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BHARAT BHARI UDYOG NIGAM LIMITED

Board of Directors	:	Shri Saibal Baul <i>Chairman & Managing Director</i>	
		Shri Shashank Goel	(upto 21.08.2012)
		Shri V. Sethumadhavan	(upto 21.08.2012)
		Shri Ambuj Sharma	(from 21.08.2012)
		Shri Suresh Kumar Goyal	(from 21.08.2012)
		Shri Neeraj Mishra <i>Director (Technical)</i>	(upto 30.09.2012)
		Shri Kishor Rungta <i>Director (Finance)</i>	(from 01.09.2012)
		Shri Mahendra Kumar Singh <i>Director (Technical)</i>	(from 01.10.2012)
Company Secretary	:	Shri S. N. Mukherjee	
Auditors	:	Bhattacharya Das & Co. Chartered Accountants	
Registered Office	:	26, Raja Santosh Road Alipore, Kolkata - 700 027.	
Bankers	:	Canara Bank HDFC Bank Ltd. Indian Overseas Bank State Bank of India Axis Bank Ltd.	
Subsidiary company	:	The Braithwaite Burn and Jessop Construction Company, Limited	

BHARAT BHARI UDYOG NIGAM LIMITED

NOTICE

NOTICE is hereby given to the members that the 26th Annual General Meeting of the Company will be held at its Registered Office at 26, Raja Santosh Road, Alipore, Kolkata – 700 027 on Friday, the 9th November, 2012 at 12.00 noon to transact the following business:

1. To receive, consider and adopt the audited Statement of Profit & Loss of the Company for the year ended on 31st March, 2012 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors, as also the Comments of the Comptroller and Auditor General of India as required under Section 619(5) of the Companies Act, 1956.
2. To fix the remuneration of the Statutory Auditors of the Company to be appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 for the year 2012-13.

By order of the Board,

Kolkata,
18th October, 2012

(S. N. MUKHERJEE)
Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll vote instead of himself. The proxy need not be a member of the Company.
2. Instruments of proxy to be effective must be received at the Registered Office of the Company not less than forty-eight hours before the time of the meeting.
3. The meeting has been convened by shorter notice pursuant to required consents being received from all members under Section 171 of the Companies Act, 1956.

BHARAT BHARI UDYOG NIGAM LIMITED

DIRECTORS' REPORT

To
Shareholders of
Bharat Bhari Udyog Nigam Limited

- 1.0 The Directors are pleased to present their 26th Annual Report and the audited Accounts of the Company for the year ended 31st March, 2012 together with the Auditors' Report and Comments of the Comptroller and Auditor General of India thereon.
- 1.01 During the year under report, the Company had only one subsidiary viz., The Braithwaite Burn and Jessop Construction Company, Limited ("BBJ").
- 1.02 As mentioned in the previous Reports, disinvestment by the Company of 72% equity shares in Jessop & Co. Ltd. was challenged in the Hon'ble High Court at Calcutta. The same will be subject to judgement of the Hon'ble Court in a Writ Petition (being No. 1509 of 2003) filed by Titagarh Wagons Ltd. and others.

2.0 FINANCIAL & OPERATING RESULTS

- 2.01 During the year under report, the gross earnings of the Company as a stand-alone entity improved to ` 16.77 crore from ` 13.43 crore in previous year. The gross earnings of the BBUNL Group of Companies comprising the Company (i.e. BBUNL) and subsidiary company BBJ during the year posted a stellar performance with impressive 36% growth at ` 219.09 crore over previous year's ` 160.74 crore.
- 2.02 During the year under report, the Company, as a stand-alone entity, achieved Profit after Tax of ` 0.11 crore while BBJ achieved Profit after Tax of ` 4.77 crore.
- 2.03 Cash profit earned by the Company during the year was ` 0.19 crore while cash profit earned by BBUNL Group (without provision of Interest on Government Loans) was ` 7.82 crore (compared to ` 6.05 crore in the previous year on the same platform). Thus, growth in cash profit achieved by BBUNL Group during the year was about 29%.
- 2.04 Operating profit (PBDIT) i.e. before prior period, extraordinary items, depreciation, amortisation, interest and taxes of the Company for the year was ` 0.19 crore. BBUNL Group posted an impressive performance by achieving PBDIT of ` 8.45 crore during the year against ` 7.56 crore in the previous year, thereby registering 12% growth.

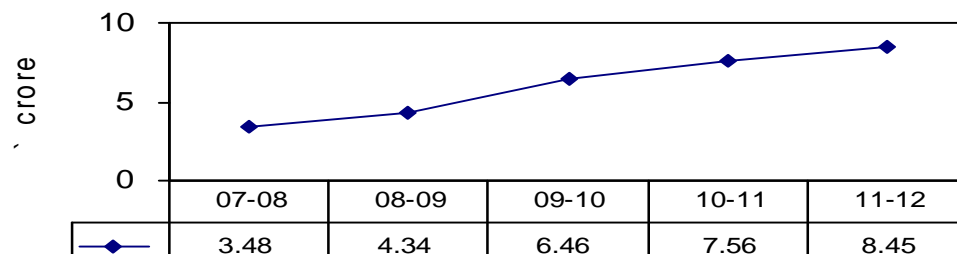
2.05 BBUNL Group earned Profit (after Tax) of ₹ 4.88 crore during the year (previous year: ₹ 3.62 crore). Company-wise position of Profit (after Tax) - PAT, cash profit (without provision of Interest on Government loan), Operating Profit - PBDIT and interest on Government loans are summarised below:-

(₹ in crore)

Company	2011-12				2010-11			
	Operating Profit – PBDIT	Cash Profit (without interest on GoI loan)	Net Profit after Tax – PAT	Interest on GoI loans	Operating Profit – PBDIT	Cash Profit without interest on GoI loan	Net Profit after Tax – PAT	Interest on GoI. loans
BBJ	8.26	7.63	4.77	0.48	7.53	6.01	3.60	0.44
BBUNL	0.19	0.19	0.11	0.01	0.03	0.04	0.02	-
Group Total	8.45	7.82	4.88	0.49	7.56	6.05	3.62	0.44

2.06 Comparative statement of financial performance, showing position of Gross & Billable Production, Gross Outturn, Operating Profit (PBDIT), Cash Profit and Net Profit, etc. for financial years 2011-12 compared to 2010-11 of BBUNL Group companies have been furnished in Annexure - A.

Trend of Operating Profit (PBDIT) BBUNL Group



3.0 DIVIDEND

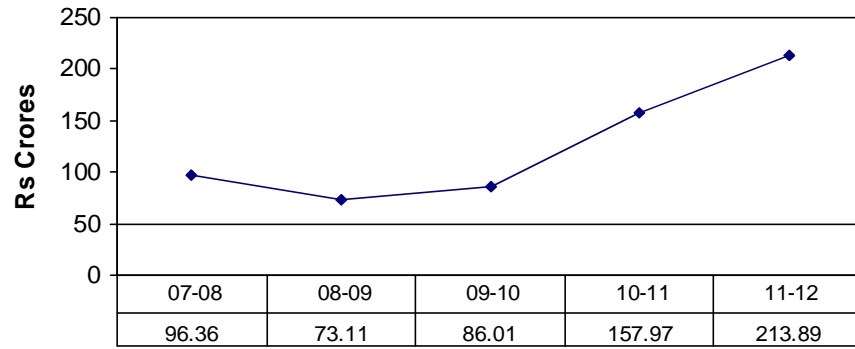
In view of inadequacy of profit, the Directors have not recommended any dividend for the year under report.

4.0 SHARE CAPITAL

During the year under report, the authorised share capital of the Company remained unchanged at ₹ 348.10 crore. The issued and subscribed capital as on 31.03.2012 also remained unchanged at ₹ 103.73 crore (comprising of 10,37,305 equity shares of ₹ 1,000 each fully paid).

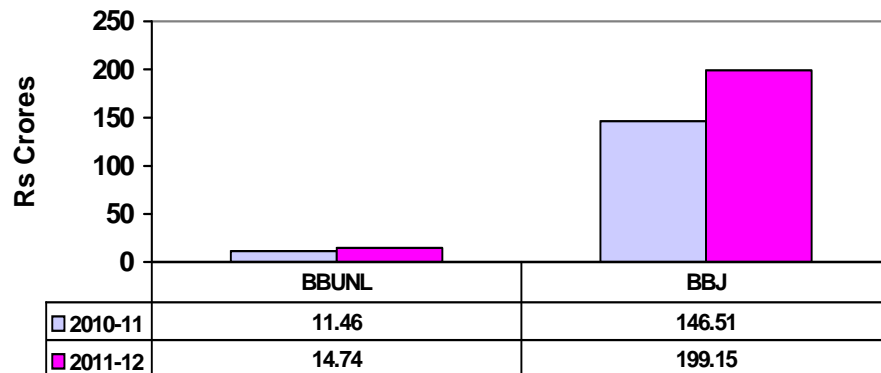
5.0 OPERATIONS

During the year under report, BBUNL Group of companies achieved gross production of ` 213.89 crore against ` 157.97 crore in the previous year, thereby recording an impressive top-line growth of about 35%. The trend of production by BBUNL Group since 2007-08 registering the growth is depicted below:



Gross production included gross production value of BBJ and BBUNL in respective years

Company-wise Gross Production in 2011-12 vis-à-vis 2010-11



The above pictorial presentation on company-wise performance reveals that both the Company and BBJ achieved improved performance in 2011-12 over 2010-11.

Performance highlights during 2011-12:-

- ❖ BBJ surpassed MoU targets and achieved significant growth in all major financial and physical parameters during the year under report compared to 2010-11.
- ❖ BBUNL Group also surpassed MoU targets and also recorded growth in all major financial and physical parameters during the year over 2010-11.
- ❖ The Company (on stand-alone basis) registered Sales Turnover of ` 15.66 crore as against ` 10.54 crore during 2010-11, thereby registering growth of over 40% during the year.

The Company during the year under report, continued to execute civil construction projects at different sites such as Phase II of Truck Terminus at Agartala; Rajendra Agricultural University, Bihar - projects at Pusa; Bihar Agricultural University – projects at Patna and Sabour; RCC bridges in Tripura; structural fabrication/cladding work at Alloy Steels Plant/Durgapur.

6.0 MOU

- ❖ The Company signed on 23.03.2012, a MoU with the administrative Department under Ministry of Heavy Industries and Public Enterprises viz. Department of Heavy Industry (DHI) for the year 2012-13 as per prescribed guidelines issued by Department of Public Enterprises (“DPE”), MoU Division, Government of India.
- ❖ The Company also entered into back-to-back MoU with its subsidiary company viz. BBJ.
- ❖ Based on the ‘Static’ (financial) and ‘Dynamic’ (non-financial) parameters, the composite score during 2011-12 has been arrived at “Very Good” level in respect of the Company and “Excellent” in respect of BBJ.

7.0 Outlook for 2012-13:

- ❖ Considering “Very Good” level as base target of MoU for the year 2012-13, the BBUNL Group expects to achieve production of ` 222.00 crore with operating profit (PBDIT) and cash profit (before provision of interest on Government loans) of ` 13.22 crore and ` 10.42 crore, respectively. The projected net profit (PAT) for the Group is ` 4.95 crore.
- ❖ Company-wise break up for MoU (“Very Good”) level for 2012-13 is as under:

Description	(` crore)		
	BBJ	BBUNL Proper	Total
Production (gross value)	200.00	22.00	222.00
Gross Outturn	200.00	22.70	224.55
Operating Profit (before prior period, provision ,etc.) - PBDIT	13.00	0.22	13.22
Extra ordinary Item	0.35	-	0.35
Bank and other interest	2.45	-	2.45
Cash Profit (before provision of interest on Government Loan)	10.20	0.22	10.42
Interest on Government loan	0.95	0.05	1.00
Depreciation	1.95	0.02	1.97
VRS Amortisation	-	0.06	0.06
Net Profit (before tax) - PBT	7.30	0.09	7.39
Tax	2.41	0.03	2.44
Dividend	0.12	-	0.12
Net Profit	4.77	0.06	4.83

8.0 DIVERSIFICATION, RESEARCH & DEVELOPMENT

8.01 **Diversification:** The Company (BBUNL) as well as BBJ continued to explore the potentials in their respective core areas. BBUNL Group has been endeavoring to diversify into other related areas of production as below:-

BBUNL: Executing Agency work and civil construction work, consultancy jobs, collaborative projects for cranes business, structural fabrication work, etc.

BBJ: Metro Rail system, construction of buildings, drainage and sewerage system.

8.02 **Research & Development (R&D):** In an increasingly competitive environment, BBUNL Group recognises the importance of R&D to maintain leadership position. R & D efforts continue to be focused on development of processes that offer value for its clients. BBJ has developed and continued new launching schemes for steel bridges. BBJ is also planning development of required resources for entering into the job of replacing old bridges with new bridges within specified block period.

9.0 RESTRUCTURING

9.01 Since being restructured by Government of India in July 2005, BBJ has been consistently making net profit as well as having positive net worth. It also wiped out its accumulated losses during financial year 2009-10 and reported cumulative profit of ` 9.85 crore in 2011-12.

9.02 DHI vide letter Ref. No. 8(12).2009-PE.III dated 06.08.2010 conveyed approval of Government of India that the Company and BBJ would be merged and that DHI had been authorised to work out the operational steps for merger in consultation with Ministry of Corporate Affairs. DHI vide letter Ref. No. 8(12)/2010-PE.III dated 17.02.2011 conveyed approval of the steps for merger of BBJ with the Company and name of the merged entity as 'The Braithwaite Burn & Jessop Construction Company Limited'. However, the merger is yet to be given effect.

10.0 REFERENCE TO BIFR

Neither the Company nor BBJ is within the purview of the Board for Industrial and Financial Reconstruction (BIFR).

11.0 MARKETING AND ORDER BOOK

11.01 Gross value of orders in hand of the BBUNL Group as on 01.04.2011 were ` 837.23 crore.

11.02 During the year under report, BBUNL Group secured new orders worth ` 16.21 crore (gross value).

11.03 The summary of order booking position of BBUNL Group in major product categories during the financial year 2011-12 is as follows:

(Fig. in ` crore)

Description	Order secured during 2010-11 (Gross value)	Order in hand as on 01.04.2011 (Gross value)	Companies involved
MAJOR PRODUCTS			
Bridge Projects	9.94	553.77	BBJ
Civil Projects	-	4.40	BBJ
Civil Construction work	6.27	44.12	BBUNL
Structural fabrication - ASP	-	0.55	BBUNL
Cranes (Spares & Service)	-	1.00	BBUNL
EXPORTS			
Tank Wagons – Ivory Cost	-	0.84	BBUNL
BCD INGAB Consortium – Gabon	-	2.62	BBUNL
Total	16.21	607.30	

12.0 EXPORTS

No Export order execution/secured during 2011-12 – Nil.

13.0 VIGILANCE ACTIVITY

The Vigilance Department of the Company continued to function effectively. Regular inspections were conducted as a preventive measure for ensuring compliance of the systems and procedures. Vigilance officer of BBJ conducted surprise checks from time to time. This covered officials at various levels to achieve the desired result.

As in the previous years, ‘Vigilance Awareness Week’ was observed in the Company during the year under review. Knowledge and expertise was shared by experienced speakers on corruption and various preventive measures to tackle the same.

14.0 RELEASE OF FUNDS BY GOVERNMENT

During the year under report, Government of India did not release any fund towards Plan Loan, Non-Plan Loan and Plan equity either to the Company or BBJ.

15.0 MANPOWER

15.01 Consequent upon transfer of two major subsidiaries viz. BSCL and BCL to Ministry of Railways, the manpower of the BBUNL Group reduced substantially. The aggregate number of regular employees of the Group as on 31.03.2011 was 124.

- 15.02 Employment of SC/ST/women: Compliance with policies and directives of the Government of India continued in the matter of employment of SC/ST/women.
- 15.03 The BBUNL Group realises that human resources play a vital role in achieving the organisational goals as well as its growth. Efforts to attract, retain, motivate and groom managerial and technical talents continued. The Group also strove to harness the potential of its people to the maximum, foster a culture of performance and contribution, maintain trustworthiness and build mutually beneficial relationships. Training, as a continuous activity, was imparted through both in-house and outside institutional programmes for skills development. Various Management Development Programmes as well as skill development programmes were organised during the year 2011-12.

16.0 INDUSTRIAL RELATIONS

Industrial relations situation in the BBUNL Group remained cordial during the year.

17.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)

BBUNL Group as a responsible corporate citizen and as part of CSR continues to initiate measures for devising and implementing plans for ensuring socio-economic development in compliance with Government Guidelines. During the year under report, CSR activities of the Group emphasised on measures for social well-being sanitation and community development of the backward, distraught and distressed sections of society. The Group is fully committed to expand its activities under CSR.

18.0 RAJBHASA IMPLEMENTATION

The Company continued to pursue the policy of Government of India on implementation of the Official Language. To review the progress, meetings of the Official Language Implementation Committee were held during the year on quarterly basis. Hindi training was also imparted to the employees on rotation. Various programmes were also organised for promotion of the use of the Official Language in the Company.

19.0 SUBSIDIARY COMPANY

Copies of audited Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report, etc. for the financial year ended 31st March, 2012 of BBJ (subsidiary company) are annexed.

The statement pursuant to Section 212(1)(c) of the Companies Act, 1956 is also annexed.

20.0 PARTICULARS OF EMPLOYEES

During the year under report, no employee of the Company was in receipt of remuneration which was in excess of the limit referred to in Section 217(2A) of the Companies Act, 1956 and the Rules framed thereunder.

21.0 REPORT ON CORPORATE GOVERNANCE

The Directors re-affirm their continued commitment to good corporate governance practices adhering to the DPE Guidelines. As required by the “Guidelines on Corporate Governance for Central Public Sector Enterprises” issued by DPE, a report on Corporate Governance is annexed to and forms part of this Report.

22.0 DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 and on the basis of explanations and information given by executives of the Company and subject to disclosure in the Annual Accounts and on the basis of discussions with the Statutory Auditors, the Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- ii) the accounting policies selected have been applied consistently and judgements and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) proper and sufficient care has been taken 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; and
- iv) the Annual Accounts have been prepared on a going concern basis.

23.0 CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company mainly carried on service activities during the year under report and the energy consumed by it was not significant. No measures for energy conservation as well as investment for reduction of energy consumption were thus considered necessary.

However, the BBUNL Group has been consistently laying emphasis on utilising energy-efficient equipment so as to minimally affect on the ecology and environment.

In view of the above, no disclosure is made with regard to technology absorption.

24.0 FOREIGN EXCHANGE EARNINGS & OUTGO

During the year under report, the Company had no earning in foreign currency. There was also no outgo of foreign currency.

25.0 AUDIT COMMITTEE

The Audit Committee of the Board was re-constituted on 30.12.2011 with Shri Shashank Goel (Chairman), Shri V Sethumadhavan and Shri S. Baul. However, since close of the financial year, Shri Goel and Shri Sethumadhavan ceased to be “ex-officio Directors”. In the absence of any “Independent Director” on the Board, the Committee could not be reconstituted in the manner required by “Guidelines on Corporate Govern-ance for Central Public Sector Enterprises” issued by DPE.

The Committee met only once on 30.03.2012 during the year under report. The meeting was attended by the Director (Finance) as well as representatives of the Statutory and Internal Auditors of the Company.

26.0 AUDITORS

Comptroller and Auditor General of India appointed M/s. Bhattacharya Das & Co., Chartered Accountants, as Statutory Auditors of the Company for the year 2011-2012. The Auditors’ Report is annexed.

27.0 AUDITORS’ REPORT

Management’s replies to the observations of the Auditors in their Report to the members are furnished in Annexure-B.

28.0 COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

Comptroller and Auditor General of India (“CAG”) decided not to review the report of the Statutory Auditors on the accounts of the Company for the year ended 31st March, 2012 and as such have given ‘NIL’ comment under Section 619(4) of the Companies Act, 1956. Copy of CAG’s comments dated 20.09.2012 is annexed and forms part of this Report.

29.0 DIRECTORS

29.01 Shri S. Baul, Managing Director, BBJ continues to hold additional charge of the post of Chairman & Managing Director of the Company.

29.02 DHI vide Order Ref. No. 8(3)/87.PE-III (Vol. II) dated 21.08.2012 appointed Shri Ambuj Sharma and Shri Suresh Kumar Goyal as official Directors on the Board vice Shri Shashank Goel and Shri V. Sethumadhavan.

29.04 DHI vide Order Ref. No. 8(17)/2005-PE.III dated 27/28.09.2012 has entrusted additional charge of the post of Director (Finance) of the Company to Shri Kishor Rungta, Director (Finance), Hindustan Cables Ltd. Shri Neeraj Mishra, Director (Technical) earlier held additional charge of the post

- 29.05 Shri Neeraj Mishra upon attaining the age of superannuation relinquished charge as Director (Technical) of the Company w.e.f. 01.10.2012. DHI vide Order Ref. No. 8(15)/2005-PE.III dated 19.09.2012 has entrusted additional charge of the post to Shri M. K. Singh, Director (Project Management), Bridge & Roof Company Ltd.
- 29.06 The Directors place on record their appreciation of services rendered to the Company by Shri Goel, Shri Sethumadhavan and Shri Mishra during their respective tenures of office.

30.0 CODE OF CONDUCT

The Code of Business Conduct for Board Members and Senior Management laid down by the Board in accordance with the “Guidelines on Corporate Governance for Central Public Sector Enterprises” issued by DPE continues to be in force.

31.0 ACKNOWLEDGEMENT

- 31.01 The Directors express their gratitude to the various Ministries of the Government of India, especially Ministry of Heavy Industries and Public Enterprises for all the guidance and support extended by them to the Company.
- 31.02 The Directors also place on record their sincere thanks to the various State Governments, particularly of West Bengal, Bihar and Tripura for their continued support and guidance.
- 31.03 The Directors also place on record their thanks to the Comptroller and Auditor General of India, the Statutory Auditors and the Bankers to the Company for the co-operation, guidance and support extended by them.
- 31.04 The Directors also wish to record their deep sense of appreciation of all employees of the BBUNL Group of Companies for their dedication, commitment and hard work. There is no doubt that with their dedication and cooperation, the Group will achieve better performance in the coming years and realise its full potential in service of the Nation.

For & on behalf of the Board of Directors,

Place: Kolkata,
Date : 30th October, 2012

(SAIBAL BAUL)
Chairman & Managing Director

COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE FOR BBUNL GROUP

Annexure 'A'

(Rs. crore)

	Company ----->	BBJ	BBUNL-P	TOTAL
	<u>YEAR 2011-12</u>			
1	Gross Production	199.15	14.74	213.89
2	Billable Production	199.15	14.74	213.89
3	Gross Earnings	202.32	16.77	219.09
4	Operating Profit - PBDIT	8.26	0.19	8.45
5	Prior Period/ Provision/ Extra Ordinary Item	0.17	0.00	0.17
6	Interest - Bank & Other	0.46	0.00	0.46
7	Cash Profit w/o Gol Interest	7.63	0.19	7.82
8	Interest - Government Loan	0.48	0.01	0.49
9	Depreciation	1.19	0.02	1.21
10	VRS Amortisation / DRE	0.00	0.05	0.05
11	Net Profit before Tax & Dividend - PBT	5.96	0.11	6.07
12	Tax	1.19	0.0000	1.19
13	Net Profit after Tax - PAT	4.77	0.11	4.88
14	Dividend (incl. Tax on Dividend)	0.12	0.00	0.12
15	Net Profit	4.65	0.11	4.76
	<u>YEAR 2010-11</u>			
1	Gross Production	146.51	11.46	157.97
2	Billable Production	146.51	11.19	157.70
3	Gross Earnings	147.31	13.43	160.74
4	Operating Profit - PBDIT	7.53	0.03	7.56
5	Prior Period/ Provision/ Extra Ordinary Item	1.06	(0.01)	1.05
6	Interest - Bank & Other	0.46	0.00	0.46
7	Interest - Government Loan	0.44	0.00	0.44
8	Depreciation	1.08	0.02	1.10
9	Net Profit before Tax & Dividend - PBT	4.49	0.02	4.51
10	Tax (incl FBT)	0.89	0.0001	0.89
11	Net Profit after Tax - PAT	3.60	0.02	3.62
12	Dividend (incl. Tax on Dividend)	0.06	0.00	0.06
13	Net Profit	3.54	0.02	3.56

Note: Administrative control of Burn Standard Co Ltd. (BSCL) and Braithwaite & Co. Ltd. (BCL) has been transferred to Ministry of Railways as per Government of India's approval.

ANNEXURE 'B'

MANAGEMENT'S REPLIES TO THE AUDITORS' OBSERVATIONS

<i>Auditors' observations</i>	<i>Management's replies</i>
<p>(i)a) <i>Amount of Rs. 6813.44 lacs shown under the head 'Other Current Assets' (Note-18) represents nominal value of disinvestment of 68134428 nos. of equity share in Jessop & Co. Ltd. as stated in para no.6 of note B(Other notes to financial statement). An amount of Rs.1818.00 lacs was received against these investment and was also refunded to Govt. of India in earlier years. In absence of any instruction from Govt. of India necessary provision for the resultant loss of Rs.4995.44 lacs towards shortfall on realization could not be made in the accounts.</i></p> <p>b) <i>Had the observations made in para 4(i) above been considered in the accounts, the loss for the year would have been Rs. 4,984.52 lacs as against the reported profit before tax of Rs. 10.92 lacs, debit balance of Profit and Loss Account would have been Rs. 4,909.73 lacs as against reported credit balance of Profit and Loss Account of Rs. 85.71 lacs and Other Current Assets would have been Rs.36385.56 lacs as against the reported figure of Rs.41381.00 lacs.</i></p>	<p>It has been clarified suitably in "Other Notes to Financial Statement" (point no. 6 of Note-B). However, the matter has been taken up with Government of India (GOI) for approval on necessary adjustment of the value in issued and subscribed share capital in the books of the Company.</p> <p>Noted. No separate comments needed since this is mandatory quantification of the Auditors' observations stated as above.</p>
<p>(ii) a) <i>Consequent to the disinvestment of Equity Shares in Jessop & Co. Ltd. as stated in (i) above, the company still holds the remaining 25580122 nos. of Equity Shares in the said company as at 31st March 2012 as Investment. In absence of the market price of those shares held as Investment as on 31st March 2012, the diminution in the value of those shares, if any, as on that date is not ascertainable and hence cannot be commented upon.</i></p> <p>b) <i>Pending disposal of writ petition filed in the Hon'ble High Court, Calcutta challenging AAIFR orders for reducing the nominal value of equity share of Jessop & Co. Ltd. from Rs.10/- to Re.1/- vide para no.7 of note B (Other notes to financial statement) realisable value of the company's investment cannot be commented upon.</i></p>	<p>The observation is in the nature of a disclaimer. However, suitable clarification has been given in "Significant Accounting Policies" [para (d) of Note - A] and also in point no. 14 of Note-B, which are self-explanatory.</p> <p>The observation is in the nature of a disclaimer. Necessary adjustment(s) will be made after disposal of the writ petition.</p>

<p>(iii) <i>Para No. 10 of Note-B (Other notes to financial statement) regarding interest on Government of India loans to subsidiaries, under liquidation, upto 31st March, 2012, the realisability of which cannot be commented upon. However, it has no impact on the reported profit of the Company.</i></p>	<p>The matter has been suitably disclosed in Para No. 10 of Note-B to the financial statement, which is self-explanatory.</p>
<p>(iv) <i>The realizable value of the Company's investment in its Subsidiary Company, Bharat Process & Mechanical Engineers Ltd. (under liquidation), amounting to Rs.486.30 lacs and the recovery of loans & advances and other dues from it (Refer to Para No. 4 of Note-B- Other notes to financial statement) cannot be commented upon.</i></p>	<ul style="list-style-type: none"> • Long term investments in subsidiaries are carried at cost as per practice consistently followed by the Company in compliance with Significant Accounting Policy [Para (d) of Note-A]. <p>The Company makes fresh investments in its subsidiaries out of the equity Plan fund released by GOI for corresponding investment in specific subsidiaries at par. In any eventuality of loss suffered upon the diminution in realisable value of such investment, the Company will pass on the loss to GoI for appropriate action as deemed fit.</p> <ul style="list-style-type: none"> • It also deserves mention that GoI loan funds for subsidiaries towards Plan loan, Non-Plan loan are routed through the Company for disbursement to its respective subsidiaries. In any eventuality of non-realisation of said loans, the sanctioned loan disbursed to the subsidiaries as per books of the Company will be adjusted with the identical amount of loan payable to GoI in the books of the Company under GOI directives. Hence, this will have no financial impact in the Company's books. This situation will emerge on GoI approval of financial restructuring of the concerned subsidiary/PSU.
<p>(v) <i>Prior-Period Adjustment Account (Cr) and Prior-Period Adjustment Account (Dr) would have increased by Rs.82.72 lacs for refund of Service Charges to Jessop & Co. Ltd. in the year 2005-06 (Ref. Para No.15 of Note – B- Other notes to financial statement). However, it has no effect on the reported profit of the Company.</i></p>	<p>The Company has lodged claim for the same amount to Jessop & Co. Ltd. and thereafter has also initiated legal proceedings to recover the amount. However, there is no resultant impact on the profit of the Company which is also confirmed by Auditors.</p>
<p>(vi) <i>Para No.16 of Note – B (Other notes to financial statement) regarding pending balance confirmation from certain parties (amount not ascertainable).</i></p>	<p>Some of the confirmations have since been received and shown to the Auditors.</p>

BHARAT BHARI UDYOG NIGAM LIMITED

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is aimed at:

- (a) Enhancing long-term stakeholder value and its own wealth generating capacity through-
 - Assisting top management in taking sound business decisions;
 - Prudent financial management.
- (b) Achieving transparency and professionalism in all its decisions and activities.
- (c) Adhering to the disclosure compliances.
- (d) Achieving excellence in Corporate Governance by-
 - conforming to the prevalent guidelines on Corporate Governance and excelling in, wherever possible;
 - reviewing periodically the existing systems and controls for further improvements;
 - setting high ethical standards in conduct of business.
 - complying with laws and regulations.
 - strategic guidance and effective monitoring by the Board.

2. BOARD OF DIRECTORS:

2.1 Composition:

The Company is a 'Government company' within the meaning of Section 617 of the Companies Act, 1956. All Directors on the Board of the Company (whether functional, official or non-official) are appointed by the President of India (viz. the Central Government).

As on 31.03.2012, the total of number of Directors on the Board of the Company was 4 (four), of which two were functional Directors viz., Chairman & Managing Director; and Director (Technical) and two were Government officials (Nominee Directors). Director (Technical) was concurrently holding additional charge as Director (Finance).

Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry (in short "DHI") vide Order dated 14.07.2010 has advised of the decision to reconstitute the Board in the manner therein stated. As per the Order, the strength of the Board shall be 8 (eight) Directors – three functional Directors (including Chairman & Managing Director); two Government Nominee Directors and three Independent (non-official part-time) Directors. However, no Independent Director was appointed during the year ended 31.03.2012

(2)

The composition of the Board and the number of other Directorship and Membership/ Chairmanship held by the Directors in the committees of various companies as on 31.03.2012 are given below:

Name of Directors	Category of Directorship	No. of other Boards in which a member or Chairperson	Committee membership held in other companies*	
			as Member	as Chairman
1. Shri Saibal Baul	Chairman & Managing Director (Functional Director)	2	Nil	Nil
2. Shri Swapan Kumar Das (upto 31.08.2011)	Director (Finance) (Functional Director)	2	Nil	Nil
3. Shri Neeraj Mishra	Director (Technical) (Functional Director)	2	Nil	Nil
4. Shri Ambuj Sharma (upto 03.05.2011)	Government Nominee	4	Nil	Nil
5. Shri Ramaswamy Asokan (upto 25.08.2011)	Government Nominee	5	1	Nil
6. Shri Shashank Goel (w.e.f. 03.05.2011)	Government Nominee	Nil	Nil	Nil
7. Shri V. Sethumadhavan (w.e.f. 26.08.2011)	Government Nominee	2	Nil	Nil

* Represents Membership/Chairmanship of Audit Committee, Investors' Grievance Committee and Remuneration Committee.

2.2 BOARD MEETINGS:

Dates of Board meetings are fixed in advance. The meetings are governed by structured agenda and agenda notes/papers backed by comprehensive background information are circulated to individual Directors about seven days prior to the meeting. Where it is not found practical to attach or send the relevant background information as part of the agenda notes/papers, the same are tabled at the meeting.

Meetings and attendance:

During the financial year ended 31.03.2012, 4 (four) meetings of the Board of Directors were held - on 02.06.2011; 26.08.2011; 30.12.2011; and 30.03.2012.

Attendance of Directors at the Board meetings and at the Annual General Meeting (AGM):-

Name of Directors	No. of meetings attended	Attendance at the last AGM held on 23.09.2011
Shri Saibal Baul	4	Yes
Shri Swapan Kumar Das	2	No
Shri Neeraj Mishra	4	Yes
Shri Ambuj Sharma	Nil	No
Shri Ramaswamy Asokan	1	No
Shri Shashank Goel	3	No
Shri V. Sethumadhavan	1	No

3. AUDIT COMMITTEE

The Audit Committee was in existence only during part of the year. Details of such Committee are as under:

(a) Role:

Role of the Audit Committee cover the matters specified under paragraph 4.2 of the Guidelines on Corporate Governance for Public Sector Enterprises. The Committee acts as a link between the Management, the Statutory & Internal Auditors and the Board of Directors and assesses financial reporting system.

(b) Composition of the Audit Committee:

As on 31.03.2012, the Audit Committee comprised of Shri Shashank Goel, Shri V. Sethumadhavan and Shri Saibal Baul. Shri Goel was Chairman of the Committee. Shri Neeraj Mishra, Director (Technical) holding additional charge as Director (Finance) attended the only meeting of the Committee held during the financial year ended 31.03.2012. The Company Secretary acts as the Secretary of the Committee.

(4)

An Audit Committee in consonance with the “Guidelines on Corporate Governance for Central Public Sector Enterprises” will be constituted as and when composition of the Board shall permit the same.

(c) Attendance of each Member:

During the financial year ended 31.03.2012, only 1 (one) meeting of the Committee was held - on 30.03.2012.

Name of Committee Member	No. of meetings held	No. of meetings attended
Shri Shashank Goel	1	1
Shri V. Sethumadhavan	1	1
Shri Saibal Baul	1	1

4. REMUNERATION COMMITTEE

There is no such Committee in view of the Guidelines stipulating that such Committee should be headed by an Independent Director. Further, the remuneration of executives and non-unionised supervisors are fixed in accordance with the Guidelines issued in this behalf by Government of India, Department of Public Enterprises (in short “DPE”).

5. CODE OF CONDUCT:

The Board of Directors has laid down the Code of Business Conduct and Ethics for the Board Members and the Senior Management for maintaining standards and ensuring compliance with legal requirements. The same is posted on the website of the Company.

6. GENERAL BODY MEETINGS:

Details of the last three Annual General Meetings

Financial year	Date and Time	Venue	Special resolution(s) passed, if any
2010-11	23.09.2011 at 12.00 Noon	Registered Office at 26, Raja Santosh Road, Alipore, Kolkata – 700 027.	Nil
2009-10	10.12.2010 at 11.30 A.M.	-As above-	Nil
2008-09	10.11.2009 at 2.00 P.M.	-As above-	Nil

7. DISCLOSURES

- i) Materially significant related party transactions that may have potential conflict with the interests of the Company at large – there is no such transaction. However, the disclosure as required under Accounting Standard AS 18 has been incorporated in 'Notes to the Accounts'.
- ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by any statutory authority on any matter related to any guidelines issued by the Government, during the last three years – None.
- iii) Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee – the Company does not have a Whistle Blower policy for the time being. However, no personnel was denied access to the Audit Committee.
- iv) Details of compliance with the requirements of the Guidelines – the Company had generally complied with the requirements of the Guidelines. However, DHI is required to appoint the required number of Independent Directors on the Board of the Company.
- v) Details of Presidential Directives issued by the Central Government and their compliance during the year and also in the last three years – no Presidential Directive was issued during the year.
- vi) Items of expenditure debited in the books of account, which are not for the purposes of business – there is no such item of expenditure.
- vii) Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management – None.

8. MEANS OF COMMUNICATION

The shares issued by the Company are not listed on any stock exchange. Hence, quarterly results are not published in newspapers. However, annual audited financial results are displayed on the website of the Company (www.bbunl.com).

Address for correspondence:

Bharat Bhari Udyog Nigam Ltd.
26, Raja Santosh Road,
Alipore, Kolkata – 700 027.

9. AUDIT QUALIFICATIONS

The Company will endeavour to move towards a regime of unqualified financial statements.

(6)

10. TRAINING OF BOARD MEMBERS

The need to train Board members in the business model of the Company has not been felt till now. However, this will be considered at an appropriate time in future.

11. WHISTLE BLOWER POLICY

The Company will consider establishing a mechanism for employees in future.

12. COMPLIANCE CERTIFICATE

This report duly complies with the requirements of “Guidelines on Corporate Governance for Central Public Sector Enterprises”. Quarterly reports on compliance with Corporate Governance prescribed by DPE are sent to DHI regularly.

Certificate obtained from the Statutory Auditors of the Company regarding compliance of the aforesaid Guidelines on Corporate Governance has been annexed to the Report.

For & on behalf of the Board of Directors,

Kolkata,
12th October, 2012.

(Saibal Baul)
Chairman & Managing Director

The Members,
Bharat Bhari Udyog Nigam Ltd.
26, Raja Santosh Road
Alipore, Kolkata - 700 027.

We have examined the compliance of the Corporate Governance by Bharat Bhari Udyog Nigam Limited (hereinafter referred as 'the Company') for the year ended on 31st March, 2012 as stipulated in "Guidelines on Corporate Governance for Central Public Sector Enterprises 2010" issued by the Government of India, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises and annexures mentioned there under (hereinafter referred to as 'the Guidelines').

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 corporate governance as stipulated in the Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the stipulations of the Guidelines except appointment of Independent Directors on the Board of the Company (which is under consideration of the Central Government) and non-existence of a duly constituted Audit Committee pursuant to the Corporate Governance norms for a non-listed Public Sector Enterprise.

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

For Bhattacharya Das & Co.
Chartered Accountants
(Firm Reg. No. 307077E)

Place : Kolkata
Date : The 12th October, 2012

CA. Biswarup Mukhopadhyay
Partner
Membership No. 056740

Comment of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Bharat Bhari Udyog Nigam Limited, Kolkata for the year ended 31st March, 2012

The preparation of financial statements of Bharat Bhari Udyog Nigam Limited, Kolkata for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 6th September, 2012.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Bharat Bhari Udyog Nigam Limited, Kolkata for the year ended 31st March 2012 and as such have no comment to make under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

Place : Kolkata
Date : 20 September 2012

NANDANA MUNSHI
*Principal Director of Commercial Audit
& Ex-Officio Member Audit Board – I*
Kolkata

AUDITOR'S REPORT

TO THE MEMBERS OF BHARAT BHARI UDYOG NIGAM LIMITED

- 1) We have audited the attached Balance Sheet of Bharat Bhari Udyog Nigam Limited as at 31st March, 2012 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. 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.
- 2) 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' 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 and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we state that :-
 - (i) a) *Amount of Rs.6813.44 lacs shown under the head 'Other Current Assets' (Note-18) represents nominal value of disinvestment of 68134428 nos. of equity share in Jessop & Co. Ltd. as stated in para no.6 of note B(Other notes to financial statement). An amount of Rs.1818.00 lacs was received against these investment and was also refunded to Govt. of India in earlier years. In absence of any instruction from Govt. of India necessary provision, for the resultant loss of Rs.4995.44 lacs towards shortfall on realization could not be made in the accounts.*
 - b) *Had the observations made in para 4(i) above been considered in the accounts, the loss for the year would have been Rs. 4,984.52 lacs as against the reported profit before tax of Rs. 10.92 lacs, debit balance of Profit and Loss Account would have been Rs. 4,909.73 lacs as against reported credit balance of Profit and Loss Account of Rs. 85.71 lacs and Other Current Assets would have been Rs.36385.56 lacs as against the reported figure of Rs.41381.00 lacs.*

Contd...2

(2)

- (ii) a) *Consequent to the disinvestment of Equity Shares in Jessop & Co. Ltd. as stated in (i) above, the company still holds the remaining 25580122 nos. of Equity Shares in the said company as at 31st March 2012 as Investment.*

In absence of the market price of those shares held as Investment as on 31st March 2012, the diminution in the value of those shares, if any, as on that date is not ascertainable and hence cannot be commented upon.

- b) *Pending disposal of writ petition filed in the Hon'ble High Court, Calcutta challenging AAIFR orders for reducing the nominal value of equity share of Jessop & Co. Ltd. from Rs.10/- to Re.1/- vide para no.7 of note B (Other notes to financial statement) realisable value of the company's investment cannot be commented upon.*
- (iii) *Para No. 10 of Note-B (Other notes to financial statement) regarding interest on Government of India loans to subsidiaries, under liquidation, upto 31st March, 2012, the realisability of which cannot be commented upon. However, it has no impact on the reported profit of the Company.*
- (iv) *The realizable value of the Company's investment in its Subsidiary Company, Bharat Process & Mechanical Engineers Ltd. (under liquidation), amounting to Rs.486.30 lacs and the recovery of loans & advances and other dues from it (Refer to Para No. 4 of Note-B- Other notes to financial statement) cannot be commented upon.*
- (v) *Prior-Period Adjustment Account (Cr) and Prior-Period Adjustment Account (Dr) would have increased by Rs.82.72 lacs for refund of Service Charges to Jessop & Co. Ltd. in the year 2005-06 (Ref. Para No.15 of Note – B- Other notes to financial statement). However, it has no effect on the reported profit of the Company.*
- (vi) *Para No.16 of Note – B (Other notes to financial statement) regarding pending balance confirmation from certain parties (amount not ascertainable).*

Subject to our observations in paragraph 4 above, we report that :-

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
- c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.

Contd...3

(3)

- d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) The provisions of Section 274(1)(g) of the Companies Act, 1956, are not applicable to the Company being a Government Company.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account, read together with the Notes 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 case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - ii) In case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
 - iii) In case of Cash Flow Statement of the cash flows for the year ended on that date.

For BHATTACHARYA DAS & Co.
Chartered Accountants
Regn. No.307077E

(CA. ANJAN SHEE)
Partner
Membership No.052870

Place: Kolkata.
Date : 06.09.2012.

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF BHARAT BHARI UDYOG NIGAM LIMITED FOR THE YEAR ENDED 31ST MARCH, 2012.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
b) The Fixed Assets have been physically verified by the management during the year and no discrepancies were stated to have been noticed on such verification.
c) The Company has not disposed off a substantial part of the fixed assets during the year.
2. The Company is not maintaining any inventory. Accordingly, provisions of Clause 4(ii) of the Companies (Auditors' Report) Order, 2003 (hereinafter referred to as 'Order') are not applicable.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of sub-clauses (b), (c), (d), (f) and (g) of Clause 4(iii) of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory & fixed assets and for sale of goods & services.
5. On the basis of audit procedures performed by us, and according to the information, explanations and representations given to us, there were no contracts or arrangements covered by Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9. a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service-tax, customs duty, excise duty, cess and other material statutory dues as applicable to it.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, sales-tax, customs duty, excise duty and cess were in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. The Company has not taken loans from any financial institutions & banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi, mutual benefit fund or society. Accordingly, the provisions of clause 4 (xiii) of the Order, are not applicable to the Company.

Contd...2

(2)

14. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order, are not applicable to the Company.
15. In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by the subsidiary Companies from banks are not prima facie prejudicial to the interest of the Company.
16. The Company has not raised any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investments.
18. According to the information and explanations given to us, during the year covered by our audit report, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For BHATTACHARYA DAS & Co.
Chartered Accountants
Regn. No.307077E

(CA. ANJAN SHEE)
Partner
Membership No.052870

Place: Kolkata.
Date : 06.09.2012.

BHARAT BHARI UDYOG NIGAM LIMITED
Balance Sheet as at 31st March, 2012

	Note No.	As at 31st March,2012	As at 31st March,2011
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	10373.05	10373.05
Restructuring Equity Share Deposit	1A	1388.00	1388.00
(b) Reserves and surplus	2	85.71	74.79
(c) Money received against share warrants			
Share application money pending allotment		325.01	325.01
Non-current liabilities			
(a) Long-term borrowings	3	809.78	870.00
(b) Deferred tax liabilities (Net)		0.00	0.00
(c) Other Long term liabilities	4	0.00	0.00
(d) Long-term provisions	5	0.00	0.00
Current liabilities			
(a) Short-term borrowings	6	7253.05	7161.85
(b) Trade payables	7	1037.43	911.70
(c) Other current liabilities	8	36189.85	36160.21
(d) Short-term provisions	9	109.79	89.69
TOTAL		57571.67	57354.30
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10(A)	4.62	5.97
(ii) Intangible assets	10(B)	0.24	0.41
(b) Non-current investments	11	5113.01	5113.01
(c) Long-term loans and advances	12	735.00	820.00
(d) Other non-current assets	13	0.00	0.00
Current assets			
(a) Current investments		0.00	0.00
(b) Inventories	14	0.00	92.41
(c) Trade receivables	15	804.22	638.82
(d) Cash and Bank Balances	16	1615.28	1572.89
(e) Short-term loans and advances	17	7918.28	7893.34
(f) Other current assets	18	41381.02	41217.45
TOTAL		57571.67	57354.30

Significant Accounting Policies A(a-m)

Other Notes to Financial Statements B(1-25)

The Notes referred to above form integral part of Balance Sheet

In terms of our Report of even date.

For BHATTACHARYA DAS & CO.
 CHARTERED ACCOUNTANTS
 FRN. 307077E

(SAIBAL BAUL)
 Acting Chairman & Managing Director

(CA. Anjan Shee)
 Partner
 Membership No. 052870

(NEERAJ MISHRA)
 Director (Technical)

Place : Kolkata
 Date : 06.09.2012

(S N MUKHERJEE)
 Company Secretary

BHARAT BHARI UDYOG NIGAM LIMITED
Statement of Profit & Loss for the year ended 31st March,2012

PARTICULARS	Note No.	Period ended 31st March, 2012		Period ended 31st March, 2011
(Rupees in lakhs)				
INCOME				
Revenue from Operations	19	1565.73	1053.62	
Less : Excise duty		<u>0.00</u>	<u>0.00</u>	1053.62
Other Income	20	248.86		267.17
Total Revenue		<u>1814.59</u>	<u>1320.79</u>	
Expenses				
Cost of materials consumed	21	0.00	0.00	
Purchase of stock in trade		0.00	4.99	
Accretion(-)/Depletion to inventories of finished goods, work in progress and stock in trade	22	92.41	-65.73	
Employee Benefits expense	23	196.99	217.86	
Finance Cost	24	48.84	44.01	
Depreciation and Amortisation expense	10	1.54	2.24	
Other expenses	25	1466.45	1806.23	1319.16
			8.36	1.63
Add: Adjustments pertaining to earlier years	26	<u>0</u>	<u>0</u>	0.56
Profit before tax and exceptional items		8.36	1115.79	2.19
Less: Exceptional items				
Foreign Exchange Loss (+)/ Gain(-)		2.56	-0.48	
Exchange variations treated as interest cost		<u>0</u>	<u>0</u>	-0.48
Profit before tax		<u>10.92</u>	<u>1115.79</u>	1.71
Less : Provision for taxation				
Current tax		0	0.00	
Deferred tax		0	0	
Earlier years		0	0.01	0.01
Profit after tax carried over to balance sheet		10.92	1115.79	1.70
Significant Accounting Policies	A(a-m)			
Other Notes to Financial Statements	B(1-25)			
The Notes referred to above form integral part Statement of Profit and Loss				

In terms of our Report of even date.

For BHATTACHARYA DAS & CO.
 CHARTERED ACCOUNTANTS
 FRN. 307077E

(SAIBAL BAUL)
 Acting Chairman & Managing Director

(CA. Anjan Shee)
 Partner
 Membership No. 052870

(NEERAJ MISHRA)
 Director (Technical)

Place : Kolkata
 Date : 06.09.2012

(S N MUKHERJEE)
 Company Secretary

Note (Forming Part of the Balance Sheet)

	As at 31st March,2012	As at 31st March,2011
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(Rupees in lakhs)

1: SHARE CAPITAL

Authorised

3481000 equity shares of Rs. 1000 each (3481000 equity shares of Rs. 1000 each)	34810.00	34810.00
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Issued, Subscribed & Fully Paid-up

1037305 equity shares of Rs.1000 each fully paid. (1037305 equity shares of Rs.1000 each fully paid.)	10373.05	10373.05
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(i) Reconciliation of equi shares at the end of the year

Particulars	As at 31st March,2012		As at 31st March,2011	
	Numbers	Amount	Numbers	Amount
-- Equity shares with voting rights				
Shares outstanding at the beginning of the year	1037305	10373.05	3389778	33897.78
Shares Issued during the year	NIL	NIL	NIL	NIL
Shares bought back during the year	NIL	NIL	NIL	NIL
Shares Adjusted against Holding in Subsidiary	NIL	NIL	2352473	23524.73
Shares outstanding at the end of the year	1037305	10373.05	1037305	10373.05
-- Equity shares without voting rights				
Shares outstanding at the beginning of the year	NIL	NIL	NIL	NIL
Shares Issued during the year	NIL	NIL	NIL	NIL
Shares bought back during the year	NIL	NIL	NIL	NIL
Shares outstanding at the end of the year	NIL	NIL	NIL	NIL

(ii) All shares rank equaqly wth regard to the repayment of capital in the event of liquidation of the company.

(iii)The Company does not have a holding company

(iv) Details of the shareholders holding more than 5% of the shaes in the company

Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding

(v) 103705 equity shares of Rs 1000 each (net of adjustments on reduction of capital) were allotted as fully paid up for consideration other than cash.

	As at 31st March,2012		As at 31st March,2011	
	Numbers	Amount	Numbers	Amount

(vi) The company has netiher issued bonus shares nor the company has bought back any shares during the last 5 years.

(Clause 3, 8, 9 of Note B)

Note (Forming Part of the Balance Sheet)

	As at 31st March,2012	As at 31st March,2011
		(Rupees in lakhs)
1A : RESTRUCTURING EQUITY SHARE DEPOSIT		
Loans convertible to equity shares pending allotment (Clause 2 of Notes B)	1,388.00	1,388.00
2 : RESERVES AND SURPLUS		
Surplus/Debit balance (-) in Profit & Loss Account		
Balance as per last account	74.79	73.09
Add:Surplus/Loss(-) of Current Year	10.92	1.70
Add: Transfer from Bond Redemption Reserve	0.00	0.00
Less: Dividend Paid	0.00	0.00
Less: Proposed Dividend	0.00	0.00
Less: Tax on Proposed Dividend	0.00	0.00
Less: Tax on Dividend Paid	0.00	0.00
Less: Transfer to Bond Redemption Reserve	0.00	0.00
Less:Transfer to General Reserve	0.00	0.00
	85.71	74.79
	85.71	74.79
3. Long Term Borrowings		
Unsecured		
Restructuring Debenture Deposit :		
Loans converted to Zero Rate Debenture pending Allotment (Clause 2 of Note B)	750.00	800.00
Other loans and advances	59.78	70.00
	809.78	870.00
	809.78	870.00
4: OTHER LONG TERM LIABILITIES	0.00	0.00
	0.00	0.00
5: LONG TERM PROVISIONS	0.00	0.00
	0.00	0.00

Note (Forming Part of the Balance Sheet)

	As at 31st March,2012	As at 31st March,2011
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(Rupees in lakhs)

6. Short Term Borrowings

Unsecured

Restructuring Debenture Deposit :

Loans converted to Zero Rate Debenture pending Allotment (Clause 2 of Note B)	250.00	200.00
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Other loans and advances

From Banks	0.00	0.00
From GOI	7003.05	6961.85
Foreign currency loans	0.00	0
	<u>7253.05</u>	<u>7161.85</u>

7: Trade payables

Sundry creditors - Subsidiary company	50.93	77.42		
Others	<u>986.50</u>	1037.43	<u>834.28</u>	911.70
		<u>1037.43</u>		<u>911.70</u>

8: OTHER CURRENT LIABILITIES

Interest accrued but not due on borrowings

Government loans	17.20		13.21	
Other loans	0	17.20	0	13.21

Interest accrued & due on borrowings

Government loans	34497.26		34452.44	
Other loans		34497.26		34452.44

Income received as advance from

Customers	1009.19		1019.21	
Others	<u>0.00</u>	1009.19	<u>0.00</u>	1019.21

Security deposits

Less : Investments received as security deposit	125.48		78.28	
	<u>0.00</u>	125.48	<u>0.00</u>	78.28

Other payables

- Others		540.72		597.07
		<u>36189.85</u>		<u>36160.21</u>

Note (Forming Part of the Balance Sheet)

	As at 31st March,2012		As at 31st March,2011
			(Rupees in lakhs)
9: SHORT TERM PROVISIONS			
<u>Gratuity</u>			
Opening Balance	0.00		0.00
Add : Provision during the year	6.83		0.00
Less: Amount paid / utilised during the year	0.00		0.00
Less: Provision written back during the year	0.00	6.83	0.00
<u>Accrued Leave Liability</u>			
Opening Balance	39.75		36.21
Add : Provision during the year direct	20.87		15.43
Less: Amount paid / utilised during the ye direct	8.99		11.89
Less: Provision written back during the year	0.00	51.63	0.00
<u>Leave Travel Concession</u>			
Opening Balance	0.75		0.75
Add : Provision during the year	2.15		0.00
Less: Amount utilised during the year	0.76		0.00
Less: Provision written back during the year	0.00	2.14	0.00
<u>Taxation</u>			
Opening Balance	18.26		18.26
Add : Provision during the year	0.00		0.00
Less: Amount paid during the year	0.00		0.00
Less: Provision written back during the year	0.00	18.26	0.00
<u>Voluntary Retirement Scheme</u>			
Opening Balance	0.00		0.00
Add : Provision during the year	0.00		0.00
Less: Amount utilised during the year	0.00		0.00
Less: Provision written back during the year	0.00	0.00	0.00
<u>Wage Revision</u>			
Opening Balance	29.48		29.48
Add : Provision during the year	0.00		0.00
Less: Amount utilised during the year	0.00		0.00
Less: Provision written back during the year	0.00	29.48	0.00
<u>Others</u>			
Opening Balance	1.45		1.45
Add : Provision during the year	0.00		0.00
Less: Amount utilised during the year	0.00		0.00
Less: Provision written back during the year	0.00	1.45	0.00
	<u>109.79</u>		<u>89.69</u>

BHARAT BHARI UDYOG NIGAM LIMITED
Note (Forming Part of the Balance Sheet)

As at 31st
March,2012

As at 31st
March,2011
(Rupees in lakhs)

11: Non Current Investments

Subsidiary Companies

BPMEEL

48630 Equity Shares of Rs1000/- each fully paid-up (Clause 4 of Note B) BBJ	486.30		486.30	
2026500 Equity Shares of Rs. 100/- each fully paid-up	2026.50	2512.80	2026.50	2512.80

Other than Subsidiary Companies

JSP

25580122 Equity Shares of Rs 10/- each fully paid-up (Clause 7 of Note B)	2558.01		2558.01	
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LAGAN

422000 Equity Shares of Rs 10/- each fully paid-up	42.20	2600.21	42.20	2600.21
		<u>5113.01</u>		<u>5113.01</u>

Market Value of quoted investments	0.00		0.00	
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12: LONG TERM LOANS AND ADVANCES

Other loans and advances		735.00		820.00
Advances recoverable in cash or in kind or for value to be received	0.00	0.00	0.00	0.00
Deposits		<u>735.00</u>		<u>820.00</u>

Particulars of long term loans and advances

Secured, Considered Good		735.00		820.00
Unsecured, Considered Good		0.00		0.00
Doubtful		0.00		0.00
		<u>735.00</u>		<u>820.00</u>

Amount due from

-Directors		0.00		0.00
-Officers		0.00		0.00

13: OTHER NON CURRENT ASSETS

	<u>0.00</u>		<u>0.00</u>	
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14 : INVENTORIES

Finished / Semi-finished products (including scrap)

-- Finished Goods	0.00		0.00	
-- Work in Progress	0.00		92.41	
-- Stock in Trade	0.00		0.00	
	<u>0.00</u>		<u>92.41</u>	
Add: In-transit	0.00	0.00	0.00	92.41
	<u>0.00</u>		<u>0.00</u>	<u>92.41</u>

Note (Forming Part of the Balance Sheet)

	As at 31st March,2012		As at 31st March,2011	
				(Rupees in lakhs)
15 : TRADE RECEIVABLES- CURRENT				
Trade Receivables over six months	151.89		38.03	
Less : Provision	<u>0.00</u>	151.89	<u>0.00</u>	38.03
Trade Receivables less than six months	652.33		600.79	
Less : Provision	<u>0.00</u>	652.33	<u>0.00</u>	600.79
		<u>804.22</u>		<u>638.82</u>

Particulars

Unsecured,considered good	804.22	638.82
	<u>804.22</u>	<u>638.82</u>
Amount due from		
-Directors	0.00	0.00
-Officers	0.00	0.00
-Private Companies in which Companys' director is a director or member	0.00	0.00

16 : CASH & BANK BALANCES

(i) Cash and Cash Equivalents

Balance with Banks *

Current account	191.78		115.44	
Bank Deposit(includes Rs.157.71 lakhs under lien as margin deposit)	<u>1409.45</u>	1601.23	<u>1331.24</u>	1446.68
Cash and Stamps on hand		0.32		0.10
Remittances-in-transit		<u>13.73</u>		<u>126.11</u>
		<u>1615.28</u>		<u>1572.89</u>
		<u>1615.28</u>		<u>1572.89</u>
* Includes				
- maturity period less than 12 months	1409.45		412.85	
- maturity period more than 12 months	<u>0.00</u>	1409.45	<u>918.39</u>	1331.24

Note (Forming Part of the Balance Sheet)

	As at 31st March,2012		As at 31st March,2011	
(Rupees in lakhs)				
17: SHORT TERM LOANS AND ADVANCES				
Loans and advances to related parties	0.09		0.00	
Less: Provision for doubtful advances to related parties	0.00	0.09	0.00	0.00
Other loans and advances				
Loans				
Employees	1.33		1.19	
Others	7740.69	7742.02	7657.02	7658.21
Advances recoverable in cash or in kind or for value to be received				
Contractors & suppliers	144.37		193.51	
Income tax paid in advance / recoverable	26.21		33.26	
Others	5.59	176.17	8.36	235.13
		7918.28		7893.34
Particulars of short term loans and advances				
Unsecured, Considered Good		7918.28		7893.34
Doubtful		0.00		0.00
		7918.28		7893.34
Amount due from				
-Directors		0.09		0.00
(Rupees in lakhs)				

18 : OTHER CURRENT ASSETS

Interest Receivable/Accrued

Loans to subsidiary company	34309.07		34261.52	
Term Deposits	97.47		27.17	
	34406.54		34288.69	
Less Provision for doubtful interest	0.00	34406.54	0.00	34288.69

Others

Receivables other than Trade	6825.00		6824.81	
Security Deposits	60.98		49.61	
Other Deposits	46.23		46.23	
Others	42.27		8.11	
	<u>6974.48</u>		<u>6928.76</u>	
Less Provision	0.00	6974.48	0.00	6928.76
		<u>41381.02</u>		<u>41217.45</u>

Note (Forming Part of the Statement of Profit and Loss)

	Period ended 31st March, 2012	Period ended 31st March, 2011
19: REVENUE FROM OPERATIONS		
(Rupees in lakhs)		
SALE OF PRODUCTS		
Domestic	1565.73	1042.37
Exports	0.00	11.25
Total	<u>1565.73</u>	<u>1053.62</u>

Note (Forming Part of the Statement of Profit and Loss)

	Period ended 31st March, 2012	Period ended 31st March, 2011
20: Other Income		
Interest income		
GOI interest from (Subs)-PL-BBJ	47.55	44.00
Interest on Deposits	119.99	110.92
Others	1.26	0.11
Sub Total (a)	<u>168.80</u>	<u>155.03</u>
Dividend income		
Dividend Received:		
Subsidiaries	5.00	5.00
Other than Subsidiaries	7.67 12.67	7.67 12.67
Dividend from other investments	0.00	0.00
Sub Total (b)	<u>12.67</u>	<u>12.67</u>
Other Non-operating income		
Service Charges	66.11	97.16
Miscellaneous Income	1.28	2.31
Total Non-operating income	67.39	99.47
Less: expenses attributable to non-operating income	0.00	0.00
Sub Total (c)	<u>67.39</u>	<u>99.47</u>
Total (a+b+c)	<u>248.86</u>	<u>267.17</u>

Note (Forming Part of the Statement of Profit and Loss)

	Period ended 31st March, 2012	Period ended 31st March, 2011
		(Rupees in lakhs)
21 : RAW MATERIALS CONSUMED		
Raw Materials 1		
Qty.(Tonnes)	0.0	0.0
Value	0.0	0.0
Raw Materials 2	0.0	0.0
Qty.(Tonnes)	0.0	0.0
Value	0.0	0.0
Total	<u>0</u>	<u>0</u>
Less : Scrap Recoveries (Net of Excise Duty)	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

**22: ACCRETION(-)/DEPLETION TO STOCK
OF SEMI/FINISHED PRODUCTS**

Opening stock				
-- Finished Goods	0		0	
-- Work in Progress	92.41		26.68	
-- Stock in Trade	0	92.41	0	26.68
Less : Closing stock				
-- Finished Goods	0		0	
-- Work in Progress	0		92.41	
-- Stock in Trade	0	0	0	92.41
		92.41		-65.73
Less : Excise Duty on accretion(-) /Depletion to stock		<u>0</u>		<u>0</u>
Net Accretion(-)/Depletion to stock		<u>92.41</u>		<u>-65.73</u>

Note (Forming Part of the Statement of Profit and Loss)

	Period ended 31st March, 2012	Period ended 31st March, 2011
		(Rupees in lakhs)
23: EMPLOYEE BENEFIT EXPENSE		
Salaries & wages	128.48	138.79
Leave Encashment	20.87	13.42
Company's contribution to provident & other funds	13.44	13.45
LTC & LTA	1.78	0.23
Welfare expenses	4.60	4.77
Gratuity	13.52	29.62
Other	14.30	17.58
	<u>196.99</u>	<u>217.86</u>
Less : Grants in Aid received from Government	<u>0</u>	<u>0</u>
	<u>196.99</u>	<u>217.86</u>

Note (Forming Part of the Statement of Profit and Loss)

	Period ended 31st March, 2012	Period ended 31st March, 2011
		(Rupees in lakhs)
24: FINANCE COST		
Interest Cost		
-- Interest on GOI	48.81	44.00
--Others	0.03	0.01
	<u>48.84</u>	<u>44.01</u>

Note (Forming Part of the Statement of Profit and Loss)

	Period ended 31st March, 2012		Period ended 31st March, 2011	
				(Rupees in lakhs)
25: OTHER EXPENSES				
REPAIRS & MAINTENANCE				
Buildings	17.55		11.26	
Electrical Installation	0.27		0.19	
Others	3.26	21.08	3.33	14.78
Sub Contract Expenses		1381.49		1037.58
Power & Fuel		5.00		5.64
Meeting Expenses		0.49		0.27
Professional Charges		4.34		1.28
Insurance		0.04		0.11
Postage,Telegram & Telephone		2.78		2.99
Printing & stationery		1.80		2.70
Rates & Taxes		1.69		0.26
Rent		12.57		12.59
Motor Vehicle Expenses		2.84		3.76
Car Hire Charges		6.91		7.17
Advertisement		2.55		3.93
Travelling expenses		12.30		13.38
Bank Charges		2.55		2.89
Subscription		0.07		1.18
Expenses for Sales (Inland/Local)		0.00		0.11
Loss on sale/scrapping of Fixed Assets (Net)		0.00		0.10
Remuneration to Auditors				
- Statutory Audit fees	0.40		0.40	
- Tax Audit fees	0.11		0.11	
- Internal Audit Fees	0.32	0.83	0.28	0.79
Provisions				
- Liquidity Damage	0.00	0.00	0.66	0.66
Voluntary Retirement Compensation		5.53		0.00
Corporate Social Responsibility		1.44		0.00
Service Tax		0.00		2.90
Works Contract/Sales Tax		0.00		0.33
Miscellaneous		0.15		0.39
		1466.45		1115.79

Note (Forming Part of the Statement of Profit and Loss)

	Period ended 31st March, 2012		Period ended 31st March, 2011	
				(Rupees in lakhs)
26: ADJUSTMENTS PERTAINING TO EARLIER YEARS				
50% corporate Guaratnee Charges of BSCL		0.00		39.15
Short Term Loan of RBL adjusted(08-09) agst. Intt.on deposit		0.00		-24.81
Notional interest not taken by BSCL		0.00		-14.90
Net Amount		0		-0.56

BHARAT BHARI UDYOG NIGAM LIMITED

Note (FORMING PART OF THE BALANCE SHEET)

(Rupees in lakhs)										
10(A) : TANGIBLE FIXED ASSETS										
Description	GROSS BLOCK(AT COST)			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 31st March, 2011	Additions / Adjustments	Deductions	As at 31st March 2012	Up to 31st March, 2011	For the year	Less:On sales/ Adjustments	Up to 31st March 2012	As at 31st March 2012	As at 31st March, 2011
Electrical Installation	12.29	0.00	0.00	12.29	11.63	0.09	0.00	11.72	0.57	0.66
Furniture and Fittings	19.02	0.00	0.00	19.02	17.02	0.36	0.00	17.38	1.64	2.00
Office Equipments	9.34	0.02	0.00	9.36	7.73	0.27	0.00	8.00	1.36	1.61
Motor Vehicles	10.32	0.00	0.00	10.32	10.06	0.07	0.00	10.13	0.19	0.26
Computer Installation	25.80	0.00	0.00	25.80	24.36	0.58	0.00	24.94	0.86	1.44
Sub-total 'A'	76.77	0.02	0.00	76.79	70.80	1.37	0.00	72.17	4.62	5.97
Figures for the previous year	76.31	0.66	0.20	76.77	69.16	1.97	0.05	71.08	5.69	

Note (FORMING PART OF THE BALANCE SHEET)

10(B) : INTANGIBLE FIXED ASSETS										
Description	GROSS BLOCK(AT COST)			DEPRECIATION				NET BLOCK		
	As at 31st March, 2011	Additions / Adjustments	Deductions	As at 31st March 2012	Up to 31st March, 2011	For the year	Less:On sales/ Adjustments	Up to 31st March 2012	As at 31st March 2012	As at 31st March, 2011
Computer Installation (Software)	0.96	0.00	0.00	0.96	0.55	0.17	0.00	0.72	0.24	0.41
Sub-total 'B'	0.96	0.00	0.00	0.96	0.55	0.17	0.00	0.72	0.24	0.41
Figures for the previous year	0.96	0.00	0.00	0.96	0.00	0.27	0.00	0.27	0.69	

Note : Allocation of depreciation

- (a) Charged to Profit & Loss Account
- (c) Adjustments pertaining to earlier years

	Current year	Previous year
(a) Charged to Profit & Loss Account	1.54	2.24
(c) Adjustments pertaining to earlier years	0.00	0.00
Total	1.54	2.24

Bharat Bhari Udyog Nigam Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Rs in Lakhs)

Particulars	AMOUNT		AMOUNT	
	2011-12		2010-11	
A. Cash Flow From Operating Activities				
i. Net Profit / (Loss) After Tax		10.92		1.70
Adjustments for:		-		
Depreciation	1.54	-	2.24	
Other Income (including dividend)	(248.86)	-	(267.17)	
Interest Expenses	48.84	-	44.00	
Interest Receivable	(48.84)	(247.32)	(44.00)	(264.93)
		(236.40)		(263.23)
ii. Operating Profit Before Working Capital Changes		-		
Adjustments for :		-		
Trade Receivables(Gross)	(165.41)	-	(464.81)	
Inventories	92.41	-	(65.73)	
Loans & Advances	(24.95)	-	141,463.09	
Other Current Assets	(163.57)	-	363.33	
Liabilities & Provisions	266.67	-	(5,618.46)	
		5.15		135,677.42
Net Cash From Operating Activities (i+ii)		(231.25)		135,414.19
B Cash Flow From Investing Activities		-		
Other Income (including dividend)	248.86	-	267.17	
Redemption/Sale/Reduction/Transfer of investment in Subs. & Others	0.00	-	14,936.76	
Purchase of Fixed Assets (Net of Adjustment)	0.00	-	(0.51)	
Net Cash From Investing Activities		248.86		15,203.42
C. Cash Flow From Financing Activities		-		
Increase/(Decrease) in Share Capital (including pending allotment) and restructuring share deposit pursuant to GOI approval.	0.00	-	(31,979.06)	
Reduction of Grant-in-Aid	0.00	-	0.00	
Receipt/(wavier/transfer) of GOI/other Loan and accrual of interest on the Loan	24.78	-	(120,581.31)	
Interest Receivable	48.84	-	44.00	
Interest Expense	(48.84)	-	(44.00)	
Dividend paid (including tax)	0.00	-	0.00	
Net Cash From Financing Activities		24.78		(152,560.37)
D. Net Increase / (Decrease) In Cash and Cash Equivalents(A+B+C)		42.39		(1,942.76)
Cash and Cash Equivalents at the Beginning of the Period		1,572.89		3,515.65
Cash and Cash Equivalents at the end of the Period (Includes Rs 157.71 lakhs under lien as margin money deposit)		1,615.28		1,572.89

In terms of our Report of even date.

For BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
FRN. 307077E

(CA. Anjan Shee)
Partner
Membership No. 052870

Place : Kolkata
Date : 06.09.2012

(SAIBAL BAUL)
Acting Chairman & Managing Director

(NEERAJ MISHRA)
Director (Technical)

(S N MUKHERJEE)
Company Secretary

BHARAT BHARI UDYOG NIGAM LTD.

NOTE – A

SIGNIFICANT ACCOUNTING POLICIES

(a) ACCOUNTING CONVENTION:

1. The Company generally follows historical cost convention on accrual basis of accounting and recognises significant items of income and expenditure on accrual basis except as otherwise stated.
2. The financial statements are prepared in compliance with the accepted accounting principles, the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 and other relevant provisions of the Companies Act, 1956.
3. During the year, Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company for preparation and presentation of its financial statements. The company has reclassified the previous year figures in accordance with the requirements applicable in the current year.
4. The accounting policies have been consistently applied by the Company and are in consonance with those used in the previous year.

(b) REVENUE RECOGNITION:

- 1.1 Revenue is recognised as Sales based on significant risks and rewards of ownership being transferred in favour of the customer and on completion of contracts and/or rendering of services and are net of returns, discount, etc.
- 1.2 Revenue arising on construction contracts is recognised in compliance with Accounting Standard (AS) -7.
2. Service Charge is recovered from the operating subsidiary companies, based on their turnover as per Memorandum of Understanding (MoU) signed and duly approved.
3. Dividend is recognised as income on its receipt.
5. All claims being certain are recognised as Revenue.

(c) FIXED ASSETS:

1. Fixed assets are stated at cost of acquisition, related expenditure including taxes, duties, etc. and subsequent improvement thereto. Interest incurred during construction/installation period on borrowing to finance fixed assets is capitalised.
2. Depreciation is provided on 'written down value' method at the rates which are in conformity with Schedule XIV to the Companies Act, 1956. Except for items for which 100% depreciation rates are applicable, depreciation on assets added/disposed of during the year has been provided on pro-rata basis with reference to the month of addition/deletion.

(d) INVESTMENT:

Long term investments in subsidiaries and other erstwhile subsidiaries are carried at cost.

(e) FOREIGN CURRENCY TRANSLATION:

Transactions in foreign currency outstanding at the Balance Sheet date are restated at the exchange rate prevailing on that date and the resultant translation differences, if any, arising thereof are dealt with in the Profit and Loss Account

except those relating to acquisition of fixed assets which are adjusted to its carrying amount.

(f) INVENTORIES are valued at lower of cost and net realisation value.

The work-in-progress/contract-in-progress, at different stages of completion, is ascertained at prime cost or under. The finished stock includes cost of conversion and other expenditure incurred in the normal course of business in bringing such inventories to their present location and condition.

(g) RETIREMENT BENEFITS:

1. The Company has covered its liability on account of gratuity payable to its employees under the Company's gratuity scheme, through a "Group Gratuity-cum-Life Assurance Policy" administered by the Life Insurance Corporation of India (LIC). Valuation of LIC has been considered for provision in respect of gratuity liability and the accrued liability for the year has been appropriately dealt with in the Profit and Loss Account, except for the employees who have retained lien with their parent organisations, if any. In their case, liabilities are provided as per the advice of their respective parent organisations.
2. The leave encashment on unutilized leave by employees at year-end are provided for based on independent actuarial valuation as per projected unit credit method and in compliance of Accounting Standards [AS-15 (revised)].
3. In respect of all employees, the Provident Fund contributions are made over to Employees' Provident Fund Organisation (EPFO) towards which the Company has no further obligation beyond its contributions. Such contributions are charged to Profit AND Loss Account as incurred.
4. AS-15 (revised in 2005) provides for deferment of termination benefits. Accordingly, the compensation paid under 'Voluntary Retirement Scheme' is amortised over a period of five years in accordance with the relevant provisions of the Income Tax Act, 1961.

(h) Prior Period and Extraordinary items and variations in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

(i) Impairment of assets is reviewed at each Balance Sheet date and recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(j) Provision for Current and Deferred tax

Provision for current tax is made in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from "timing difference" between book and taxable profit for the year is measured based on the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future.

(k) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the 'Notes on Accounts'. Contingent assets are neither recognised nor disclosed in the financial statements.

- (l) Dues from Government organisations/PSUs/Railways are generally considered as recoverable irrespective of its age.

(m) MATERIAL EVENTS

Material events occurring after the Balance Sheet date are taken into cognisance.

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In terms of our Report of even date.
For BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Regn. No.

On behalf of the Board of Directors

(CA. ANJAN SHEE)
Partner
Membership No.052870

(SAIBAL BAUL)
Acting Chairman & Managing Director

(NEERAJ MISHRA)
Director (Technical)

Place: Kolkata.
Date : 06.09.2012

(S.N.MUKHERJEE)
Company Secretary

BHARAT BHARI UDYOG NIGAM LTD.

NOTE – B
OTHER NOTES TO FINANCIAL STATEMENT

	Current Year Rs./lakhs	Previous Year Rs./lakhs
1.(a) Capital commitment – Estimated amount of contracts remaining to be executed	Nil	Nil
(b) Contingent liability not provided for as under:-		
i) Bank guarantees/LCs (unexpired)	525.67	506.38
ii) Guarantee issued by the Company for wholly-owned subsidiary company as collateral security as below: In favour of Canara Bank for credit facilities availed by The Braithwaite Burn and Jessop Construction Co. Ltd.;	9000.00	9000.00
iii) Impact of DA merger in salaries w.e.f. 01.01.2007 to 31.03.2008 and arrear deputation pay of 2007 contingent upon generation of sufficient internal resources as stipulated by Govt. of India.	19.98	19.98
2. Consequent to Capital Restructuring Schemes sanctioned by Board for Industrial and Financial Reconstruction (BIFR) earlier in respect of Braithwaite & Co. Ltd. ('BCL'), Burn Standard Co. Ltd. ('BSCL'), Bharat Brakes & Valves Ltd. ('BBVL') and RBL Ltd. ('RBL') and pursuant to approval of the Government of India for financial restructuring allowing conversion of loan & interest to Equity Share Capital & Zero Rated Debenture in respect of BSCL, BCL and The Braithwaite Burn and Jessop Construction Co. Ltd. (BBJ) and pending completion of formalities -		
(a) Rs.1388.00 lakhs (Rs.1388.00 lakhs) for BBJ has been shown as 'Restructuring Equity Share Deposit'.		
(b) Rs.1000.00 lakhs (Rs.1000.00 lakhs) for BBJ has been shown as 'Restructuring Debenture Deposit'.		
3. Pursuant to financial restructuring sanctioned to BCL on 29.12.2005 by Govt. of India with consequential decrease in the value of investment of the Company, such reduction in the amount of investment with corresponding reduction in equity capital have been adjusted pursuant to Govt. of India approval dated 06.08.2010 in the books of the Company. The compliance of formalities under Companies Act, 1956 is in process.		

	Current Year Rs./lakhs	Previous Year Rs./lakhs
<p>4. In line with Accounting Standard (AS)–13 referred to in Section 211(3C) of the Companies Act, 1956 in case of long term investments in certain erstwhile subsidiary companies directly and through subsidiary, as detailed below, where winding-up proceedings have commenced, no diminution in value of such investment in shares has been considered. After completion of settlement by the Official Liquidator towards amount returnable to contributories, any resultant financial effect shall be dealt with in accordance with Government of India directive(s).</p> <p>The dates of order for liquidation by the High Court are: Bharat Process and Mechanical Engineers Ltd. (BPMEL) - 27.07.2004; Weighbird India Ltd. - 08.04.2003 (subsidiary of BPMEL).</p> <p>Recovery Officer, Debts Recovery Tribunal–I, Kolkata passed an order on 23.03.2011 for attachment of the 48,630 equity shares held by the Company in BPMEL. The Company filed an Appeal before the Presiding Officer of the Tribunal for setting aside and/or reversing the above order. Presiding Officer vide order dated 23.02.2012 has set aside the order of the Recovery Officer.</p> <p>5. Short-term loans and advances include Rs. 1000.00 lakhs (Rs. 1000.00 lakhs) for debentures (on conversion of unsecured Govt. of India loans etc.) which is pending for allotment by BBJ consequent upon financial restructuring vis-à-vis Govt. of India's approval etc.</p> <p>6. Consequent to clearance of Govt. of India vide letter No. 17(12)/2000-PE.III dated 26.08.2003 and in terms of the "Share Purchase Agreement" executed by and amongst the Company, Jessop & Co. Ltd. (Jessop) and Indo-Wagon Engineering Ltd., 68134428 nos. of equity shares (i.e. 72%) of Jessop were transferred by the Company in favour of Indo-Wagon Engineering Ltd. on 29.08.2003. As a result of the above transfer of shares, Jessop ceased to be a subsidiary of the Company and a 'Government company' within the meaning of Section 617 of the Companies Act, 1956 w.e.f. 29.08.2003. Government's decision to sell the shares of Jessop was challenged by two separate parties in appropriate Courts of law. One of petitions has been disposed of by the Hon'ble Supreme Court of India, while the other is pending before the Hon'ble High Court at Calcutta. Pending disposal of the matter in the Hon'ble High Court, the entire sale proceeds of Rs. 1818.00 lakhs (Rs. 1818.00 lakhs) as realised has been returned to Govt. of India after adjustment with related expenditure on direction from Gol. The cost of investment amounting to Rs. 6813.44 lakhs (Rs. 6813.44 lakhs) has been included in "Other Current Assets".</p> <p>The resultant accounting effect will be considered in the books of account of the Company after final adjudication.</p>		

	Current Year Rs./lakhs	Previous Year Rs./lakhs
<p>7. During the year 2005-06, Jessop applied to Board for Industrial and Financial Reconstruction (BIFR) for de-rating (reducing) the nominal value of its equity shares from Rs. 10 to Re. 1. BIFR vide directions issued on 31.08.2005 permitted Jessop to proceed with reduction of their equity share capital in terms of the provisions under Sections 100, 101, 102 & 103 of the Companies Act, 1956.</p> <p>The Company preferred an appeal under Section 25 of the Sick Industrial Companies (Special Provisions) Act, 1985 before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the aforesaid direction of BIFR. The Company also filed applications impleading itself in two other appeals preferred before AAIFR against the aforesaid direction of BIFR. While one of the appeals was earlier withdrawn, AAIFR vide Order dated 28.02.2008 dismissed the appeal preferred by the Company as well as the other appeal.</p> <p>The Company has filed a writ petition in the Hon'ble High Court at Calcutta challenging AAIFR's Order which is pending disposal as on date. The Company has also referred the dispute to arbitration as provided in the "Shareholders Agreement" entered into by it with Indo-Wagon Engineering Ltd. (strategic partner in Jessop) on 29.08.2003.</p> <p>The resultant accounting effect will be considered in the books after final adjudication complying with the Accounting Standards and Government directives.</p> <p>8. Pursuant to the Govt. of India approval No. 8(12)/2009-PE.III dated 06.08.2010 on financial restructuring measures of two erstwhile subsidiary companies viz. Burn Standard Co. Ltd. (BSCL) and Braithwaite & Co. Ltd. (BCL), the related measures have been implemented and reflected in the books of account of the company as under:-</p> <p>(a) Provision of Rs.25.43 crores Plan fund in form of equity for discharging current statutory liabilities of BSCL as on 31.03.2009.</p> <p>(b) Assured support of Gol assistance to Ministry of Railways to liquidate the contingent liabilities of BSCL (other than Salem unit) and BCL as and when they are finalized and became due for payment that cannot be met from BSCL & BCL's own resources or through sale of idle land only.</p> <p>9. Merger of the Company and its wholly-owned subsidiary BBJ is under process.</p>		

	Current Year Rs./lakhs	Previous Year Rs./lakhs
<p>10. Consequent upon Govt. of India approval No. 6(7)/2005-PE.III dated 03.07.2008 regarding financial restructuring measures of the Company's erstwhile subsidiary Bharat Wagon & Engg. Co. Ltd. (BWEL), compliance of formalities under Companies Act, 1956 regarding reduction of its "Issued and Subscribed" share capital by Rs. 906.50 lakhs on cancellation of 90,650 equity shares of Rs. 1000 each as approved by Govt. of India is in process.</p>		
<p>11. In accordance with Accounting Standard (AS) –1, issued by The Institute of Chartered Accountants of India and in line with prudent accounting principles and pursuant to consistent practice, interest on account of Government of India loans released to certain subsidiaries through the company, presently under winding up, has not been accounted for since corresponding realisation of interest from such subsidiaries by the Company is uncertain.</p>		
<p>12. Subsidiary funds-in-transit comprise of various Government of India funds receivable by the subsidiaries including erstwhile subsidiaries.</p>		
<p>13. Year-end net deferred tax assets have not been recognised in these accounts as a measure of prudence in keeping with Accounting Standard (AS)–22, referred to the Section 211(3C) of the Companies Act, 1956.</p>		
<p>14. The market price of quoted investments in equity shares of Jessop & Co. Ltd. as on 31st March, 2012 is not available.</p>		
<p>15. During the financial year 2005-06, an amount of Rs. 82.72 lakhs was refunded to Jessop on account of Service Charges recovered in respect of the period October 2001 to August 2003. The Company has filed a suit for recovery of the amount together with interest and cost, which is pending disposal as on date.</p>		
<p>16. Confirmation of balances is awaited from certain parties.</p>		
<p>17. Related Party Disclosures (as identified by the management and where transactions exist during the year 2011-12): (i) <u>Related Party Relationship.</u> a) Key Management Personnel: Shri Saibal Baul, Actg. Chairman & Managing Director Shri Swapan Kumar Das, Director (Finance) Upto 31.08.2011 Shri Neeraj Mishra, Director (Technical) Director(Finance) form 01.09.11</p>		

	Current Year Rs./lakhs	Previous Year Rs./lakhs
(ii) <u>Transaction with related parties</u>		
Remuneration of Managing/Whole-time Directors: -		
Salaries and Allowances	21.71	30.31
Contribution to provident fund	1.71	2.15
<p>The above excludes contribution to the approved Gratuity Fund with LIC and provision for leave encashment which are actuarially determined on an overall Company basis.</p> <p>(Recoveries for accommodation were made as per the terms of appointment and the whole-time Directors are allowed to use Company's car for private use upto 1,000 km per month on payment of Rs. 325/- p.m.)</p>		
<p>18. There is no Micro, Small and Medium Enterprise (as identified on the basis of information available with the Company) to whom the Company owes sums exceeding Rs.1 lakh outstanding for more than 45 days (required under Micro, Small and Medium Enterprises Development Act, 2006).</p>		
<p>19 (a) Revenue from operation (Note-19) includes service rendered - Rs. Nil lakhs (Rs. 11.00 lakhs).</p>		
<p>(b) Service Charges includes additional service charges amounting to Rs. Nil (Rs. 20.94 lakhs) from BBJ (subsidiary)</p>		
<p>(c) Contributions to Provident and other funds include contribution to Gratuity Fund, which is net of excess provision in earlier years amounting to Rs. Nil lacs (Rs. 5.28 lacs)</p>		

20. Gratuity liability of the company for the financial year 2011-12 has been determined by LIC, the fund administrator, as Rs.17.02 lakh. This amount includes liability for Shri Neeraj Mishra who joined the Company as Director(Technical) in the year 2008-09. Out of the determined liability as aforesaid, the company paid Rs.10.19 lakh to LIC as premium during the financial year and the balance Rs.6.83 lakh has been provided for as liability in the accounts. Amount of Rs.3.50 lakhs recovered from HMT Ltd., the previous employer of Shri Mishra on account of Gratuity, has been adjusted in Gratuity Account.

21. Disclosure as required under AS-15 (revised) on 'Employee Benefit' in respect of Leave Encashment which is an unfunded scheme on the basis of Actuarial Valuation.

(i) Components of Employer expenses.

	(Rs./lakh)	
	As at 31.03.2012	As at 31.03.2011
Current Service Cost	9.74	3.00
Past Service Cost	0	0
Interest Cost	3.07	2.42
Expected Return on Plan Asset	0	0
Curtailment cost	0	0
Settlement cost	0	0
Actuarial gain/loss recognized in the year	2.02	10.01
Expense recognized in statement of Profit/Loss	14.83	15.43

(ii) Changes in Present Value of obligations:

(Rs./lakh)

	As at 31.03.2012	As at 31.03.2011
Present Value of Obligation at beginning of year	39.75	36.21
Acquisition Adjustment	0	0
Interest cost	3.07	2.42
Past Service cost	0	0
Current Service cost	9.74	3.00
Curtailment cost	0	0
Settlement cost	0	0
Benefits Paid	7.28	11.89
Actuarial (gain)/loss on obligations	2.02	10.01
Present Value of obligation at end of year	47.30	39.75
Closing Fund/Provision at end of year	47.30	39.75

(iii) Actuarial assumptions:

	As at 31.03.2012	As at 31.03.2011
Discount Rate	8.50	8.0
Inflation Rate	6.0	5.0
Return on Asset	0	0
Remaining Working Life	9	10
FORMULA USED	PROJECTED UNIT CREDIT METHOD	PROJECTED UNIT CREDIT METHOD

22. Earnings in foreign currency: (Rs./lakhs)

	2011-12	2010-11
Export Sales/Services (FOB)	-	11.25
Others	-	-
TOTAL	-	11.25

23. Balance due from Directors/Officers:

(Rs./lakhs)

	2011-12	2010-11
As at year-end	0.09	-
Maximum during the year	-	-

24. Additional information pursuant to the provisions of paragraph 3 of Part II of Schedule VI to the Companies Act, 1956.

a) Particulars in respect of Purchases:

Items	Unit	Quantity		Value (Rs./ Lakhs)	
		2011-12	2010-11	2011-12	2010-11
Spares for Casnub Bogie (CLW)		-	-		6.66
TOTAL		-	-		6.66

b) Particulars in respect of Sales:

Items	Unit	Quantity		Value (Rs. /Lakhs)	
		2011-12	2010-11	2011-12	2010-11
Spares for Casnub Bogie (CLW)		-	-		8.14
TOTAL		-	-		8.14

25. (a) The figures in parenthesis represent those for the previous year.

(b) Previous year's figures have been regrouped/rearranged wherever necessary.

Signatures to Schedules 1 to 26.

In terms of our Report of even date.
For BHATTACHARYA DAS & CO.
CHARTERED ACCOUNTANTS
Regn. No.307077E

On behalf of the Board of Directors

(CA. ANJAN SHEE)
Partner
Membership No. 052870

(SAIBAL BAUL)
Acting Chairman & Managing Director

(NEERAJ MISHRA)
Director(Technical)

Place: Kolkata.
Date : 06.09.2012

(S.N.MUKHERJEE)
Company Secretary

BHARAT BHARI UDYOG NIGAM LIMITED

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 as at 31st March, 2012

SUBSIDIARY	Total paid-up value of shares (Rs. in lakhs)	No. of equity shares held by the Company	Net Profit for the year (after Tax) (Rs. in lakhs)	Accumulated Profit (Rs. in lakhs)
The Braithwaite Burn and Jessop Construction Co., Ltd.	2026.50	20,26,500	476.72	984.96

Notes:

- a) (i) The Company held the entire subscribed & paid-up share capital of the above subsidiary as on 31.03.2012.
(ii) No part of the profits/(losses) of the subsidiary has been dealt with in the accounts of the Company.
- b) The Company holds 48,630 equity shares of Rs. 1,000/- each (entire paid-up capital) in Bharat Process & Mechanical Engineers Ltd. ("BPMEL"). Hon'ble High Court at Calcutta ordered winding up of BPMEL on 27.07.2004 and the Official Liquidator attached to the High Court ("OL") took over possession of assets of BPMEL. The cumulative loss of BPMEL upto 31.03.2004 was Rs. 43477.57 lakhs.
- c) BPMEL held 261,893 equity shares of Rs. 10/- each (entire paid-up capital) in Weighbird India Ltd. ("WIL"). Hon'ble High Court at Calcutta ordered winding up of WIL on 08.04.2003 and the OL took over possession of the assets of WIL. The cumulative loss of WIL up to 31.03.2003 was Rs. 6916.51 lakhs (subject to audit).

On behalf of the Board of Directors

SAIBAL BAUL
Acting Chairman & Managing Director

KISHOR RUNGTA
Director (Finance)

S. N. MUKHERJEE
Company Secretary

Dated: 30th October, 2012.