUSTRIAL EXPLOSIVES LTD.	10/-	100	1415.00	100	1415.00
TATA CONSULTANCY SERVICES LTD.	1/-	2076	991495.00	2076	991495.00
TITAN INDUSTRIES LTD.	1/-	1000	223390.00	0	0.00
THAPAR AGRO LTD.	10/-	100	1795.00	100	1795.00
TOSHA PICTURE TUBE LTD.	10/-	200	2180.00	200	2180.00
U.B. PETRO PRODUCTS LTD.	10/-	300	6696.00	300	6696.00
UCAL POWER SYSTEM LTD.	10/-	200	7472.00	200	7472.00
UNIPON INDIA LTD.	10/-	200	8138.00	200	8138.00
UNITED DRILLING TOOLS LTD.	10/-	100	1952.00	100	1952.00

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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NON CURRENT INVESTMENT (Cont.)

(AMOUNT IN RUPEES)

NAME OF THE COMPANY	ASAT 31ST MARCH, 2012			ASAT 31ST MARCH, 2011	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
UNITECH LTD	2/-	1000	78010.00	1000	78010.00
UTI MASTER PLUS	10/-	400	5444.00	400	5444.00
UTI MASTER SHARE	10/-	350	8995.00	350	8995.00
VITTAMAZDALTD.	10/-	300	2457.00	300	2457.00
VICTOR GASKETS LTD.	1/-	100	0.00	100	0.00
WALLFORT FINANCIAL SERVICES LTD.	10/-	50	1835.00	50	1835.00
WELSPUN GUJRAT LTD.	5/-	1000	255030.00	1000	255030.00
WHIRL POOL WASHING MACHINES LTD.	10/-	100	1245.00	100	1245.00
WIRE & WIRELESS INDIA LTD.	1/-	5000	117750.00	5000	117750.00
ZEE ENTERTAINMENT ENTERPRISES LTD	1/-	210	0.00	210	0.00
ZEE LEARN LTD	1/-	26	0.00	26	0.00
ZEE NEWS LTD.	1/-	500	31405.00	500	31405.00
A.2. FULLY PAIDUP UNQUOTED EQUITY SHARES (NON TRADE)					
Bharat Bhushan Equity Traders Ltd	10/-	250000	2500000.00	250000.00	2500000.00
B. QUOTED FULLY PAIDUP PREFERENCE SHARES (NON TRADE)					
15% Non cumulative Redemable preference shares of Mansarover Paper & Ind. Ltd.	10/-	200	2376.00	200.00	2376.00
9 % Pref Sh. of Shaw Wallace Gelatines Ltd.	7/-	400	4000.00	400.00	4000.00
C. QUOTED FULLY PAIDUP DEBENTURES (TRADE)					
15 % Secured Fully Redemable NCD of Apple Leasing & Ind. Ltd.	50 /-	20	802.00	20.00	802.00
14 % Secured Redeemable NCD of castrol ind ltd	100/-	2	145.00	2.00	145.00
Zero Interest Secured NCD of Mukerien papers ltd	70/-	900	63000.00	900.00	63000.00
D. FULLY PAID-UP UNQUOTED UNITS IN MUTUAL FUNDS (TRADE)					
DWS ULTRA SHORT TERM FUND	-	318832.817	5000000.00	318832.817	5000000.00
ICICI PRUDENTIAL LIQUID PLAN GROWTH	-	0	0.00	770000	7700000.00
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES S-6	-	300000	3000000.00	0	0.00
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES S-59	-	800000	8000000.00	0	0.00
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES S-62	-	800000	8000000.00	0	0.00
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES S-63	-	800000	8000000.00	0	0.00
JP MORGAN INDIA SHORT TERM INCOME FUND	-	74741.646	850232.00	0	0.00
SBI DEBT FUND SERIES 370 DAYS-12	-	530000	5300000.00	530000	5300000.00
TATA FIXED MATURITY PLAN SERIES 36	-	400000	4000000.00	0	0.00
LIC MF SAVING LTD.	-	0	0.00	551621.502	8317167.00
UTI TREASUREY ADVANTAGE FUND	-	1182.139	3200000.00	7164.765	8853609.00
BENCHMARK MF GOLD	1000/-	0	0.00	100	168717.00
E OTHER NON CURRENT INVESTMENTS					
WARRANTS (NON TRADE)					
DCM Shriram Industries Ltd.	-	288	0.00	288.00	0.00
Mukerian Paper Ltd.	-	900	0.00	900.00	0.00
Usha Ispat Ltd	-	100	300.00	100.00	300.00
Vardhman Polytex Ltd.	-	1400	0.00	1400.00	0.00
GRAND TOTAL		3643560	60568831.00	2603115	58112424.00

NOTES:

NATURE OF INVESTMENT:-

QUOTED INVESTMENT

— Cost Price	20718299	20441348
— Market Price	22654605	23827099

UNQUOTED INVESTMENTS

Units of Mutual Funds

— Cost Price	37350232	35170776
— Net Asset Value of units	38854707	36167926

OTHERS

— Cost Price	2500300	2500300
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BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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NON CURRENT ASSETS

NOTE : 2.6

(AMOUNT IN RUPEES)

PARTICULARS	ASAT 31ST MARCH, 2012	ASAT 31ST MARCH, 2011
LONG TERM LOANS AND ADVANCES		
SECURITY DEPOSIT	2555482	2476180
	<u>2555482</u>	<u>2476180</u>

CURRENT ASSETS

NOTE : 2.7

(AMOUNT IN RUPEES)

PARTICULARS	ASAT 31ST MARCH, 2012	ASAT 31ST MARCH, 2011
A. STOCK IN TRADE	3743534	4227076
(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT) (COST OR MARKET PRICE WHICHEVER IS LOWER)		
TOTAL A	<u>3743534</u>	<u>4227076</u>
B. TRADE RECEIVABLES	1215257	2395625
TOTAL B	<u>1215257</u>	<u>2395625</u>
C. CASH AND CASH EQUIVALENTS		
1. BANK DEPOSITS		
—TERM DEPOSIT INCLUDING INTEREST ACCRUED BUT NOT DUE (Term deposit having remaining maturity of more than 12 months)	1649192	1519606
—BALANCE WITH BANK & DEPOSITS	3075284	2747273
—OF WHICH AMOUNT EARMARKED FOR PAYMENT OF UNPAID DIVIDEND	1171910	5896386
		1106790
		5373669
2. CASH ON HAND	8630	2303
TOTAL C	<u>5905016</u>	<u>5375972</u>
D. SHORT TERM LOANS AND ADVANCES*		
LOANS & ADVANCES		
— SECURED	3300000	3200000
— UNSECURED	500000	1900000
INTEREST RECEIVABLE ON LOANS	0	44445
OTHER		
1. ADVANCE INCOME TAX & TAX DEDUCTED AT SOURCE	1299897	3812432
2. SERVICE TAX RECOVERABLE	11049	7928
3. PREPAID EXPENSES	69875	67197
4. ADVANCE RECOVERABLE FROM CUSTOMERS	7602	2887
5. ADVANCE RECOVERABLE FROM EMPLOYEES	37800	3000
TOTAL D	<u>5226223</u>	<u>9037889</u>
TOTAL (A+B+C+D)	<u>16090030</u>	<u>21036562</u>

* In the opinion of the management, current assets, Loans and advances are approximately of the value stated, if realized, in the ordinary course of the business.

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED
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REVENUE FROM OPERATIONS

NOTE : 2.8

(AMOUNT IN RUPEES)

PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2012	PROVIOUS YEAR ENDED 31ST MARCH, 2011
PROFIT/LOSS FROM SALE/PURCHASE AND DIFFERENCE IN SECURITIES DEALING (NET)	-483542	-63918
GAIN ON SALE OF INVESTMENT- TRADE (NET)	5522027	5505599
BROKERAGE / SERVICES CHARGES*	1788402	821653
INTEREST INCOME (GROSS) (INCLUDING TAX DEDUCTED AT SOURCE RS.30310/- PREVIOUS YEAR RS.61847/-)		
— ON LOANS/ICD'S	359767	428262
— ON FIXED DEPOSITS WITH BANKS	<u>126557</u>	<u>119654</u>
DIVIDEND INCOME ON INVESTMENTS- TRADE	523893	394744
DIVIDEND INCOME ON STOCK IN TRADE	127187	356566
TOTAL	<u>7964291</u>	<u>7562560</u>

*Brokerage / Service charges of Rs. 1788402/- (Previous Year Rs. 821653/-) represents brokerage earned from Commodity Trading (NCDEX, NSEL and MCX)

OTHER INCOME

NOTE : 2.9

(AMOUNT IN RUPEES)

PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2012	PROVIOUS YEAR ENDED 31ST MARCH, 2011
OTHER INCOME*	1401003	1456807
(INCLUDING TAX DEDUCTED AT SOURCE - RS.24000/- PREVIOUS YEAR RS.29130/-)		
TOTAL	<u>1401003</u>	<u>1456807</u>

* Other Income includes Rs.1200000/- (Previous year Rs.1456807/-) being amount recovered on account of reimbursement of expenses.

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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EMPLOYEE BENEFIT EXPENSE

NOTE : 2.10

(AMOUNT IN RUPEES)

PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2012	PROVIOUS YEAR ENDED 31ST MARCH, 2011
INCENTIVE(MCX)	46995	18183
MEDICAL EXPENSES	18000	12000
SALARY & BENEFITS(HRA)	1379104	1286513
GRATUITY	39601	17891
LOYALTY BONUS	71701	65625
TOTAL	1555401	1400212

OTHER EXPENSE

NOTE : 2.11

(AMOUNT IN RUPEES)

PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2012	PROVIOUS YEAR ENDED 31ST MARCH, 2011
RENT	24000	24000
REPAIRS & MAINTANANCE	117906	94174
ELECTRICITY EXPENSES	0	338313
POSTAGE, TELEGRAM & TELEPHONE EXPENSES	239920	255639
INSURANCE EXPENSES	9314	13058
MEMBERSHIP & SUBSCRIPTION	286448	76816
PRINTING & STATIONERY	78649	83423
STAFF WELFARE	102256	75475
LISTING FEES	22500	17500
DIRECTORS' SITTING FEE	69000	50000
TRAVELLING & CONVEYANCE	61268	59666
VEHICLE RUNNING & MAINTENANCE	25600	22140
LEGAL AND PROFESSIONAL CHARGES	64500	57400
ADVERTISEMENT EXPENSES	52322	45973
SECURITIES TRANSACTIONS TAX	18818	19239
PROVISION FOR DIMINUTION IN THE VALUE OF LONG TERM INVESTMENT**	-588	6915
CONTIGENT PROVISION OF STANDARD ASSETS	-3250	12750
MISCELLANEOUS EXPENSES	588987	215328
AUDITOR'S REMUNERATION	83809	83500
OFFICE EXPENSES	167519	147291
TOTAL	2008978	1698600

NOTES ON ACCOUNTS

(Annexed to and forming part of the statement of accounts for the year ended 31st March 2012)

2.12 Break-up of Deferred Tax Assets and Deferred Tax Liabilities as at 31st March 2012 comprise of the following:

	AS AT 31 ST MARCH 2012 (IN RS.)	AS AT 31 ST MARCH 2011 (IN RS.)
Deferred Tax Assets		
a) Fixed Assets	—	—
b) Other Expenses	30699	18463
Deferred Tax Liability		
a) Fixed Assets	109768	112829
b) Other Expenses	—	—
Deferred Tax Liability (Net)	79069	94366

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2.13 EARNING PER SHARE (EPS):-

The numerators and denominators used to calculate Basic and Diluted Earning per share:

		Year Ended 31 ST MARCH 2012	Year Ended 31 ST MARCH 2011
Profit after taxation(Rs.)	(Rs.)	4667270	4823268
Less: Income Tax for earlier Years	(Rs.)	—	—
Net Profit available for Equity shareholders	(Rs.) (A)	<u>4667270</u>	<u>4823268</u>
Weighted average no of equity shares Outstanding during the year	(B)	3380400	3380400
Nominal Value of Equity Share (Rs.)		10/-	10/-
Basic/Diluted EPS (Rs.)	(A)/(B)	1.381	1.427

2.14 CONTINGENT LIABILITIES:-

		As at 31 ST MARCH 2012 (IN RS.)	As at 31 ST MARCH 2011 (IN RS.)
a. Claims against the company/disputed Liability not acknowledged as debt (Net)		9006058	9006058
b. Liability in respect of partly paid up Equity Shares		80000	80000

2.15 In the opinion of Management, there is no separate reportable segment in terms of Accounting Standard AS – 17 “Segment Reporting”.

2.16 Quantitative information in respect of shares/debentures/units etc. is as follows:-

	FOR THE YEAR ENDED 31 ST MARCH 2012		FOR THE YEAR ENDED 31 ST MARCH 2011	
	QTY. (in Nos.)	AMOUNT (in Rs.)	QTY. (in Nos.)	AMOUNT (in Rs.)
A) STOCKS:-				
a) SHARES				
OPENING	169033	4227076	169033	5860360
PURCHASES	4500	—	—	—
SALES/REDEMPTION	—	—	3000	1633283
CLOSING	166033	3743534	166033	4227076
b) UNITS OF MUTUAL FUND				
OPENING	1	0	1	0
PURCHASES	—	—	—	—
SALES/REDEMPMENTION	—	—	—	—
CLOSING	1	0	1	0
B) INVESTMENTS: -				
a) SHARES				
OPENING	424366	22686699	401242	18451463
PURCHASES/ ADJUSTMENT	57283	6295481	128633	8909668
SALES/REDEMPTION	64176	6529048	105509	4674432
CLOSING	417473	22453132	424366	22686699
b) UNITS OF MUTUAL FUND				
OPENING	2177719	35339493	179229	35306603
PURCHASES/ADJUSTMENT	2782824	58265072	2673528	39300000
SALES/REDEMPTION	1735686	56085616	2288097	39267110
CLOSING	3224857	37518949	2177719	35339493
c) DEBENTURES				
OPENING	922	63947	922	63947
PURCHASES/ADJUSTMENT	—	—	—	—
SALES/REDEMPTION	—	—	—	—
CLOSING	922	63947	922	63947
d) GOLD				
OPENING	8	17254	—	—
PURCHASE/ADJUSTMENT	200	510595	8	17254
SALES/REDEMPTION	—	—	—	—
CLOSING	208	5278489	8	17254
e) SILVER				
OPENING	100	5031	—	—
PURCHASE/ADJUSTMENT	1000	59628	100	5031
SALES/REDEMPTION	1000	59629	—	—
CLOSING	100	5030	100	5031

2.17 Disclosure as required by Accounting Standard – AS-18 “Related Party disclosure” are as per annexure ‘I’

2.18 Disclosure as required by Para 13 of Non Banking Financial (Non Deposit Accepting on Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 are as per annexure ‘II’.

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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2.19 Disclosure pursuant to Accounting Standard - 15

a) Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (funded)	Gratuity (funded)
	31.03.2012	31.03.2011
Present value of obligations as at the beginning of the year. (A)	315229	270662
Adjustment for increase(Decrease) in opening obligation (B)		
Interest Cost (C)	26794	21653
Current service cost (D)	39876	36705
Benefits paid (E)		
Actuarial loss/(Gain) on obligation (F)	(366)	(13791)
Present value of obligations as on closing of the year (G=A+B+C+D-E+F)	381533	315229

b) The amounts recognized in the balance sheet and Profit & loss account are as follows:

Particulars	Gratuity (funded)	Gratuity (Funded)
	31.03.2012	31.03.2011
Present value of obligation (A)	381533	315229
Estimated fair value of plan assets (B)	339405	296347
Net Liability / (Asset) (C=A-B)	42128	18882
Amounts in the Balance Sheet	31.03.2012	31.03.2011
Liabilities	42128	18882
Amount charged to Profit & Loss Account	31.03.2012	31.03.2011
Current Service Cost	39876	36705
Interest Cost	26794	21653
Expected Return on Plan Asset	(26671)	(20592)
Actuarial(Gain)/Loss	(398)	(19875)
	39601	17891
Head under which shown in the Profit & Loss account	Salary & Other benefits	Salary & Other benefits

(c) Fair value of plan assets

	31/03/2011	31/03/2012
1. Fair Value of plan assets at the beginning of the period	228803	296347
2. Acquisition adjustment	-	-
3. Actual return on plan assets	26676	26703
4. Contributions	40868	16355
5. Benefits Paid	-	-
6. Fair value of plan assets at the end of the period	296347	339405

d) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	Gratuity
Discount Rate	8.5%
Salary Escalation Rate	8.5%

2.20 Operating Lease (Disclosure pursuant to Accounting Standard AS-19 for Leases)

2.21 Minimum lease payments recognized in the statement of profit & loss account during the period ended 31st March 2012 is Rs. 24000/- (Previous year Rs. 24000/-)

2.22 Provision for diminution in the value of investments is charged to Profit & Loss Account and shown correspondingly under the head "Provisions" in the Balance Sheet without showing it as deduction from the value of investment. This is being done in compliance with Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions, 2007)

2.23 Auditor's Remuneration includes:-

	For the year ended	For the year ended
	31st March, 2012	31st March, 2011
Audit Fee	40000	40000
Tax Audit Fee	12500	12500
Taxation Matter	12500	12500
Others	18809	18500
TOTAL	83809	83500

2.24 Previous year figures have been rearranged/regrouped wherever considered necessary.

2.25 All figures have been rounded off to the nearest rupee.

2.26 Additional information Pursuant to Part IV of Schedule VI to the Companies Act 1956, is attached herewith.

2.27 Notes 2.1 to 2.27 form an integral part of the Accounts.

AS PER OUR REPORT OF EVEN DATE

FOR P.BHOLUSARIA & CO.

CHARTERED ACCOUNTANTS

FRN:000468N

FOR & ON BEHALF OF THE BOARD

PAWAN BHOLUSARIA
PARTNER

M.No. : 080691

PLACE : NEW DELHI

DATE : 16/05/2012

KAVITAPAMNANI
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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ANNEXURE 'I'

Referred in Note No. 2.17 of the Note '2' to the accounts:

Related Party disclosures (As Identified by the Management and relied upon by Auditors)

As per Accounting Standard – 18 "Related Party disclosure" issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party as defined in the Accounting Standard are given below:

1 A Where control exists/Key Management Personnel alongwith their relatives

Sh. Vijay Bhushan

Mrs. Nisha Ahuja

- Mrs. Sant Kumari Agarwal

- Sh. Jogesh Ahuja

Director & Mother of (a)

Director & Husband of (b)

Enterprises under common control/enterprises where person described in "A" above is able to exercise significant influence.

- Bharat Bhushan Equity Traders Ltd.

- Bharat Bhushan & Co. (No transaction during the year)

2. Transactions during the year with Related Parties.

Nature of Transactions	Where control exists / Key Management Personnel alongwith their relatives	Enterprises under common control / enterprises where person described in column A. is able to exercise excessive significant influence.
	A	B
I. Sales of securities etc. and other similar transactions	—	7371221
II. Purchase of securities etc. and other similar transaction	(—)	(7789440)
III. Net derivative/difference in share dealing	—	6295481
	(—)	(8688188)
IV. Amount recovered on account of reimbursement of expenses	—	1200000
	(—)	(1456807)
V. Sitting fees	44000	—
	(28000)	(—)
VI. Depository Charges Paid	—	466
	(—)	(1703)
VII. Outstanding Balances as on 31-3-2012	—	2500000
Investments	(—)	(2500000)

Figure in brackets pertains to previous year

ANNEXURE 'II'

Referred in Note No. 2.18 of the Note '2' to the accounts:

Information as on 31st March 2012 required in terms of Paragraph 13 of Non- Banking Financial Companies

Particulars	(Amount in Rupees)	
	Amount Outstanding	Amount Overdue
Liabilities side:		
(1) Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not Paid:		
(a) Debentures : Secured	—	—
: Unsecured	—	—
(other than failing within the Meaning of public deposits)		
(b) Deferred Credits	—	—
(c) Term Loans	—	—
(d) Inter-corporate loans and borrowing	—	—
(e) Commercial Paper	—	—
(f) Public Deposits	—	—
(g) Other Loans (specify nature)	—	—
(2) Break-up of (1) (f) above (Outstanding Public deposits inclusive of interest accrued Thereon but not paid):		
(a) In the form of Unsecured debentures	—	—
(b) In the form of partly secured Debentures ie. Debentures where there is a shortfall in the value of security	—	—
(c) Other public deposits	—	—
Asset side		Amount Outstanding
(3) Break-up of Loan and Advances including Bills receivables [other than those included In (4) below] :		
(a) Secured		3300000
(b) Unsecured including interest receivable		500000
(4) Break-up of Leased Assets and stock on hire And hypothecation loans counting towards EL/HP activities		
(i) Lease assets including lease rentals under Sundry debtors :		
(a) Financial lease		—
(b) Operating lease		—

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(ii) Stock on hire including hire charges under Sundry debtors:			
(a) Assets on hire			—
(b) Repossessed Assets			—
(iii) Hypothecation loans counting towards EL/HP activities:			
Loans where assets have been Repossessed			
(b) Loans other than (a) above			—
(5) Break-up of Investments :			
Current Investments :			
1. Quoted :			
(i) Shares : (a) Equity			—
(b) Preference			—
(ii) Debentures and Bonds			—
(iii) Units of mutual funds			—
(iv) Government Securities			—
(v) Others (please specify) warrants			—
2. Unquoted :			
(i) Shares : (a) Equity			—
(b) Preference			—
(ii) Debentures and Bonds			—
(iii) Units of mutual funds			—
(iv) Government Securities			—
(v) Others (please specify) warrants			—
Long-Term investments :			
1. Quoted :			
(i) Shares : (a) Equity			20647976
(b) Preference			6376
(ii) Debentures and Bonds			63947
(iii) Units of mutual funds			—
(iv) Government Securities			—
(v) Others (please specify)			—
-Gold			527848
-Silver			5029
2. Unquoted :			
(i) Shares : (a) Equity			2500000
(b) Preference			—
(ii) Debentures and Bonds			—
(iii) Units of mutual funds			37350232
(iv) Government Securities			—
(v) warrants			300
(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :			
Category	Secured	Amount net of provisions Unsecured	Total
1. Related Parties			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
2. Other than related parties	3300000	500000	3800000
Total	3300000	500000	3800000
(7) Investor group-wise classification of all investments (current and long term) in shares and Securities (both quoted and unquoted):			
Category	Market Value Break up or fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties			
(a) Subsidiaries	—	—	
(b) Companies in the same group	—	—	
(c) Other related parties	10314936	2500000	
2. Other than related parties	59995325	58068831	
Total	69328049	60568831	
(8) Other information			
(i) Gross Non-Performing Assets			
(a) Related parties			—
(b) Other than related parties			—
(ii) Net Non-Performing Assets			
(a) Related parties			—
(b) Other than related parties			—
(iii) Assets acquired in satisfaction of debt			—

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)
REGD. OFFICE : 5E, RANI JHANSI ROAD, JHANDEWALAN EXTENSION, NEW DELHI-110055.

**ATTENDANCE SLIP
20th ANNUAL GENERAL MEETING**

DP Id..... Folio No.
Client ID..... No. of Shares held.....

Member's Name
Complete Address

I/we hereby record my/our presence at the 20th Annual General Meeting of the Company to be held on Friday, 28th September, 2012 at 11.00 A.M.

.....
Member's Signature

If proxy attends instead of Member :
Proxy's Name..... **Proxy's Signature**.....

Note : Members/Proxy holders wishing to attend the meeting must bring their duly filled and signed Attendance Slip with them. **NO GIFT/COUPON WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.**

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PROXY FORM

I/we R/o
being a member/members of Bharat Bhushan Finance & Commodity Brokers Limited hereby appoint Mr./Ms
.....R/o or
failing him/her, Mr./Ms..... R/oas my/our
proxy in my/our absence to attend and to vote for me/us on my/our behalf at the 20th Annual General Meeting of the
Company to be held on Friday, 28th September, 2012 at 11.00 A.M., at Shri Purushottam, Hindi Bhawan Nyas
Samiti (Regd.) 11, Vishnu Digamber Marg, Rouse Avenue, New Delhi-110002 and at any adjournment(s) thereof.

DP Id..... Folio No.
Client ID..... No. of Shares held.....

Proxy's Name

Proxy's Signature

Signature of the Member

Affix
Re. 1/-
Revenue
Stamp

Signed thisday of.....2012

Book - Post

If undelivered please return to :
Bharat Bhushan Finance & Commodity Brokers Ltd.
(Formerly known As Bharat Bhushan Share & Commodity Brokers Ltd.,)
5E, Rani Jhansi Road, Jhandewalan Extension,
New Delhi-110055.