

19th Annual Report

**BHARAT
BHUSHAN**

**BHARAT
BHUSHAN
FINANCE
COMMODITY
BROKERS
LIMITED**

45054040

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2010-2011

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

**BHARAT
BHUSHAN**

BOARD OF DIRECTORS	:	SANT KUMARI AGRAWAL R. C. MODY 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

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NOTICE OF 19TH ANNUAL GENERAL MEETING-2011

Notice is hereby given that the 19th Annual General Meeting of the Members of M/s Bharat Bhushan Finance & Commodity Brokers Limited (Formerly known as Bharat Bhushan Share & Commodity Brokers Limited) will be held at **SHAH AUDITORIUM, 2 RAJNIVAS MARG, CIVIL LINES, DELHI-110054 ON FRIDAY THE 23rd SEPTEMBER, 2011 at 11.30 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 2011 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, 2011.
- To appoint a Director in the place of Mrs. Sant Kumari Agrawal who retires by rotation and being eligible, offers herself for re-appointment.
- To appoint a Director in the place of Mr. R.C. Mody 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 20, 2011.
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 16th September, 2011 to 23rd September, 2011. (both days inclusive).
- The payment of dividend, as recommended by the Board of Directors, subject to declaration by shareholders at the forthcoming Annual General Meeting, will be made after 15th October, 2011 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 15th September, 2011 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 holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through electronic clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.
- 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 2003-2004 will be expiring in December 2011 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 2003-2004 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 2012, 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
Date: July 20, 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Industry Trends and Business Analysis

Volatility ruled the Indian stock market during the financial year ended 31st March, 2011. The key benchmark indices edged higher since last 31 months, many times during the year under review, helped by sustained buying by the foreign investors and strong global markets.

Foreign institutional investors (FIIs) made a baseline for Indian equities, helping stocks register strong gains. FIIs played a significant role in domestic equity markets and their movement (inflow and outflow) caused fluctuation in benchmark indices. The market witnessed a strong post-Budget rally driven by sustained buying by foreign funds since the presentation of the Union Budget 2010-2011 on 26th February 2010. Foreign funds have shown steady interest in Indian equities since the presentation of above budget which emphasised on fiscal consolidation and higher consumption power.

The market attained its highest closing level in more than 25 months on 7th April, 2010. The barometer index BSE Sensex scaled the psychological 18,000 level in intraday trade but it settled below that level. As debt worried the euro zone weighed on investors' sentiment, the barometer index BSE Sensex fell below the psychological 17,000 level after flirting with that level throughout the day on 6th May 2010. The market tumbled in May, 2010 on persistent concerns about the euro zone sovereign debt situation and tougher financial regulations in some developed markets. Investors feared that the euro zone's efforts to tackle its sovereign debt crisis will fall short, jeopardizing the global economic recovery. However anticipation of robust corporate financial performance boosted the domestic bourses after front line companies paid higher advance taxes for the first quarter ended June 2010. Rally in world stocks aided the rally on the domestic bourses as euro zone debt worries eased and the market rose as a result of substantial purchases by foreign funds.

In a major development, the stock market regulator Securities & Exchange Board of India (Sebi) allowed physical settlement of both stock options and stock futures in July, 2010. Prior to that only cash settlement of derivatives was allowed. The Centre and states in July 2010 arrived at a broad consensus on rolling out independent India's biggest tax reforms by introducing the goods and services tax (GST), which is to replace the existing value added tax (VAT), service tax, excise duties and central sales tax among others that will simplify the manner in which corporates, small enterprises and traders will be levied taxes on goods and services. The new indirect tax reform is to streamline the movement of goods and services across India with a single tax structure.

On the macro front, India reported its strongest GDP number since the global financial crisis began, expanding at the fastest pace in 2-1/2 years in Q1 June 2010. The gross domestic product (GDP) grew 8.8% in Q1 June 2010.

Key benchmark indices surged to 2-1/2-year highs on 9th August 2010. The BSE 30-share Sensex rose 143.51 points or 0.79% to 18,297.50, its highest closing level since 5th February 2008. The S&P CNX Nifty gained 46.90 points or 0.86% to 5486.15, its highest closing level since 18th January 2008. Bulls were in command as the key benchmark indices achieved highest closing level second time, in more than 2-1/2-years on 15th August 2010. The BSE 30-share Sensex jumped 197.82 points or 1.08% to 18,454.94, its highest level since 5th February 2008.

Improved rainfall in the year 2010 helped farmers plant various crops over a larger area than last year. The kharif sowing has been 10% more than the drought-hit 2009, leading to optimistic outlook for harvests. Good rains in August 2010 and in the first week of September 2010 strengthened the optimism about a record kharif harvest this season.

The key indices scaled 31-month highs on 6th September 2010, on signs the global economic recovery. Besides strong global cues, robust July 2010 industrial production growth good monsoon in the year 2010 and sustained buying by foreign funds, boosted domestic investor sentiment. Consequently the two key benchmark indices — the barometer index BSE Sensex and the 50-unit S&P CNX Nifty witnessed a fresh 31-month highs on 6th, 8th and 9th September 2010, respectively. Strong momentum and substantial buying by FIIs helped the key benchmark indices reached above psychological levels, sensex crossed psychologically crucial 20,000 mark and the Nifty crossed 6000 mark till the last week of September, 2010.

The government on 23rd September 2010, doubled foreign investment limits in government securities to \$10 billion from \$5 billion and increased the limit for corporate bonds to \$20 billion from \$15 billion.

As foreign funds continued to pump capital into domestic equities, bolstered by the government's move to relax certain foreign investment limits, foreign funds continued to aggressively mop up Indian shares. A sizable chunk of FII inflow the year 2010 was from India-focused exchange traded funds as well as long-only funds. FII inflow in the calendar year 2010 totaled Rs 1,33,266 crore. The annual inflow in 2010 was at record level.

The key benchmark indices tumbled and extended losses due to heavy selling by foreign funds and underperforming mostly higher global stocks initially in the month of December, 2010. Meanwhile, corporate India reportedly paid 15-20% higher tax for the third quarter, consequently the barometer index BSE Sensex and the 50-unit S&P CNX Nifty regained their psychological 20,000 and 6,000 mark respectively. As macroeconomic worries arising from a high global crude oil prices weighed on investor sentiment, the key benchmark indices shed. A surge in crude oil price to 26-month high, stoked macroeconomic worries, which also weighed on sentiment. Global food prices reached a new record peak in January, 2011 caused by steadily rise in the food prices. The barometer index BSE Sensex fell below the psychological 19,000 mark and the 50-unit S&P CNX Nifty fell below 5,700 level, in January, 2011. Concerns of political instability over the 2G scandal added to the already jittery investor sentiments with the barometer index. On the macro front, a surge in crude oil prices amid unrest in Egypt added to concerns about high inflation and rising interest rates caused the market to correct sharply in Feb, 2011. In addition selling by foreign funds also weighed on the sentiment.

To control surging inflation, the Reserve Bank of India (RBI) at its quarterly policy review in January 2011 raised repo rate by 25 basis points to 6.5% and the reverse repo rate by 25 basis points to 5.5%.

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The favorable announcements in the Union Budget 2011-12 unveiled on Monday, 28th February 2011, were lower fiscal deficit target set by the government for the year ending March 2012, a lower-than-expected net borrowing programme, a thrust on infrastructure and agricultural sectors, reduction in surcharge on corporate tax, permission for foreign investors to invest in mutual fund schemes and plan to move towards direct transfer of cash subsidy to people living below poverty line. The basic excise duty that was kept unchanged was a major positive for the Indian industry. Among the unfavourable announcements were increase in social sector spending and a plan to bring food security bill which could strain government's finances going ahead. A slight increase in minimum alternate tax (MAT) also unnerved some.

The Government allowed foreign institutional investors (FIIs) to invest in mutual fund schemes and raised limit the FII investment limit in corporate bonds for investment in infrastructure.

The Indian market surged post the Union Budget announcement despite it being a much muted one as far as outright reform announcements are concerned. The positive mood post the budget was felt to be dying down as the wider macro concerns and global geo-political risk took over. The Libya crisis continued to deteriorate while the crude oil price continued to rise.

The sensx closed at 19,445 at the end of FY 2011 (17,528 at the end of FY 2010) with a high of 21,108 and a low of 15,960. Benchmark NIFTY closed at 5,249 and 5,833 respectively with a high of 6,338 and a low of 4,786.

The total value of trade of the Indian Commodity Futures Market during the year 2010-11 stood at Rs. 119.49 lakh crore. The Market registered a growth of 54% during the year, as compared to the value of trade of Rs. 77.65 lakh crore during 2009-10. The value of agriculture commodities traded in the commodity Exchanges stood at Rs. 14.56 lakh crore growing at a rate of 20% over the previous year. The top five commodities traded in the Futures Market during 2010-11 were Silver, Gold, Crude oil, Copper & Nickel. The top five agri commodities traded in the futures market were Soy oil, Guar seed, Chana, Rape/Mustard seed and Soya bean/seed.

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, 2011	Previous year ended 31 st March, 2010
Total Income	90.19	87.43
Administrative and other Expenditure	30.99	31.05
Profit after depreciation & tax	48.23	48.12
Reserve & Surplus	356.19	327.60
Current Assets	235.58	204.54
Current Liabilities & Provisions	124.57	83.60
Net Current Assets	111.01	120.93
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 we will 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 Company has also obtained the Trading Membership of National Spot Exchange Ltd. on 24th June, 2011.

National Spot Exchange Limited (NSEL) is a National level institutionalized, Electronic, Transparent Spot trading platform, which is poised to transform the commodity market by way of reducing the cost of intermediation and thereby improving marketing efficiency. NSEL is the state-of-the-art organized and structured market place providing facilities for risk free and hassle free purchase and sell of various commodities including Gold and Silver.

NSEL has introduced fully automated screen based spot trading for commodities. It uses a modern, fully computerized trading system designed to offer market participants across the length and breadth of the country a safe and easy way to trade, consequently E-gold is available in a minimum denomination of one gram for retail investors.

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

5. Risks and concerns

Since the business of the Company pertains to financial and capital-intensive sector, its performances significantly depends on 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 could be subject to regulations, inspections, penalties by Forward Market Commission (FMC).

Your company monitors all the events, processes and developments on a regular basis to ensure timely measures for risk containment by developing a risk culture and by following prudent business and risk management practices.

6. Internal control systems and their adequacy

The Company has proper and adequate system of internal controls 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.

7. Human Resources

The Company continues to provide a platform for individual opportunities and for growth in knowledge and skills of its people. 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 company is emphasizing on a number of new initiatives which will further enhance the company's ability to attract and retain high caliber employees for faster growth of the Company's business.

DIRECTORS REPORT

Your Directors have pleasure in presenting the 19th Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. in lacs)	
	Fiscal year ended March 31, 2011	Fiscal Year ended March 31, 2010
Total Income	90.19	87.83
Profit before depreciation & Tax	59.20	56.38
Depreciation	1.19	1.74
Profit Before Tax	58.01	54.64
Provision for Taxation	9.78	6.52
Profit After Tax	48.23	48.12
Balance Profit B/F from earlier year	217.27	194.54
Profit available for appropriation	265.50	242.65
APPROPRIATION:		
Transfer to Reserve Fund	9.65	9.62
Proposed Dividend	16.90	13.52
Provision for Dividend Tax	2.74	2.24
Profit C/F to Balance Sheet	236.21	217.27

DIVIDEND

The directors recommend dividend amounting to 50 Paise per share (5%) as against 40 Paise per share (4%) for the previous year. 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 at par with the performance in the previous financial year in terms of profit after tax as its profit after tax in the current financial year is Rs. 48.23 Lacs as compared to previous year's profit after tax amounting to Rs. 48.12 Lacs.

The Indian capital markets witnessed robust activity in the earlier part of FY 11. The markets were also positively influenced by some reasonably priced large public sector issues like Coal India. However, subsequently negative sentiments adversely effected the markets. The markets, therefore, went through some difficult times after scaling a new high on Diwali 2010.

The equity markets continued to be affected by a lack of interest by retail investors, volatile FII flows and concerns on corporate earnings. High interest rates also affected capital raising activity. The commodity markets were also volatile in view of pressure on global commodity prices. However, with an expected boost in the infrastructure expenditure and with the industries already facing capacity crunch, we hope investment activity will revive. Assuming normal monsoon, as predicted, and interest rate stabilization we expect capital markets to improve from September - October 2011.

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. 8.22 Lacs in the financial year under review as compared to 2.77 Lacs in the previous financial year justifying the potential of this sector.

The Company had also obtained the trading membership of National Spot Exchange Limited (NSEL) in the month of June, 2011. NSEL is a National level institutionalized, Electronic, Transparent Spot trading platform, which is poised to transform the commodity market by way of reducing the cost of intermediation and thereby improving marketing efficiency.

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NSEL is the state-of-the-art organized and structured market place providing facilities for risk free and hassle free purchase and sell of various commodities including Gold and Silver. NSEL has introduced fully automated screen based spot trading for commodities, it uses a modern, fully computerized trading system designed to offer market participants across the length and breadth of the country a safe and easy way to trade, consequently E-gold is available in a minimum denomination of one gram for retail investors while E-silver is available in 100 gram denomination. The NSEL also has Copper, Lead and Zinc in their E series options. This allows a person to hold all their five metals in his demat account.

With more experience in the line and prudent management of the commercial and financial risks, your directors are confident of achieving higher returns from this activity in the years to come.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance and a Certificate from the Practicing 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:-

- In the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed.
- Your 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, 2011 and of the profit of the company for the year under review.
- Your 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.
- Your directors have prepared the annual accounts of the Company on a going concern basis.

DIRECTORS

Mrs. Sant Kumari Agrawal and Mr. R.C.Mody, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting.

The aforesaid directors 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.

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.

CHANGE OF NAME OF THE COMPANY

The name of the Company was changed from "Bharat Bhushan Share & Commodity Brokers Limited" to "Bharat Bhushan Finance & Commodity Brokers Limited" and fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, NCT of Delhi & Haryana on 19th October, 2010.

As per the directives issued by Forward Market Commission (FMC) through National Commodity & Derivatives Exchange Limited (NCDEX) and Multi Commodity Exchange of India Ltd. (MCX) no member company can have words like "Stock", "Security" or "Share" as a part of their Company's Name. The said directives mandated the members of commodity exchanges having the words "Stock", "Security" or "Share" to rename by deleting the said word(s). Therefore, the need for change in name of the Company from "Bharat Bhushan Share & Commodity Brokers Limited" to "Bharat Bhushan Finance & Commodity Brokers Limited" occasioned in order to ensure adherence to the Forward Market Commission (FMC) and Multi Commodity Exchange Ltd. (MCX) directives.

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 continues its policy for not accepting any public deposits during the year.

STATUTORY INFORMATION

The Company's (Disclosure of particulars in the report of Board of Directors) rules 1988,

requires the disclosure of particulars regarding conservation of energy in Form A and technology Absorption in Form B prescribed by the rules. The requirement of Forms A and B are not applicable, as our company is not a manufacturing company.

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

VJAY BHUSHAN
DIRECTOR
NISHA AHUJA
DIRECTOR

Place: New Delhi
Date: July 20, 2011

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

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 and 3 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 24, 2010, July 29, 2010, October 27, 2010 and January 27, 2011. 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, 2011 are given below:

Name of Director	Category of Directorship	Attendance Board Meeting	Last 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	Non- Executive	4	No	1	-	-
Mrs. Sant Kumari Agrawal	Non- Executive	4	No	-	-	-
Mr. Ravindra Singh	Independent	2	No	1	-	-
Mr. R. C. Mody	Independent	4	Yes	-	-	-
Mr. Kuldeep Gupta	Independent	3	No	2	-	-

*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 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:*

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- (i) Mrs. Sant Kumari Agrawal
Mrs. Sant Kumari Agrawal has the experience of more than 25 years of investment in shares. She is a member of the Delhi Stock Exchange Association Ltd.
- (ii) Sh. R.C. Mody
Sh. R.C. Mody is a post graduate, Certificated Associate of Indian Institute of Bankers, Chief General Manager (Retd), Reserve Bank of India, Industrial & Export Credit having experience of more than 35 years in the Reserve Bank of India.

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 bhushan.in.

All the Board members and senior management personnel have affirmed compliance with this Code for the year ended 31st March 2011.

BOARD COMMITTEES

A. AUDIT COMMITTEE

The audit Committee of the Board comprises 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 24, 2010, July 29, 2010, and October 27, 2010 and January 27, 2011. 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

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 and no remuneration is being to the directors except sitting fees, therefore, no remuneration committee has been constituted by the Company.

C. SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE

The Board has 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 of Bharat Bhushan Group. The Company Secretary acts as a compliance officer of the Company.

During the year the Company received 67 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, 2011.

The committee met at regular intervals to check whether investor correspondence/ grievance are solved within the time frame. Four meetings of Shareholders/Investors Grievance Committee were held during the financial year ended 24th May, 2010, on 29th July, 2010, on 27th October, 2010 and 27th January, 2011. 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

GENERAL BODY MEETINGS:

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

Financial Year	Location	Date	Time
2007-2008	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	29.09.2008	11.30 A.M.
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.

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 : 23rd September, 2011
Venue : Shah Auditorium, 2 Rajniwas Marg, Civil Lines, Delhi - 110054
Time : 11:30 A.M.

2) Announcement of Quarterly Results during the year ended 31.03.2011

Quarter ended	Dates of Announcement
June, 2010	29 th July, 2010
September, 2010	27 th October, 2010
December, 2010	27 th January, 2011
March, 2011	25 th May, 2011

3) Announcement of quarterly results for the year ended 31.03.2012

Quarter ended	Tentative dates of Announcement
June, 2011	Last week of July 2011
September, 2011	Last week of October 2011
December, 2011	Last week of January, 2012
March, 2012	Last week of April, 2012 or Last week of May, 2012

4) Book Closure

The dates of the Book Closure are from 16th September, 2011 to 23rd September, 2011 (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, 2011.

- 6) A. Equity Shares listed on : The Bombay Stock Exchange, & The Delhi Stock Exchange Association Ltd., New Delhi
Stock Exchange at :
B. Annual Listing Fees : Duly paid to both the above Stock Exchanges for the year 2011-12

Stock Code

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

7) Stock Market data (in Rs./per share) for the period: April 2010 to March 2011

Months	High(Rs)	BSE	Low(Rs)
April 2010	12.33		10.17
May 2010	11.40		9.05
June 2010	11.16		9.35
July 2010	12.07		10.16
August 2010	13.00		10.80
September 2010	15.24		11.10
October 2010	12.19		10.73
November, 2010	12.06		9.85
December, 2010	11.30		9.02
January, 2011	10.70		9.46
February, 2011	10.00		9.02
March, 2011	10.91		9.31

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 2010-11

Period	Company's share price	BSE Sensex
April 2010	103.57%	100.18%
May 2010	100.48%	96.67%
June 2010	101.45%	100.99%
July 2010	108.98%	101.94%
August 2010	114.01%	102.53%
September 2010	109.95%	114.50%

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

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October 2010	111.89%	114.29%
November 2010	103.38%	111.37%
December 2010	102.03%	117.01%
January 2011	91.40%	104.56%
February 2011	96.52%	101.69%
March 2011	97.39%	110.94%

9. Registrar and Share Transfer Agents:

For shares held in Physical Mode / Depository Mode
M/s Alankit Assignments Ltd.

205-208, Anarkali Market, Jhandewalan Extn.,
New Delhi - 110 055. Tel: 51540061/63,
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 205-208, Anarkali Market, 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 31 March, 2011, 27,28,979 shares have been dematerialized representing 80.729% of the total shares. (26,93,079 shares were in dematerialized form representing 79.567% of the total shares as on 31st March, 2010)

International Securities Identification Number- 900A01013 (with NSDL and CDSL)

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2011

Share holding of nominal value	Shareholders		Share/	
	Rs.	Number	Rs.	% To Total
(1)	(2)	(3)	(4)	(5)
Upto 5000	3496	86.749	7324650	21.668
5001 - 10000	319	7.516	2657120	7.76
10001 - 20000	108	2.68	1605730	4.753
20001 - 30000	40	0.993	1003760	2.969
30001 - 40000	21	0.521	765440	2.264
40001 - 50000	12	0.298	576200	1.705
50001 - 100000	11	0.273	812220	2.403
100001 and above	23	0.571	19057860	56.378
Total		100.00	33804000	100.00

11. SHAREHOLDING PATTERN AS ON MARCH 31, 2011

CATEGORY	NO. OF SHARES HOLDING	% AGE HOLDING
A. Shareholding of Promoter and Promoter Group		
(1) Indian		
(a) Individuals/ Hindu Undivided Family	1620073	47.93
(b) Central Government/State Government(s)	—	—
(c) Bodies Corporate	—	—
(d) Financial Institutions/Banks	—	—
Any Other	—	—
Sub Total	1620073	47.93
(2) Foreign	—	—
(a) Individuals	—	—
(Non- Resident Individuals/ Foreign Individuals)	—	—
(b) Bodies Corporate	—	—
(c) Institutions	—	—
(d) Any other	—	—
SUB -TOTAL	0	0
B. Public Shareholding		
(1) Institutions	—	—
(a) Mutual Funds and UTI	500	0.015
(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	—	—
(2) Non- Institutions	—	—
(a) Bodies Corporate	118988	3.519
(b) Individuals-	—	—
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1373593	40.634
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	225260	6.664

(c) Non Resident		
(i) Indian	29488	0.072
(ii) OCB	12500	0.370
SUB -TOTAL	1760327	52.074
Total Public Shareholding	3380400	100
C. Shares held by Custodians and against which depository Receipts have been issued		
GRAND TOTAL	3380400	100

12. 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) 43586777, 23540997-8-9; Fax: (011) 23540996
Email: commodities@bharatbhushan.com
investorgrievance@bharatbhushan.com

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

The Investors are advised to claim the encashed dividends for the year 2003-2004 onwards lying in the unpaid dividend 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.1,27,230/- (unclaimed dividend for the year (2002-2003) 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 25th May, 2011.

Place: Delhi
Date: July 20, 2011.
Vijay Bhushan
Director

Dear Sirs,

Sub: CEO/CFO Certificate

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

Dear Sirs,

- 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 2011 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.
- 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.
- 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.
- 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: 25th May, 2011.
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, 2011. We have obtained all the information 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate 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.

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.

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

Place : New Delhi
Date : 20/07/2011

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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Auditors' Report

To the Members,

Bharat Bhushan Finance & Commodity Brokers Ltd.

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

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, 2011 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.

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.
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, 2011 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 so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 2011.
 - (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.

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

Place: New Delhi
Date: 25/05/2011

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, 2011

- 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.
- 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:

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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- 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 2011 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 to 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: 25/05/2011**

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

**BHARAT
BHUSHAN****BALANCE SHEET AS AT 31ST MARCH, 2011**

(AMOUNT IN RUPEES)

PARTICULARS	ANNEXURE	AS AT 31ST MARCH, 2011	AS AT 31ST MARCH, 2010
SOURCE OF FUNDS			
SHAREHOLDERS FUND			
SHARE CAPITAL	I	33804000	33804000
RESERVES & SURPLUS	II	35618676	69422676
DEFERRED TAX ASSET / LIABILITY (NET)		94366	32759800
(Refer Annexure X : Note No. 9)			66563800
		69517042	110891
			66674691
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	III	3316426	3260841
LESS : DEPRECIATION		2619951	2501139
NET BLOCK		696475	759702
INVESTMENTS			
	IV	58112424	53822013
CURRENT ASSETS, LOANS & ADVANCES			
STOCK IN TRADE			
		4227076	5860360
CASH & BANK BALANCES			
		5375972	4757749
LOANS & ADVANCES			
		13955522	9835734
		23558570	20453843
LESS : CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
	VI	6896435	3827087
PROVISIONS			
		5953992	4533780
		12850427	8360867
NET CURRENT ASSETS		10708143	12092976
TOTAL		69517042	66674691
SIGNIFICANT ACCOUNTING POLICIES			
	IX		
NOTES ON ACCOUNTS			
	X		

AS PER OUR REPORT OF EVEN DATE
FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

PAWAN BHOLUSARIA
PARTNER
M.No. : 080691
FR No. : 000468NKAVITA PAMNANI
COMPANY SECRETARYVIJAY BHUSHAN
DIRECTORNISHA AHUJA
DIRECTORPLACE : NEW DELHI
DATE : 25/05/2011

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED*(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)***BHARAT
BHUSHAN****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

(AMOUNT IN RUPEES)

PARTICULARS	ANNEXURE	CURRENT YEAR ENDED 31ST MARCH, 2011	CURRENT YEAR ENDED 31ST MARCH, 2010
INCOME			
INCOME FROM OPERATIONS & OTHER INCOME	VII	9019367	8743144
		<u>9019367</u>	<u>8743144</u>
EXPENDITURE			
ADMINISTRATIVE & OTHER EXPENSES	VIII	3086062	3104876
CONTINGENT PROVISION OF STANDARD ASSETS		12750	
		<u>3098812</u>	<u>3104876</u>
PROFIT BEFORE DEPRECIATION & TAX		5920555	5638268
LESS : DEPRECIATION		118812	174177
PROVISION FOR TAXATION			
- CURRENT		995000	680000
- DEFERRED - CHARGE/ (SAVINGS)		-16525	-27748
- FRINGE BENEFITS		0	0
PROFIT AFTER DEPRECIATION AND TAX		4823268	4811839
ADD : SURPLUS BROUGHT FORWARD		21726700	19453966
PROFIT AVAILABLE FOR APPROPRIATION		<u>26549969</u>	<u>24265805</u>
APPROPRIATIONS			
PROPOSED DIVIDEND		1690200	1352160
DIVIDEND TAX ON ABOVE		274193	224577
TRANSFERRED TO RESERVE FUND		964654	962368
SURPLUS CARRIED FORWARD		<u>23620922</u>	<u>21726700</u>
		<u>26549969</u>	<u>24265805</u>
FACE VALUE PER EQUITY SHARE		10	10
EARNING PER SHARE			
- BASIC & DILUTED		1.427	1.423

SIGNIFICANT ACCOUNTING POLICIES

IX

NOTES ON ACCOUNTS

X

AS PER OUR REPORT OF EVEN DATE
FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

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

KAVITA PAMNANI
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

PLACE : NEW DELHI
DATE : 25/05/2011

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

**BHARAT
BHUSHAN**

ANNEXURE - I

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2011	AS AT 31ST MARCH, 2010
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

RESERVES & SURPLUS

ANNEXURE - II

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2011	AS AT 31ST MARCH, 2010
CAPITAL RESERVE		
BALANCE AS PER LAST ACCOUNT	400	400
RESERVE FUND		
(CREATED PURSUANT TO RESERVE BANK OF INDIA GUIDELINES)		
OPENING BALANCE	7057042	6094674
ADDITION DURING THE YEAR	964654	8021696
		962368
GENERAL RESERVE		
BALANCE AS PER LAST ACCOUNT	3975658	3975658
PROFIT & LOSS ACCOUNT		
(AS PER ANNEXED ACCOUNT)	23620922	21726700
TOTAL	35618676	32759800

FIXED ASSETS AS ON 31st March, 2011

ANNEXURE - III

(AMOUNT IN RUPEES)

PARTICULARS	AS ON 01.04.2010	GROSS BLOCK			AS AT 01.04.2010	DEPRECIATION			NET BLOCK	
		ADDITIONS DURING THE YEAR	SOLD DURING THE YEAR	AS AT 31.03.2011		FOR THE YEAR	ADJUSTED DURING THE YEAR	AS AT 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
FURNITURE & FIXTURE	539145	0	0	539145	450163	34128	0	484291	54854	88982
OFFICE EQUIPMENT	1161763	0	0	1161763	690470	55184	0	745654	416109	471293
DATA PROCESSING MACHINERY	1290567	55585	0	1346152	1226039	3910	0	1229949	116203	64528
VEHICLE	269366	0	0	269366	134467	25590	0	160057	109309	134899
TOTAL	3260841	55585	0	3316426	2501139	118812	0	2619951	696475	759702
PREVIOUS YEAR	3333391	15950	88500	3260641	2381161	174177	54199	2501139	759702	952230

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

**BHARAT
BHUSHAN**

INVESTMENTS - LONG TERM

ANNEXURE IV
(AMOUNT IN RUPEES)

NAME OF THE COMPANY	AS AT 31ST MARCH, 2011			AS AT 31ST MARCH, 2010	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
A. QUOTED FULLY PAID UP EQUITY SHARES (TRADE)					
ALOK INDUSTRIES LTD.	10/-	10000	219100	10000	219100
A.P. SCOOTER LTD.	10/-	100	490	100	490
ADINATH TEXTILES LTD.	10/-	200	3572	200	3572
AGRO CHEM(PUNJAB) LTD.	10/-	40	2320	40	2320
AGRO TECH (INDIA) LTD	10/-	800	4061	800	4061
AMBIC PROTEIN LTD.	10/-	800	4080	800	4080
AMINSONS FOOD LTD.	10/-	100	4185	100	4185
ANSAL PROPERTIES & INFRASTRUCTURE LTD.	5/-	4000	1094720	4000	1094720
AGIO PAPER AND INDUSTRIES LTD.	10/-	100	4575	100	4575
ADITYA BIRLA AND MONEY LTD.	1/-	50	1900	50	1900
ARIHANT COTSYN LTD.	10/-	50	788	50	788
ARIHANT INDUSTRIES LTD.	10/-	450	3693	450	3693
ARLABS LTD.	10/-	100	2000	100	2000
ARVIND MILL LTD.	10/-	500	56935	500	56935
ASHIANA AGRO INDUSTRIES LTD.	10/-	100	2553	100	2553
AREVA T AND D INDIA LTD.	2/-	-	-	1000	141710
B.N RATHI	10/-	50	1001	50	1001
BESTAVISION ELECTRONIC LTD.	10/-	200	4066	200	4066
BHARAT NIDHI LTD.	10/-	271	932	521	1792
BHARAT PIPE & FITTINGS LTD.	10/-	200	6574	200	6574
BHARTIYA INTERNATIONAL LTD	10/-	1000	124562	-	-
BITS LTD.	2/-	8000	40320	8000	40320
BLB LTD.	1/-	1	26	1	26
BOMBAY EXTRACTIONS LTD.	10/-	400	6088	400	6088
BRITISH INDIA STEELS LTD.	10/-	100	1672	100	1672
CAREW PHIPSON LTD.	10/-	100	3055	100	3055
CEAT LTD.	10/-	6	450	6	450
CENTURY TUBES LTD.	10/-	100	1858	100	1858
CHEMIEQUIP LTD.	10/-	50	750	50	750
CHOKHANI INTERNATIONAL LTD.	10/-	700	4585	700	4585
CITRIC INDIA LTD.	10/-	50	500	50	500
CITY UNION BANK LTD.	1/-	6398	55288	6398	55288
COAL INDIA LTD.	10/-	500	122500	-	-
DEE PHARMA LTD	5/-	5	100	5	100
DELTA CORP LTD	1/-	2000	210368	-	-
DIGITAL EQUIPMEN CO.LTD	10/-	100	8747	100	8747
DHAMPUR SUGAR KASHIPUR.	10/-	-	-	12	6787
DRAVYA INDUSTRIES CHEM LTD	10/-	600	4854	600	4854
ELB SCHLIFF (INDIA) LTD.	10/-	100	1045	100	1045
EMKAY SHARES LTD.	10/-	51	3433	51	3433
EQUIPMENT COND.CABLE LTD.	10/-	100	806	100	806
ESL LTD(ELECTROSTEEL STEELS LTD)	10/-	10000	110468	-	-
ESSAR SECURITIES LTD.	10/-	80	3514	80	3514
FEDDERS LLOYED LTD.	10/-	1000	23570	1000	23570
FISHING FALCONS LTD.	10/-	100	1000	100	1000
FIBER WEB INDIA LTD.	10/-	200	9622	200	9622
FORTIS HEALTH CARE	10/-	1000	112010	1000	112010
GABRIEL INDIA LTD	1/-	-	-	1000	41040
GEOGIT FINANCIAL SERVICE	1/-	1	52	1	52
GILT PACK LTD.	10/-	100	1820	100	1820
GROVER LEASING LTD.	10/-	100	1046	100	1046
GKW LTD.	10/-	10	7361	10	7361
GOLDEN TOBACCO LTD.	10/-	200	27256	200	27256
GRAPHITE INDIA LTD.	2/-	33	0	33	0
GUJARAT B.D. LUGGAGE LTD.	10/-	100	1241	100	1241
GUJARAT COTSYN LTD.	10/-	200	7666	200	7666
GUJARAT INJECT LTD.	10/-	500	4810	500	4810
HAYRANA PETRO CHEMICALS LTD.	10/-	400	6920	400	6920
HINDUSTAN FLUORO CARBONS LTD.	10/-	100	3060	100	3060

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

**BHARAT
BHUSHAN****INVESTMENTS - LONG TERM (Cont...)**

NAME OF THE COMPANY	FACE VALUE	AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010	
		QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
HDFC BANK	10/-	850	1110716	850	1110716
HEXAWARE TECHNOLOGIES LTD	2/-	12000	701192	-	-
HOTLINE TELETUBE COMPONENTS LTD.	10/-	200	3276	200	3276
ISPL INDUSTRIAL LTD.	10/-	100	1735	100	1735
INDIA BULLS POWER	10/-	5000	179222	5000	179222
IFB VENTURE CAPITAL LTD.	10/-	100	4803	100	4803
INDIA INFOLINE LTD.	2/-	50	6928	50	6928
ITC LTD.	1/-	12000	1335570	3000	551843
INDIA MAIZE & CHEMICALS LTD.	10/-	100	765	100	765
INDIA POLYFIBERS LTD.	10/-	50	590	50	590
INDIA SECURITIES LTD	1/-	1200	5272	120	5272
INDIAN HOTELS LTD	1/-	1230	157920	1230	157920
INDO JAPAN PHOTO LTD.	10/-	300	3030	300	3030
INTERNATIONAL CERAMIC LTD.	10/-	400	5544	400	5544
INTERGRATED KINETIC FIN. LTD.	10/-	100	1500	100	1500
INDIA CEMENT CAPITAL LTD	10/-	400	8470	400	8470
INDORAMA SYNTHETICS (INDIA) LTD.	10/-	2000	145640	2000	145640
JAI MATA INDUSTRIES LTD.	10/-	500	7552	500	7552
JRG SECURITIES LTD.	10/-	50	2025	50	2025
KARNATAKA CEMENT LTD.	10/-	200	1650	200	1650
KEDIA AGGLONERATED MARBLED LTD.	10/-	100	1715	100	1715
KESORAM INDUSTRIES LTD.	10/-	20	3300	20	3300
KHAITAN HOSTOMB SPINNERS LTD.	10/-	125	1875	125	1875
KONGRAR INTERGRATED FIBER LTD.	10/-	400	4000	400	4000
KUNAL ENGINEERING CO.LTD.	10/-	53	1590	53	1590
LOHIA STARLINGER LTD.	10/-	20	1733	20	1733
LUNAR DIAMONDS LTD.	10/-	200	8510	200	8510
LLOYD ELECTRIC LTD.	10/-	1800	96834	1800	96834
MEGAWARE COMPUTER LTD.	10/-	100	1545	100	1545
MANAPPURAM GENERAL FINANCE LTD	2/-	1000	163825	-	-
MAN INDUSTRIES INDIA LTD.	5/-	200	2500	200	2500
MANGLORE CHEM. & FERT. LTD.	10/-	100	2650	100	2650
MANSAROVAR PAPER & IND. LTD.	10/-	260	3932	260	3932
MAX INDIA LTD.	2/-	1000	189970	1000	189970
MCLEOD RUSSEL LTD.	5/-	-	-	1000	250230
MICRO ACCESSORIES LTD.	10/-	100	2050	100	2050
MINERVA HOLDING LTD.	10/-	5	2828	5	2828
MINI DIAMONDS (INDIA) LTD.	10/-	100	2051	100	2051
MIRNAL TEXT. (INDIA) LTD.	10/-	100	2802	100	2802
MODERN INSULATORS LTD.	10/-	50	740	50	740
MODI INDUSTRIES LTD.	10/-	100	1801	100	1801
MOHAN MEAKIN LTD.	5/-	100	1285	100	1285
MORDERN SHARE & STOCK BROKERS	10/-	50	763	50	763
MUKESH STEEL LTD.	10/-	100	2550	100	2550
NAGURJUNA FINANCE LTD.	10/-	200	6404	200	6404
NAHAR INVESTMENT	5/-	28	4894	28	4894
NAHAR SPPINING MILLS LTD	5/-	22	3846	22	3846
NAVINON LTD.	10/-	200	10516	200	10516
NELCO LTD.	10/-	1500	238635	1500	238635
NETWORTH STOCK BROKING LTD.	10/-	50	2503	50	2503
NIRAJ PETRO CHEMICALS LTD.	10/-	100	745	100	745
NIRUP SYNCHROME LTD.	10/-	400	6442	400	6442
NODURON FOUNDER (MAHARASHTRA) LTD.	10/-	50	2289	50	2289
NORTHERN DIGITAL EXCHANGE LTD.	10/-	100	1391	100	1391
NOVA IRON & STEELS LTD.	10/-	300	2673	300	2673
NTPC LTD.	10/-	4000	376440	4000	376440
ORISA SPONG LTD.	10/-	200	135306	200	135306
ONGC LTD.	5/-	7500	1707487	1875	1707487
OCEAN INFRASTRUCTURE LTD.	10/-	500	5780	500	5780
ORKAY SILK LTD.	10/-	200	2324	200	2324

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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**BHARAT
BHUSHAN**

INVESTMENTS - LONG TERM (Cont...)

NAME OF THE COMPANY	FACE VALUE	AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010	
		QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
OSWAL AGRO FURANE LTD.	10/-	200	2580	200	2580
OSWAL CHEMICALS & FERT. LTD.	10/-	200	6952	200	6952
POWERGRID CORPORATION	10/-	1200	132384	1200	132384
PNB MUTUAL FUND	10/-	150	1242	150	1242
PUNJAB NATIONAL FERTILISERS & CHEMICAL LTD.	10/-	100	1949	100	1949
POLAR LATEX LTD.	10/-	300	8319	300	8319
POLAR MARMO AGGLOMERATED LTD.	10/-	200	3392	200	3392
PARTAP STEEL ROLLING MILLS (1934) LTD.	10/-	200	3454	200	3454
PREMIER VINYL FLOORING LTD.	10/-	125	3950	125	3950
PIRAMAL HEALTHCARE LTD.	2/-	3345	1638960	-	-
PTL LTD.	2/-	10000	304438	29964	584253
PSL LTD	10/-	1000	141280	1000	141280
PUNJ LLOYD LTD.	2/-	1200	446763	1200	446763
R.S.SOFTWARE LTD	10/-	1280	83690	1000	83690
RADHA KRISHNA CEMENT LTD.	10/-	100	1398	100	1398
RAJASTHAN BREWERIES LTD.	10/-	100	3452	100	3452
RAJASTAN PERTO SYNTH. LTD.	10/-	100	2920	100	2920
RELIANCE BROADCAST NETWORK	5/-	2000	107944	-	-
RELIANCE CAPITAL LTD.	10/-	50	1665	50	1665
RELIANCE COMMUNICATION LTD.	5/-	2954	460913	2954	460913
RELIANCE INFRASTRUCTURE LTD.	10/-	75	9373	75	9373
RELIANCE NATURAL RESOURCES LTD.	5/-	-	-	2954	175793
RELIANCE POWER LTD	10/-	738	175793	-	-
RELIANCE INDUSTRIES LTD.	10/-	2218	1107890	2218	1107890
RELIANCE MEDIA WORKS	5/-	1000	428595	1000	428595
RELIANCE MEDIA WORLD	5/-	0	0	1000	0
RICHMEN SILK LTD.	10/-	200	2152	200	2152
RUCHI STRIPS & ALLOYS LTD.	10/-	100	2537	100	2537
S.M ENERGY TECHNIQUE LTD.	10/-	300	6101	300	6101
SAMTEL (INDIA) LTD.	10/-	23	1285	23	1285
SHIVA CEMENT	2/-	2200	18832	-	-
STORE ONE RETAIL LTD.	10/-	2000	64120	5000	160300
SREI INFRA FINANCE LTD.	10/-	1800	84550	2000	169100
SENTHUR SHOES LTD.	10/-	100	2152	100	2152
SHALIMAR WIRE LTD.	2/-	250	7508	250	7508
SHAMKEN COTSYNL. LTD.	10/-	1000	10000	1000	10000
SHIVALIK FERTILIZERS LTD.	10/-	100	1217	100	1217
SHRIYANS STEEL LTD.	10/-	100	1742	100	1742
SOMKAN MARINE FOOD LTD.	10/-	500	5045	500	5045
SOL PHARMA LTD.	10/-	2	1955	2	1955
STERLING BASIC ORGANIC LTD.	10/-	900	9000	900	9000
SUBHASH DALAL LTD.	10/-	100	3230	100	3230
SUL INDIA LTD.	10/-	50	1500	50	1500
SURAJ VANASPATI LTD.	10/-	300	5580	300	5580
TATA STEEL LTD.	10/-	8047	4234805	5547	3032340
TIN PLATE COMPANY	10/-	1000	92210	1000	92210
TAMILNADU INDUSTRIAL EXPLOSIVES LTD.	10/-	100	1415	100	1415
TATA CONSULTANCY SERVICES LTD.	1/-	2076	991495	2076	991495
THAPAR AGRO LTD.	10/-	100	1795	100	1795
TOSHA PICTURE TUBE LTD.	10/-	200	2180	200	2180
U.B. PETRO PRODUCTS LTD.	10/-	300	6696	300	6696
UCAL POWER SYSTEM LTD.	10/-	200	7472	200	7472
UNIPON INDIA LTD.	10/-	200	8138	200	8138
UNITED DRILLING TOOLS LTD.	10/-	100	1952	100	1952
UNITECH LTD	2/-	1000	78010	-	-
UTI MASTER PLUS	10/-	400	5444	400	5444
UTI MASTER SHARE	10/-	350	8995	350	8995
UFLEX LTD.	10/-	-	-	500	95040
VITTAMAZDA LTD.	10/-	300	2457	300	2457
VICTOR GASKETS LTD.	1/-	100	0	100	0

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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BHARAT
BHUSHAN

INVESTMENTS - LONG TERM (Cont...)

NAME OF THE COMPANY	FACE VALUE	AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010	
		QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
WALLFORT FINANCIAL SERVICES LTD.	10/-	50	1835	50	1835
WELSPUN GUJRAT LTD.	5/-	1000	255030	1000	255030
WHIRL POOL WASHING MACHINES LTD.	10/-	100	1245	100	1245
WIRE & WIRELESS INDIA LTD.	1/-	5000	117750	5000	117750
ZEE ENTERTAINMENT ENTERPRISES LTD	1/-	210	0	-	-
ZEE LEARN LTD	1/-	26	0	-	-
ZEE NEWS LTD.	1/-	500	31405	1000	62810
B. QUOTED FULLY PAIDUP PREFERENCE SHARES (NON TRADE)					
15% Non cumulative Redemable preference shares of Mansarovar Paper & Ind. Ltd.	10/-	200.00	2376	200	2376
9 % Pref Sh. of Shaw Wallace Gelatines Ltd.	7/-	400.00	4000	400	4000
C. FULLY PAID-UP UNQUOTED UNITS IN MUTUAL FUNDS (TRADE)					
DWS CREDIT OPPURTUNITIES CASH FUND	-	-	-	687326.217	8004326
DWS ULTRA SHORT TERM FUND	10/-	318832.817	5000000	-	-
ICICI PRUDENTIAL LIQUID PLAN GROWTH	10/-	770000	7700000	-	-
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES S-6	10/-	-	-	75352.74	1275556
HDFC SHORT TERM PLAN GROWTH	10/-	-	-	110377.36	1822761
RELIANCE SHORT TERM FUND	10/-	-	-	-	-
SBI DEBT FUND SERIES 370 DAYS-12	10/-	530000	5300000	-	-
LIC MF SAVING LTD.	10/-	551621.502	8317167	910363.769	13200000
UTI TREASUREY ADVANTAGE FUND	10/-	7164.765	8853609	8768.40	10835243
BENCHMARK MF GOLD	1000/-	100	168717	100.00	168717
D. QUOTED FULLY PAIDUP DEBENTURES (TRADE)					
15 % Secured Fully Redemable NCD of Apple Leasing & Ind. Ltd.	50 /-	20.00	802	20	802
14 % Secured Redeemable NCD of castrol ind ltd	100/-	2.00	145	2	145
Zero Interest Secured NCD of Mukerian papers ltd	70/-	900.00	63000	900	63000
E. FULLY PAIDUP UNQUOTED EQUITY SHARES (NON TRADE)					
Bharat Bhushan Equity Traders Ltd	10/-	250000.00	2500000	250000	2500000
F. WARRANTS (NON TRADE)					
DCM Shriram Industries Ltd.	-	288.00	0	288	-
Mukerian Paper Ltd.	-	900.00	0	900	-
Usha Ispat Ltd	-	100.00	300	100	300
Vardhman Polytex Ltd.	-	1400.00	0	1400	-
G. GOLD & SILVER					
E-GOLD (gm)	-	8	17254	-	-
E-SILVER (gm)	-	100	5031	-	-
GRAND TOTAL		2603115	58112424	2194452	53822013

NOTES:

NATURE OF INVESTMENT:-

QUOTED INVESTMENT

— Cost Price

20441348

16183827

— Market Price

23827099

18824550

UNQUOTED INVESTMENTS

Units of Mutual Funds

— Cost Price

35170776

35137886

— Net Asset Value of units

36167926

35905750

OTHERS

— Cost Price

2500300

2500300

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

**BHARAT
BHUSHAN****CURRENT ASSETS, LOANS AND ADVANCES**

ANNEXURE - V

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2011	AS AT 31ST MARCH, 2010
A. CURRENT ASSETS		
STOCK IN TRADE	4227076	5860360
(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)		
(AS PER SCHEDULE 'A' ATTACHED)		
CASH IN HAND (AS CERTIFIED BY THE MANAGEMENT)	2303	11825
BALANCE WITH SCHEDULED BANK IN		
— CURRENT ACCOUNTS	2747273	1939975
— FIXED DEPOSITS	1500000	1500000
— INTEREST ACCRUED BUT NOT DUE ON ABOVE	19606	252372
— UNPAID DIVIDEND ACCOUNT	1106790	1053577
TOTAL (A)	9603048	10618109
B. LOANS & ADVANCES		
(UNSECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE)		
LOANS & ADVANCES : STANDARD		
— SECURED	3200000	0
— UNSECURED	1900000	3900000
INTEREST RECEIVABLE ON ABOVE LOANS	44445	65500
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	3618466	1618350
ADVANCE INCOME TAX & TAX DEDUCTED AT SOURCE (INCLUDING FRINGE BENEFIT TAX)	3666431	2725704
SECURITY DEPOSIT WITH GOVERNMENT DEPARTMENTS AND OTHERS	1526180	1526180
TOTAL (B)	13955522	9835734
TOTAL (A)+(B)	23558570	20453843

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED*(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)***BHARAT
BHUSHAN****STOCK IN TRADE****SCHEDULE - A**
(AMOUNT IN RUPEES)

NAME OF THE COMPANY	AS AT 31ST MARCH, 2011			AS AT 31ST MARCH, 2010	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
A.FULLY PAID UP QUOTED EQUITY SHARES					
ABSOLUTE AEROMATIC LTD.	10/-	7200	0.00	7200	0.00
AMBUJA CEMENT LTD.	2/-	375	953.00	375	953.00
AMBUJA ELECTRO CASTING LTD.	10/-	1100	0.00	1100	0.00
ANDHRA CEMENT LTD	10/-	1162	16396.00	1162	30677.00
ASIAN CONSOLIDATE LTD	10/-	200	0.00	200	0.00
BIRLA 3M LTD.	10/-	500	137509.00	500	137509.00
BKV INDUSTRIES LTD.	1/-	8300	12865.00	8300	12865.00
BPL DISPLAY DEVICES LTD.	10/-	210	0.00	210	0.00
CHEMIQUIP LTD.	10/-	50	0.00	50	0.00
CIPLA LTD	2/-	1875	47265.00	1875	47265.00
DAURALA ORGANICS LTD.	10/-	300	0.00	300	0.00
DCL FINANCE LTD.	10/-	1050	0.00	1050	0.00
DCM SHRI RAM INDUSTRIES LTD.	10/-	724	5792.00	724	5792.00
GENLEC LTD.	10/-	50	0.00	50	0.00
GLAXO INDIA LTD.	10/-	1000	505400.00	1000	505400.00
GLOBAL FOOD LTD.	10/-	5100	0.00	5100	0.00
GNFC LTD.	10/-	25	721.00	25	721.00
HARYANA PETRO CHEMICALS LTD.	10/-	300	0.00	300	0.00
HARYANA SHEET GLASS LTD.	10/-	1750	0.00	1750	0.00
HCL INFOSYSTEMS LTD.	2/-	5000	285630.00	5000	285630.00
HELIOS MATHESON LTD.	10/-	2800	23401.00	2800	23401.00
HERO HONDA MOTORS LTD.	2/-	100	24663.00	100	24663.00
HINDUSTAN LEVER LTD.	1/-	1010	141220.00	1010	141220.00
ICP SECURITIES LTD.	10/-	1800	0.00	1800	0.00
I.F.B INDUSTRIES LTD.	10/-	49	983.00	49	983.00
IFB FINANCE LTD.	10/-	1422	0.00	1422	0.00
INDIA LEASE DEVELOPMENT LTD.	10/-	4000	30560.00	4000	34000.00
INDIA MAIZE & CHEMICAL LTD.	10/-	270	0.00	270	0.00
INDOKEM LTD.	10/-	50	171.00	50	191.00
INDORAMA SYNTHETICS LTD.	10/-	2000	127100.00	2000	72000.00
INTEGRATED FINANCE CO.LTD	10/-	3200	0.00	3200	12448.00
IFCI LTD.	10/-	5000	263000.00	5000	249250.00
KANORIA INDUSTRIES LTD.	10/-	200	2000.00	200	0.00
KESORAM TEXTILES LTD.	10/-	5500	0.00	5500	0.00
LARSEN & TUBRO LTD.	2/-	532	30563.00	532	30563.00
LAURAL ORGANICS LTD.	10/-	5100	0.00	5100	0.00
LLYOD ELECTRIC COMPANY LTD.	10/-	1200	8436.00	1200	8436.00
MADHYA BHARAT PAPER MILLS LTD.	10/-	1000	0.00	1000	0.00
MAHINDRA & MAHINDRA LTD.	5/-	600	70560.00	600	70560.00
MODERN INSULATORS LTD.	10/-	50	0.00	50	0.00
MUKERIAN PAPER LTD.	10/-	2000	0.00	2000	0.00
NATIONAL ALUMINIUM LTD.	10/-	0	0.00	500	71970.00
NELCO LTD.	10/-	500	33155.00	500	33155.00
NESTLE INDIA LTD.	10/-	378	91515.00	378	91515.00
NOVA ELECTRO MAGNETICS LTD.	10/-	400	0.00	400	0.00

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED*(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)***BHARAT
BHUSHAN****STOCK IN TRADE (Cont...)**

NAME OF THE COMPANY	FACE VALUE	AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010	
		QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
ORGANIC CHEMICAL LTD.	10/-	1050	0.00	1050	0.00
ORKAY SILK LTD.	10/-	1300	0.00	1300	0.00
OSWAL YARN LTD.	10/-	12800	15360.00	12800	15360.00
PENAR ALUMINIUM LTD.	10/-	1000	970.00	1000	1920.00
PENTA MEDIA GRAPHICS LTD.	1/-	1000	1430.00	1000	2590.00
PFIMEX INTERNATIONAL LTD.	10/-	1470	1416.00	1470	0.00
PROCTER & GAMBLE INDIA LTD.	10/-	486	191937.00	486	191937.00
PRAKASH INDUSTRIES LTD.	10/-	7200	589320.00	7200	1599840.00
RAM GOPAL POLYTEX LTD.	10/-	10300	0.00	10300	0.00
RANBAXY LABORATORY LTD.	5/-	89	29152.00	89	29152.00
RATHI ALLOY & STEEL LTD.	10/-	2950	0.00	2950	0.00
RAUNAQ FINANCE LTD.	10/-	1600	0.00	1600	0.00
RAVI SPINING LTD.	10/-	9900	0.00	9900	0.00
RCS VANASPATI LTD.	10/-	300	0.00	300	0.00
REGENCY CERAMICS LTD.	10/-	500	3300.00	500	3300.00
RELIANCE CAPITAL LTD.	10/-	1597	235939.00	1597	235939.00
RELIANCE INDUSTRIES LTD.	10/-	3890	771737.00	3890	771737.00
RELIANCE INFRASTRUCTURE LTD.	10/-	146	100733.00	146	108336.00
SATIA PAPER LTD.	10/-	1250	0.00	1250	0.00
SIBER SOFT. SERVICES. INDIA LTD.	10/-	200	0.00	200	0.00
SIDDARTHA SUPER SPINNING MILL LTD.	10/-	1000	0.00	1000	0.00
SILVER LINE TECHNOLOGY LTD.	10/-	320	1011.00	320	1712.00
SILVERLINE ANIMATION TECHNO LTD.	10/-	128	0.00	128	0.00
SONAL COSMETICS EXPORT LTD.	10/-	300	0.00	300	0.00
STEEL AUTHORITY OF INDIA LTD.	10/-	1000	42060.00	1000	42060.00
SUKETU FASHION LTD.	10/-	8700	0.00	8700	0.00
SUPER HOUSE LTD.	10/-	500	1075.00	500	1075.00
TATA POWER COMPANY LTD.	10/-	500	123525.00	500	123525.00
TATA STEEL. LTD.	10/-	1000	236050.00	3500	826175.00
UNIPLAS INDIA LTD.	10/-	400	0.00	400	0.00
USHA INDIA LTD.	10/-	100	0.00	100	0.00
USHA ISPAT LTD.	10/-	300	0.00	300	0.00
VIJAYA BANK LTD.	10/-	300	21903.00	300	14235.00
WHIRLPOOL INDIA LTD.	10/-	25	300.00	25	300.00
B. PARTLY PAIDUP QUOTED EQUITY SHARES					
PUSHPSONS INDUSTRIES LTD. (Rs.5/- Paid-up)	10/-	17000	0.00	17000	0.00
C. FULLY PAID UP UNQUOTED UNITS IN MUTUAL FUNDS					
BENCHMARK MUTUAL FUND	1000/-	1	0.00	1	0.00
TOTAL		166034	4227076	169034	5860360

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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**BHARAT
BHUSHAN****CURRENT LIABILITIES & PROVISIONS**

ANNEXURE - VI

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2011	AS AT 31ST MARCH, 2010
A. CURRENT LIABILITIES		
SUNDRY CREDITORS		
-DUE TO MICRO & SMALL ENTERPRISES	0	0
-OTHERS	814359	830131
ADVANCES FROM CUSTOMERS	4971203	1939124
UNPAID DIVIDEND *	1110873	1057832
TOTAL (A)	6896435	3827087
B. PROVISIONS		
FOR INCOME TAX	3535000	2540000
FOR DIVIDEND TAX	274193	224577
FOR PROPOSED DIVIDEND	1690200	1352160
FOR DIMINUTION IN THE VALUE OF INVESTMENT	382099	375184
FOR GRATUITY	59750	41859
FOR STANDARD ASSETS	12750	
TOTAL (B)	5953992	4533780
TOTAL (A)+ (B)	12850427	8360867

* no amount was due for transfer to investor education and protection fund as on 31.03.2011

INCOME FROM OPERATIONS & OTHER SOURCES

ANNEXURE - VII

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2011	AS AT 31ST MARCH, 2010
PROFIT/LOSS FROM SALE/PURCHASE AND DIFFERENCE IN SECURITIES DEALING (NET)	-63918	2449672
GAIN ON SALE OF INVESTMENT- TRADE (NET)	5505599	2516378
INTEREST INCOME (GROSS) (INCLUDING TAX DEDUCTED AT SOURCE RS.61847/- PREVIOUS YEAR RS.26495/-)		
— ON LOANS/ICD'S	428262	528695
— ON FIXED DEPOSITS WITH BANKS	119654	134472
BROKERAGE / SERVICES CHARGES	821653	277923
DIVIDEND INCOME ON INVESTMENTS- TRADE	394744	1067557
DIVIDEND INCOME ON STOCK IN TRADE	356566	286030
OTHER INCOME (INCLUDING TAX DEDUCTED AT SOURCE - RS.29130/- PREVIOUS YEAR RS.30010/-)	1456807	1482418
TOTAL	9019367	8743144

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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**BHARAT
BHUSHAN****ADMINISTRATIVE AND OTHER EXPENSES**

ANNEXURE - VIII

(AMOUNT IN RUPEES)

PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2011	PREVIOUS YEAR ENDED 31ST MARCH, 2010
SALARIES & OTHER BENEFITS	1400212	1291847
RENT	24000	24000
REPAIRS & MAINTANANCE	94174	140793
ELECTRICITY EXPENSES	338313	414727 ✓
POSTAGE, TELEGRAM & TELEPHONE EXPENSES	255639	348896
INSURANCE EXPENSES	13058	13592
MEMBERSHIP & SUBSCRIPTION	76816	80951 ✓
PRINTING & STATIONERY	83423	47466
STAFF WELFARE	75475	72560
LISTING FEES	17500	17500
DIRECTORS' SITTING FEE	50000	51000
TRAVELLING & CONVEYANCE	59666	49626
VEHICLE RUNNING & MAINTENANCE	22140	18200
LEGAL AND PROFESSIONAL CHARGES	57400	61000
LOSS ON SALE OF ASSETS	0	2301
ADVERTISEMENT EXPENSES	45973	33415
SECURITIES TRANSACTIONS TAX	19239	28238
PROVISION FOR DIMUNITION IN THE VALUE OF LONG TERM INVESTMENT	6915	1134
MISCELLANEOUS EXPENSES	215328	184114
AUDITOR'S REMUNERATION	83500	79098
OFFICE EXPENSES	147291	144418
TOTAL	3086062	3104876

174470

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ANNEXURE IX

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, 2011)

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.

ANNEXURE X

NOTES ON ACCOUNTS

(Annexed to and forming part of the statement of accounts for the year ended 31st March 2011)

1. There was no employee(s) in receipt of remuneration aggregating more than Rs.24,00,000/- p.a. or Rs.2,00,000/- or more p.m. where employed for a part of the period (Previous year Rs. Nil).

2. CONTINGENT LIABILITIES:-

	AS AT 31 ST MARCH 2011 (IN RS.)	AS AT 31 ST MARCH 2010 (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

3. Unclaimed Dividend payable accounts are yet to be reconciled and therefore the same has been taken as per books.

4. 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).

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5. 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.
6. (a) Brokerage / Service charges of Rs. 821653/- (Previous Year Rs. 277923/-) represents brokerage earned from Commodity Trading (NCDEX and MCX).
- (b) Other Income includes Rs.1456807/- (Previous year Rs.1482418/-) being amount recovered on account of reimbursement of expenses.

7. Auditor's Remuneration includes: -
PARTICULARS

	FOR THE YEAR ENDED 31ST MARCH 2011 (RS.)	FOR THE YEAR ENDED 31ST MARCH 2010 (RS.)
Audit Fee	40000	33000
Tax Audit Fee	12500	11000
Taxation Matter	12500	11000
Others	18500	24098
TOTAL	83500	79098

8. Operating Lease (Disclosure pursuant to Accounting Standard AS-19 for Leases)
- a) Minimum lease payments recognized in the statement of profit & loss account during the period ended 31st March'2011 is Rs.24000/- (Previous year Rs. 24000/-)
9. Break-up of Deferred Tax Assets and Deferred Tax Liabilities as at 31st March 2011 comprise of the following:

	AS AT 31ST MARCH 2011 (In Rs.)	AS AT 31ST MARCH 2010 (In Rs.)
Deferred Tax Assets		
a) Fixed Assets	—	—
b) Other Expenses	18463	12934
Deferred Tax Liability		
a) Fixed Assets	112829	123825
b) Other Expenses	—	—
Deferred Tax Liability (Net)	94366	110891

10. EARNING PER SHARE (EPS):-

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

		Year Ended 31ST MARCH 2011	Year Ended 31ST MARCH 2010
Profit after taxation(Rs.)	(Rs.)	4823268	4811840
Less: Income Tax for earlier Years	(Rs.)	—	—
Net Profit available for Equity shareholders	(Rs.) (A)	4823268	4811840
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)	1.427	1.423

11. In the opinion of Management, there is no separate reportable segment in terms of Accounting Standard AS – 17 "Segment Reporting".
12. Quantitative information in respect of shares/debentures/units etc. is as follows:-

	FOR THE YEAR ENDED 31ST MARCH 2011		FOR THE YEAR ENDED 31ST MARCH 2010	
	QTY. (in Nos.)	AMOUNT (in Rs.)	QTY. (in Nos.)	AMOUNT (in Rs.)
A) STOCKS:-				
a) SHARES				
OPENING	169033	5860360	184575	4938184
PURCHASES	—	—	4095	597972
SALES/REDEMPTION	3000	1633283	19637	2124778
CLOSING	166033	4227076	169033	5860360
b) UNITS OF MUTUAL FUND				
OPENING	1	0	7	907
PURCHASES	—	—	—	—
SALES/REDEMPMION	—	0	6	101
CLOSING	1	0	1	0
B) INVESTMENTS:-				
a) SHARES				
OPENING	401242	18451463	354900	21285358
PURCHASES/ ADJUSTMENT	128633	8909668	128000	8041308
SALES/REDEMPTION	105509	4674432	81658	10875203
CLOSING	424366	22686699	401242	18451463
b) UNITS OF MUTUAL FUND				
OPENING	179229	35306603	1869757	31075674
PURCHASES/ADJUSTMENT	2673528	39300000	2147720	40633265
SALES/REDEMPTION	2288097	39267110	2225189	36402336
CLOSING	2177719	35339493	1792288	35306603
c) DEBENTURES				
OPENING	922	63947	922	63947

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PURCHASES/ADJUSTMENT	—	—	—	—
SALES/REDEMPTION	—	—	—	—
CLOSING	922	63947	922	63947
d) GOLD				
OPENING	—	—	—	—
PURCHASE/ADJUSTMENT	8	17254	—	—
SALES/REDEMPTION	—	—	—	—
CLOSING	8	17254	—	—
e) SILVER				
OPENING	—	—	—	—
PURCHASE/ADJUSTMENT	100	5031	—	—
SALES/REDEMPTION	—	—	—	—
CLOSING	100	5031	—	—
13. Disclosure as required by Accounting Standard – AS-18 "Related Party disclosure" are as per annexure 'I'				
14. 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'.				
15. Disclosure pursuant to Accounting Standard - 15				
a) <u>Defined Benefit Plan</u>				
Movement in net liability				
Particulars		Gratuity (funded) 31.03.2011	Gratuity (funded) 31.03.2010	
Present value of obligations as at the beginning of the year. (A)		270662	234918	
Adjustment for increase(Decrease) in opening obligation (B)		—	—	
Interest Cost (C)		21653	18793	
Current service cost (D)		36705	41362	
Benefits paid (E)		—	—	
Actuarial loss/(Gain) on obligation (F)		(13791)	(24411)	
Present value of obligations as on closing of the year (G=A+B+C+D-E+F)		315229	270662	
b) <u>The amounts recognized in the balance sheet and Profit & loss account are as follows:</u>				
Particulars		Gratuity (funded) 31.03.2011	Gratuity (funded) 31.03.2010	
Present value of obligation (A)		315229	270662	
Estimated fair value of plan assets (B)		296347	228803	
Net Liability / (Asset) (C=A-B)		18882	41859	
Amounts in the Balance Sheet		31.03.2011	31.03.2010	
Liabilities		18882	41859	
Amount charged to Profit & Loss Account		31.03.2011	31.03.2010	
Current Service Cost		36705	41362	
Interest Cost		21653	18793	
Expected Return on Plan Asset		(20592)	(16870)	
Actuarial(Gain)/Loss		(19875)	(25466)	
		17891	17819	
Head under which shown in the Profit & Loss account		Salary & Other benefits	Salary & Other benefits	
(c) <u>Fair value of plan assets</u>		31/03/2010	31/03/2011	
1. Fair Value of plan assets at the beginning of the period		210878	228803	
2. Acquisition adjustment		—	—	
3. Actual return on plan assets		17925	26676	
4. Contributions		—	40868	
5. Benefits Paid		—	—	
6. Fair value of plan assets at the end of the period		228803	296347	
d) <u>Following are the Principal Actuarial Assumptions used as at the balance sheet date:</u>				
Particulars			Gratuity	
Discount Rate			8%	
Salary Escalation Rate			8%	
16. Previous year figures have been rearranged/regrouped wherever considered necessary.				
17. All figures have been rounded off to the nearest rupee.				
18. Additional information Pursuant to Part IV of Schedule VI to the Companies Act 1956, is attached herewith.				
19. Annexure I to X form an integral part of the Accounts.				

AS PER OUR REPORT OF EVEN DATE

FOR P.BHOLUSARIA & CO.

CHARTERED ACCOUNTANTS

PAWAN BHOLUSARIA

PARTNER

M.No. : 080691

FR No. : 000468N

PLACE : NEW DELHI

DATE : 25/05/2011

KAVITA PAMNANI
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

FOR & ON BEHALF OF THE BOARD

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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ANNEXURE 'I'

Referred in Note No. 13 of the Annexure 'X' 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 Agrawal

- 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	—	7789440
	(—)	(14901906)
II. Purchase of securities etc. and other similar transaction	—	8688188
	(—)	(8799663)
III. Net derivative / difference in share dealing	—	—
	(—)	—
IV. Amount recovered on account of reimbursement of expenses	—	1456807
	(—)	(1482418)
V. Sitting fees	28000	—
	(32000)	(—)
VI. Depository Charges Paid	—	1703
	(—)	(1105)
VII. Outstanding Balances as on 31-3-2010	—	2500000
Investments	(—)	(2500000)

Figure in brackets pertains to previous year

ANNEXURE 'II'

Referred in Note No. 14 of the Annexure 'X' to the accounts:

Information as on 31st March 2011 required in terms of Paragraph 13 of Non-Banking Financial Companies

(Amounts in Rupees)

Particulars	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 falling 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		
(3) Break-up of Loan and Advances including Bills receivables [other than those included In (4) below] :		Amount Outstanding
(a) Secured		—
(b) Unsecured including interest receivable		1944445
(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		

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Sundry debtors :			
(a) Financial lease			
(b) Operating lease			
(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:			
(a) 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			20186699
(b) Preference			6376
(ii) Debentures and Bonds			63947
(iii) Units of mutual funds			
(iv) Government Securities			
(v) Others (please specify)			
-Gold			17254
-Silver			5031
2. Unquoted			
(i) Shares (a) Equity			2500000
(b) Preference			
(ii) Debentures and Bonds			
(iii) Units of mutual funds			35339493
(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	3200000	1944445	5144445
Total	3200000	1944445	5144445
(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 fairvalue or NAV	Book Value (Net of Provisions)	
1. Related Parties			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties	9332724	2500000	
2. Other than related parties	59995325	55612424	
Total	69328049	58112424	
(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.)

BHARAT
BHUSHAN

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED (Formerly Bharat Bhushan Share & Commodity Brokers Ltd) BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

0 4 9 0 3 8

State Code 5 5

Balance Sheet Date

3 1 0 3 2 0 1 1

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities

6 9 5 1 7

Total Assets

6 9 5 1 7

Sources of Funds

Paid-up Capital

3 3 8 0 4

Reserve & Surplus

3 5 6 1 9

Secured Loans

N I L

Unsecured Loans

N I L

Deferred Tax Asset

9 4

Application of Funds

Net fixed Assets

6 9 7

Investments

5 8 1 1 2

Net Current Assets

1 0 7 0 8

Misc. Expenditure

N I L

Accumulated Losses

N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

9 0 1 9

Total Expenditure

3 2 1 8

+ - Profit/Loss Before Tax

+ - 5 8 0 1

+ - Profit/Loss After Tax

+ - 4 8 2 3

Earning per Share in Rs.

1. 4 2 7

Dividend @ %

5

V. Generic Names of three Principal Products/Services of Company (As per Monetary terms)

Item Code No. (ITC Code) N. A.

Product Description DEALING IN SHARES &

DEBENTURES

Item Code No. (ITC Code) N. A.

Product Description COMMODITY TRANSACT

IONS

Item Code No. (ITC Code) N. A.

Product Description INVESTMENTS

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED*(Formerly known as Bharat Bhushan Share & Commodity Brokers Ltd.)***BHARAT
BHUSHAN****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2011	CURRENT YEAR ENDED 31ST MARCH, 2010
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	5801.74	5464.09
Adjustments for :		
Depreciation	118.81	174.18
Profit on Sale of Investments	-5505.6	-2516.38
Interest/dividend	-1299.23	-2016.75
Loss on sale of asset	0	2.30
Provision for diminution in the value of investments	6.92	1.13
Contingent Provision for standard assets	12.75	0.00
Operating profit before working capital charges	-864.61	1108.57
Adjustment for :		
Trade and other receivables	-3161.16	-1484.28
Change in Inventories	1633.28	-922.09
Trade payables	3069.34	435.30
Cash generated from operations	676.85	-862.50
Direct taxes paid	-940.73	-793.47
Cash flow before extraordinary items	-263.88	-1655.96
Extraordinary Items		
Net cash from operating activities	-263.88	-1655.96
B. Cash Flow from investing activities :		
Purchase of fixed assets	-55.59	-15.95
Purchase of investments	-48231.95	-48674.57
Sale of investments	49447.14	49793.92
Interest received	547.92	663.17
Sale of fixed assets	0	32.00
Dividend received	751.31	1353.59
Net cash used in investing activities	2458.83	3152.15
C. Cash flow from financing activities :		
Dividend paid	-1352.16	-1352.16
Tax On Dividend	-224.57	-229.80
Net cash used in financing activities	-1576.73	-1581.96
Net increase in cash and cash equivalents(A+B+C)	618.22	-85.77
Cash and cash equivalents (Opening balance)	4757.75	4843.52
Cash and cash equivalents (Closing balance)	5375.97	4757.75

For & on behalf of the Board**FOR & ON BEHALF OF THE BOARD**PLACE : NEW DELHI
DATE : 25/05/2011KAVITA PAMNANI
COMPANY SECRETARYVIJAY BHUSHAN
DIRECTORNISHA AHUJA
DIRECTORFOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTSPAWAN BHOLUSARIA
PARTNER
M.No. : 080691
FR No. : 000468N

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 19th 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 19th Annual General Meeting of the Company to be held on Friday, 23rd September, 2011 at 11.30 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.**

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.

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 19th Annual General Meeting of the Company to be held on Friday, 23rd September, 2011 at 11.30 A.M., at Shah Auditorium, 2 Rajniwas Marg, Civil Lines, Delhi - 110054 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.....2011.