

21st Annual Report

**BHARAT
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**BHARAT
BHUSHAN
FINANCE
COMMODITY
BROKERS
LIMITED** &

2012-2013

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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BOARD OF DIRECTORS	:	SANT KUMARI AGRAWAL ARUN KUMAR GARG NISHA AHUJA VIJAY BHUSHAN JOGESH C. AHUJA KULDEEP GUPTA RAVINDRA SINGH VARUN SAIHGAL
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

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NOTICE OF 21ST ANNUAL GENERAL MEETING - 2013

Notice is hereby given that the 21st Annual General Meeting of the Members of M/s Bharat Bhushan Finance & Commodity Brokers Limited will be held at Shri Purushottam Hindi Bhawan Nyas Samiti (Regd.) 11 Vishnu Digambar Marg, Rouse Avenue, New Delhi – 110002 on Monday the 23rd September, 2013 at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet of the Company as on 31st March 2013 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, 2013.
- 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. Ravindra Singh 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.

SPECIAL BUSINESS

- To Consider and if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

"RESOLVED THAT Mr. Varun Saihgal who was appointed as an additional director of the company pursuant to section 260 of the Companies Act, 1956 read with Clause 117 of the Articles of Association of the Company, in the meeting of the Board of Directors held on 21st May, 2013 with effect from that date and who holds the said office up to the date of this Annual General Meeting and a Notice in respect of whom has been received by the Company from a Member signifying his intention to propose the candidature of Mr. Varun Saihgal for the office of Director under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director of the Company with effect from the date of Annual General Meeting whose office shall be liable to retirement by rotation."

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

**Date: July 26, 2013.
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, 2013 to 22nd September, 2013 (both days inclusive).
- The payment of dividend, as recommended by the Board of Directors, subject to approval of the shareholders at the forthcoming Annual General Meeting, will be made after 15th October, 2013 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, 2013 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services (India) Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL).
- Members are requested to:
 - Intimate to the company's Registrar & Share Transfer Agent, changes, if any, in their respective addresses along with pin code number.
 - Quote folio no. / demat account no. in all their correspondence with the Company/ R&T Agent.
- The time limit for transfer of un-paid dividend declared for the financial year 2005-2006 will be expiring in December 2013 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 2005-2006 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 2014, 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.
NISHAAHUJA
DIRECTOR**

**Place: New Delhi
Date: July 26, 2013.**

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Mr. Varun Saihgal was appointed by the Board of Directors as an Additional Director on 21st May, 2013. He holds office upto the date of this Annual general Meeting. As required by section 257 of the Companies Act, 1956 the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of director and Mr. Varun Saihgal has also proposed himself to be appointed as director of the Company.

Brief Profile of Mr. Varun Saihgal

Mr. Varun Saihgal born on 25th September, 1964 has a Master Degree in Business Administration having more than 15 years experience in corporate affairs and presently working as an Advisor, Board of Management VIT University, Vellore, Tamilnadu.

Other Directorships:

Sphere Trade India Ltd.

Other Committee Positions:

Nil

His shareholding in the company is Nil.

The Board commends the resolution for approval.

None of the Directors except Mr. Varun Saihgal is concerned or interested in the said resolution.

**By order of the Board
For Bharat Bhushan Finance & Commodity Brokers Ltd.
NISHAAHUJA
DIRECTOR**

**Place: New Delhi
Date: July 26, 2013.**

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

1. Industry Trends and Business Analysis

The slowdown in growth rate in India during the first half of 2012-13, in terms of both global factors and domestic factors, vis-à-vis slowdown in advanced economies and near recessionary conditions prevailing in Europe resulted not only in lower growth of international trade but also lower capital flows. The growth rate of India's exports declined. At the same time, however, the international price of crude oil remained high. India's trade and current account deficits widened. Turning to domestic factors, rainfall in the monsoon season of 2012-13 has been below normal, particularly in the key months of June and July. This affected sowing and resulted in a lower growth rate of agriculture and allied sectors.

The Reserve Bank of India continued to follow a relatively tight monetary policy to control inflation, although there has been some relaxation in the recent months in the Statutory Liquidity Ratio (SLR) as well as Cash Reserve Ratio (CRR). The cost of borrowing remains at elevated levels and this has had an impact on investment and growth in the economy, particularly that of the industry sector.

Foreign Institutional Investors (FIIs) had poured in a record Rs 1.4 lakh crore (USD 26 billion) in the Indian stock markets in FY 2012-13, the highest ever since overseas entities started investing in equities in the country. FIIs were increasingly betting big on emerging markets like India amid growing uncertainty in European countries.

Markets suffered sharp cuts on the very first day of April, though the start of the week was on an optimistic note. There was shockwaves in the markets after global credit rating agency S&P threatened to downgrade the sovereign bond rating of India and revised its economic outlook to negative from stable, citing slow progress on its fiscal situation, as well as deteriorating economic indicators.

India's consumer price inflation accelerated in April to 10.36%, making life harder for the RBI as it looked to kick start a flagging economy. The planning commission too re-iterated the fact that falling rupee and high inflation could pose a hindrance for achieving the targeted economic growth of 7.5% for the current financial year.

Indian markets reported a drop for May 2012 after a flattish April. In the initial weeks the markets were muted and remained in the red primarily on the back of the country's deteriorating financial health. In the second half of the month the benchmark indices consolidated and then recovered towards the end of the month primarily on the back of Government's decision to allow Oil companies to raise petrol prices.

Indian equity benchmarks closed at a two-month high on the last trading day of June, as global markets rallied quite sharply after European leaders agreed to take emergency action to bring down Italy's and Spain's spiraling borrowing costs at European Summit. Markets made their biggest monthly gains since January 2012, after European leaders unveiled a plan to address Europe's distressed banking sector, easing some of the concerns about the region.

The market sentiment also improved after the government said Prime Minister Dr. Manmohan Singh who took charge of the finance ministry on Wednesday, June 27, 2012, is chalking out plan for the country's economic revival. BSE Sensex rose 457 points or 2.7% to 17,430, its highest closing level since April 19, 2012. The markets ended the quarter on a positive with Sensex gaining 12.4% while Nifty too ended sharply higher by 14.5%.

After a good performance in June 2012, the Indian markets ended the month of July on a negative note. The markets started off the month on a positive note as foreign funds remained buyers of Indian stocks. Further, expectations of measures from the government for revival of the slowing economy aided gains on the domestic bourses. However, from the middle of the second week of July, the rally fizzled out & the markets witnessed correction as investors reduced bets on future rate cuts from the RBI after hawkish comments from RBI governor D Subbarao on inflation. Further, the debt problems in Spain and Greece also spoiled the sentiment on domestic bourses.

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Indian equity benchmark indices ended the month of August 2012 in the positive with Sensex gaining 1.5% and the Nifty ended higher by 0.6% on hopes of quick implementation of reforms by the Indian Government. The rally was also supported by speculation that US would go for QE3 (Quantitative Easing) and on hopes of positive outcome from the ECB meeting.

Indian markets reversed the uptrend by ending the fifth week ended August 31, 2012 in red after gaining in the previous four weeks. Investors were also concerned by the Reserve Bank of India (RBI) governor D Subbarao's hawkish tone in a speech delivered in the US on Tuesday, 28 August 2012. Selling was seen across the board with metals and rate sensitive shares leading the decline while IT and FMCG indices ended up 1%. The broader market also witnessed profit taking at higher levels after select stocks surged over the past few weeks.

The bulls continued to dominate as the Indian Markets registered positive returns for the second straight month in September. The BSE Sensex & Nifty ended the month with robust gains of 7.6% & 8.5%, driven by strong FII inflows on the back of bold economic reform initiatives taken by the government like opening up FDI in retail and aviation sectors, capping up of cooking gas subsidy and a hike in diesel prices. The market gained in all the four weeks during the month of September. Investors' risk appetite strengthened after the positive announcements in Europe to solve the debt crisis and after US Federal Reserve announced its QE3 program.

After two consecutive months of upmove, the Indian Markets took a breather, witnessing some correction in the month of October. India's IIP numbers for the month of October were better than expected (growth of 2.7%), but it failed to cheer the market. Global credit rating agency Standard & Poor's (S&P) warned that India still faced a one-in-three chance of a credit rating downgrade to junk status within the next 24 months as it expects the government's fiscal deficit to be higher than its budgeted estimate, at 6% of GDP for FY13. The agency has cut GDP growth estimates for FY13 to 5.5% from 7% previously, to reflect soft domestic and external demand. Further, the World Bank lowered its fiscal year economic growth forecast for India to 6% due to infrastructure problems and slow policy reform, and warned there is a high risk that growth could slow further if economic conditions in Europe deteriorate. Moreover, India's merchandise exports fell 10.8% in Oct, 2012, while imports rose 5.09%. All these negative news weighed heavily on the indices.

The markets were disappointed as the RBI, on Oct 30, kept its key policy rate viz. the repo rate unchanged at 8% after second quarter review of Monetary Policy 2012-13, citing high inflation, even as the central bank further cut its GDP growth forecast for 2012-13. The disappointment was compounded after the central bank signaled that no further policy easing would take place until the Jan-March quarter of next year. It however cut the CRR by 25 bps. A bounce back on the last day of the month, due to encouraging global cues restricted the monthly losses of the Indian Markets.

After correcting in the month of October the Indian markets bounced back smartly in November. The rally was led by global liquidity and hopes of reform implementation. Though the start to the month was positive the second and third weeks were dull in the market corrected. The positive momentum picked up again from the fourth week with the gains accelerating towards the end of the month on the back of positive cues from Europe.

The BSE benchmark Sensex closed at 16,542 points on December 1. However, the Sensex was still down by nearly 22 per cent from an all-time high of 21,206 points scaled on January 10, 2008. FIIs infused a net amount of more than Rs 46,000 crore in the entire Indian stock market in October-December quarter on the back of a slew of reforms initiated by the government, pushing the broader market Sensex to surge 664 points, or 3.5 per cent, during the period.

Indian benchmark equity indices concluded the last trading session of calendar year 2012 on a disappointing note but garnered massive gains of over 25 per cent on annual basis. Key domestic benchmarks put-up a fascinating show when most of the world markets were closed on the beginning of the New Year. Though volume-wise it wasn't a great day, price-wise the Mid-cap and Small-cap stocks celebrated the first trading day of the year.

The passing holiday shortened week can be called an extraordinary week for the Indian markets, as the major indices not only surged to their highs of the year but within a span of three days gained over 4.5%. The traders took cues from the report of investments banker Goldman Sachs upgrading India to overweight from market-weight, saying that it expects the country's economic growth to be 'relatively strong' over the next year. The final day of the week too was just an extension to the gaining streak, despite a dismal second quarter GDP numbers, which came much in line to the street expectation of 5.3%.

While, the traders were cautious from the very beginning about the RBI's policy review, they looked concerned about the outlook of the apex bank. Though, RBI delivered on the street's expectation by reducing repo rate & CRR by 25 basis points each, but the undertone of the central bank was cautious and it said that the progress going forward would be slow and gradual.

The BSE Sensex after crossing 20,000 points level in early trade on 18 January 2013 and again for a second time in the last hour of market, closed with a gain 80 points, or 0.40 per cent, at 19,986. This was the first time since January 6, 2011 that the index crossed the 20,000-mark.

The government's reform measures to boost the economy were highly expected to be extended in the budget, but Finance Minister P Chidambaram concentrated on fiscal prudence and achieved the fiscal deficit target for FY2013 at 5.2% instead of 5.3% targeted in the last budget, further setting a target of 4.8% for FY2014. Though, there were lots of announcements keeping in mind the FIIs but there was a language confusion that the proposed sub-Section (5) of Section 90 could mean that the Tax Residency Certificate (TRC) produced by a resident of a contracting State could be questioned by the Income Tax Authorities in India that spooked the

markets, prompting investors to sell.

Global concerns too remained lingering and thwarted any recovery attempt. However, one positive was that markets after a washout in the last week, attempted recovery in all the three trading sessions. On the final, expiry day markets showed a good bounce back with lots of shorts being covered at the lower levels and benchmarks snapping the financial year end on a positive note. The sensex closed at 18835 and Nifty at 5650 on 28.March.2013 being the last trading day of FY 2012-13.

Commodity Market Overview :

Turnover of commodity exchanges in India fell by six per cent to Rs 170.46 lakh crore in the 2012-13 fiscal for the first time in the last five years. The fall is mainly due to the sluggish participation in gold and silver futures, according to the commodity markets regulator FMC.

The combined turnover of 20 commodity bourses had grown by more than 50 per cent to Rs 181.26 lakh crore during 2011-12 fiscal, it said. Agriculture commodities witnessed a marginal drop during the 2012-13 financial year but the maximum fall was seen in bullion futures. A hit has been taken for the first time in the cumulative business at the commodity bourses in last five years, as per FMC data.

Bullion futures trade turnover fell by 23 per cent to Rs 78.62 lakh crore in the 2012-13 fiscal from Rs 101.81 lakh crore in the year ago period while turnover from agricultural items fell marginally by two per cent to Rs 21.55 lakh crore from Rs 21.96 lakh crore in the review period.

However, the business from energy futures such as crude grew by over 32 per cent to Rs 37.68 lakh crore in the 2012-13 financial year, as against Rs 28.51 lakh crore in the previous year, while the turnover from metals such as copper increased by almost 13 per cent to Rs 32.60 lakh crore from Rs 28.61 lakh crore in the review period.

Silver, gold, crude oil, copper and nickel remained the leading five performing commodities on India's largest commodity exchange, the Multi Commodity Exchange (MCX).

2. Operating Results

The profitability of the Company in the current financial year is similar to the profitability of the Company in the previous financial year.

Particulars	(Rs. In Lacs)	
	Current year ended 31 st March, 2013	Previous year ended 31 st March, 2012
Total Income	87.80	93.65
Administrative and other Expenditure	35.70	35.64
Profit after depreciation & tax	41.59	46.67
Reserve & Surplus	405.03	383.21
Current Assets	233.18	160.90
Current Liabilities & Provisions	83.35	76.72
Net Current Assets	149.83	84.18
Share Capital	338.047	338.047

3. Future Prospects and Outlook

The company in its investment activity is guided by its underlying philosophy of prudence and constantly endeavors to achieve good returns, while employing adequate security measures for ensuring safety of the capital. The company shall incessantly scan the market for identifying good investment opportunities. The performance of the company is directly related to the performance of its investments.

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

Apart from the above the Company is focusing on stimulating the business of commodity trading as well. The management has laid emphasis on augmentation of marketing operations particularly in MCX, NCDEX and NSEL.

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 steps in order to accomplish the goal of enhancing the clientele and market for commodities trading.

4. Risks and concerns

The company appreciates the varied forms of risk inherent in our industry and we continue to scrutinize and adjust our risk management systems to make it the best in the industry. Continuing diversification of our product portfolio for example will also help us, in some part offset any sudden decline in broking revenues owing to market volatility.

The company also understands the risk of accidental oversight leading to

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unintentional regulatory compliance. To insure against this, we maintain vigilant compliance mechanism and take steps to ensure strict regulatory adherence.

5. Internal control systems and their adequacy

The adequacy and appropriateness of the internal control systems is reflected in its ability of function in the best interest of the company and ensure asset protection. The systems have been designed to provide accurate and dependable accounting data which can be verified with proper checks and balances. Besides, the Audit Committee of the board of directors periodically review the functionality and adequacy of internal control systems.

6. Human Resources

Several initiatives were undertaken for the development and enhancement of skill and retention of the workforce. We focused on reaching out to our employees on a regular basis to ensure constant alignment with organization goals and strategy. Decisions of appointment at various positions were governed by the capability and skill of the individual. The relations with the employees remained cordial during the year.

DIRECTORS REPORT

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended March 31, 2013.

FINANCIAL HIGHLIGHTS

Particulars	(Rs. In lacs)	
	Fiscal year ended March 31, 2013	Fiscal Year ended March 31, 2012
Total Income	87.80	93.65
Profit before depreciation & Tax	52.10	58.00
Depreciation	1.28	1.34
Profit Before Tax	50.82	56.67
Provision for Taxation	9.23	9.99
Profit After Tax	41.59	46.67
Balance Profit B/F from earlier year	253.90	236.21
Profit available for appropriation	295.49	282.88
APPROPRIATION:		
Transfer to Reserve Fund	8.32	9.33
Proposed Dividend	16.90	16.90
Provision for Dividend Tax	2.87	2.74
Profit C/F to Balance Sheet	267.40	253.90

DIVIDEND

The directors recommend dividend amounting to 50 Paise per share (5%) for the financial year ended 31st March, 2013. 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 remained similar to the performance in the previous financial year. The profit after tax in the current financial year is Rs. 41.59 Lacs as compared to previous year's profit after tax amounting to Rs. 46.67 Lacs. Despite worsening market conditions during the financial year under review the Company managed to maintain its net profitability as compared to the previous year's performance.

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

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

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

COMMODITY MARKET

The Company earned a brokerage on commodity exchange of Rs. 16.64 Lacs in the financial year under review as compared to 17.88 Lacs in the previous financial year. The management of the Company had strengthened the profitability from commodity trading segment and focused on managing costs and prudent use of capital.

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

CORPORATE GOVERNANCE

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

- That in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed.
- That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2013 and of the profit or loss of the company for the year under review.
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the directors have prepared the annual accounts for the year ended 31st March, 2013 on a going concern basis.

DIRECTORS

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

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

Mr. R.C. Mody, Director of the Company resigned from the Directorship of the Company w.e.f. 26th July, 2012. In terms of Section 262 of the companies act, 1956, Mr. Arun Kumar Garg has been appointed as a Director of the company w.e.f. 26th July, 2012 to fill in the casual vacancy.

In terms of the Articles of Association of the Company, your directors appointed Mr. Varun Saihgale as an additional Independent director of the Company with effect from 21st May, 2013. Mr. Varun Saihgale has the qualifications and experience required for the position of Independent Director. He is presently working as an Advisor, Board of Management VIT University, Vellore, Tamilnadu. Mr. Varun Saihgale holds office till the Annual General Meeting and is eligible for appointment. Notice has been received from a member signifying his intention to propose Mr. Varun Saihgale as an Independent Director. Details of his proposal are mentioned in the explanatory statement under section 173(2) of the Companies Act, 1956 covered under item No. 6 of the Notice of the 21st Annual General meeting.

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

AUDITORS

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

PARTICULARS OF EMPLOYEES

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

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

LISTING OF SHARES

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

PUBLIC DEPOSITS

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

STATUTORY INFORMATION

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

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

ACKNOWLEDGEMENTS

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

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

For & on Behalf of the Board of Directors

VIJAY BHUSHAN
DIRECTOR
NISHAAHUJA
DIRECTOR

Place: New Delhi
Date: July 26, 2013

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REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Good governance practices stem from the culture and mindset of the organization. Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness in all its transactions and meets its shareholders' aspirations.

The demands of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Shareholders'/Investors' Grievance Committee, Auditors and Senior Management.

The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing shareholder value over a sustained period of time.

Over the years, governance processes and systems have been strengthened within the Company and corporate governance has been an integral part of the way business has been done. 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 8 directors, out of which 4 directors are non-executive promoter directors, 1 director is non-executive director and 3 directors are independent non-executive directors.

In terms of the conditions stipulated under sub clause I (A)(ii) of the Clause 49 of the Listing Agreement, the Board of Directors of the Company shall comprise of at least one third independent directors, however consequent upon the resignation of Mr. R.C. Mody from the Board of Directors of the Company with effect from 26th July, 2012, the proportion of independent directors in the Board of Directors of Company fell below the said minimum requirement resulting in partial compliance of the above referred sub clause. In order to fully comply with the conditions of said sub clause the Board of Directors of the Company appointed Mr. Varun Saihgale as Additional Director (Independent) in its meeting held on 21st May, 2013. Henceforth the Company is fully complying the conditions of sub clause I (A) (ii) of the Clause 49 of the Listing Agreement.

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 16, 2012, July 26, 2012, October 25, 2012 and January 23, 2013. 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.

Mr. R.C. Mody, Director of the Company resigned from the Directorship of the Company w.e.f. 26th July, 2012. In terms of Section 262 of the companies act, 1956, Mr. Arun Kumar Garg has been appointed as a Director of the company w.e.f. 26th July, 2012 to fill in the casual vacancy. Besides Mr. Varun Saihgale was appointed as Additional Independent Director by the Board of Directors of the company w.e.f. 21st May, 2013. Mr. Varun Saihgale will seek approval from the shareholders to continue as an independent director of the company liable to retire by rotation.

There are no other changes in the Composition of the Board of Directors 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 are given below:

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

Mr. R.C. Mody resigned from the Board of Directors of the Company w.e.f. 26th July, 2012

Mr. Arun Kumar Garg has been appointed as a Director of the company w.e.f. 26th July, 2012 to fill in the casual vacancy.

Mr. Varun Saihgale was appointed as Additional Independent Director by the Board of Directors of the company w.e.f. 21st May, 2013 and the Board recommends the appointment of Mr. Varun Saihgale as Director (Independent Director) in the ensuing Annual General Meeting subject to the approval of members of the Company.

*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:

- Mr. Ravindra Singh
Mr. Ravindra Singh has a master's degree in Economics from Delhi School of Economics having more than 15 years of consultancy experience and have helped and effected more than 20 Joint Venture Collaboration in India in various areas ranging from Textiles, Engineering Products, Pharmaceuticals etc.
- Mrs. Sant Kumari Agrawal
Mrs. Sant Kumari Agrawal has the experience of more than 25 years of investment in shares.
Brief resume of Director being recommended for appointment as Director at the ensuing Annual General Meeting :
 - Mr. Varun Saihgale
Mr. Varun Saihgale has a Master Degree in Business Administration having more than 15 years experience in corporate affairs and presently working as an Advisor, Board of Management VIT University, Vellore, Tamilnadu.

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 bbinvestments.in.

All the Board members and senior management personnel have affirmed compliance with this Code for the year ended 31st March 2013.

BOARD COMMITTEES

A. AUDIT COMMITTEE

During the Financial Year under review, the audit Committee of the Board comprised of Four Non Executive Directors viz. Mr. Vijay Bhushan, Mr. Ravindra Singh and Mr. R. C. Mody and Mr. Kuldeep Gupta Independent Director, who chairs the Audit Committee. Consequent upon the resignation of Mr. R. C. Mody from the Board, ceased to be the member of the Audit Committee of the Board of Directors of the Company.

The Audit Committee has been reconstituted by the Board of Directors of the Company in its meeting held on 21st May, 2013 and Mr. Varun Saihgale is appointed as its member. 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 16, 2012, July 26, 2012, and October 25, 2012 and January 23, 2013. 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	1
Mr. Ravindra Singh	Independent	3
Mr. Kuldeep Gupta	Independent	4

*Mr. R.C. Mody has resigned from the Directorship of the company on 26th July, 2012 and therefore ceased to be a member of Audit Committee w.e.f. 26th July, 2012.

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

B. REMUNERATION OF DIRECTORS/REMUNERATION COMMITTEE

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

C. SHAREHOLDERS'/ INVESTOR GRIEVANCE COMMITTEE

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

Consequent upon his resignation from the Board, Mr. R.C. Mody ceased to be the member of the Investor Grievance Committee of the Board of Directors of the Company.

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The committee has been reconstituted by the Board of Directors of the Company in its meeting held on 21st May, 2013 and Mr. Varun Saihgai is appointed as its member.

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

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

During the year the Company received 37 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, 2013.

The committee met at regular intervals to check whether investor correspondences/ grievances are solved within the time frame. Four meetings of Shareholders/Investors Grievance Committee were held during the financial year ended May 16, 2012, July 26, 2016, and October 25, 2012 and January 23, 2013. 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	1

*Mr. R.C. Mody has resigned from the Directorship of the company on 26th July, 2012 and therefore ceased to be a member of the committee w.e.f. 26th July, 2012.

GENERAL BODY MEETINGS:

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

Financial Year	Location	Date	Time
2009-2010	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	30.08.2010	11.00 A.M.
2010-2011	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	23.09.2011	11.30 A.M.
2011-2012	Shri Purushottam Hindi Bhawan Nyas Simiti, New Delhi - 110002	28.09.2012	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, 2013
Venue : Shri Purushottam Hindi Bhawan Nyas Simiti (Regd.)
 11 Vishnu Digamber Marg, Rouse Avenue,
 New Delhi - 110002
Time : 11.00 A.M.

2) Announcement of Quarterly Results during the year ended 31.03.2013

Quarter ended	Dates of Announcement
June, 2012	: 26 th July, 2012
September, 2012	: 25 th October, 2012
December, 2012	: 23 rd January, 2013
March, 2013	: 21 st May, 2013

3) Announcement of quarterly results for the year ended 31.03.2014

Quarter ended	Tentative dates of Announcement
June, 2013	: Last week of July 2013
September, 2013	: Last week of October 2013
December, 2013	: Last week of January, 2014
March, 2014	: Last week of April, 2014 or Last week of May, 2014

4) Book Closure

The dates of the Book Closure are from 16th September, 2013 to 22nd September, 2013 (both days inclusive).

5) Dividend

Your Directors recommended payment of dividend 0.50 paisa per share subject to the declaration by shareholders in the ensuing Annual General Meeting and will be paid on or after 15th October, 2013

- 6) A. Equity Shares listed on : BSE LIMITED
Stock Exchange at & DSE LIMITED
B. Annual Listing Fees : Duty paid to both the above Stock Exchanges for the year 2013-14

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 2012 to March 2013

Months	BSE High(Rs)	Low(Rs)
April 2012	9.99	8.63
May 2012	10.00	8.61
June 2012	9.44	8.60
July 2012	9.05	8.40
August 2012	8.70	8.50
September 2012	9.10	8.16
October 2012	9.99	8.50
November,2012	10.01	8.35
December,2012	9.80	8.13
January,2013	9.40	8.41
February,2013	9.50	8.60
March,2013	8.71	7.63

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 2012-13

Period	Company's share price	BSE Sensex
April 2012	97.80%	99.51%
May 2012	92.56%	93.19%
June 2012	94.24%	100.15%
July 2012	92.36%	99.03%
August 2012	91.10%	100.14%
September 2012	87.54%	107.80%
October 2012	99.89%	106.33%
November 2012	93.40%	111.12%
December 2012	87.96%	111.62%
January 2013	91.10%	114.31%
February 2013	94.24%	108.37%
March 2013	88.27%	108.22%

9. Registrar and Share Transfer Agents:

For shares held in Physical Mode / Depository Mode

M/s Alankit Assignments Ltd.
 2E/21 Alankit House
 Jhandewalan Extn.,
 New Delhi - 110 055.
 Tel: 23541234/42541234, Email: rtal@alankit.com

10. Share Transfer System

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

11. Dematerialisation of Shares

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

As on 31st March, 2013, 27,53,999 shares have been dematerialized representing 81.47% of the total shares. (27,44,899 shares were in dematerialized form representing 81.2% of the total shares as on 31st March, 2012)

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International Securities Identification Number- 900A01013 (with NSDL and CDSL)
DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2013

Share holding of nominal value		Shareholders		Share/ Debenture Amount	
Rs.	Rs.	Number	% To Total	Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto 5000		3410	87.012	7082420	20.951
5001 – 10000		304	7.757	2518980	7.452
10001 – 20000		113	2.883	1685520	4.986
20001 – 30000		35	0.894	880900	2.606
30001 – 40000		16	0.408	580450	1.717
40001 – 50000		8	0.204	379200	1.122
50001 – 100000		12	0.306	834190	2.468
100001 and above		21	0.536	19842340	58.698
Total		3919	100.00	33804000	100.00

11. SHAREHOLDING PATTERN AS ON MARCH 31, 2013

CATEGORY	NO.OF SHARES HOLDING	% AGE HOLDING
(A). Shareholding of Promoter and Promoter Group		
(1) Indian		
(a) Individuals/ Hindu Undivided Family	1785730	52.83
(b) Central Government/State Government(s)	—	—
(c) Bodies Corporate	—	—
(d) Financial Institutions/Banks	—	—
Any Other	—	—
Sub Total (A 1)	1785730	52.83
(2) Foreign	—	—
(a) Individuals(Non- Resident Individuals/ Foreign Individuals)	—	—
(b) Bodies Corporate	—	—
(c) Institutions	—	—
(d) Any other	—	—
SUB –TOTAL (A2)	0	0
(B) Public Shareholding		
(1) Institutions	—	—
(a) Mutual Funds and UTI	500	0.01
(b) Financial Institutions/Banks	—	—
(c) Central Government/State Government(s)	—	—
(d) Venture Capital Funds	—	—
(e) Insurance Companies	—	—
(f) Foreign Institutional Investors	—	—
(g) Foreign Venture Capital Investors	—	—
(h) Any Other	—	—
SUB –TOTAL (B) (1)	500	0.01
(2) Non- Institutions		
(a) Bodies Corporate	109388	3.24
(b) Individuals-		
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1306803	38.66
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	135933	4.02
(c) Non Resident		
(i) Indian	29546	0.87
(ii) OCB	12500	0.37
SUB –TOTAL B{(2a)+ (2b)+(2c)}	1594170	47.16
Total Public Shareholding (B)	1594670	47.17
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) 43566777, 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 unclaimed dividends for the year 2005-2006 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.1,39,167/- (Rupees One Lac Thirty Nine Thousand One Hundred Sixty Seven only) unclaimed dividend for the year (2004-2005) 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 21st May, 2013.

Place: Delhi
Date: July 26, 2013.

Vijay Bhushan
Director

To the Board of Directors of Bharat Bhushan Finance & Commodity Brokers Ltd.

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 2013 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: 21st May, 2013.

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, 2013. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement except the conditions stipulated under sub clause I (A) (ii)

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

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

Place: New Delhi
Date: 26.07.2013

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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Auditors' Report

TO THE MEMBERS OF

Bharat Bhushan Finance & Commodity Brokers Ltd.

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

Report on the Financial Statements

We have audited the accompanying financial statements of **Bharat Bhushan Finance & Commodity Brokers Ltd. (Formerly Known as Bharat Bhushan Share & Commodity Brokers Ltd.)** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
FRN:000468N**

**PAWAN BHOLUSARIA
PARTNER
M.No.80691**

**Place: New Delhi
Date: 21/05/2013**

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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

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

Referred to in Paragraph 1 under the heading of "Report on other legal and Regulatory Requirements" of our report of even date for the year ended 31st March, 2013

- 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

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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- basis of our examination and according to the information and explanations given to us, we have neither come across nor we have been informed of any instance of major weaknesses in the aforesaid Internal Control System.
- v.) In respect of transactions covered under Section 301 of the Companies Act, 1956:
- a. According to the information and explanations given to us, the particulars of contracts or arrangements, that needed to be entered into in the register required to be maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi.) The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act.
- vii.) According to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
- viii.) The nature of business activities is such that clause 4(viii) of Companies (Auditors Report) 2003 regarding maintenance of cost record, is not applicable to the Company.
- ix.) In respect of statutory dues :
- a. According to the records of the Company and information and explanation given to us, undisputed statutory dues including provident fund, Investor education and protection fund, employee state Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other statutory dues to the extent applicable have been regularly deposited with the appropriate authorities. There are no undisputed amount payable in respect of the aforesaid dues which were outstanding as at 31st, March 2013 for a period of more than six months from the date of becoming payable.
- b. According to the information and explanation given to us, there are no dues of Income Tax/Sales Tax/ Wealth tax/Service Tax/Custom tax/excise duty /Cess, outstanding on account of any dispute.
- x.) The Company has not any accumulated losses and also not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) As the Company has not any outstanding dues of financial institutions, banks or debenture holders during the year, paragraph 4 (xi) of the order is not applicable.
- xii.) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of Security by way of pledge of shares, debentures and other securities.
- xiii.) As the Company is not a chit fund or a nidhi/mutual benefit funds/society to which the provisions of special statute relating to chit fund are applicable, paragraph 4 (xiii) of the order is not applicable.
- xiv.) According to information & explanation given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures and other investments and timely entries have been made therein. All the shares / debentures / units etc. have been held by the company in its own name or pledged with others except for certain shares pending for dematerialization or bad deliveries pending for rectification.
- xv.) According the information and explanation given to us, during the year , the company has not given any guarantee for loans taken by others from banks or financial Institutions.
- xvi.) According to the information and explanation given to us, during the year, the Company has not obtained any term Loan.
- xvii.) On the basis of overall examination of the balance sheet of the Company and information and explanation given to us, we report that during the year, the company has not raised funds either on short term basis or long term basis.
- xviii) During the year, the Company has not made any preferential allotment of shares.
- xix.) The company has not issued any debentures during the year.
- xx.) The company has not raised any money be 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
FRN:000468N**

**PAWAN BHOLUSARIA
PARTNER
M.No.80691**

**Place: New Delhi
Date: 21/05/2013**

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

**BHARAT
BHUSHAN**

BALANCE SHEET AS AT 31ST MARCH, 2013

(AMOUNT IN RUPEES)

PARTICULARS	Note No.	31ST MARCH, 2013	31ST MARCH, 2012
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS FUND</u>			
SHARE CAPITAL	2.1	33804000	33804000
RESERVES & SURPLUS	2.2	40503350	38321553
		<u>74307350</u>	<u>72125553</u>
<u>NON-CURRENT LIABILITIES</u>			
DEFERRED TAX LIABILITIES(NET)	2.3	76913	79069
LONG TERM PROVISIONS	2.4	55614	41386
		<u>132527</u>	<u>120455</u>
<u>CURRENT LIABILITIES</u>			
TRADE PAYABLES	2.5	717440	717440
OTHER CURRENT LIABILITIES		4348004	3549447
SHORT TERM PROVISIONS		3269548	3371146
		<u>8334992</u>	<u>7638033</u>
		<u>82774869</u>	<u>79884041</u>
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
FIXED ASSETS (TANGIBLE ASSETS)	2.6	552772	662089
NON-CURRENT INVESTMENT	2.7	56627707	60568831
LONG TERM LOAN AND ADVANCES	2.8	2276180	2555482
		<u>59456659</u>	<u>63786402</u>
<u>CURRENT ASSETS</u>			
INVENTORIES	2.9	4116279	3743534
TRADE RECEIVABLES		1957445	1215257
CASH & CASH EQUIVALENTS		5671143	5755824
SHORT TERM LOANS & ADVANCES		11301803	5233832
OTHER CURRENT ASSETS		271540	149192
		<u>23318210</u>	<u>16097639</u>
		<u>82774869</u>	<u>79884041</u>
<u>TOTAL</u>			
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

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

FOR & ON BEHALF OF THE BOARD

PAWAN BHOLUSARIA
PARTNER
M.No. : 80691

SONIA LUTHRA
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

PLACE : NEW DELHI
DATE : 21/05/2013

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

**BHARAT
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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(AMOUNT IN RUPEES)

PARTICULARS	Note No.	31ST MARCH, 2013	31ST MARCH, 2012
REVENUE FROM OPERATIONS	2.10	7521334	7964291
OTHER INCOME	2.11	1258464	1401003
TOTAL REVENUE		8779798	9365294
EXPENSES			
EMPLOYEE BENEFIT EXPENSE	2.12	1724522	1610662
DEPRECIATION	2.6	128217	133942
OTHER EXPENSES	2.13	1845194	1953717
TOTAL EXPENSES		3697933	3698321
PROFIT FOR THE YEAR BEFORE TAX		5081865	5666973
TAX EXPENSE:			
(1) CURRENT TAX		906000	1015000
(2) DEFERRED TAX		-2156	-15297
(3) TAX ADJUSTMENTS FOR EARLIER YEARS		18775	0
PROFIT FOR THE YEAR AFTER TAX		4159246	4667270
EARNING PER EQUITY SHARE:			
BASIC AND DILUTED	2.14	1.230	1.381
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

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

FOR & ON BEHALF OF THE BOARD

PAWAN BHOLUSARIA
PARTNER
M.No. : 80691

SONIA LUTHRA
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

PLACE : NEW DELHI
DATE : 21/05/2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(AMOUNT IN RUPEES)

PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2013	CURRENT YEAR ENDED 31ST MARCH, 2012
A. Cash flow from operating activities :		
Net Profit before tax and extraordinary items	5081.87	5666.97
Adjustments for :		
Depreciation	128.22	133.94
Profit on Sale of Investments	-3266.89	-5522.02
Interest/dividend	-999.83	-1137.4
Provision for diminution in the value of investments	-1.7	-0.58
Excess provision written back	0	90.59
Contingent Provision for standard assets	-7.75	-3.25
Operating profit before working capital charges	933.92	-771.75
Adjustment for :		
Trade and other receivables	-6809.27	2271.60
Change in Inventories	-372.75	483.54
Trade payables	798.55	-2629.54
Cash generated from operations	-5449.55	-646.15
Direct taxes paid	-859.69	-1113.08
Cash flow before extraordinary items	-6309.24	-1759.23
Extraordinary Items		
Net cash from operating activities	-6309.24	-1759.23
B. Cash Flow from investing activities :		
Purchase of fixed assets	-18.9	-99.55
Purchase of investments	-28504.32	-65130.77
Sale of investments	35712.34	68196.39
Interest received	347.10	486.32
Dividend received	652.73	651.08
Net cash used in investing activities	8188.95	4103.47
C. Cash flow from financing activities :		
Dividend paid	-1690.20	-1690.2
Tax On Dividend	-274.19	-274.19
Net cash used in financing activities	-1964.39	-1964.39
Net increase in cash and cash equivalents(A+B+C)	-84.68	379.85
Cash and cash equivalents (Opening balance)	5755.82	5375.97
Cash and cash equivalents (Closing balance)	5671.14	5755.82

FOR & ON BEHALF OF THE BOARD

PLACE : NEW DELHI
DATE : 21/05/2013

SONIA LUTHRA
COMPANY SECRETARY

VIJAY BHUSHAN
DIRECTOR

NISHA AHUJA
DIRECTOR

AS PER OUR REPORT OF EVEN DATE
FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
FR No. : 000468N

PAWAN BHOLUSARIA
PARTNER
M.No. : 80691

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 SYSTEM OF ACCOUNTING :-

1.1.1 The accounts have been prepared under the historical cost convention except where otherwise stated.

1.1.2 The company follows the mercantile system of accounting.

1.2 REVENUE RECOGNITION :-

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.

1.3 FIXED ASSETS: -

Fixed assets are stated at cost less depreciation.

1.4 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.

1.5 INVESTMENTS :-

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

1.6 STOCK IN TRADE :-

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

1.7 EMPLOYEES BENEFITS:-

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

1.7.1 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.

1.7.2 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.

1.7.3 Leave encashment benefits are paid to employees at the year end.

1.7.4 Termination benefits are recognized as an expense as and when incurred.

1.7.5 The actuarial gains & losses arising during the year are recognized in profit & loss account of the year without restoring to any amortization.

1.8 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.

1.9 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.

1.10 CONTINGENCIES

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

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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SHARE CAPITAL

NOTE NO. 2.1

SHARE CAPITAL

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
AUTHORISED		
70,00,000 EQUITY SHARES OF RS.10/- EACH	<u>70000000</u>	<u>70000000</u>
ISSUED, SUBSCRIBED & PAID UP		
33,80,400 EQUITY SHARES OF RS. 10/- EACH FULLY PAID-UP	33804000	33804000
TOTAL	<u>33804000</u>	<u>33804000</u>

— Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of Rs. 10/. Each holder of Equity Shares is entitled to One vote per share.

- Reconciliation of the number of shares outstanding and amount of share capital as on 31st March 2013 & 31st March, 2012 is as under:

Particulars	No. of Shares	AMOUNT (Rs.)	No. of Shares	AMOUNT (Rs.)
Number of shares at the beginning	3380400	33804000	3380400	33804000
Number of shares at the end	3380400	33804000	3380400	33804000

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

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Vijay Bhushan	782837	23.16%	765607	22.65%
Nisha Ahuja	640435	18.95%	623114	18.43%

-In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

RESERVES & SURPLUS

NOTE NO. 2.2

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
CAPITAL RESERVE		
CAPITAL RESERVE- OPENING BALANCE	400	400
ADD: ADDITION DURING THE YEAR	<u>0</u>	<u>0</u>
	400	400
RESERVE FUND		
OPENING BALANCE	8955150	8021696
ADDITION DURING THE YEAR*	<u>831849</u>	<u>933454</u>
	9786999	8955150
GENERAL RESERVE		
GENERAL RESERVE- OPENING BALANCE*	3975658	3975658
ADD: ADDITION DURING THE YEAR	<u>0</u>	<u>0</u>
	3975658	3975658
SURPLUS		
OPENING BALANCE	25390345	23620922
ADD: NET PROFIT AFTER TAX TRANSFERRED FROM STATEMENT OF PROFIT & LOSS	<u>4159246</u>	<u>4667270</u>
	29549591	28288192
LESS: APPROPRIATIONS		
—PROPOSED DIVIDEND	1690200	1690200
—DIVIDEND TAX ON ABOVE	287249	274193
—TRANSFERRED TO RESERVE FUND	<u>831849</u>	<u>933454</u>
SURPLUS - CLOSING BALANCE	<u>26740293</u>	<u>25390345</u>
TOTAL	<u>40503350</u>	<u>38321553</u>

(*) Created by way of transfer of specified percentage of profits as per section 451C of Reserve Bank of India (Amendment) Act, 1997. Appropriation from Reserves shall be for the purposes as may be specified by Reserve Bank of India.

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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DEFERRED TAX LIABILITIES (NET)

NOTE NO. 2.3

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
DEFERRED TAX LIABILITIES		
FIXED ASSETS	94450	109768
DEFERRED TAX ASSETS		
GRATUITY	17537	30699
	76913	79069

LONG-TERM PROVISIONS

NOTE NO. 2.4

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
PROVISION FOR EMPLOYEES BENEFIT (REFER NOTE NO.2.20)		
GRATUITY	55614	41386
	55614	41386

CURRENT LIABILITIES

NOTE NO. 2.5

(AMOUNT IN RUPEES)

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
A. TRADE PAYABLES		
SUNDRY CREDITORS	717440	717440
TOTAL A	717440	717440
B. OTHER CURRENT LIABILITIES		
EXPENSES PAYABLE	971020	88274
TDS PAYABLE	91079	12314
ADVANCES FROM CUSTOMERS	2056502	2276584
UNPAID DIVIDEND *	1229403	1172275
TOTAL B	4348004	3549447
C. SHORT-TERM PROVISIONS		
FOR INCOME TAX	906000	1015000
FOR DIVIDEND TAX	287249	274193
FOR PROPOSED DIVIDEND	1690200	1690200
FOR DIMINUTION IN THE VALUE OF INVESTMENT	383209	381511
FOR GRATUITY	1140	742
FOR STANDARD ASSETS	1750	9500
TOTAL C	3269548	3371146
TOTAL (A+B+C)	8334992	7638033

* No amount was due for transfer to investor education and protection fund as on 31.03.2013

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

FIXED ASSETS AS ON 31st March, 2013

NOTE -2.6

(AMOUNT IN RUPEES)

PARTICULARS	AS ON 01.04.2012	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		ADDITIONS DURING THE YEAR	SOLD DURING THE YEAR	AS AT 31.03.2013	AS AT 01.04.2012	FOR THE YEAR	ADJUSTED DURING THE YEAR	AS AT 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
FURNITURE & FIXTURE	539145	0	0	539145	518419	20726	0	539145	0	20726
OFFICE EQUIPMENT	1168213	0	0	1168213	800847	55490	0	856337	311876	367366
DATA PROCESSING MACHINERY	1439258	18900	0	1458158	1248980	26411	0	1275391	182767	190278
VEHICLE	269366	0	0	269366	185647	25590	0	211237	58129	83719
TOTAL	3415982	18900	0	3434882	2753893	128217	0	2882110	552772	662089
PREVIOUS YEAR	3316426	99556	0	3415982	2619951	133942	0	2753893	662089	696475

NON CURRENT INVESTMENTS

NOTE 2.7

(AMOUNT IN RUPEES)

NAME OF THE COMPANY	AS AT 31ST MARCH, 2013			AS AT 31ST MARCH, 2012	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
A.1. QUOTED FULLY PAID UP EQUITY SHARES (TRADE)					
ALOK INDUSTRIES LTD.	10/-	10000	219100.00	10000	219100.00
A.P. SCOOTER LTD.	10/-	100	490.00	100	490.00
ADINATH TEXTILES LTD.	10/-	200	3572.00	200	3572.00
ADVANCE METERINE LTD.	5/-	509	9980.00	0	0.00
AGRO CHEM(PUNJAB) LTD.	10/-	40	2320.00	40	2320.00
AGRO TECH (INDIA) LTD	10/-	800	4061.00	800	4061.00
AMBIC PROTEIN LTD,	10/-	800	4080.00	800	4080.00
AMINSONS FOOD LTD.	10/-	100	4185.00	100	4185.00
ANSAL PROPERTIES & INFRASTRUCTURE LTD.	5/-	4000	1094720.00	4000	1094720.00
AGIO PAPER AND INDUSTRIES LTD.	10/-	100	4575.00	100	4575.00
APPOLO SINDHOORI CAPITAL INVST. LTD.	1/-	50	1900.00	50	1900.00
ARIHANT COTSYN LTD.	10/-	50	788.00	50	788.00
ARIHANT INDUSTRIES LTD.	10/-	450	3693.00	450	3693.00
ARLABS LTD.	10/-	100	2000.00	100	2000.00
ARVIND MILL LTD.	10/-	500	56935.00	500	56935.00
ASHIANA AGRO INDUSTRIES LTD.	10/-	100	2553.00	100	2553.00
B.N RATHI	10/-	50	1001.00	50	1001.00
BESTAVISION ELECTRONIC LTD.	10/-	200	4066.00	200	4066.00
BHARAT NIDHI LTD,	10/-	100	344.00	100	344.00
BHARAT PIPE & FITTINGS LTD.	10/-	200	6574.00	200	6574.00
BHARTIYA INTERNATIONAL LTD	10/-	0	0.00	1000	124562.00
BITS LTD.	2/-	8000	40320.00	8000	40320.00
BLB LTD.	1/-	1	26.00	1	26.00
BOMBAY EXTRACTIONS LTD.	10/-	400	6088.00	400	6088.00
CAIRN INDIA LTD.	10/-	3250	1098960.00	0	0.00
BRITISH INDIA STEELS LTD.	10/-	100	1672.00	100	1672.00
CAREW Phipson LTD,	10/-	100	3055.00	100	3055.00
CEAT LTD.	10/-	6	450.00	6	450.00
CENTURY TUBES LTD.	10/-	100	1858.00	100	1858.00
CHEMIEQUIP LTD.	10/-	50	750.00	50	750.00
CHOKHANI INTERNATIONAL LTD,	10/-	700	4585.00	700	4585.00
CITRIC INDIA LTD.	10/-	50	500.00	50	500.00
CITY UNION BANK LTD.	1/-	10000	234196.00	10000	234196.00
CITY UNION BANK LTD.	1/-	2874	28740.00	0	0.00
COAL INDIA LTD.	10/-	500	122500.00	500	122500.00
DABUR	1/-	4000	527234.00	0	0.00
DEE PHARMA LTD	5/-	5	100.00	5	100.00
DIGITAL EQUIPMEN CO.LTD	10/-	100	8747.00	100	8747.00
DRAVYA INDUSTRIES CHEM LTD	10/-	600	4854.00	600	4854.00
ELB SCHLIFF (INDIA) LTD.	10/-	100	1045.00	100	1045.00
E-GOLD	gm	208	527848.00	208	527848.00
E-SILVER	gm	0	0.00	100	5029.00
EMKAY SHARES LTD.	10/-	51	3433.00	51	3433.00
EQUIPMENT COND.CABLE LTD.	10/-	100	806.00	100	806.00
ESL LTD(ELECTROSTEEL STEELS LTD)	10/-	10000	110468.00	10000	110468.00
ESSAR SECURITIES LTD.	10/-	80	3514.00	80	3514.00
FEDDERS LLOYED LTD.	10/-	1000	23570.00	1000	23570.00
FISHING FALCONS LTD.	10/-	100	1000.00	100	1000.00
FIBER WEB INDIA LTD.	10/-	200	9622.00	200	9622.00
GEOGIT FINANCIAL SERVICE	1/-	1	52.00	1	52.00
GILT PACK LTD.	10/-	100	1820.00	100	1820.00
GROVER LEASING LTD.	10/-	100	1046.00	100	1046.00
GKW LTD.	10/-	10	7361.00	10	7361.00
GOLDEN TOBACCO LTD.	10/-	200	27256.00	200	27256.00
GRAPHITE INDIA LTD.	2/-	33	0.00	33	0.00
GUJARAT B.D. LUGGAGE LTD.	10/-	100	1241.00	100	1241.00
GUJARAT COTSYN LTD.	10/-	200	7666.00	200	7666.00
GUJARAT INJECT LTD.	10/-	500	4810.00	500	4810.00

NON CURRENT INVESTMENTS (Cont.)

(AMOUNT IN RUPEES)

NAME OF THE COMPANY	AS AT 31ST MARCH, 2013			AS AT 31ST MARCH, 2012	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
HAYRANA PETRO CHEMICALS LTD.	10/-	400	6920.00	400	6920.00
HINDUSTAN FLUORO CARBONS LTD.	10/-	100	3060.00	100	3060.00
HDFC BANK	10/-	5000	1524664.00	4250	1110716.00
HOTLINE TELE TUBE COMPONENTS LTD.	10/-	200	3276.00	200	3276.00
ISPL INDUSRTIAL LTD.	10/-	100	1735.00	100	1735.00
INDIA BULLS POWER	10/-	5000	179222.00	5000	179222.00
IFB VENTURE CAPITAL LTD.	10/-	100	4803.00	100	4803.00
INDIA INFOLINE LTD.	2/-	50	6928.00	50	6928.00
ITC LTD.	1/-	14100	1925109.00	12000	1335576.00
INDIA MAIZE & CHEMICALS LTD.	10/-	100	765.00	100	765.00
INDIA POLYFIBERS LTD.	10/-	50	590.00	50	590.00
INDIA SECURITES LTD	1/-	1200	5272.00	1200	5272.00
INDIAN HOTELS LTD	1/-	1230	157920.00	1230	157920.00
INDO JAPAN PHOTO LTD.	10/-	300	3030.00	300	3030.00
INTERNATIONAL CERAMIC LTD.	10/-	400	5544.00	400	5544.00
INTERGRATED KINETIC FIN. LTD.	10/-	100	1500.00	100	1500.00
INDIA CEMENT CAPITAL LTD	10/-	400	8470.00	400	8470.00
INDORAMA SYNTHETICS (INDIA) LTD.	10/-	2000	145640.00	2000	145640.00
JAI MATA INDUSTRIES LTD.	10/-	500	7552.00	500	7552.00
JRG SECURITIES LTD.	10/-	50	2025.00	50	2025.00
JAY PEE INFRATECH LTD.	10/-	9000	514800.00	9000	514800.00
KARNATAKA CEMENT LTD.	10/-	200	1650.00	200	1650.00
KEDIA AGGLONERATED MARBLED LTD.	10/-	100	1715.00	100	1715.00
KESORAM INDUSTRIES LTD.	10/-	20	3300.00	20	3300.00
KHAITAN HOSTOMB SPINNERS LTD.	10/-	125	1875.00	125	1875.00
KONGRAR INTERGRATED FIBER LTD.	10/-	400	4000.00	400	4000.00
KUNAL ENGINEERING CO.LTD.	10/-	53	1590.00	53	1590.00
LARSON & TOUBRO LTD.	2/-	768	1046816.00	768	1046816.00
LOHIA STARLINGER LTD.	10/-	20	1733.00	20	1733.00
LUNAR DIAMONDS LTD.	10/-	200	8510.00	200	8510.00
LLOYD ELECTRIC LTD.	10/-	1800	96834.00	1800	96834.00
MEGAWARE COMPUTER LTD.	10/-	100	1545.00	100	1545.00
MANAPPURAM GENERAL FINANCE LTD	2/-	2000	163825.00	2000	163825.00
MAN INDUSTRIES INDIA LTD.	5/-	200	2500.00	200	2500.00
MANGLORE CHEM. & FERT. LTD.	10/-	100	2650.00	100	2650.00
MANSAROVAR PAPER & IND. LTD.	10/-	260	3932.00	260	3932.00
MAHINDRA & MAHINDRA LTD.	5/-	400	275248.00	400	275248.00
MICRO ACCESSORIES LTD.	10/-	100	2050.00	100	2050.00
MINERVA HOLDING LTD.	10/-	5	2828.00	5	2828.00
MINI DIAMONDS (INDIA) LTD.	10/-	100	2051.00	100	2051.00
MIRNAL TEXT. (INDIA) LTD.	10/-	100	2802.00	100	2802.00
MODERN INSULATORS LTD.	10/-	50	740.00	50	740.00
MODI INDUSTRIES LTD.	10/-	100	1801.00	100	1801.00
MOHAN MEAKIN LTD.	5/-	100	1285.00	100	1285.00
MORDERN SHARE & STOCK BROKERS	10/-	50	763.00	50	763.00
MUKESH STEEL LTD.	10/-	100	2550.00	100	2550.00
NAGURJUNA FINANCE LTD.	10/-	200	6404.00	200	6404.00
NAHAR INVESTMENT	5/-	28	4894.00	28	4894.00
NAHAR SPPINING MILLS LTD	5/-	22	3846.00	22	3846.00
NAVINON LTD.	10/-	200	10516.00	200	10516.00
NELCO LTD.	10/-	1500	238635.00	1500	238635.00
NESTLE INDIA LTD.	10/-	22	109318.00	0	0.00
NETWORTH STOCK BROKING LTD.	10/-	50	2503.00	50	2503.00
NIRAJ PETRO CHEMICALS LTD.	10/-	100	745.00	100	745.00
NIRUP SYNCHROME LTD.	10/-	400	6442.00	400	6442.00

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**BHARAT
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(AMOUNT IN RUPEES)

NAME OF THE COMPANY	AS AT 31ST MARCH, 2013			AS AT 31ST MARCH, 2012	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
NODURON FOUNDER (MAHARASHTRA) LTD.	10/-	50	2289.00	50	2289.00
NORTHERN DIGITAL EXCHANGE LTD.	10/-	100	1391.00	100	1391.00
NOVA IRON & STEELS LTD.	10/-	72	2673.00	300	2673.00
NTPC LTD.	10/-	4000	376440.00	4000	376440.00
ORISA SPONG LTD.	10/-	200	135306.00	200	135306.00
ONGC LTD.	5/-	3500	788465.00	7500	1707487.00
OPTO CIRCUIT LTD.	10/-	4000	568333.00	0	0.00
OCEAN INFRASTRUCTURE LTD.	10/-	500	5780.00	500	5780.00
ORKAY SILK LTD.	10/-	200	2324.00	200	2324.00
OSWAL AGRO FURANE LTD.	10/-	200	2580.00	200	2580.00
OSWAL CHEMICALS & FERT. LTD.	10/-	200	6952.00	200	6952.00
POWERGRID CORPORATION	10/-	0	0.00	1200	132384.00
PNB MUTUAL FUND	10/-	150	1242.00	150	1242.00
PUNJAB NATIONAL FERTILISERS & CHEMICAL LTD.	10/-	100	1949.00	100	1949.00
POLAR LATEX LTD.	10/-	300	8319.00	300	8319.00
POLAR MARMO AGGLOMERATED LTD.	10/-	200	3392.00	200	3392.00
PARTAP STEEL ROLLING MILLS (1934) LTD.	10/-	200	3454.00	200	3454.00
PREMIER VINYAL FLOORING LTD.	10/-	125	3950.00	125	3950.00
PIRAMAL HEALTHCARE LTD.	2/-	0	0.00	1500	742495.00
PTL LTD.	2/-	2000	85180.00	2000	85180.00
PSL LTD	10/-	1000	141280.00	1000	141280.00
PUNJ LLOYD LTD.	2/-	1200	446763.00	1200	446763.00
R.S.SOFTWARE LTD	10/-	0	0.00	1280	83690.00
RADHA KRISHNA CEMENT LTD.	10/-	100	1398.00	100	1398.00
RAJASTHAN BREWERIES LTD.	10/-	100	3452.00	100	3452.00
RAJASTAN PERTO SYNTH. LTD.	10/-	100	2920.00	100	2920.00
RELIANCE BROADCAST NETWORK	5/-	2000	107944.00	2000	107944.00
RELIANCE CAPITAL LTD.	10/-	50	1665.00	50	1665.00
RELIANCE COMMUNICATION LTD.	5/-	2954	460913.00	2954	460913.00
RELIANCE INFRASTRUCTURE LTD.	10/-	75	9373.00	75	9373.00
RELIANCE POWER LTD	10/-	738	175792.00	738	175792.00
RELIANCE INDUSTRIES LTD.	10/-	2218	1107890.00	2218	1107890.00
RELIANCE MEDIA WORKS	5/-	1000	428595.00	1000	428595.00
RICHMEN SILK LTD.	10/-	200	2152.00	200	2152.00
RUCHI STRIPS & ALLOYS LTD.	10/-	100	2537.00	100	2537.00
S.M ENERGY TECHNIQUE LTD.	10/-	300	6101.00	300	6101.00
SAMTEL (INDIA) LTD.	10/-	23	1285.00	23	1285.00
SHIVA CEMENT	2/-	2200	18832.00	2200	18832.00
STORE ONE RETAIL LTD.	10/-	500	16030.00	2000	64120.00
SREI INFRA FINANCE LTD.	10/-	1800	84550.00	1800	84550.00
SENTHUR SHOES LTD.	10/-	100	2152.00	100	2152.00
SHALIMAR WIRE LTD.	2/-	250	7508.00	250	7508.00
SHAMKEN COTSYNL. LTD.	10/-	1000	10000.00	1000	10000.00
SHIVALIK FERTILIZERS LTD.	10/-	100	1217.00	100	1217.00
SHRIYANS STEEL LTD.	10/-	100	1742.00	100	1742.00
SOMKAN MARINE FOOD LTD.	10/-	500	5045.00	500	5045.00
SOL PHARMA LTD.	10/-	2	1955.00	2	1955.00
STERLING BASIC ORGANIC LTD.	10/-	900	9000.00	900	9000.00
SUBHASH DALAL LTD.	10/-	100	3230.00	100	3230.00
SUL INDIA LTD.	10/-	50	1500.00	50	1500.00
SURAJ VANASPATI LTD.	10/-	300	5580.00	300	5580.00
TATA POWER CO. LTD.	1/-	5000	530822.00	0	0.00
TATA STEEL LTD.	10/-	8400	4367555.00	8100	4260565.00
TIN PLATE COMPANY	10/-	1000	92210.00	1000	92210.00
TAMILNADU INDUSTRIAL EXPLOSIVES LTD.	10/-	100	1415.00	100	1415.00
TATA CONSULTANCY SERVICES LTD.	1/-	2076	991495.00	2076	991495.00
TITAN INDUSTRIES LTD.	1/-	1000	223390.00	1000	223390.00
THAPAR AGRO LTD.	10/-	100	1795.00	100	1795.00
TOSHA PICTURE TUBE LTD.	10/-	200	2180.00	200	2180.00

NON CURRENT INVESTMENTS (Cont.)

(AMOUNT IN RUPEES)

NAME OF THE COMPANY	AS AT 31ST MARCH, 2013			AS AT 31ST MARCH, 2012	
	FACE VALUE	QTY (NOS)	AMOUNT	QTY (NOS)	AMOUNT
U.B. PETRO PRODUCTS LTD.	10/-	300	6696.00	300	6696.00
UCAL POWER SYSTEM LTD.	10/-	200	7472.00	200	7472.00
UNIPON INDIA LTD.	10/-	200	8138.00	200	8138.00
UNITED DRILLING TOOLS LTD.	10/-	100	1952.00	100	1952.00
UNITECH LTD.	2/-	1000	78010.00	1000	78010.00
UTI MASTER PLUS	10/-	400	5444.00	400	5444.00
UTI MASTER SHARE	10/-	350	8995.00	350	8995.00
VITTA MAZDA LTD.	10/-	300	2457.00	300	2457.00
VICTOR GASKETS LTD.	1/-	100	0.00	100	0.00
WALLFORT FINANCIAL SERVICES LTD.	10/-	50	1835.00	50	1835.00
WELSPUN GUJRAT LTD.	5/-	1000	255030.00	1000	255030.00
WHIRL POOL WASHING MACHINES LTD.	10/-	100	1245.00	100	1245.00
WIRE & WIRELESS INDIA LTD.	1/-	0	0.00	5000	117750.00
ZEE ENTERTAINMENT ENTERPRISES LTD	1/-	210	0.00	210	0.00
ZEE LEARN LTD	1/-	26	0.00	26	0.00
ZEE NEWS LTD.	1/-	500	31405.00	500	31405.00
A.2. FULLY PAIDUP UNQUOTED EQUITY SHARES (NON TRADE)					
Bharat Bhushan Equity Traders Ltd	10/-	250000	2500000.00	250000.00	2500000.00
B. QUOTED FULLY PAIDUP PREFERENCE SHARES (NON TRADE)					
15% Non cumulative Redeemable preference shares of Mansarovar Paper & Ind. Ltd.	10/-	200	2376.00	200.00	2376.00
9 % Pref Sh. of Shaw Wallace Gelatines Ltd.	7/-	400	4000.00	400.00	4000.00
C. QUOTED FULLY PAIDUP DEBENTURES (TRADE)					
15 % Secured Fully Redeemable NCD of Apple Leasing & Ind. Ltd.	50 /-	20	802.00	20.00	802.00
14 % Secured Redeemable NCD of castrol ind ltd	100/-	2	145.00	2.00	145.00
Zero Interest Secured NCD of Mukerien papers ltd	70/-	900	63000.00	900.00	63000.00
D. FULLY PAID-UP UNQUOTED UNITS IN MUTUAL FUNDS (TRADE)					
DWS ULTRA SHORT TERM FUND	-	0	0.00	318833	5000000.00
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES S-59	-	0	0.00	300000	3000000.00
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES S-62	-	800000	8000000.00	800000	8000000.00
ICICI PRUDENTIAL FIXED MATURITY PLAN SERIES S-63	-	0	0.00	800000	8000000.00
ICICI PRUDENTIAL FMP SERIES 66 (1YEAR)	-	50000	500000.00	0	0.00
ICICI PRUDENTIAL SHORT TERM PLAN	-	209063	5000000.00	0	0.00
JP MORGAN INDIA SHORT TERM INCOME FUND	-	0	0.00	74742	850232.00
SBI DEBT FUND SERIES 370 DAYS-12	-	0	0.00	530000	5300000.00
SBI SHFULTRA SHORTTERM FUND	-	4125	5784897.00	0	0.00
TATA FIXED MATURITY PLAN SERIES 36	-	0	0.00	400000	4000000.00
TEMPLATION INDIA SHORT TERM INCOME PLAN	-	1912	4500000.00	0	0.00
UTI TREASUREY ADVANTAGE FUND	-	2637	7313375.00	1182	3200000.00
UTI TREASUREY ADV. FUND (INVT. PLAN)	-	323	500000.00	0	0.00
E OTHER NON CURRENT INVESTMENTS					
WARRANTS (NON TRADE)					
DCM Shriram Industries Ltd.	-	288	0.00	288	0.00
Mukerian Paper Ltd.	-	900	0.00	900	0.00
Usha Ispat Ltd	-	100	300.00	100	300.00
Vardhman Polytex Ltd.	-	1400	0.00	1400	0.00
GRAND TOTAL		1493861	56627707.00	3643560	60568831.00

NOTES:

NATURE OF INVESTMENT:-
QUOTED INVESTMENT

— Cost Price 22529135 20718299
— Market Price 23381369 22654605

UNQUOTED INVESTMENTS

Units of Mutual Funds
— Cost Price 31598272 37350232
— Net Asset Value of units 33504752 38854707

OTHERS

— Cost Price 2500300 2500300

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NON CURRENT ASSETS

NOTE NO. 2.8

(AMOUNT IN RUPEES)

PARTICULARS	AS AT	
	31ST MARCH, 2013	31ST MARCH, 2012
LONG TERM LOANS AND ADVANCES		
SECURITY DEPOSIT	2276180	2555482
	<u>2276180</u>	<u>2555482</u>

CURRENT ASSETS

NOTE NO. 2.9

(AMOUNT IN RUPEES)

PARTICULARS	AS AT		AS AT	
	31ST MARCH, 2013		31ST MARCH, 2012	
A. STOCK IN TRADE		4116279		3743534
(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT) (COST OR MARKET PRICE WHICHEVER IS LOWER) TOTAL A		<u>4116279</u>		<u>3743534</u>
B. TRADE RECEIVABLES		1957445		1215257
TOTAL B		<u>1957445</u>		<u>1215257</u>
C. CASH AND CASH EQUIVALENTS				
BALANCE WITH BANK	2934246		3075284	
TERM DEPOSIT *	1500000		1500000	
—OF WHICH AMOUNT EARMARKED FOR PAYMENT OF UNPAID DIVIDEND		5663439	1171910	5747194
2. CASH IN HAND	<u>1229193</u>	<u>7704</u>		<u>8630</u>
TOTAL C		<u>5671143</u>		<u>5755824</u>
* TERM DEPOSITS HAVING MATURITY MORE THAN 3 MONTHS BUT LESS THAN 12 MONTHS				
D. SHORT TERM LOANS AND ADVANCES*				
LOANS & ADVANCES				
— SECURED		200000		3300000
— UNSECURED		500000		500000
OTHER				
1. ADVANCE INCOME TAX & TAX DEDUCTED AT SOURCE		1129207		1299897
2. SERVICE TAX RECOVERABLE		9312		11049
3. PREPAID EXPENSES		66640		77484
4. ADVANCE RECOVERABLE FROM CUSTOMERS		294085		7602
5. ADVANCE RECOVERABLE FROM EMPLOYEES		11500		37800
6. MARGIN WITH EXCHANGES		9091059		0
TOTAL D		<u>11301803</u>		<u>5233832</u>
E. OTHER CURRENT ASSETS				
INTEREST ACCRUED ON BANK DEPOSITS		271540		149192
TOTAL E		<u>271540</u>		<u>149192</u>
TOTAL (A+B+C+D+E)		<u>23318210</u>		<u>16097639</u>

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

REVENUE FROM OPERATIONS

NOTE NO. 2.10

(AMOUNT IN RUPEES)

PARTICULARS	AS AT		AS AT	
	31ST MARCH, 2013		31ST MARCH, 2012	
PROFIT/LOSS FROM SALE/PURCHASE AND DIFFERENCE IN SECURITIES DEALING (NET)		1590168		-483542
GAIN ON SALE OF INVESTMENT- TRADE (NET)		3266890		5522027
BROKERAGE / SERVICES CHARGES*		1664449		1788402
INTEREST INCOME (GROSS) (INCLUDING TAX DEDUCTED AT SOURCE Rs. 13595/- PREVIOUS YEAR Rs. 30310/-)				
— ON LOANS/ICD'S	211151		359767	
— ON FIXED DEPOSITS WITH BANKS	<u>135943</u>	347094	<u>126557</u>	486324
DIVIDEND INCOME ON INVESTMENTS- TRADE		485499		523893
DIVIDEND INCOME ON STOCK IN TRADE		<u>167234</u>		<u>127187</u>
TOTAL		<u>7521334</u>		<u>7964291</u>

* Brokerage / Service charges of Rs. 1664449/- (Previous Year Rs. 1788402/-) represents brokerage earned from Commodity Trading (NCDEX, NSEL and MCX)

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OTHER INCOME

NOTE NO. 2.11

(AMOUNT IN RUPEES)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2013	FOR THE YEAR ENDED 31ST MARCH, 2012
OTHER INCOME*	1258464	1401003
(INCLUDING TAX DEDUCTED AT SOURCE - Rs.24000/- PREVIOUS YEAR Rs.24000/-)		
TOTAL	1258464	1401003

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

EMPLOYEE BENEFIT EXPENSE

NOTE NO. 2.12

(AMOUNT IN RUPEES)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2013	FOR THE YEAR ENDED 31ST MARCH, 2012
SALARY & BENEFITS	1637358	1508406
STAFF WELFARE	87164	102256
TOTAL	1724522	1610662

OTHER EXPENSES

NOTE NO. 2.13

(AMOUNT IN RUPEES)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2013	FOR THE YEAR ENDED 31ST MARCH, 2012
RENT	24000	24000
REPAIRS & MAINTANANCE	72730	117906
POSTAGE, TELEGRAM & TELEPHONE	238023	239920
INSURANCE	8677	9314
MEMBERSHIP & SUBSCRIPTION	91424	286448
PRINTING & STATIONERY	62198	78649
LISTING FEES	22500	22500\
DIRECTORS' SITTING FEE	73000	69000\
TRAVELLING & CONVEYANCE	68124	61268
VEHICLE RUNNING & MAINTENANCE	18360	25600
INCENTIVE	45736	46995
LEGAL AND PROFESSIONAL CHARGES	137560	64500
ADVERTISEMENT	46522	52322
SECURITIES TRANSACTIONS TAX	12421	18818
PROVISION FOR DIMUNITION IN THE VALUE OF LONG TERM INVESTMENT	1698	-588
CONTIGENT PROVISION OF STANDARD ASSETS	-7750	-3250
MISCELLANEOUS	607594	588987
AUDITOR'S REMUNERATION		
AUDIT FEES	40000	40000
TAX AUDIT FEES	12500	12500
TAXATION MATTERS	12500	12500
OTHERS	25787	18809
OFFICE EXPENSES	231590	167519
TOTAL	1845194	1953717

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2.14 EARNING PER SHARE (EPS):-

		Year Ended 31ST MARCH 2013	Year Ended 31ST MARCH 2012
Net Profit available for Equity shareholders	(Rs.) (A)	4159246	4667270
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)	1.230	1.381

2.15 CONTINGENT LIABILITIES:-

		AS AT 31ST MARCH 2013 (Rs.)	AS AT 31ST MARCH 2012 (Rs.)
a. Claims against the company/disputed Liability not acknowledged as debt (Net)		9006058	9006058
b. Liability in respect of partly paid up Equity Shares		80000	80000

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

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

	FOR THE YEAR ENDED 31ST MARCH 2013		FOR THE YEAR ENDED 31ST MARCH 2012	
	QTY. (in Nos.)	AMOUNT (in Rs.)	QTY. (in Nos.)	AMOUNT (in Rs.)
A) STOCKS:-				
a) SHARES OPENING	170533	3743534	166033	4227076
PURCHASES	500	1049479	4500	—
SALES/REDEMPTION	6500	1658857	—	—
CLOSING	164533	4116279	170533	3743534
b) UNITS OF MUTUAL FUND				
OPENING	1	0	1	0
PURCHASES	—	—	—	—
SALES/REDEMPMENTION	—	—	—	—
CLOSING	1	0	1	0
B) INVESTMENTS: -				
a) SHARES				
OPENING	417473	22453132	424366	22686699
PURCHASES/ ADJUSTMENT	32011	4769423	57283	6295481
SALES/REDEMPTION	24914	2953652	64176	6529048
CLOSING	424570	24268903	417473	22453132
b) UNITS OF MUTUAL FUND				
OPENING	3224857	37518949	2177719	35339493
PURCHASES/ADJUSTMENT	268111	23734897	2782824	58265072
SALES/REDEMPTION	2424806	29486857	1735686	56085616
CLOSING	1068162	31766989	3224857	37518949
c) DEBENTURES				
OPENING	922	63947	922	63947
PURCHASES/ADJUSTMENT	—	—	—	—
SALES/REDEMPTION	—	—	—	—
CLOSING	922	63947	922	63947
d) GOLD				
OPENING	208	5278489	8	17254
PURCHASE/ADJUSTMENT	—	—	200	510595
SALES/REDEMPTION	—	—	—	—
CLOSING	208	5278489	208	5278489
e) SILVER				
OPENING	100	5030	100	5031
PURCHASE/ADJUSTMENT	—	—	1000	59628
SALES/REDEMPTION	100	5030	1000	59629
CLOSING	—	—	100	5030

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

2.18.1. List of related parties with whom transaction have been taken place and relationship:

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

Sh. Vijay Bhushan

Mrs. Nisha Ahuja

- Mrs. Sant Kumari Agarwal Director & Mother of (a)

- Sh. Jogesh Ahuja Director & Husband of (b)

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.

2.18.2. 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	—	37371191
	(—)	(7371221)
II. Purchase of securities etc. and other similar transaction	—	5790162
	(—)	(6295481)
III. Net derivative / difference in share dealing	—	15184
	(—)	—
IV. Amount recovered on account of reimbursement of expenses	—	1200000
	(—)	(1200000)
V. Sitting fees	73000	—
	(44000)	(—)
VI. Depository Charges Paid	—	2382
	(—)	(466)
VII. Outstanding Balances as on 31-3-2013	—	2500000
Investments	(—)	(2500000)

Figure in brackets pertains to previous year

2.19 Disclosure as required by Para 13 of Non Banking Financial (Non Deposit Accepting on Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.

Information as on 31st March 2013 required in terms of Paragraph 13 of Non- Banking Financial Companies

Particulars	Amount Outstanding	Amount Overdue
Figures in Rupees		
Liabilities side:		
(1) Loans and advances availed by the NBFCS Inclusive of interest accrued thereon but not Paid:		
(a) Debentures : Secured	—	—
: Unsecured	—	—
(other than failing within the Meaning of public deposits)	—	—
(b) Deferred Credits	—	—
(c) Term Loans	—	—
(d) Inter-corporate loans and borrowing	—	—
(e) Commercial Paper	—	—
(f) Public Deposits	—	—
(g) Other Loans (specify nature)	—	—
(2) Break-up of (1) (f) above (Outstanding Public deposits inclusive of interest accrued Thereon but not paid):		
(a) In the form of Unsecured debentures	—	—
(b) In the form of partly secured Debentures ie. Debentures where there is a shortfall in the value of security	—	—
(c) Other public deposits	—	—
Asset side		
(3) Break-up of Loan and Advances including Bills receivables [other than those included In (4) below] :		Amount Outstanding
(a) Secured		200000
(b) Unsecured including interest receivable		500000

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**(4) Break-up of Leased Assets and stock on hire
And hypothecation loans counting towards
EL/HP activities**

(i) Lease assets including lease rentals under Sundry debtors :		
(a) Financial lease		—
(b) Operating lease		—
(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	22458812
	(b) Preference	6376
(ii) Debentures and Bonds		63947
(iii) Units of mutual funds		—
(iv) Government Securities		—
(v) Others (please specify)		
-Gold		527848
-Silver		5030
2. Unquoted		
(i) Shares	(a) Equity	2500000
	(b) Preference	—
(ii) Debentures and Bonds		—
(iii) Units of mutual funds		31598272
(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	200000	500000	700000
Total	200000	500000	700000

(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	10699051	2500000	
2. Other than related parties	56886422	54127707	
Total	67585473	56627707	

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(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 —

2.20 Disclosure pursuant to Accounting Standard - 15

a) Defined Benefit Plan

Movement in net liability

Particulars

	Gratuity (funded) 31.03.2013	Gratuity (funded) 31.03.2012
Present value of obligations as at the beginning of the year. (A)	381533	315229
Adjustment for increase(Decrease) in opening obligation (B)		
Interest Cost (C)	32430	26794
Current service cost (D)	41640	39876
Benefits paid (E)		
Actuarial loss/(Gain) on obligation (F)	(17832)	(366)
Present value of obligations as on closing of the year (G=A+B+C+D-E+F)	437771	381533

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

Particulars

	Gratuity (funded) 31.03.2013	Gratuity (funded) 31.03.2012
Present value of obligation (A)	437771	381533
Estimated fair value of plan assets (B)	381017	339405
Net Liability / (Asset) (C=A-B)	56754	42128
Amounts in the Balance Sheet	31.03.2013	31.03.2012
Long Term Provision	55614	41386
Short Term Provision	1140	742
Total	56754	42128
Amount charged to Profit & Loss Account	31.03.2013	31.03.2012
Current Service Cost	41640	39876
Interest Cost	32430	26794
Expected Return on Plan Asset	(30546)	(26671)
Actuarial(Gain)/Loss	(18031)	(398)
	25493	39601

Head under which shown in the Profit & Loss account

Salary & Other benefits Salary & Other benefits

(c) Fair value of plan assets

	31/03/2012	31/03/2013
1. Fair Value of plan assets at the beginning of the period	296347	339405
2. Acquisition adjustment	-	-
3. Actual return on plan assets	26703	30745
4. Contributions	16355	10867
5. Benefits Paid	-	-
6. Fair value of plan assets at the end of the period	339405	381017

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

Particulars

Discount Rate	8.5%
Salary Escalation Rate	8.5%

2.21 Minimum lease payments recognized in the statement of profit & loss account during the period ended 31st March 2013 is Rs. 24000/-

(Previous year Rs. 24000/-)

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

As per our report of even date
 FOR P. BHOLUSARIA & CO
 CHARTERED ACCOUNTANTS
 FRN: 000468N

For & on Behalf of the Board

PAWAN BHOLUSARIA
 PARTNER
 M.NO.- 80691

SONIA LUTHRA
 COMPANY SECRETARY

VIJAY BHUSHAN
 DIRECTOR

NISHA AHUJA
 DIRECTOR

PLACE : NEW DELHI
 DATE : 21.05.2013

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
21st 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 21st Annual General Meeting of the Company to be held on Monday, 23rd September, 2013 at 11.00 A.M.

.....
Member's Signature

If proxy attends instead of Member :

Proxy's Name..... **Proxy's Signature**.....

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

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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PROXY FORM

I/we R/o
being a member/members of Bharat Bhushan Finance & Commodity Brokers Limited hereby appoint Mr./Ms
.....R/o or
failing him/her, Mr./Ms..... R/oas my/our
proxy in my/our absence to attend and to vote for me/us on my/our behalf at the 21st Annual General Meeting of the
Company to be held on Monday, 23rd September, 2013 at 11.00 A.M., at Shri Purushottom Hindi Bhawan Nyas
Samiti (Regd.) 11 Vishnu Digamber Marg, Rouse Avenue, New Delhi – 110002

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.....2013.

Book - Post

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