

# *17th Annual Report*

**BHARAT  
BHUSHAN**

**BHARAT  
BHUSHAN  
SHARE  
&  
COMMODITY  
BROKERS  
LIMITED**

**2008-2009**

## **BHARAT BHUSHAN SHARE & COMMODITY BROKERS LIMITED**

**BHARAT  
BHUSHAN**

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

## **CORRIGENDUM**

**Please refer to the attached seventeenth Annual Report of Bharat Bhushan Share & Commodity Brokers Limited having its registered office at 5E Rani Jhansi Road Jhandewalan Extension, New Delhi – 110055.**

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The day, date and time of Annual General Meeting as mentioned in the attached Notice and Annual Report has been revised.

The seventeenth Annual General Meeting of Company will now be held on **24<sup>th</sup> September (Thursday) at 11.00 AM at Shah Auditorium, 2Rajniwas Marg, Civil Lines, Delhi-54.**

Hence, in the attached Notice / Annual Report, Monday, the 21<sup>st</sup> September 2009 should be read as Thursday, **24<sup>th</sup> September 2009 at Shah Auditorium, 2, Rajniwas Marg, Civil Lines, Delhi – 54 .**

**For Bharat Bhushan Share & Commodity Brokers Ltd.**

**Sd/-**

**Company Secretary**

# BHARAT BHUSHAN SHARE & COMMODITY BROKERS LIMITED

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## NOTICE OF 17TH ANNUAL GENERAL MEETING-2009

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of M/s Bharat Bhushan Share & Commodity Brokers Limited will be held at **SHAH AUDITORIUM, 2 RAJNIWAS MARG, CIVIL LINES, DELHI-54 ON MONDAY THE 21<sup>st</sup> SEPTEMBER, 2009 at 11.30 A.M.** to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as on 31<sup>st</sup> March 2009 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.
2. To declare dividend for the year ended 31<sup>st</sup> March, 2009.
3. To appoint a Director in the place of Mr. Shanker Singal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. R. C Mody who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s P. Bholusaria & Co., Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By Order of the Board**

**For Bharat Bhushan Share & Commodity Brokers Ltd.**

**Date: July 25, 2009.**

**Place: New Delhi**

**Nisha Ahuja**

**Director**

### NOTES:

1. 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.
2. Members /proxies should bring the enclosed attendance slip duly filled in and signed for attending the meeting.
3. The register of Members and Share Transfer Books of the company will remain closed from 14<sup>th</sup> September 2009 to 20<sup>th</sup> September 2009 (both days inclusive).
4. 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 21<sup>st</sup> September, 2009 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 14<sup>th</sup> September, 2009 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).
5. Members are requested to:
  - (a) Intimate to the company's Registrar & Share Transfer Agent, changes, if any, in their respective addresses along with pin code number.
  - (b) Quote folio no./ demat account no. in all their correspondence with the Company/ R&T Agent.
6. The time limit for transfer of un-paid dividend declared for the Financial year 2001-2002 will be expiring in December 2009 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 2001-2002 or thereafter are requested

to write to the Company or Company's registrar and Share Transfer Agents.

7. 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.
8. 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.
9. The Shares of your company are listed on the Delhi Stock Exchange, and the Bombay Stock Exchange and the annual listing fees upto March 2010, already stand paid to the Stock Exchanges.
10. 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.
11. There will be no gift distribution at the Annual General Meeting.

**By order of the Board**

**For Bharat Bhushan Share & Commodity Brokers Ltd.**

**Place: New Delhi**

**Dated: July 25, 2009.**

**NISHA AHUJA**

**DIRECTOR**

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### 1. Industry Trends and Business Analysis

Global financial system has been under extraordinary stress during 2008-09. The global financial crisis, which started with the collapse of the sub-prime debt market in the United States of America (USA), gained momentum and rapidly spread to impact the manufacturing and service sectors on a global level. Despite coordinated action by Central Banks across the World, the contagion spread during the course of the financial year ended 2009. Most of the major global economies went into recession, with major consuming countries like USA witnessing negative growth and increased unemployment levels.

This crisis affected a wide range of financial and economic activities and institutions. There was an overall tightening of credit. This led to a liquidity problem in equity and hedge funds fueling concerns about their ability to meet future obligations. Consequently stock exchanges and derivatives markets experienced steep declines. Governments were forced to increase public debt finance for providing funds to the financial services industry.

The Indian economy also felt the full impact of the global economic slowdown during the course of the year, more particularly during the last two quarters of the financial year. In October 2008, industrial output contracted for the first time in 13 years and by February 2009 exports had fallen by 21.7% on a year on year basis, the steepest drop in 18 years, hit by sliding demand in India's main US and European markets.

Declining private investment, dwindling capital inflows, shrinking foreign exchange reserves, weakening exports, and a depreciating rupee, coupled with terror attacks in Mumbai led to business confidence hitting new lows in India.

The global recession brought the Indian stock markets down on its knees, from levels of 21,000 to a dismal 8,000 in a very short span of time. This resulted in extreme erosion of wealth of investors. No signs of recovery were seen in the market for a considerable time. However, with the positive election results, underlying a vote for continuance of economic reforms, the market has shown some positive signs as the sensx crossed a respectable 15,000 mark.

The commodity markets initially experienced a surge in liquidity resulting in new highs. Crude oil reached a peak during July 2008. But this was short lived and the fear of a global recession led to a crash in commodity markets particularly in crude oil and metals.

#### 2. Operating Results

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report of your Company and the Audited Accounts for the Year ended on 31<sup>st</sup> March 2009. Despite considerable downfall in the capital market during the last financial

# BHARAT BHUSHAN SHARE & COMMODITY BROKERS LIMITED

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year 2008-2009, the company was able to perform reasonably.

Particulars	(Rs. In Lacs)	
	Current year ended 31 <sup>st</sup> March, 2009	Previous year ended 31 <sup>st</sup> March, 2008
Total Income	63.60	133.40
Administrative and other Expenditure	31.67	40.46
Profit after depreciation & tax	23.85	81.58
Reserve & Surplus	295.25	287.21
Current Assets	173.22	312.27
Current Liabilities	72.32	104.04
Net Current Assets	100.90	208.23
Share Capital	338.04	338.04

## 3. Future Prospects and Outlook

Your company has a well-diversified portfolio of stocks to mitigate any stock market fluctuations and the management continuously monitors market exposure and manages an active portfolio. In the coming years, we will strengthen and expand our portfolios to further penetrate to the Indian stock market.

The unprecedented deterioration in the global business environment during the course of the financial year ended March 2009 has been met with unparalleled action by Governments and Central Banks across the globe. The Indian Government has also announced three stimulus packages since December 2008 to boost investment and spending. These packages provide for enhanced credit availability, reduction in service tax and excise duty and increased availability of funds for infrastructure spending. The Reserve Bank of India has also cut interest rates progressively, relaxed restrictions in external commercial borrowings and taken measures to increase availability of credit for exporters and for the housing sector. While it is early to predict the outcome of the fiscal measures being taken, these measures are, at the least first step in the right direction. As the full impact of the programs outlined by various Governments plays out economic revival, based on a strong domestic demand, may be faster than expected.

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

The company expects that with the improvement in stock prices, the financial year ending March 2010 will provide good exit opportunities for its listed portfolio.

The company in its investment activity is guided by its investment philosophy of prudence and will continue to endeavor to achieve good returns, while ensuring adequate security and safety of the capital. The company would constantly explore the market for identifying good investment opportunities. The performance of the company is directly related to the performance of its investments.

Apart from the above the Company is focusing on stimulating the business of commodity trading as well. The management is emphasizing on augmenting our marketing operations particularly in MCX. We will enhance the number of clients working with us.

## 4. Risks and concerns

Your company is exposed to specific risks that are particular to its business and the environment within which it operates including interest rate fluctuation, economic cycle, market volatility and credit risk. Your company will monitor all the events, processes and developments on a regular basis to ensure timely measures for risk containment by developing a risk culture that encourages employees to identify the risks, associated opportunities and respond to them with appropriate actions.

However, the Company is quite prepared to manage these risks by formulating effective asset allocation and by following prudent business and risk management practices.

## 5. Internal control systems and their adequacy

The internal control systems adopted by the Company are adequate and appropriate to its operations. The System has been designed to ensure that assets and interest of the Company are protected and dependability of accounting data and its accuracy are ensured with proper checks and balances.

Besides, the Audit Committee of the Board of Directors reviews periodically the adequacy of internal control.

## 6. Human Resources

During the last fiscal, HR undertook several initiatives towards development,

enhancement and retention of workforce. We focused on bridging the skill gap and providing skilled manpower wherever required. During Fiscal 2008-2009, given the uncertain operating environment and change in business strategy, we focused on reaching out to our employees on a regular basis to ensure constant alignment with organizational goals and strategy.

The relations with the employees remained cordial during the year.

## DIRECTORS REPORT

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended March 31, 2009.

## FINANCIAL HIGHLIGHTS

	(Rs. In lacs)	
	Fiscal year ended 31 <sup>st</sup> March, 2009	Fiscal Year ended 31 <sup>st</sup> March, 2008
Total Income	63.60	133.40
Profit before depreciation & Tax	31.93	92.95
Depreciation	2.45	3.06
Profit Before Tax	29.48	89.89
Provision for Taxation	5.63	8.41
Profit After Tax	23.85	81.58
Balance Profit B/F from earlier year	191.28	141.83
Profit available for appropriation	215.13	223.41
APPROPRIATION:		
Transfer to Reserve Fund	4.77	16.31
Proposed Dividend	13.52	13.52
Provision for Dividend Tax	2.29	2.29
Profit C/F to Balance Sheet	194.54	191.28

## DIVIDEND

The directors recommend dividend amounting to 40 Paise per share (4%), if this recommendation is approved at the forthcoming Annual General Meeting, it would involve outflow (excluding dividend tax) of Rs. 1352160/-. Dividend tax will be subject to the applicable taxation rates.

## FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In the past year, India as well as the global economy has witnessed a very high degree of uncertainty and volatility. While year 2008-2009 began on a reasonably optimistic note - particularly for the Indian Economy - sentiment was completely reversed as the year drew to close.

The crisis in real estate, banking & credit in the United States of America had a global reach & it affected Indian Financial markets including stock exchanges and derivative market.

In such a challenging environment your company has still been able to keep up its profit making dividend paying record.

Your Company is also registered as Non-Banking Finance Company with the Reserve Bank of India. The Company has complied with all the provisions of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

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, is given as a separate statement in the Annual Report.

## COMMODITY MARKET

The company earned a brokerage on commodity exchange of Rs. 4.12 Lacs in this year as compared to 6.37 Lacs in the previous financial year. The turnover on NCDEX was severely curtailed on account of government of India banning trading in wheat, Potato and Channa. The Commodity market witnessed a dramatic pull in commodity prices particularly of Crude Oil Copper, Lead and Aluminum etc.

However the company had obtained membership of Multi Commodity Exchange (MCX) in June 2008, which has large turnover in bullion and energy products. This enabled the company to retain its clients.

## CORPORATE GOVERNANCE

A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is enclosed herewith.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed.
- Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company

# BHARAT BHUSHAN SHARE & COMMODITY BROKERS LIMITED



as at March 31, 2009 and of the profit of the company for the year under review.

- (iii) Your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) Your directors have prepared the annual accounts of the Company on a going concern basis.

## DIRECTORS

Mr. Shanker Singal and Mr. R.C Mody, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting.

All of these directors being eligible offer themselves for appointment/ re-appointment. The Board of Directors recommends their appointment/ re-appointment as Directors.

## 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 are 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

There are no employees in receipt of remuneration in excess of amount specified in section 217(2A) read with Companies (particulars of employees) rules 1975 as amended.

## SUBSIDIARY COMPANIES

The company does not have any subsidiary company.

## FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year.

## STATUTORY INFORMATION

The Company's (Disclosure of particulars in the report of Board of Directors) rules 1988, requires the disclosure of particulars regarding conservation of energy in Form A and technology Absorption in Form B prescribed by the rules. The requirement of Forms A and B are not applicable, as our company is not a manufacturing company.

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

## ACKNOWLEDGEMENTS

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

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

For & on Behalf of the Board of Directors

VIJAY BHUSHAN

DIRECTOR

NISHA AHUJA

DIRECTOR

PLACE : New Delhi.

Dated: July 25, 2009

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The company's philosophy on Corporate Governance is to practice transparency in its operations and maintain a professional approach, accountability and equity in its dealing with its stakeholders, the creditors, the government, the depositories and the employees and every individual who comes in contact with the company. The company believes that its vision coupled with its business principles and core dimensions, would create the culture of High Performance Environment to enhance overall stakeholder value. The Company believes that fairness in corporate procedures, full disclosures in reporting system, total transparency in corporate culture, fiduciary and trustee relationship and maximization of shareholders value are the pillars on which the structure of the Corporate Governance rests.

With emphasis on transparency, integrity and accountability the Board of directors of the Company adopted the principles of good corporate governance by setting up an Audit Committee & Shareholders'/Investors' Grievance Committee. Given below is the report of the directors on Corporate Governance in accordance with the provisions of Clause 49 of the Listing Agreement.

#### 1. Board of Directors

The Board of Directors comprises 7 directors, out of which 4 directors are non-executive promoter-directors and 3 directors are independent Directors.

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, 5 Board Meetings were held on May 2, 2008, June 12, 2008, July 27, 2008, and October 10, 2008, January 22, 2009. 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 revised 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.

#### Details about the Company's Board of Directors:

Name of the Director	Category of Directorship	Attendance		No. of other Directorship	No. of other Board Committee	
		Board Meeting	Last AGM		As Chairman	As Member
Mr. Vijay Bhushan	Promoter / Non- Executive	5	Yes	4	—	4
Mrs. Nisha Ahuja	Promoter / Non- Executive	5	Yes	4	—	—
Mr. Jogesh C. Ahuja	Non- Executive	5	No	1	—	—
Mrs. Sant Kumari Agrawal	Non- Executive	5	No	—	—	—
Mr. Ravindra Singh #	Independent	2	No	—	—	—
Mr. Shanker Singal	Independent	5	Yes	—	—	—
Mr. R. C. Mody	Independent	4	No	—	—	—

\*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 the Listing Agreement, Membership/ Chairmanship of only the Audit Committees and Shareholders'/Investor's Grievance Committees of all Public Limited Companies have been considered. # Appointed on 12<sup>th</sup> June, 2008.

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

- (i) Sh. R.C.Mody

Sh. R.C.Mody is a post graduate, Certificated Associate of Indian Institute of Bankers, Chief General Manager( Retd), Reserve Bank of India, Industrial & Export Credit having experience of more than 35 years in the Reserve Bank of India.

- (ii) Sh. Shanker Singal

Sh. Shanker Singal is the fellow member of Institute of Chartered Accountants of India with over two decade experience. His extensive experience in the field of Company Law can be exploited to the utmost benefit of the Company.

## CODE OF CONDUCT

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

All the Board members and senior management personnel have affirmed compliance with this Code for the year ended 31<sup>st</sup> March 2009.

## BOARD COMMITTEES

### A. AUDIT COMMITTEE

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

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

### MEETINGS

During the year under review, the Committee met five times held on May 02, 2008, June 12, 2008, July 29, 2008, and October 10, 2008 and January 01, 2009. The attendance of the members of the meeting was as follows:

Name of the member	Status	No. of meetings attended
Mr. Shanker Singal	Independent	Five
Mr. Vijay Bhushan	Non - Executive	Five
Mr. R.C. Mody	Independent	Four
Mr. Ravindra Singh	Independent	Two



# BHARAT BHUSHAN SHARE & COMMODITY BROKERS LIMITED



## B. REMUNERATION OF DIRECTORS/REMUNERATION COMMITTEE

As the Company is not having any Executive Director, therefore, no remuneration committee has been constituted by the Company.

## C. SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE

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

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

During the year the Company received 67 requests/complaints from shareholders. All the complaints were attended to promptly and resolved to the satisfaction of the shareholders. There was no complaint outstanding as on 31<sup>st</sup> March, 2009. The committee met at regular intervals considering the volume of investor correspondence/grievance. Three meetings of Shareholders'/Investors' Grievance Committee were held during the financial year ended 29<sup>th</sup> July, 2008 viz., on 10<sup>th</sup> October, 2008 & 22<sup>nd</sup> January, 2009. 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	Three
Mr. Jogesh Ahuja	Non – Executive	Three
Mr. R.C. Mody	Independent	Three

## GENERAL BODY MEETINGS:

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

Financial Year	Location	Date	Time
2005-2006	Shah Auditorium, Rajniwas Marg, Delhi – 110 054	29.09.2006	11.30 A.M.
2006-2007	Shah Auditorium, Rajniwas Marg, Delhi – 110 054	29.09.2007	11.30 A.M.
2007-2008	Shah Auditorium, Rajniwas Marg, Delhi – 110 054	29.09.2008	11.30 A.M.

## DISCLOSURES

- 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 the interest of the Company.
- 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.

- The Company posts its financial results on SEBI website [sebidfmr.nic.in](http://sebidfmr.nic.in) for all the quarters.
- Management discussion and analysis forms part of the Report of the Directors.

## GENERAL SHAREHOLDERS INFORMATION

### 1) Annual General Meeting

Date : September 21<sup>st</sup>, 2009  
Venue : Shah Auditorium, 2, Rajniwas Marg, Civil Lines, Delhi - 110054  
Time : 11.30 A.M.

### 2) Announcement of Quarterly Results during the year ended 31.03.2009

Quarter ended : Dates of Announcement  
June, 2008 : 29<sup>th</sup> July, 2008.  
September, 2008 : 10<sup>th</sup> October, 2008.  
December, 2008 : 22<sup>nd</sup> January, 2009.  
March, 2009 : 08<sup>th</sup> May, 2009.

### 3) Announcement of quarterly results for the year ended 31.03.2010

June, 2009 : Last week of July 2009  
September, 2009 : Last week of October 2009

December, 2009 : Last week of January, 2010  
March, 2010 : Last week of April, 2010 or  
Last week of June, 2010

### 4) Book Closure

The dates of the Book Closure are from 14<sup>th</sup> September, 2009 to 20<sup>th</sup> September, 2009

### 5) Dividend

Your Directors recommended payment of dividend 0.40 paisa per share subject to the approval of shareholders in the ensuing Annual General Meeting and will be paid on or after September 2009.

- A Equity Shares listed on : The Bombay Stock Exchange & The Delhi Stock Exchange Association Ltd., New Delhi  
Stock Exchange at :  
B. Annual Listing Fees : Duly paid to both the above Stock Exchanges for the year 2009-10

## Stock Code

- A. Trade Symbol at Stock Exchanges : Bombay Stock Exchange  
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 2008 to March 2009

Months	High (Rs.)	BSE	Low (Rs.)
April 2008	12.65		10.00
May 2008	12.75		9.22
June 2008	15.35		9.23
July 2008	12.85		10.20
August 2008	12.70		10.03
September 2008	11.70		9.03
October 2008	10.76		7.70
November, 2008	11.50		8.65
December, 2008	10.24		8.50
January, 2009	10.00		7.82
February, 2009	8.66		7.52
March, 2009	8.93		7.61

## 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 2008-09

Period	Company's share price	BSE Sensex
April 2008	107.16	110.50
May 2008	106.97	104.93
June 2008	118.60	86.05
July 2008	108.93	91.76
August 2008	101.58	93.07
September 2008	93.67	82.20
October 2008	85.02	62.57
November 2008	81.67	58.12
December 2008	88.37	61.67
January 2009	74.42	60.24
February 2009	74.42	56.84
March 2009	78.14	62.06

## 9. Registrar and Share Transfer Agents:

For shares held in Physical Mode / Deposit Mode

M/s Alankit Assignments Ltd.  
205-208, Anarkali Market,  
Jhandewalan Extn.,  
New Delhi – 110 055.  
Tel: 51540061/63, Email: [rta@alankit.com](mailto:rta@alankit.com)

## 10. Share Transfer System

The Company's Registrars and Share Transfer Agents, M/s Alankit Assignments Ltd. (Alankit), having its registered office at 205-208, Anarkali Market, Jhandewalan Extn., New Delhi – 110 055 have adequate Infrastructure to process the share transfers. Share transfer is usually affected within a maximum period of 15 days from the date of receipt, if the documents submitted are in order. The Board of directors confirms all share transfers/transmission. In the demat segment as well Alankit is acting as Registrar for providing the connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## Dematerialisation of Shares

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

As on 31 March, 2009, 26,77,979 shares have been dematerialized representing 79.22% of the total shares. (26,77,979 shares were in dematerialized form

# BHARAT BHUSHAN SHARE & COMMODITY BROKERS LIMITED



representing 79.22% of the total shares as on 31<sup>st</sup> March, 2009)  
International Securities Identification Number- 900A01013 (with NSDL and CDSL)

## DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2009

Share holding of nominal value		Shareholders		Share/Debiture Amount	
Rs.	Rs.	Number	% To Total	Rs.	% To Total
(1)		(2)	(3)	(4)	(5)
Upto 5000		3731	87.13	7987430	23.629
5001 – 10000		342	7.99	2862640	8.468
10001 – 20000		107	2.49	1623550	4.803
20001 – 30000		40	0.934	1017720	3.011
30001 – 40000		16	0.374	582370	1.723
40001 – 50000		10	0.234	489870	1.44
50001 – 100000		14	0.327	1030420	3.048
100001 and above		22	0.514	18210000	53.87
<b>Total</b>		<b>100.00</b>	<b>33804000</b>	<b>100.00</b>	

## 11. SHAREHOLDING PATTERN AS ON MARCH 31, 2009

CATEGORY	NO.OF SHARE HOLDERS	% AGE HOLDING
<b>A. Shareholding of Promoter and Promoter Group</b>		
(1) Indian		
(a) Individuals/ Hindu Undivided Family	20	46.519
(b) Central Government/State Government(s)	—	—
(c) Bodies Corporate	—	—
(d) Financial Institutions/Banks	—	—
Any Other	—	—
Sub Total	20	46.519
(2) Foreign	—	—
(a) Individuals(Non- Resident Individuals/ Foreign Individuals)	—	—
(b) Bodies Corporate	—	—
(c) Institutions	—	—
(d) Any other	—	—
SUB -TOTAL	20	46.519
<b>B. Public Shareholding</b>		
(1) Institutions	—	—
(a) Mutual Funds and UTI	1	0.15
(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	1	0.15
(2) Non- Institutions	—	—
(a) Bodies Corporate	97	3.83
(b) Individuals-	—	—
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	4122	42.599
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	9	5.77
(c) Non Resident	—	—
(i) Indian	32	.899
(ii) OCB	1	.370
SUB -TOTAL	4261	53.47
Total Public Shareholding		
<b>C. Shares held by Custodians and against which depository Receipts have been issued</b>	—	—
<b>GRAND TOTAL</b>	<b>3380400</b>	<b>100</b>

## 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 Share & Commodity Brokers Ltd.  
5-E, Rani Jhansi Road, Jhandewalan Extn., Delhi-110055  
Phone: (011) 23540997-8, 43566777, Fax: (011) 23540996  
Email: nse@bharatbhushan.com  
investorgrievance@bharatbhushan.com

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

The Investors are advised to claim the uncashed dividends for the year 2001-2002 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.1,54,840 /- (unclaimed dividend for the year (2001-2002) 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 not having any CEO/CFO, hence the declaration under Clause 49 of the Listing Agreement need not to be given.

Place: Delhi  
Date: 25<sup>th</sup> July, 2009.

Vijay Bhushan  
Chairman

Dear Sirs,

## Sub: CEO /CFO Certificate

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

Dear Sirs,

a) We have reviewed the financial statements and the cash flow of Bharat Bhushan Share & Commodity Brokers Ltd. ('the Company') for the year ended 31<sup>st</sup> March 2009 and to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.

d) We have indicated to the Auditors and Audit committee:

i) Significant Changes in the internal control over financial reporting during the year;

ii) Significant changes in accounting policies during the year and that the same have been disclosed suitably, in the notes to the financial statements;

iii) 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: 25 July, 2009.

Satish Aggarwal  
Manager Finance

To,

The Members of  
Bharat Bhushan Share & Commodity Brokers Ltd.

## CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by Bharat Bhushan Share & Commodity Brokers Ltd. for the year ended on 31<sup>st</sup> March 2009 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except that the company is not having CEO/ CFO.

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

Place : New Delhi  
Date : 25<sup>th</sup> July, 2009

For P.BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS

(AMIT GOEL)  
PARTNER  
M. No. 92648



**BHARAT BHUSHAN SHARE & COMMODITY BROKERS LIMITED****BHARAT  
BHUSHAN****Auditors' Report****To the Members,****Bharat Bhushan Share & Commodity Brokers Ltd.**

We have audited the attached Balance Sheet of Bharat Bhushan Share & Commodity Brokers Ltd. as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the statements. An audit also included assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
  - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinions, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) As per the information and explanations given to us, none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
  - f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and other notes on accounts and annexures thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted

in India;

- (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2009.
- (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
- (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

FOR P. BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS

PAWAN BHOLUSARIA  
PARTNER  
M.NO.80691

Place : New Delhi  
Date : 8-05-2009

**ANNEXURE TO AUDITOR'S REPORT****(RE: BHARAT BHUSHAN SHARE & COMMODITY BROKERS LTD.)**

Referred to in Paragraph 2 of our report of even date for the year ended 31<sup>st</sup> March, 2009

- 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