

19th Annual Report

**BHARAT
BHUSHAN**

**BHARAT
BHUSHAN
FINANCE
COMMODITY
BROKERS
LIMITED**

45054040

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2010-2011

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

**BHARAT
BHUSHAN**

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

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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NOTICE OF 19TH ANNUAL GENERAL MEETING-2011

Notice is hereby given that the 19th Annual General Meeting of the Members of M/s Bharat Bhushan Finance & Commodity Brokers Limited (Formerly known as Bharat Bhushan Share & Commodity Brokers Limited) will be held at **SHAH AUDITORIUM, 2 RAJNIVAS MARG, CIVIL LINES, DELHI-110054 ON FRIDAY THE 23rd SEPTEMBER, 2011 at 11.30 A.M.** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as on 31st March 2011 and the audited Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the year ended 31st March, 2011.
3. To appoint a Director in the place of Mrs. Sant Kumari Agrawal who retires by rotation and being eligible, offers herself 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 Finance & Commodity Brokers Ltd.

Nisha Ahuja

Director

Date: July 20, 2011.

Place: New Delhi

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 16th September, 2011 to 23rd September, 2011. (both days inclusive).
4. The payment of dividend, as recommended by the Board of Directors, subject to declaration by shareholders at the forthcoming Annual General Meeting, will be made after 15th October, 2011 in respect of shares held in physical form to those members whose names appear in the Register of members of the company after giving effect to all valid share transfers lodged with the company as at the end of business hours on 15th September, 2011 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services (India) Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL).
5. Members holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through electronic clearing Service (ECS), or for printing on dividend warrants wherever applicable. Members are therefore requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.
6. 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.
7. The time limit for transfer of un-paid dividend declared for the financial year 2003-2004 will be expiring in December 2011 and therefore the amount of unclaimed dividend will be transferred to the "Investor Education and Protection Fund". Those who have not yet encashed their dividend warrant for the year 2003-2004 or thereafter are requested to write to the Company or Company's registrar and share transfer Agents.
8. 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.
9. 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.
10. The Shares of your company are listed on the Delhi Stock Exchange and the Bombay Stock Exchange and the annual listing fees upto March 2012, already stand paid to the Stock Exchanges.
11. 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.
12. There will be no gift distribution at the Annual General Meeting.

By order of the Board

For Bharat Bhushan Finance & Commodity Brokers Ltd.

NISHA AHUJA

DIRECTOR

Place: New Delhi

Dated: July 20, 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Industry Trends and Business Analysis

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Operating Results

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

Particulars	(Rs. In Lacs)	
	Current year ended 31 st March, 2011	Previous year ended 31 st March, 2010
Total Income	90.19	87.43
Administrative and other Expenditure	30.99	31.05
Profit after depreciation & tax	48.23	48.12
Reserve & Surplus	356.19	327.60
Current Assets	235.58	204.54
Current Liabilities & Provisions	124.57	83.60
Net Current Assets	111.01	120.93
Share Capital	338.047	338.047

3. Future Prospects and Outlook

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

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

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

The commodities broking business is being strengthened with its initiatives to build a diversified commodities trading platforms. The Company has also obtained the Trading Membership of National Spot Exchange Ltd. on 24th June, 2011.

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

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

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

5. Risks and concerns

Since the business of the Company pertains to financial and capital-intensive sector, its performances significantly depends on the fluctuations in the country's macro

economic indicators, country's economic growth, international demand, prices, the government policies towards the industry, interest rate volatility, economic cycle, market risk, liquidity risk and credit risk. The commodity derivatives activity of an organization could be subject to regulations, inspections, penalties by Forward Market Commission (FMC).

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

6. Internal control systems and their adequacy

The Company has proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

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

7. Human Resources

The Company continues to provide a platform for individual opportunities and for growth in knowledge and skills of its people. The relationship with all the employees continues to be cordial. The management acknowledges the contribution of its employees and the spirit of commitment demonstrated by them in realizing the company's vision. The company is emphasizing on a number of new initiatives which will further enhance the company's ability to attract and retain high caliber employees for faster growth of the Company's business.

DIRECTORS REPORT

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

FINANCIAL HIGHLIGHTS

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

DIVIDEND

The directors recommend dividend amounting to 50 Paise per share (5%) as against 40 Paise per share (4%) for the previous year. If this recommendation is approved at the forthcoming Annual General Meeting, it would involve outflow (excluding dividend tax) of Rs. 16, 90,200/-. Dividend tax will be subject to the applicable taxation rates.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Your Company's performance in the financial year under review is at par with the performance in the previous financial year in terms of profit after tax as its profit after tax in the current financial year is Rs. 48.23 Lacs as compared to previous year's profit after tax amounting to Rs. 48.12 Lacs.

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

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

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

COMMODITY MARKET

The Company earned a brokerage on commodity exchange of Rs. 8.22 Lacs in the financial year under review as compared to 2.77 Lacs in the previous financial year justifying the potential of this sector.

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

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

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

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed.
- Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2011 and of the profit of the company for the year under review.
- Your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for
- safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- Your directors have prepared the annual accounts of the Company on a going concern basis.

DIRECTORS

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

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

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

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

AUDITORS

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

CHANGE OF NAME OF THE COMPANY

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

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

PARTICULARS OF EMPLOYEES

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

SUBSIDIARY COMPANIES

The company does not have any subsidiary company.

LISTING OF SHARES

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

PUBLIC DEPOSITS

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

STATUTORY INFORMATION

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

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

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

ACKNOWLEDGEMENTS

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

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

For & on Behalf of the Board of Directors

VJAY BHUSHAN
DIRECTOR
NISHA AHUJA
DIRECTOR

Place: New Delhi
Date: July 20, 2011

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

Board of Directors

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

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

The Board is responsible for the management of the business and meets at least once in a quarter for discharging its role and functions and to consider quarterly performance of the Company and financial results. During the year under review, 4 Board Meetings were held on May 24, 2010, July 29, 2010, October 27, 2010 and January 27, 2011. The gap between any two consecutive meetings did not exceed four months. To enable the board to discharge its responsibilities effectively and take informed decisions, the necessary information is made available to the Board through agenda. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings. Requisite information under the statute and as per the all applicable guidelines on Corporate Governance and other material and significant information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last AGM, as also the number of Directorships and Committee position as held by them in other Public Limited Companies as on 31st March, 2011 are given below:

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

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

**In accordance with clause 49 of listing Agreement, Membership/Chairmanship of only the Audit Committees and Shareholders/Investor's Grievances Committees of all Public Limited Companies have been considered.

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

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

CODE OF CONDUCT

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

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

BOARD COMMITTEES

A. AUDIT COMMITTEE

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

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

MEETINGS

During the year under review, the Committee met four times held on May 24, 2010, July 29, 2010, and October 27, 2010 and January 27, 2011. The attendance of the members of the meeting was as follows:

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

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

B. REMUNERATION OF DIRECTORS/REMUNERATION COMMITTEE

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

C. SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE

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

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

During the year the Company received 67 requests/ complaints from shareholders. All the complaints were attended immediately and resolved to the satisfaction of the shareholders. There was no complaint outstanding as on 31st March, 2011.

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

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

GENERAL BODY MEETINGS:

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

Financial Year	Location	Date	Time
2007-2008	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	29.09.2008	11.30 A.M.
2008-2009	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	24.09.2009	11.00 A.M.
2009-2010	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	30.08.2010	11.00 A.M.

DISCLOSURES

a) Disclosures on materially significant related party transactions i.e.

transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.

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

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

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

MEANS OF COMMUNICATION

a) QUARTERLY RESULTS

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

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

GENERAL SHAREHOLDERS INFORMATION

1) Annual General Meeting

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

2) Announcement of Quarterly Results during the year ended 31.03.2011

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

3) Announcement of quarterly results for the year ended 31.03.2012

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

4) Book Closure

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

5) Dividend

Your Directors recommended payment of dividend 0.50 paise per share subject to the declaration by shareholders in the ensuing Annual General Meeting and will be paid on or after 15th October, 2011.

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

Stock Code

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

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

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

8) Share Price performance in comparison to broad based Indices-BSE Sensex

Company's share price performance in comparison to BSE Sensex for the financial year 2010-11

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

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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October 2010	111.69%	114.29%
November 2010	103.38%	111.37%
December 2010	102.03%	117.01%
January 2011	91.40%	104.56%
February 2011	96.52%	101.69%
March 2011	97.39%	110.94%

9. Registrar and Share Transfer Agents:

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

205-208, Anarkali Market, Jhandewalan Extn.,
New Delhi - 110 055. Tel: 51540061/63,
Email: rta@alankit.com

10. Share Transfer System

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

11. Dematerialisation of Shares

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

As on 31 March, 2011, 27,28,979 shares have been dematerialized representing 80.729% of the total shares. (26,93,079 shares were in dematerialized form representing 79.567% of the total shares as on 31st March, 2010)

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

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2011

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

11. SHAREHOLDING PATTERN AS ON MARCH 31, 2011

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

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

12. Address for Correspondence

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

Bharat Bhushan Finance & Commodity Brokers Ltd.
5-E, Rani Jhansi Road, Jhandewalan Extn., Delhi-110055
Phone: (011) 43586777, 23540997-8-9; Fax: (011) 23540996
Email: commodities@bharatbhushan.com
investorgrievance@bharatbhushan.com

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

The Investors are advised to claim the encashed dividends for the year 2003-2004 onwards lying in the unpaid dividend accounts of the Company before the same gets credited to the Investor Education and Protection Fund.

During the year under review the Company has credited a sum Rs.1,27,230/- (unclaimed dividend for the year (2002-2003) to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Since the company is having Manager Finance responsible for looking in to the financial operations of the Company, hence the declaration regarding CEO/CFO is given under Clause 49 of the Listing Agreement by Manager Finance which was placed before the Board of Directors of the Company in its meeting held on 25th May, 2011.

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

Dear Sirs,

Sub: CEO/CFO Certificate

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

Dear Sirs,

- We have reviewed the financial statements and the cash flow of Bharat Bhushan Finance & Commodity Brokers Ltd. ('the Company') for the year ended 31st March 2011 and to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- We have indicated to the Auditors and Audit committee:
 - Significant Changes in the internal control over financial reporting during the year;
 - Significant changes in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements;
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 25th May, 2011.

Satish Aggarwal
Manager Finance

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined all the relevant records of Bharat Bhushan Finance & Commodity Brokers Limited for the purpose of certifying compliance of the conditions of corporate governance under clause 49 of the Listing Agreement with Stock Exchanges of the financial year ended March 31, 2011. We have obtained all the information explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place : New Delhi
Date : 20/07/2011

BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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Auditors' Report

To the Members,

Bharat Bhushan Finance & Commodity Brokers Ltd.

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

We have audited the attached Balance Sheet of Bharat Bhushan Finance & Commodity Brokers Ltd. (Formerly Known as Bharat Bhushan Share & Commodity Brokers Ltd.) as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the statements. An audit also included assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinions, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) As per the information and explanations given to us, none of the directors of the Company is disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and other notes on accounts and annexures thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India;
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 2011.
 - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and

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

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

Place: New Delhi
Date: 25/05/2011

ANNEXURE TO AUDITOR'S REPORT

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

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

Referred to in Paragraph 2 of our report of even date for the year ended 31st March, 2011

- i.) In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. The Company has not disposed of substantial part of fixed assets during the year and therefore going concern status of the Company is not affected.
- ii.) In respect of its inventories:
 - a. According to the information and explanations given to us the Inventories have been physically verified by the management during the year at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The company has maintained the proper records of inventories. The discrepancies noticed on verification between the physical verification and the book records were not material and have been properly dealt with in the books of accounts.
- iii.) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act; 1956:

Accordingly, paragraphs 4(iii)(a) (b), (c), (d), (e), (f) and (g) of the order are not applicable.
- iv.) In our opinion and according to the information and explanation given to us, there is adequate internal control System commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor we have been informed of any instance of major weaknesses in the aforesaid Internal Control System.
- v.) In respect of transactions covered under Section 301 of the Companies Act, 1956: