

# *21st Annual Report*

**BHARAT  
BHUSHAN**

**BHARAT  
BHUSHAN  
FINANCE  
COMMODITY  
BROKERS  
LIMITED** &

**2012-2013**

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

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

**BHARAT  
BHUSHAN**

<b>BOARD OF DIRECTORS</b>	:	SANT KUMARI AGRAWAL ARUN KUMAR GARG NISHA AHUJA VIJAY BHUSHAN JOGESH C. AHUJA KULDEEP GUPTA RAVINDRA SINGH VARUN SAIHGAL
<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 43566777
<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

# BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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## NOTICE OF 21<sup>ST</sup> ANNUAL GENERAL MEETING - 2013

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

### ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet of the Company as on 31<sup>st</sup> March 2013 and the Audited Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
- To declare dividend for the year ended 31<sup>st</sup> March, 2013.
- To appoint a Director in the place of Mrs. Sant Kumari Agrawal who retires by rotation and being eligible, offers herself for re-appointment.
- To appoint a Director in the place of Mr. Ravindra Singh who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint M/s P. Bholusaria & Co., Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

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

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

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

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

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- Members /proxies should bring the enclosed attendance slip duly filled in and signed for attending the meeting.
- The register of Members and Share Transfer Books of the company will remain closed from 16<sup>th</sup> September, 2013 to 22<sup>nd</sup> September, 2013 (both days inclusive).
- The payment of dividend, as recommended by the Board of Directors, subject to approval of the shareholders at the forthcoming Annual General Meeting, will be made after 15<sup>th</sup> October, 2013 in respect of shares held in physical form to those members whose names appear in the Register of members of the company after giving effect to all valid share transfers lodged with the company as at the end of business hours on 15<sup>th</sup> September, 2013 and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services (India) Ltd (NSDL) and the Central Depository Services (India) Ltd. (CDSL).
- Members are requested to:
  - Intimate to the company's Registrar & Share Transfer Agent, changes, if any, in their respective addresses along with pin code number.
  - Quote folio no. / demat account no. in all their correspondence with the Company/ R&T Agent.
- The time limit for transfer of un-paid dividend declared for the financial year 2005-2006 will be expiring in December 2013 and therefore the amount of unclaimed dividend will be transferred to the "Investor Education and Protection Fund". Those who have not yet encashed their dividend warrant for the year 2005-2006 or thereafter are requested to write to the Company or Company's registrar and share transfer Agents.
- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
- As per the provisions of the amended Companies Act 1956, facilities for making nomination is now available to the shareholders of the company in respect of shares held by them. Nomination forms are available for this purpose with the Company & Share Transfer Agents.
- The Shares of your company are listed on the Delhi Stock Exchange and the Bombay Stock Exchange and the annual listing fees upto March 2014, already stand paid to the Stock Exchanges.
- Members are requested to affix their signatures at the space provided for on the attendance sheet annexed to the proxy form and hand over the slip at the entrance to the place of the meeting.
- There will be no gift distribution at the Annual General Meeting.

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

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

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

### ITEM NO. 6

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

Brief Profile of Mr. Varun Saihgal

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

Other Directorships:

Sphere Trade India Ltd.

Other Committee Positions:

Nil

His shareholding in the company is Nil.

The Board commends the resolution for approval.

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### 1. Industry Trends and Business Analysis

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

markets, prompting investors to sell.

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

## Commodity Market Overview :

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

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

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

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

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

## 2. Operating Results

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

(Rs. In Lacs)

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

## 3. Future Prospects and Outlook

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

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

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

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

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

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

## 4. Risks and concerns

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

The company also understands the risk of accidental oversight leading to

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

## 5. Internal control systems and their adequacy

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

## 6. Human Resources

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

## DIRECTORS REPORT

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

## FINANCIAL HIGHLIGHTS

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

## DIVIDEND

The directors recommend dividend amounting to 50 Paise per share (5%) for the financial year ended 31<sup>st</sup> March, 2013. If this recommendation is approved at the forthcoming Annual General Meeting, it would involve outflow (excluding dividend tax) of Rs. 16,90,200/-. Dividend tax will be subject to the applicable taxation rates.

## FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Your Company's performance in the financial year under review remained similar to the performance in the previous financial year. The profit after tax in the current financial year is Rs. 41.59 Lacs as compared to previous year's profit after tax amounting to Rs. 46.67 Lacs. Despite worsening market conditions during the financial year under review the Company managed to maintain its net profitability as compared to the previous year's performance.

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

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

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

## COMMODITY MARKET

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

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

## CORPORATE GOVERNANCE

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## DIRECTORS

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

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

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

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

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

## AUDITORS

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

## PARTICULARS OF EMPLOYEES

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

## SUBSIDIARY COMPANIES

The company does not have any subsidiary company.

## LISTING OF SHARES

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

## PUBLIC DEPOSITS

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

## STATUTORY INFORMATION

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

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

## ACKNOWLEDGEMENTS

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

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

For & on Behalf of the Board of Directors

**VIJAY BHUSHAN**  
DIRECTOR  
**NISHA AHUJA**  
DIRECTOR

Place: New Delhi  
Date: July 26, 2013



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## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

Over the years, governance processes and systems have been strengthened within the Company and corporate governance has been an integral part of the way business has been done. The objective of your Company is not only to meet the statutory requirements but also to go well beyond it by formulating such systems and procedures so as to make the management completely transparent and institutionally sound. The Company is fully committed to follow the procedures and practices in conformity with clause 49 of the Listing Agreement of the Stock Exchanges, as applicable. Your Directors present the Company's Report on Corporate Governance as under.

### Board of Directors

The Board of Directors comprises of 8 directors, out of which 4 directors are non - executive promoter directors, 1 director is non-executive director and 3 directors are independent non-executive directors.

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

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

The Board is responsible for the management of the business and meets at least once in a quarter for discharging its role and functions and to consider quarterly performance of the Company and financial results. During the year under review, 4 Board Meetings were held on May 16, 2012, July 26, 2012, October 25, 2012 and January 23, 2013. The gap between any two consecutive meetings did not exceed four months. To enable the board to discharge its responsibilities effectively and take informed decisions, the necessary information is made available to the Board through agenda. The Board members in consultation with the Chairman may bring up other matters for consideration at the Board meetings. Requisite information under the statute and as per the all applicable guidelines on Corporate Governance and other material and significant information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company.

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

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

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

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

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

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

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

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

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

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

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

### CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management personnel. The said Code of Conduct has also been posted on the website [bbinvestments.in](http://bbinvestments.in).

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

### BOARD COMMITTEES

#### A. AUDIT COMMITTEE

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

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

All the members of the Committee are eminent professionals and draw upon their experience and expertise across a wide spectrum of functional areas such as finance and corporate strategy. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and the quality of the financial reporting.

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

#### MEETINGS

During the year under review, the Committee met four times held on May 16, 2012, July 26, 2012, and October 25, 2012 and January 23, 2013. The attendance of the members of the meeting was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Vijay Bhushan	Non - Executive	4
Mr. R.C. Mody*	Independent	1
Mr. Ravindra Singh	Independent	3
Mr. Kuldeep Gupta	Independent	4

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

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

#### B. REMUNERATION OF DIRECTORS/REMUNERATION COMMITTEE

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

#### C. SHAREHOLDERS'/ INVESTOR GRIEVANCE COMMITTEE

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

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

# BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

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The committee has been reconstituted by the Board of Directors of the Company in its meeting held on 21<sup>st</sup> May, 2013 and Mr. Varun Saihgai is appointed as its member. The Company has been taking all steps to ensure that Shareholder's /Investor's Grievances activities are given due priority and matters/issues are resolved at the earliest. The Committee reviews complaints received and appropriate action is taken promptly. The Committee also oversees the performance of the Registrars and Transfer Agents and recommends measures to improve the level of investor services. To resolve & redress the investors' complaints an exclusive e-mail ID was created namely, [investorgrievance@bharatbhushan.com](mailto:investorgrievance@bharatbhushan.com) on which the investors will be able to register their complaints and also take necessary follow-up actions thereon. The said email ID has also been posted on the website. The Company Secretary acts as a compliance officer of the Company.

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

During the year the Company received 37 requests/ complaints from shareholders. All the complaints were attended immediately and resolved to the satisfaction of the shareholders. There was no complaint outstanding as on 31<sup>st</sup> March, 2013.

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

Name of the member	Status	No. of meetings attended
Mrs. Nisha Ahuja	Non- Executive	4
Mr. Jogesh Ahuja	Non- Executive	4
Mr. R.C. Mody*	Independent	1

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

## GENERAL BODY MEETINGS:

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

Financial Year	Location	Date	Time
2009-2010	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	30.08.2010	11.00 A.M.
2010-2011	Shah Auditorium, Rajniwas Marg, Delhi - 110 054	23.09.2011	11.30 A.M.
2011-2012	Shri Purushottam Hindi Bhawan Nyas Simiti, New Delhi - 110002	28.09.2012	11.00 A.M.

## DISCLOSURES

- 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.
- 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 "VirArjun" (Hindi) at Delhi.

- Management discussion and analysis forms part of the Report of the Directors.

## GENERAL SHAREHOLDERS INFORMATION

### 1) Annual General Meeting

**Date** : 23<sup>rd</sup> September, 2013  
**Venue** : Shri Purushottam Hindi Bhawan Nyas Simiti ( Regd.)  
 11 Vishnu Digamber Marg, Rouse Avenue,  
 New Delhi - 110002  
**Time** : 11.00 A.M.

### 2) Announcement of Quarterly Results during the year ended 31.03.2013

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

### 3) Announcement of quarterly results for the year ended 31.03.2014

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

### 4) Book Closure

The dates of the Book Closure are from 16<sup>th</sup> September, 2013 to 22<sup>nd</sup> September, 2013 (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 15<sup>th</sup> October, 2013

- Equity Shares listed on Stock Exchange at : BSE LIMITED & DSE LIMITED
- Annual Listing Fees : Duly paid to both the above Stock Exchanges for the year 2013-14

### Stock Code

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

### 7) Stock Market data (in Rs./per share) for the period: April 2012 to March 2013

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

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

Company's share price performance in comparison to BSE Sensex for the financial year 2012-13

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

### 9. Registrar and Share Transfer Agents:

#### For shares held in Physical Mode / Depository Mode

M/s Alankit Assignments Ltd.  
 2E/21 Alankit House  
 Jhandewalan Extn.,  
 New Delhi - 110 055.  
 Tel: 23541234/42541234, Email: [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 2E/21 Alankit House, Jhandewalan Extn., New Delhi - 110 055 have adequate Infrastructure to process the share transfers. Share transfer is usually affected within a maximum period of 15 days from the date of receipt, if the documents submitted are in order. The Board of directors confirms all share transfers/transmission. In the demat segment as well Alankit is acting as Registrar for providing the connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### 11. Dematerialisation of Shares

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

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

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

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

## 11. SHAREHOLDING PATTERN AS ON MARCH 31, 2013

CATEGORY	NO.OF SHARES HOLDING	% AGE HOLDING
(A). Shareholding of Promoter and Promoter Group		
(1) Indian		
(a) Individuals/ Hindu Undivided Family	1785730	52.83
(b) Central Government/State Government(s)	—	—
(c) Bodies Corporate	—	—
(d) Financial Institutions/Banks	—	—
Any Other	—	—
Sub Total (A 1)	1785730	52.83
(2) Foreign	—	—
(a) Individuals(Non- Resident Individuals/ Foreign Individuals)	—	—
(b) Bodies Corporate	—	—
(c) Institutions	—	—
(d) Any other	—	—
SUB –TOTAL (A2)	0	0
(B) Public Shareholding		
(1) Institutions	—	—
(a) Mutual Funds and UTI	500	0.01
(b) Financial Institutions/Banks	—	—
(c) Central Government/State Government(s)	—	—
(d) Venture Capital Funds	—	—
(e) Insurance Companies	—	—
(f) Foreign Institutional Investors	—	—
(g) Foreign Venture Capital Investors	—	—
(h) Any Other	—	—
SUB –TOTAL (B) (1)	500	0.01
(2) Non- Institutions		
(a) Bodies Corporate	109388	3.24
(b) Individuals-		
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1306803	38.66
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	135933	4.02
(c) Non Resident		
(i) Indian	29546	0.87
(ii) OCB	12500	0.37
SUB –TOTAL B{(2a)+ (2b)+(2c)}	1594170	47.16
Total Public Shareholding (B)	1594670	47.17
C. Shares held by Custodians and against which depository Receipts have been issued	—	—
<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 Finance & Commodity Brokers Ltd.  
5-E, Rani Jhansi Road, Jhandewalan Extn., Delhi-110055  
Phone: (011) 43566777, 23540997-8-9, Fax: (011) 23540996  
Email: commodities@bharatbhushan.com  
investorgrievance@bharatbhushan.com

**13. Transfer of unclaimed amount to the Investor Education and Protection Fund:**  
The Investors are advised to claim the encashed dividends for the year 2005-2006 onwards lying in the unpaid dividend accounts of the Company before the same gets credited to the Investor Education and Protection Fund.

During the year under review the Company has credited a sum Rs.1,39,167/- (Rupees One Lac Thirty Nine Thousand One Hundred Sixty Seven only) unclaimed dividend for the year (2004-2005) to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

## DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Since the company is having Manager Finance responsible for looking in to the financial operations of the Company, hence the declaration regarding CEO/CFO is given under Clause 49 of the Listing Agreement by Manager Finance which was placed before the Board of Directors of the Company in its meeting held on 21<sup>st</sup> May, 2013.

Place: Delhi  
Date: July 26, 2013.

Vijay Bhushan  
Director

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

Dear Sirs,

Sub: CEO/CFO Certificate

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

Dear Sirs,

- We have reviewed the financial statements and the cash flow of Bharat Bhushan Finance & Commodity Brokers Ltd. ('the Company') for the year ended 31<sup>st</sup> March 2013 and to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- We have indicated to the Auditors and Audit committee:
  - Significant Changes in the internal control over financial reporting during the year;
  - Significant changes in accounting policies during the year and that the same have been disclosed suitably in the notes to the financial statements;
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 21<sup>st</sup> May, 2013.

Satish Aggarwal  
Manager Finance

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined all the relevant records of Bharat Bhushan Finance & Commodity Brokers Limited for the purpose of certifying compliance of the conditions of corporate governance under clause 49 of the Listing Agreement with Stock Exchanges of the financial year ended March 31, 2013. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

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

Place: New Delhi  
Date: 26.07.2013

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



# BHARAT BHUSHAN FINANCE & COMMODITY BROKERS LIMITED

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

**BHARAT  
BHUSHAN**

## Auditors' Report

### TO THE MEMBERS OF

**Bharat Bhushan Finance & Commodity Brokers Ltd.**

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

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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

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

### Report on Other Legal and Regulatory Requirements

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

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

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

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

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

### ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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

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

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

- In respect of its fixed assets:
  - The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - 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.
  - 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.
- In respect of its inventories:
  - According to the information and explanations given to us the Inventories have been physically verified by the management during the year at reasonable Intervals.
  - 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.
  - 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.
- 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.
- 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