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## **BHARAT BHARI UDYOG NIGAM LIMITED**

<b>Board of Directors</b>	:	Shri Saibal Baul Chairman & Managing Director	
		Shri Shashank Goel	(from 04.05.2011)
		Shri V. Sethumadhavan	(from 26.08.2011)
		Shri Ambuj Sharma	(upto 04.05.2011)
		Shri Ramaswamy Asokan	(upto 26.08.2011)
		Shri Swapan Kumar Das Director (Finance)	(upto 31.08.2011)
		Shri Neeraj Mishra Director (Technical)	
<b>Company Secretary</b>	:	Shri S. N. Mukherjee	
<b>Auditors</b>	:	M/s. D. N. Mukherjee & Co. Chartered Accountants	
<b>Registered Office</b>	:	26, Raja Santosh Road Alipore, Kolkata - 700 027	
<b>Bankers</b>	:	Canara Bank HDFC Bank Ltd. Indian Overseas Bank State Bank of India Axis Bank Ltd.	
<b>Subsidiaries</b>	:	The Braithwaite Burn and Jessop Construction Company, Limited	

## NOTICE

NOTICE is hereby given to the members that the 25<sup>th</sup> 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 23rd September, 2011 at 12.00 noon to transact the following business:

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the year ended on 31st March, 2011 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 for the year 2011-12 to be appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956.

By order of the Board,

Kolkata,  
19th September, 2011

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.

## DIRECTORS' REPORT

To  
Shareholders of  
Bharat Bhari Udyog Nigam Limited

Dear Shareholders,

**1.0** The Directors are pleased to present their 25<sup>th</sup> Annual Report and the audited Accounts of the Company for the year ended 31st March, 2011 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 continued with only one subsidiary viz., The Braithwaite Burn and Jessop Construction Company, Limited ("BBJ").

As stated in the last Report, as part of the financial restructuring measures approved by the Government of India, administrative control of Burn Standard Co. Ltd. (excluding the Refractory unit at Salem) and Braithwaite & Co. Ltd. were transferred to Ministry of Railways ("MoR") w.e.f. 6th August and 15th September, 2010, respectively. Administrative control of the Refractory unit at Salem has been transferred to Steel Authority of India Ltd. Subsequently, the Company also transferred the shares it held in Burn Standard Co. Ltd. ("BSCL") and Braithwaite & Co. Ltd. ("BCL") to MoR.

1.02 As mentioned in previous Reports, the 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 ₹ 13.43 crore from ₹ 5.33 crore in previous year. The gross earnings of the BBUNL Group of Companies comprising the Company (BBUNL) and subsidiary company BBJ during the year posted a stellar performance with impressive growth at ₹ 160.74 crore, thereby recording almost 80% growth over previous year's ₹ 89.54 crore.

2.02 During the year under report, the Company, as a stand-alone entity, achieved Profit after Tax of ₹ 0.02 crore while BBJ achieved Profit after Tax of ₹ 3.60 crore.

2.03 Cash profit earned by the Company during the year was ₹ 0.04 crore and cash profit earned by BBUNL Group (without provision of Interest on Government Loans) during the year was ₹ 5.16 crore compared to ₹ 4.35 crore in the previous year on the same platform. Growth in cash profit achieved during the year was about 19%.

2.04 Operating profit (PBDIT) i.e. before prior period, extraordinary items, depreciation, interest and taxes of the Company for the year was ₹ 0.03 crore. BBUNL Group posted impressive performance by achieving PBDIT of ₹ 7.56 crore during the year against ₹ 6.46 crore in the previous year, thereby registering 17% growth.

## BHARAT BHARI UDYOG NIGAM LIMITED

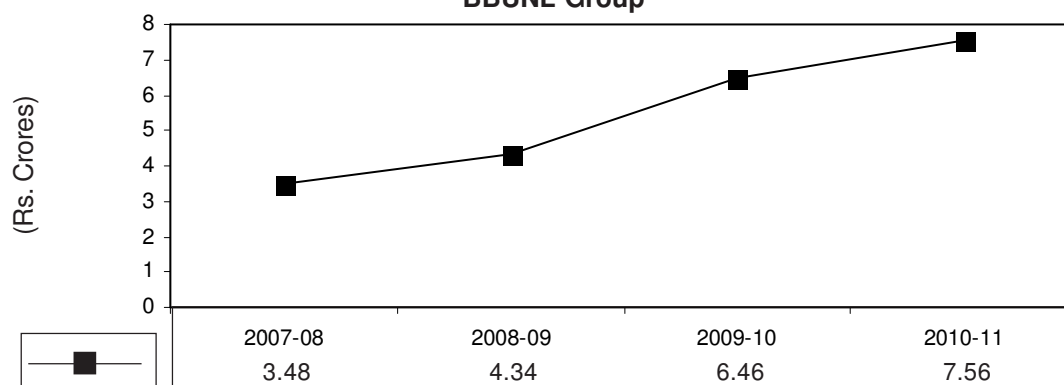
2.05 BBUNL Group earned Profit (after Tax) of ₹ 3.62 crore during the year (previous year: ₹ 3.17 crore). Company-wise position of Profit (after Tax) — PAT, cash profit (without provision of Interest on Government Loan), Operating Profit - PBDIT and interest on Government loans are summarised below:

(₹ in crore)

Company	2010-11				2009-10			
	Operating Profit/(Loss) - PBDIT	Cash Profit/(Loss) w/o interest on GOI loans	Net Profit/(Loss) after Tax - PAT	Interest on GOI loans	Operating Profit/(Loss) - PBDIT	Cash Profit/(Loss) w/o interest on GOI loans	Net Profit/(Loss) after Tax - PAT	Interest on GOI loans
BBJ	7.53	5.12	3.60	0.44	5.89	3.91	2.76	0.43
BBUNL	0.03	0.04	0.02	-	0.57	0.44	0.41	-
Group Total	7.56	5.16	3.62	0.44	6.46	4.35	3.17	0.43

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 year 2010-11 compared to 2009-10 of 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.

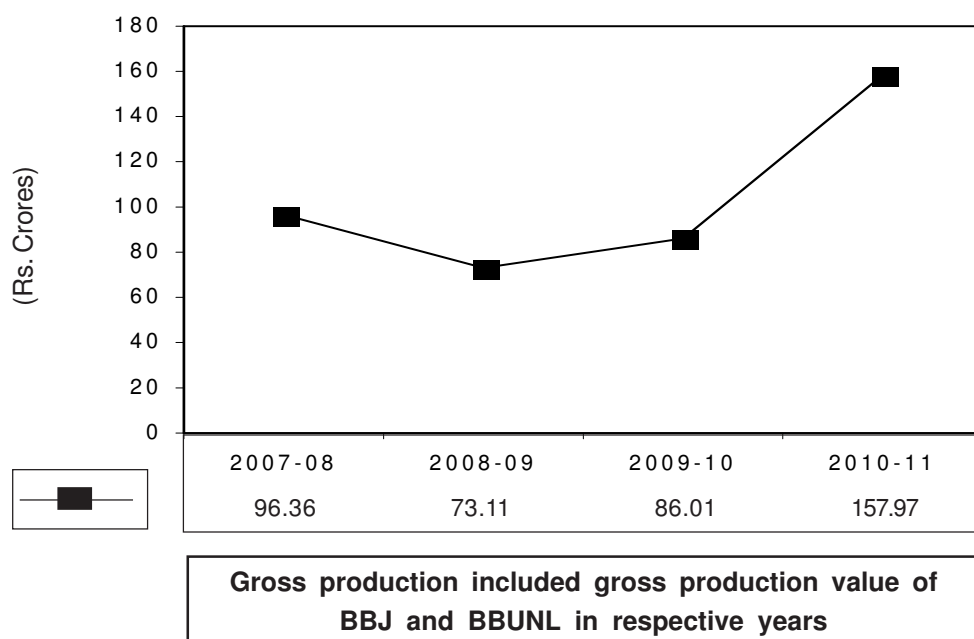
### 4.0 SHARE CAPITAL

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 31.03.2011 was ₹ 103.73 crore comprising of 10,37,305 equity shares of ₹ 1,000 each fully paid.

The issued and subscribed capital was reduced from previous year's ₹ 338.98 crore due to reduction of Government holding of shares in the Company on corresponding transfer of shares in BSCL & BCL to MoR.

**5.0 OPERATIONS**

During the year under report, BBUNL Group of Companies achieved gross production of ₹ 157.97 crore against ₹ 86.01 crore in the previous year, recording an impressive topline growth of 84%. The trend of production by BBUNL Group since 2007-08 registering the growth is depicted below:



**Company-wise Gross Production in 2010-11 vis-a-vis 2009-10**

	BBUNL	BBJ
2009-10	3.45	82.56
2010-11	11.46	146.51

The above pictorial presentation on company-wise performance reveals that both the companies of the Group have achieved improved performance in 2010-11 over previous year 2009-2010.

## BHARAT BHARI UDYOG NIGAM LIMITED

### **Performance highlights during 2010-11 :**

- ❖ BBJ has surpassed MoU targets and achieved momentous growth in all major financial and physical parameters during the year under report over last year.
- ❖ BBJ has received the “Turn around CPSE” award from BRPSE in March 2011.
- ❖ BBUNL Group also surpassed MoU targets and also recorded growth in all major financial and physical parameters during the financial year under report over previous year.
- ❖ BBUNL has registered Sales Turnover of ₹10.54 crore during 2010-11 as against that of ₹2.50 crore during 2009-10, thus registering an impressive growth of over 321% during the year.

### **Other major events during 2010-11:-**

- ❖ Execution of civil construction projects by the Company, as a stand-alone entity, is under progress 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.
- ❖ Pursuant to Government of India approval conveyed by Department of Heavy Industry (“DHI”) bearing Ref. No. 8(12)/2009-PE.III dated 06.08.2010 and No. 8(12)/2009-PE III dated 15.09.2010, administrative control of BCL and BSCL (excluding the Refractory unit at Salem) were transferred to MoR. Also, administrative control of the Refractory unit at Salem with all assets, liabilities, rights and obligations has been transferred to Steel Authority of India Ltd. under Ministry of Steel vide DHI’s letter Ref. No. 8(12)/2009-PE III dated 15.09.2010. The equity shares held by BBUNL in BCL and BSCL have also been handed over to MoR. Hence, BSCL and BCL ceased to be subsidiary companies.
- ❖ DHI vide letter Ref. No. 8(12).2009-PE.III dated 06.08.2010 conveyed approval of Government of India that BBUNL and BBJ would be merged and DHI has 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 has conveyed approval of the steps for merger of BBJ with BBUNL and name of the merged entity as ‘The Braithwaite Burn & Jessop Construction Company Limited’. The merger is under process.

### **6.0 MOU**

- ❖ The Company, as the Holding Company, signed a MoU with DHI (being the administrative Department under Ministry of Heavy Industries & Public Enterprises) for the year 2010-11 as per prescribed guidelines issued by Department of Public Enterprises (“DPE”), MoU Division, Government of India.

## BHARAT BHARI UDYOG NIGAM LIMITED

- ❖ The Company had also entered into back-to-back MoUs with all its operating subsidiary companies viz. BSCL, BCL and BBJ. However, BSCL and BCL ceased to be subsidiary companies during financial year 2010-11.
- ❖ Based on the finance and non finance parameters, the composite score during 2010-11 has been arrived at “Good” level compared to “Very Good” level in 2009-10. However, subsidiary company BBJ achieved “Excellent” level.

### 7.0 Outlook for 2011-12:

- ❖ As per the Governmental guidelines and after detailed deliberations at DPE and with the Task Force members of the Syndicate empowered to finalise the MoU/2011-12, the Company, as the holding company of BBJ, signed an MoU with DHI.
- ❖ Considering “Very Good” level as base target of MoU for the year 2011-12, BBUNL Group expects to achieve production of ₹ 187.84 crore with operating profit (PBDIT) and cash profit (before provision of interest on Government loans) of ₹ 7.71 crore and ₹ 6.25 crore, respectively. The projected net profit (PAT) for the Group is ₹ 3.19 crore.
- ❖ Company-wise break up for MoU (“Very Good”) level for 2011-12 is as under:

Description	BBJ	BBUNL Proper	Total
<b>Production</b> (gross value)	<b>168.00</b>	<b>19.84</b>	<b>187.84</b>
<b>Gross Outturn</b>	169.50	20.95	190.45
<b>Operating Profit</b> (before Prior Period, Provision etc.) - <b>PBDIT</b>	<b>7.51</b>	<b>0.20</b>	<b>7.71</b>
Extra ordinary Item (Eol)	0.60	-	0.60
Bank and Other Interest	0.86	-	0.86
<b>Cash Profit</b> (before provision of Interest on Govt. Loan)	<b>6.05</b>	<b>0.20</b>	<b>6.25</b>
Interest on Govt. Loan	0.87	-	0.87
Depreciation	1.35	0.03	1.38
<b>Net Profit</b> (before Tax) - <b>PBT</b>	<b>3.83</b>	<b>0.17</b>	<b>4.00</b>
Tax	0.76	0.05	0.81
Dividend	0.12	0.03	0.15
<b>Net Profit</b>	<b>2.95</b>	<b>0.09</b>	<b>3.04</b>



## 8.0 DIVERSIFICATION, RESEARCH & DEVELOPMENT

8.01 **Diversification:** The Company as well as subsidiary company BBJ continued to explore the potentials in their respective core areas. The 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 its 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 PROPOSALS

9.01 After being restructured by Government of India in July 2005, BBJ has been consistently making net profit as well as having positive net worth. It has also wiped out its accumulated losses during financial year 2009-10 and reported cumulative profit of ₹ 5.20 crore in 2010-11.

9.02 DHI vide letter Ref. No.8(12)/2009-PE.III dated 06.08.2010 conveyed approval of Government of India that BBUNL and BBJ would be merged and DHI has 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 has conveyed approval of the steps for merger of BBJ with BBUNL and name of the merged entity as 'The Braithwaite Burn & Jessop Construction Company Limited'. The process of merger continues.

9.03 As stated earlier, the issued and subscribed share capital of the Company is reduced consequent upon transfer of shares of BSCL and BCL to MoR.

## 10.0 REFERENCE TO BIFR

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

## 11.0 MARKETING AND ORDER BOOK

11.01 The orders in hand of the BBUNL Group viz. BBUNL and BBJ as on 1st April, 2011 were ₹ 837.23 crore (gross value).

11.02 During the year under report, BBUNL Group secured new orders worth ₹ 36.30 crore (gross value).

11.03 The summary of order booking position of BBUNL Group in major product categories during the financial year 2010-11 is as follows:

**BHARAT BHARI UDYOG NIGAM LIMITED**

(Fig. in ₹. crore)

Description	Order secured during 2010-11 (Gross value)	Order in hand as on 01.04.2011 (Gross value)	Companies involved
<b>MAJOR PRODUCTS</b>			
Bridge Projects	26.26	720.09	BBJ
Civil Projects	-	36.42	BBJ
Civil Construction work	7.45	75.49	BBUNL
Structural fabrication - ASP	1.59	0.77	BBUNL
Cranes (Spares & Service)	1.00	1.00	BBUNL
<b>EXPORTS</b>			
Tank Wagons - Ivory Cost	-	0.84	BBUNL
BCD INGAB Consortium - Gabon	-	2.62	BBUNL
<b>Total</b>	<b>36.30</b>	<b>837.23</b>	

**12.0 EXPORTS**

During the year under report, the Company as stand alone entity achieved exports sales of ₹ 0.11 crore. No export order was, however, secured in financial year 2010-11.

**13.0 VIGILANCE ACTIVITY**

The Vigilance Department of the Company continued to function effectively. Regular inspections were conducted as a preventive vigilance measure for ensuring compliance of systems and procedures. Time to time, vigilance officer of subsidiary company conducted surprise checks. It was stepped up during the year under review covering officers/officials at various levels to achieve desired result.

As in the previous years, 'Vigilance Awareness Week' was observed in the Company during the year under review, where 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 to the Company and/or BBJ.

## BHARAT BHARI UDYOG NIGAM LIMITED

### **15.0 MANPOWER**

- 15.01 Consequent upon transfer of two major subsidiaries viz. BSCL and BCL to Ministry of Railways, the manpower of the Group reduced substantially - to 126 regular employees in aggregate as on 31st March, 2011.
- 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 During the year under report, human resources continued to play a vital role in achieving the organisational goals as well as growth of the Group. Efforts to attract, retain, motivate and groom managerial and technical talents continued. The Group also did strive 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 organized during the year 2010-11.

### **16.0 INDUSTRIAL RELATIONS**

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

### **17.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The BBUNL Group of Companies 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. The Group has also been putting emphasis on conservation of environment and improvement of ecology at the places it operates. CSR activities of the Group included health, sanitation and community development, school building, medical camps, educational aid to poor students, etc. The Group is committed to expand its CSR activities.

### **18.0 RAJBHASA IMPLEMENTATION**

The Company pursued the policy of Government of India on Implementation of Official Language. To review the progress, quarterly meetings of Official Language Implementation Committee were held during the year. 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, 2011 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 limits 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 explanation and information given by the 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 had 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 had 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.

## BHARAT BHARI UDYOG NIGAM LIMITED

### **24.0 FOREIGN EXCHANGE EARNINGS & OUTGO**

During the year under report, earnings in foreign currency were ₹11.25 lakhs on export sales/services while outgo of foreign currency was nil.

### **25.0 AUDIT COMMITTEE**

The Audit Committee comprised of Shri R. Asokan (Chairman), Shri S. Baul and Shri S. K. Rishi. During the year under report, Shri Baul and Shri Rishi 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 Governance for Central Public Sector Enterprises” issued by DPE.

The Committee met only once during the year under report viz. on 25th June, 2010 to review the financial statements of the Company for 2009-10. Such meeting was attended by the Director (Finance) and representatives of the Statutory as well as Internal Auditors the Company.

### **26.0 AUDITORS**

Comptroller and Auditor General of India appointed M/s. D. N. Mukherjee & Co., Chartered Accountants, as Statutory Auditors of the Company for the year 2010-2011. 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 decided not to review the report of the Statutory Auditors on the accounts of the Company for the year ended 31st March, 2011 and as such have given 'NIL' comment under Section 619(4) of the Companies Act, 1956. Copy of CAG's comments dated 5th September, 2011 is annexed hereto and forms part of this Report.

### **29.0 DIRECTORS**

29.01 Since the last Report, DHI vide Order Ref. No. 8(14)/2006-PE-III dated 13th October, 2010 repatriated Shri Pramod Kumar, Chairman & Managing Director (“CMD”) to Ministry of Railways. Consequent to such Order, he handed over charge of the post to Shri S. Baul, Managing Director, BBJ w.e.f. 1st November, 2010.

## BHARAT BHARI UDYOG NIGAM LIMITED

- 29.02 Shri Baul is holding charge of the post of CMD w.e.f. 1st November, 2010.
- 29.03 DHI vide Order Ref. No. 8(3)/87-P.E.III (Vol. II) dated 4th May, 2011 appointed Shri Shashank Goel as an official Director on the Board vice Shri Ambuj Sharma.
- 29.04 DHI vide Order Ref. No. 8(3)/87-P.E.III (Vol. II) dated 26th August, 2011 appointed Shri V. Sethumadhavan as an official Director on the Board vice Shri R. Asokan.
- 29.05 Shri S. K. Das on attaining age of superannuation relinquished the charge as Director (Finance) of the Company w.e.f. 1st September, 2011. DHI vide Order Ref. No. 8(17)/2005.PE.III dated 29th August, 2011 entrusted additional charge of the post to Shri Neeraj Mishra, Director (Technical).
- 29.06 The Directors place on record their appreciation of the services rendered to the Company by Shri Kumar, Shri Sharma, Shri Asokan and Shri Das 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.
- 31.02 The Directors also place on record their sincere thanks to the various State Governments, particularly the Governments of West Bengal, Bihar, Tripura and Orissa 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 of 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 co-operation, 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

Kolkata,  
19th September, 2011

**SAIBAL BAUL**  
Chairman & Managing Director

BHARAT BHARI UDYOG NIGAM LIMITED

ANNEXURE 'A'

COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE FOR BBUNL GROUP

(Rs. Crore)

COMPANY →	BBJ	BBUNL-P	TOTAL
<b>YEAR 2010-11</b>			
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 / (Loss) - 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	-	0.46
7. Interest - Govt. Loan	0.44	-	0.44
8. Depreciation	1.08	0.02	1.10
9. Net P/(L) before Tax & Dividend - PBT	4.49	0.02	4.51
10. Tax (incl. FBT)	0.89	0.0001	0.89
11. Net P/(L) after Tax - PAT	3.60	0.02	3.62
12. Cash P/(L) w/o - GOI interest	5.12	0.04	5.16
13. Dividend (incl. Tax on Dividend)	0.06	-	0.06
14. Net P/(L)	3.54	0.02	3.56
<b>YEAR 2009-10</b>			
1. Gross Production	82.56	3.45	86.01
2. Billable Production	82.56	2.77	85.33
3. Gross Earnings	84.21	5.33	89.54
4. Operating Profit / (Loss) - PBDIT	5.89	0.57	6.46
5. Prior Period/Provision/Extra Ordinary Item	1.13	-	1.13
6. Interest - Bank & Other	0.28	-	0.28
7. Interest - Govt. Loan	0.43	-	0.43
8. Depreciation	0.72	0.03	0.75
9. Net P/(L) before Tax & Dividend - PBT	3.33	0.54	3.87
10. Tax (incl. FBT)	0.57	0.13	0.70
11. Net P/(L) after Tax - PAT	2.76	0.41	3.17
12. Cash P/(L) w/o - GOI Interest	3.91	0.44	4.35
13. Dividend (incl. Tax on Dividend)	0.06	0.06	0.12
14. Net P/(L)	2.70	0.35	3.05

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.

**MANAGEMENT'S REPLIES TO THE AUDITORS' OBSERVATIONS**

**Auditors' Observations**

**Management's Replies**

- |  |  |
|--|--|
| <p>(i) An amount of Rs.1818.00 lacs received in an earlier year was refunded to Govt. of India during the year against the investment of Rs.6813.44 lacs on account of disinvestment of 68134428 nos. of Equity Shares in Jessop &amp; Co. Ltd. as stated in Note No.6 of Schedule - 21. In our opinion the loss amounting to Rs.4995.44 lacs towards shortfall on realization against sale of said shares valuing Rs. 6813.44 lacs should have been provided for. However, the Company has taken up with Government of India for necessary adjustment with issued and subscribed capital.</p> | <p>It has been clarified suitably in Notes on Accounts (Note 6 of Schedule 21). However, the matter has been taken up with GOI for approval on necessary adjustment of the value in issued and subscribed Share Capital in Company's books.</p>  |
| <p>(ii) Consequent to the disinvestment of Equity Shares in Jessop &amp; Co. Ltd. as stated in (i) above, the Company still holds the remaining 25580122 nos. of Equity Shares in the said company as at 31<sup>st</sup> March 2011 as Investment.</p> <p>In absence of the market price of those shares held as Investment as on 31<sup>st</sup> March 2011, the diminution in the value of those shares, if any, as on that date is not ascertainable and hence cannot be commented upon.</p>  | <p>The observation is of disclaimer in nature. However, the clarification has been given in Significant Accounting Policy [Para (d) of Schedule 22] and also in Note 14 of Schedule 21, which are self-explanatory.</p>  |
| <p>(iii) Note No.10 of Schedule - 21 regarding interest on Government of India loans to subsidiaries, under liquidation, upto 31st March, 2011, the realisability of which cannot be commented upon. However, it has no effect on the reported profit of the Company.</p>  | <p>The matter has been suitably disclosed in note 10 of Schedule 21 of Accounts being self-explanatory.</p>  |
| <p>(iv) The realizable value of the Company's investment in its Subsidiary Company, Bharat Process &amp; Mechanical Engineers Ltd. (under liquidation), amounting to Rs. 486.30 lacs and recovery of loans &amp; advances and other dues from it (Refer to Note no. 4 of Schedule - 21) cannot be commented upon.</p>  | <ul style="list-style-type: none"> <li>• 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 Schedule 22].<br/>The Company makes fresh investments in its subsidiaries out of the equity Plan fund released by the Govt. of India (GOI) for corresponding investment in specific subsidiaries at par. In any eventuality of loss suffered upon the diminution in realisable value of such investment, Company will pass on the loss to Gol for appropriate action as deemed fit.</li> <li>• It also deserves mention that Gol 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 Gol 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 Gol approval of financial restructuring of the concerned subsidiary/PSU.</li> </ul> |



## BHARAT BHARI UDYOG NIGAM LIMITED

### **Auditors' Observations**

- (v) Prior-Period Adjustment (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. Note No. 15 of Schedule - 21). However, it has no effect on the reported profit of the Company.
- (vi) Note No.16 of Schedule - 21 regarding pending balance confirmation from certain parties (amount not ascertainable).
- (vii) Had the observations made in paras 4(i) above been considered in the accounts, the loss for the year would have been Rs. 4993.73 lacs as against the reported profit before tax of Rs. 1.71 lacs, debit balance of Profit and Loss Account would have been Rs. 4918.94 lacs as against reported credit balance of Profit and Loss Account of Rs. 74.79 lacs and Other Current Assets would have been Rs.1952.37 lacs as against the reported figure of Rs. 6947.81 lacs.

### **Management's Replies**

The Company has lodged claim for the same amount to Jessop & Co. Ltd. and consequently has also initiated legal proceeding to recover the amount. However, there is no resultant impact on the profit of the Company which is also confirmed by Auditors.

Confirmation has since been received and shown to Auditors.

Noted. No separate comments needed since this is mandatory quantification of the Auditors' observations stated as above.

## **REPORT ON CORPORATE GOVERNANCE**

### **1. Company's philosophy on Guidelines on Corporate Governance :**

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

- (a) Enhancing long-term stakeholder value and Company's wealth generating capacity through -
  - Assisting top management in taking sound business decisions;
  - Prudent financial management.
- (b) Achieving transparency and professionalism in all decisions and activities of the Company.
- (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 (functional, official or non-official) are appointed by the President of India (viz. the Central Government).

As on 31.03.2011, the number of Directors on the Board of the Company was 5 (five), of which three were functional Directors viz., Chairman & Managing Director (on additional charge basis); Director (Finance); and Director (Technical); and two were Government officials (Nominee Directors).

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, appointment of Independent Directors on the Board is under consideration of the Central Government viz. DHI.

BHARAT BHARI UDYOG NIGAM LIMITED

The composition of the Board and the number of other Directorships and Membership/Chairmanship held by the Directors in the committees of various companies as on 31.03.2011 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 (w.e.f. 01.11.2010)	Chairman & Managing Director (Functional Director)	2	Nil	Nil
2. Shri Swapan Kumar Das	Director (Finance) (Functional Director)	2	Nil	Nil
3. Shri Neeraj Mishra	Director (Technical) (Functional Director)	2	Nil	Nil
4. Shri Ambuj Sharma	Government Nominee	4	Nil	Nil
5. Shri R. Asokan	Government Nominee	5	1	Nil
6. Shri Ranjit Sinha (upto 14.07.2010)	Non-executive Director	Nil	Nil	Nil
7. Shri Saibal Baul (upto 04.09.2010)	Non-executive Director	2	Nil	Nil
8. Shri Sunil Kumar Rishi (upto 04.09.2010)	Non-executive Director	1	Nil	Nil

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

**Note :** Pursuant to orders of DHI, Shri Sinha, Shri Baul and Shri Rishi ceased to be ex-officio (non-executive) Directors. However, Shri Baul has been subsequently given additional charge as Chairman & Managing Director.

**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 Directors seven days prior to the meeting. Where it is not 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 31.03.2011, 4 (four) meetings of the Board of Directors were held - on 25.06.2010, 04.09.2010, 23.12.2010; and 29.03.2011.

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 10.12.2010
Shri Pramod Kumar	2	Yes
Shri Swapan Kumar Das	4	Yes
Shri Neeraj Mishra	3	Yes
Shri Ambuj Sharma	4	No
Shri R. Asokan	4	No
Shri Ranjit Sinha	Nil	No
Shri Saibal Baul	4	Yes
Shri Sunil Kumar Rishi	1	Yes

**3 AUDIT COMMITTEE :**

The Board of Directors has an Audit Committee (which is awaiting reconstitution in accordance with the Guidelines). Details of the Audit Committee are as under:

(a) Role :

To cover the matters specified under paragraph 4.2 of the Guidelines. 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 :

The Audit Committee (as discontinued for part of the year) comprised of Shri R. Asokan, Shri Saibal Baul and Shri Sunil Kumar Rishi. Shri Asokan was the Chairman of the Committee. All the members were non-executive directors. Shri S. K. Das, Director (Finance) attended the meetings of the Committee. The Company Secretary acted as the Secretary of the Committee.

The Audit Committee is currently awaiting reconstitution.

## BHARAT BHARI UDYOG NIGAM LIMITED

(c) Attendance of each Member :

During financial year ended 31.03.2011, the Audit Committee held only 1 (one) meeting - on 25.06.2010. All the members as stated above attended the meeting.

### 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 :

Board 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 & Time	Venue	Special resolution(s) passed, if any
2009-10	10.12.2010 at 11.30 A.M.	Registered Office at 26, Raja Santosh Road, Alipore, Kolkata.	Nil
2008-09	10.11.2009 at 2 .00 p.m.	-As above-	Nil
2007-08	26.11.2008 at 2.30 p.m.	As above	Yes, for reduction of share capital

The Annual General Meeting for the current year viz. ended on 31.03.2011 will be held at the Registered Office of the Company on 23.09.2011 at 12 noon.

### 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 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 Whistle Blower policy for the time being. However, no personnel has been denied access to the Audit Committee.

## BHARAT BHARI UDYOG NIGAM LIMITED

- iv) Details of compliance with the requirements of these guidelines - the Company has generally complied with the requirements of the Guidelines. Regarding appointment of required number of Independent Directors on the Board - the matter has been taken up with DHI.
- 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](http://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 maintain a regime of unqualified financial statements.

### 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

Establishing a mechanism for employees will be considered in future. However, the Company encourages an open door policy where employees have access to its Head of the Functions.

### 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 Administrative Ministry regularly.

The certificate obtained from 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,  
15th September, 2011

S. Baul  
Chairman & Managing Director

## BHARAT BHARI UDYOG NIGAM LIMITED

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, 2011 as stipulated in "Guidelines on Corporate Governance for Central Public Sector Enterprises 2010" issued by the Government of India, Ministry of Heavy and Public Enterprises, Department of Public Enterprises and annexes 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 Audit Committee pursuant to 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 D. N. Mukherjee & Co.  
Chartered Accountants  
(Firm Reg. No. 301145E)

Place : Kolkata  
Date : 15 September, 2011

CA S. K. BASU  
Partner  
Membership No. 015016

**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 for the year ended 31st March 2011**

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The preparation of financial statements of Bharat Bhari Udyog Nigam Limited, Kolkata for the year ended 31 March 2011 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 the 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 26th August 2011.

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, 2011 and as such have no comment to make under Section 619(4) of the Companies Act, 1956.

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

Place : Kolkata  
Date : 05 September 2011

Nandana Munshi  
Principal Director of Commercial Audit  
& Ex-Officio Member Audit Board - I  
KOLKATA



## BHARAT BHARI UDYOG NIGAM LIMITED

### AUDITORS' 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, 2011 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) *An amount of Rs. 1818.00 lacs received in an earlier year was refunded to Govt. of India during the year against the investment of Rs.6813.44 lacs on account of disinvestment of 68134428 nos. of Equity Shares in Jessop & Co. Ltd. as stated in Note No.6 of Schedule - 21. In our opinion the loss amounting to Rs. 4995.44 lacs towards shortfall on realization against sale of said shares valuing Rs. 6813.44 lacs should have been provided for. However, the Company has taken up with Government of India for necessary adjustment with issued and subscribed capital.*
  - (ii) *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 2011 as Investment.*  
*In absence of the market price of those shares held as Investment as on 31st March 2011, the diminution in the value of those shares, if any, as on that date is not ascertainable and hence cannot be commented upon.*
  - (iii) *Note No. 10 of Schedule 21 regarding interest on Government of India loans to subsidiaries, under liquidation, upto 31st March, 2011, the realisability of which cannot be commented upon. However, it has no effect 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 Note no. 4 of Schedule - 21) 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. Note No.15 of Schedule - 21). However, it has no effect on the reported profit of the Company.*
  - (vi) *Note No. 16 of Schedule -21 regarding pending balance confirmation from certain parties (amount not ascertainable).*

BHARAT BHARI UDYOG NIGAM LIMITED

- (vii) *Had the observations made in para 4(i) above been considered in the accounts, the loss for the year would have been ₹ 4,993.73 lacs as against the reported profit before tax of ₹ 1.71 lacs, debit balance of Profit and Loss Account would have been ₹ 4,918.94 lacs as against reported credit balance of Profit and Loss Account of ₹ 74.79 lacs and Other Current Assets would have been ₹ 1952.37 lacs as against the reported figure of ₹ 6,947.81 lacs.*

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.
- 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 the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
  - ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
  - iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

Place: Kolkata.  
Date: August 26, 2011

For D.N. MUKHERJEE & Co.  
*Chartered Accountants*  
*Reg. No. 301145E*  
CA. R P. Mukherjee  
Partner  
(Membership No. 015029)

BHARAT BHARI UDYOG NIGAM LIMITED

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF BHARAT BHARI UDYOG NIGAM LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.**

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, 2011 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.

BHARAT BHARI UDYOG NIGAM LIMITED

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.
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.

Place: Kolkata.  
Date: August 26, 2011

For D.N. MUKHERJEE & Co.  
*Chartered Accountants*  
*Reg. No. 301145E*  
CA. R. P. Mukherjee  
Partner  
(Membership No. 015029)

BHARAT BHARI UDYOG NIGAM LIMITED

**BALANCE SHEET AS AT 31st MARCH, 2011**

		(Rs. in lakhs)	
	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	10,698.06	35,052.76
Restructuring Equity Share Deposit	2	1,388.00	9,012.36
Reserves and Surplus	3	74.79	73.09
Grant-in-Aid		0.00	0.00
<b>Loan Funds</b>			
Unsecured Loans	4	42,484.29	162,865.60
<b>TOTAL</b>		<b>54,645.14</b>	<b>207,003.81</b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	5	77.73	77.27
Less : Depreciation		71.35	69.16
Net Block		6.38	8.11
<b>Investments</b>			
	6	5,113.01	20,049.77
<b>Current Assets, Loans and Advances</b>			
Inventories	7	92.41	26.68
Sundry Debtors	8	638.82	174.01
Cash and Bank Balances	9	1,572.89	3,515.65
Other Current Assets	10	6,947.81	7,311.14
Loans and Advances	11	42,959.26	184,422.35
		52,211.19	195,449.83
<b>Less:</b>			
<b>Current Liabilities &amp; Provisions</b>			
Current Liabilities	12	2,644.95	8,452.73
Provisions	13	40.49	51.17
		2,685.44	8,503.90
<b>Net Current Assets</b>		<b>49,525.75</b>	<b>186,945.93</b>
<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)		<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>		<b>54,645.14</b>	<b>207,003.81</b>
<b>Notes on Accounts</b>	21		
<b>Significant Accounting Policies</b>	22		

The schedules referred to above form an integral part of the Balance Sheet.

In terms of our Report of even date.  
For D. N. MUKHERJEE & CO.,  
Chartered Accountants  
Reg. No. 301145E  
CA. R. P. MUKHERJEE  
Partner  
Membership No. 015029  
Place : Kolkata  
Date : 26.08.2011

On behalf of the Board of Directors

Saibal Baul  
Acting Chairman & Managing Director

S. K. DAS  
Director (Finance)

S. N. MUKHERJEE  
Company Secretary

**Profit and Loss Account for the year ended 31st March, 2011**

(Rs. in lakhs)

	Schedule	2010-11	2009-10
<b>EARNINGS :</b>			
Sales	14	1,053.62	250.04
Service Charges		97.16	147.00
Other Income	15	126.01	109.17
Interest Receivable on Govt. of India Loans		44.00	13,223.34
Increase/(Decrease) in Stock	16	65.73	26.68
<b>TOTAL</b>		<b>1,386.52</b>	<b>13,756.23</b>
<b>OUTGOINGS :</b>			
Purchase of Goods		4.99	39.81
Other Direct Expenses	17	1,037.58	172.75
Employment Cost	18	217.86	178.88
Other Expenses	19	78.70	84.54
Depreciation		2.24	2.66
Interest Payable to Govt. of India	20	44.00	13,223.34
<b>TOTAL</b>		<b>1,385.37</b>	<b>13,701.98</b>
Profit for the year before Prior Period Adjustments		1.15	54.25
Prior Period Adjustment (Net) - (Debit)/Credit		0.56	0.00
Profit before Tax and Appropriation		1.71	54.25
Provision for Tax [Including adjustment for earlier year-Rs.0.02 lakhs; Previous Year (Rs.1.20 lakhs)]		0.02	15.14
Provision for Tax [FBT][Adjustment for earlier year -Rs.0.01 lakhs; (Previous Year - 1.37 lakhs)]		(0.01)	(1.37)
<b>Profit after tax</b> - available for appropriation		<b>1.70</b>	<b>40.48</b>
<b>Appropriation :</b>			
Proposed Dividend		0.00	5.00
Tax on Dividend		0.00	0.85
		<b>1.70</b>	<b>34.63</b>
Profit brought forward from previous year		73.09	38.46
<b>Profit carried to Balance Sheet</b>		<b>74.79</b>	<b>73.09</b>
Earning Per Share (Rs. Per Equity Share of Rs. 1000/-):			
Basic		0.11	1.24
Diluted		0.08	0.92
<b>Notes on Accounts</b>	21		
<b>Significant Accounting Policies</b>	22		

The schedules referred to above form an integral part of the Profit & Loss Account

In terms of our Report of even date.

For D. N. MUKHERJEE & CO.,

Chartered Accountants

Reg. No. 301145E

CA. R. P. Mukherjee

Partner

Membership No. 015029

Place : Kolkata

Date : 26.08.2011

On behalf of the Board of Directors

SAIBAL BAUL  
Acting Chairman & Managing Director

S. K. DAS  
Director (Finance)

S. N. MUKHERJEE  
Company Secretary

BHARAT BHARI UDYOG NIGAM LIMITED

**Schedules**

	(Rs. in lakhs)	
	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
3481000 (3481000) Equity Shares of Rs. 1000 each	<u>34,810.00</u>	<u>34,810.00</u>
<b>Issued and Subscribed :</b>		
1037305 (3389778) Equity Shares of Rs. 1000 each fully paid (Notes 3, 8 & 9 of Schedule 21)	<b>10,373.05</b>	33,897.78
<b>Share Deposit - pending allotment</b>		
Received from Govt. of India	<b>325.01</b>	1,154.98
	<u><b>10,698.06</b></u>	<u>35,052.76</u>
<b>SCHEDULE - 2</b>		
<b>RESTRUCTURING EQUITY SHARE DEPOSIT</b>		
Loans convertible to Equity Shares - pending allotment (Note 2 of Schedule 21)	<b>1,388.00</b>	9,012.36
	<u><b>1,388.00</b></u>	<u>9,012.36</u>
<b>SCHEDULE - 3</b>		
<b>RESERVES &amp; SURPLUS</b>		
Profit & Loss Account	<b>74.79</b>	73.09
	<u><b>74.79</b></u>	<u>73.09</u>

## Schedules

	(Rs. in lakhs)	
	<b>As at 31.03.2011</b>	As at 31.03.2010
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
<b>Restructuring Debenture Deposit :</b>		
Loans converted to Zero rate Debenture pending allotment (Note 2 of Schedule 21)	<b>1,000.00</b>	3,494.48
<b>Government of India Loans :</b>		
Plan	<b>328.95</b>	4,245.20
Non Plan	<b>4,020.40</b>	41,693.94
Non Plan (VRS)	<b>922.66</b>	922.66
Non Plan (VSS)	<b>1,759.84</b>	1,759.84
<b>Interest accrued &amp; due :</b>		
On Govt. of India Loans	<b>34,452.44</b>	110,749.48
	<b>42,484.29</b>	162,865.60



BHARAT BHARI UDYOG NIGAM LIMITED

**Rs. in lakhs**

Description of Assets	Gross Block			Depreciation			Net Block			
	As at 01.04.2010	Additions during the year	Deductions during the year	Total as at 31.03.2011	As at 01.04.2010	For the Year	Adjustment or deduction	Total as at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Electrical Installation	12.29	0.00	0.00	12.29	11.53	0.10	0.00	11.63	0.66	0.76
Furniture and Fittings	18.98	0.04	0.00	19.02	16.54	0.48	0.00	17.02	2.00	2.44
Office Equipments	9.24	0.30	0.20	9.34	7.49	0.29	0.05	7.73	1.61	1.75
Motor Vehicles	10.32	0.00	0.00	10.32	9.96	0.10	0.00	10.06	0.26	0.36
Computer Installation	26.44	0.32	0.00	26.76	23.64	1.27	0.00	24.91	1.85	2.80
<b>TOTAL</b>	<b>77.27</b>	<b>0.66</b>	<b>0.20</b>	<b>77.73</b>	<b>69.16</b>	<b>2.24</b>	<b>0.05</b>	<b>71.35</b>	<b>6.38</b>	<b>8.11</b>
Previous Year	74.96	2.31	0.00	77.27	66.50	2.66	0.00	69.16		
Capital Work in Progress									0.00	0.00
								<b>Total :</b>	<b>6.38</b>	<b>8.11</b>

## Schedules

	(Rs. in lakhs)	
	<b>As at 31.03.2011</b>	As at 31.03.2010
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS</b>		
(Trade - at cost)		
<i>In fully paid shares of subsidiary companies :</i>		
Unquoted	<b>2,512.80</b>	17,449.56
<i>In fully paid shares of Other Companies :</i>		
Unquoted	<b>42.20</b>	42.20
Quoted	<b>2,558.01</b>	2,558.01
	<b>5,113.01</b>	20,049.77
<b>LIST OF INVESTMENTS</b>		
<b>Subsidiary companies :</b>		
Burn Standard Co. Limited		
Nil (13,26,155) equity shares of Rs. 1000 each [Note 8 of Schedule 21]	<b>0.00</b>	13,261.55
Braithwaite & Co. Limited		
Nil (1,67,521) equity shares of Rs. 1000 each [Note 8 of Schedule 21]	<b>0.00</b>	1,675.21
Bharat Process & Mechanical Engineers Limited		
48,630 (48,630) equity shares of Rs. 1000 each [Note 4 of Schedule 21]	<b>486.30</b>	486.30
The Braithwaite Burn and Jessop Construction Co., Limited		
20,26,500 (20,26,500) equity shares of Rs. 100 each	<b>2,026.50</b>	2,026.50
<b>Others :</b>		
Jessop & Co. Limited		
2,55,80,122 (2,55,80,122) equity shares of Rs. 10 each [Note 7 of Schedule 21]	<b>2,558.01</b>	2,558.01
Lagan Engineering Co. Limited		
4,22,000 (4,22,000) equity shares of Rs. 10 each	<b>42.20</b>	42.20
	<b>5,113.01</b>	20,049.77

## Schedules

	(Rs. in lakhs)	
	<u>As at 31.03.2011</u>	<u>As at 31.03.2010</u>
<b>SCHEDULE - 7</b>		
<b>INVENTORIES</b>		
Work In Progress	92.41	26.68
	<u>92.41</u>	<u>26.68</u>
<b>SCHEDULE - 8</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
Over Six Months		
Considered good -	38.03	16.79
Other Debts - considered good	600.79	157.22
	<u>638.82</u>	<u>174.01</u>
<b>SCHEDULE - 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash-in-hand	0.10	0.12
Cheques / Draft-in-hand	126.11	0.00
<b>Bank Balance :</b>		
In Current Account with Scheduled Banks	115.44	87.04
In Deposit Account with Scheduled Banks (1)	1,331.24	3,428.49
	<u>1,572.89</u>	<u>3,515.65</u>
(1) Includes under lien as margin money for BG & L/C	<u>512.23</u>	<u>714.06</u>
<b>SCHEDULE - 10</b>		
<b>OTHER CURRENT ASSETS</b>		
Other receivables (Note 6 of Schedule 21)	6,824.81	7,126.53
Deposits	95.83	90.27
Interest accrued on Deposit	27.17	94.34
	<u>6,947.81</u>	<u>7,311.14</u>

## Schedules

(Rs. in lakhs)

	<b>As at 31.03.2011</b>	As at 31.03.2010
<b>SCHEDULE - 11</b>		
<b>LOANS &amp; ADVANCES (UNSECURED)</b>		
Loans & Advances :		
Considered good (Note 3, 5 & 9 of Schedule 21)	<b>8,476.46</b>	70,142.01
Advances recoverable in cash or in kind or for value to be received :		
Considered good (Note 9 of Schedule 21)	<b>205.63</b>	7.39
Advance Income Tax (Net of Provision)	<b>15.00</b>	0.22
Advance Income Tax - FBT (Net of Provision)	<b>0.65</b>	0.64
Interest accrued on Advances & Loans	<b>34,261.52</b>	114,272.09
	<b>42,959.26</b>	184,422.35
<b>SCHEDULE - 12</b>		
<b>CURRENT LIABILITIES</b>		
Subsidiary Funds in Transit (Note 11 of Schedule 21)	<b>104.19</b>	1,736.58
Sundry Creditors :		
— For goods	<b>31.37</b>	31.37
— For expenses	<b>890.99</b>	181.50
Miscellaneous Deposits	<b>199.39</b>	192.85
Other liabilities	<b>386.59</b>	2,199.21
Advance from Customers	<b>1,019.21</b>	384.49
Interest accrued but not due on Government of India Loans	<b>13.21</b>	3,726.73
	<b>2,644.95</b>	8,452.73
<b>SCHEDULE - 13</b>		
<b>PROVISIONS</b>		
Gratuity	<b>0.00</b>	5.28
Leave Encashment etc.	<b>40.49</b>	40.04
Proposed Dividend	<b>0.00</b>	5.00
Income Tax (Dividend)	<b>0.00</b>	0.85
	<b>40.49</b>	51.17

## Schedules

	2010-11 Rs. in lakhs	2009-10 Rs. in lakhs
<b>SCHEDULE - 14</b>		
<b>SALES</b>		
Domestic	1042.37	248.58
Export	11.25	1.46
	<u>1053.62</u>	<u>250.04</u>
<b>SCHEDULE - 15</b>		
<b>OTHER INCOME</b>		
Exchange Rate Variation	0.00	0.29
Dividend Received	12.67	7.67
Discount Received	0.00	1.36
Miscellaneous Income	2.31	3.27
Interest on Deposit	110.92	86.68
Interest -Other	0.11	9.90
	<u>126.01</u>	<u>109.17</u>
<b>SCHEDULE - 16</b>		
<b>Increase/(Decrease) in Stock</b>		
Opening Stock - WIP	26.68	0.00
Closing Stock - WIP	92.41	26.68
	<u>65.73</u>	<u>26.68</u>
<b>SCHEDULE - 17</b>		
<b>OTHER DIRECT EXPENSES</b>		
Subcontract Expenses	1037.58	172.75
	<u>1037.58</u>	<u>172.75</u>
<b>SCHEDULE - 18</b>		
<b>EMPLOYMENT COST</b>		
Salaries & Wages	157.13	153.52
Contribution to Provident & Other Funds	44.43	14.03
Welfare Expenses	16.30	11.33
	<u>217.86</u>	<u>178.88</u>

## Schedules

	2010-11 Rs. in lakhs	2009-10 Rs. in lakhs
<b>SCHEDULE - 19</b>		
<b>OTHER EXPENSES</b>		
Rent	12.59	13.69
Rates & Taxes	0.26	0.51
Insurance	0.11	0.12
Repair & Maintenance - Building	11.26	10.36
- Others	3.52	4.19
Printing & Stationery	2.70	2.47
Travelling Expenses : (a)		
Inland	13.38	12.26
Foreign	0.00	5.68
Postage & Telephone Expenses	2.99	3.93
Motor Vehicle Expenses	3.76	4.82
Bank Charges	2.89	1.04
Subscription	1.18	1.23
Advertisement	3.93	3.03
Power & Fuel	5.64	7.38
Meeting Expenses	0.27	0.19
Works Contract / Sales Tax / Service Tax	3.23	1.38
Promotional Expenses	0.01	0.20
Car Hire Charges	7.17	5.35
Payment to Auditors :		
Statutory Audit fees	0.40	0.40
Tax Audit fees	0.11	0.11
Internal Audit fees	0.28	0.24
Legal/Professional/Consultancy Charges	1.28	4.11
Exchange Rate Variation	0.48	0.00
Loss on Sale of Fixed assets (Net)	0.10	0.00
Corporate Social Responsibility Expenses	0.00	1.00
Miscellaneous Expenses	1.16	0.85
	<b>78.70</b>	<b>84.54</b>
<b>Note :</b>		
(a) Include for Directors		
- Inland	7.37	6.06
- Foreign	0.00	5.68
<b>SCHEDULE - 20</b>		
<b>INTEREST PAYABLE TO GOVT. OF INDIA</b>		
Government of India Loans		
Plan	44.00	853.77
Non Plan	0.00	12,369.57
	<b>44.00</b>	<b>13,223.34</b>

BHARAT BHARI UDYOG NIGAM LIMITED

SCHEDULE - 21

NOTES ON ACCOUNTS

	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)	506.38	595.39
(ii) Guarantee issued by the Company for wholly owned subsidiary companies as collateral Security as below:		
In favour of Canara Bank for financial credit facilities availed by The Braithwaite Burn and Jessop Construction Co. Ltd.;	9000.00	9000.00
(iii) Guarantees issued by the Company for erstwhile wholly owned subsidiary company, Braithwaite & Co. Ltd. (BCL), as collateral Security for financial assistance/credit facilities as below:		
(a) In favour of United Bank of India;	Nil	500.00
(b) In favour of State Bank of India;	Nil	4495.00
(iv) 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	14.67
2. Consequent to Capital Restructuring Schemes sanctioned by Board for Industrial and Financial Reconstruction (BIFR) earlier in respect of Braithwaite & Co. Ltd. (BCL), Bum 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 Bum Standard Co. Ltd. (BSCL), Braithwaite & Co. Ltd. (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'.		
(c) Pursuant to Govt. of India approval dated 06.08.2010, on transfer of administrative control of BSCL & BCL to Ministry of Railways, the 'Restructuring Equity Share Deposit' for Rs. 297.56 lakhs and Rs. 7326.80 lakhs for BBVL (subsidiary of BSCL) and BCL respectively and the Restructuring Debenture Deposit for Rs. 2494.48 lakhs for BSCL have been adjusted in the books of account of the Company.		
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 (included in 'Advances'-Schedule 11) 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.		

**BHARAT BHARI UDYOG NIGAM LIMITED**

	<b>Current Year Rs./Lakhs</b>	<b>Previous Year Rs./Lakhs</b>
<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). 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 has passed an order on 23.03.2011 for attachment of the 48,630 equity shares held by the Company in BPMEL. The Company has filed an Appeal before the Presiding Officer of the Tribunal for setting aside and/or reversing the above order which is yet to be disposed of.</p> <p>5. Loans and Advances include Rs.1000.00 lakhs (Rs. 1000.00 lakhs) for debentures (on conversion of unsecured GOI loans etc.) which is pending for allotment by BBJ consequent upon financial restructuring vis-a-vis Government of India's approval etc.</p> <p>6. Consequent to clearance of Government of India (GoI) 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 &amp; 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 viz. Hon'ble Supreme Court of India and the Hon'ble High Court at Calcutta. The matter before the Hon'ble Supreme Court of India has since been disposed of. However, the matter before the Hon'ble High Court at Calcutta is pending as on date. 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 realized and included earlier in "Other Liabilities" under Current Liabilities has been returned to Govt. of India during the year after adjustment with related expenditure on direction from GoI. The cost of investment amounting to Rs. 6813.44 lakhs (Rs. 6813.44 lakhs) has been included in "Other Receivables" under Current Assets.</p> <p>The resultant accounting effect will be considered in the books of the Company after final adjudication.</p>		



BHARAT BHARI UDYOG NIGAM LIMITED

	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. Vide directions issued on 31.08.2005, BIFR permitted Jessop to proceed with reduction of their equity share capital in terms of the provisions under Sections 100, 101, 102 &amp; 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 has vide order dated 28.02.2008 dismissed the other appeal. The Company has referred the dispute to arbitration as provided in the Shareholders Agreement entered into by the Company with Indo-Wagon Engineering Ltd. (strategic partner in Jessop). The Company has also filed a writ petition in the Hon'ble High Court at Calcutta challenging AAIFR's order which is pending disposal as on date.</p> <p>The resultant accounting effect will be considered in the books after final adjudication complying with the Accounting Standard 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 &amp; Co. Ltd. (BCL), the related measures have been implemented and reflected in the books of account of the company during the year as under:-</p> <p>(a) Administrative control of BSCL and BCL have been transferred to Ministry of Railways on 15.09.2010 and 06.08.2010, respectively. Refractory unit of Salem (with all assets and liabilities) of BSCL will be transferred to Steel Authority of India Ltd. (SAIL) under Ministry of Steel. Consequently, the Company has handed over entire equity shares held by it in BSCL and BCL to Ministry of Railways complying with relevant formalities.</p> <p>(b) Conversion of Govt, of India Plan loan of Rs. 31.70 crores, Non-Plan loan of Rs. 350.82 crores and Zero Rate Debenture of Rs. 75.03 crores as on 31.12.2009 of BSCL into equity and subsequent reduction of the equity by Rs. 457.55 crores with a corresponding reduction in its accumulated losses.</p> <p>(c) Conversion of Plan loan, Non-Plan loan of Rs. 28.16 crores and Zero Rate Debentures of Rs.14.30 crores given by Govt. of India to RBL (subsidiary of BSCL) through the Company as on 31.03.2009 into Equity and subsequent reduction of equity by Rs. 42.46 crores with corresponding reduction in its accumulated losses.</p> <p>(d) 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>		

BHARAT BHARI UDYOG NIGAM LIMITED

	Current Year Rs./Lakhs	Previous Year Rs./Lakhs
<p>(e) Waiver of normal/penal interest on Govt. of India loan and loan to BSCL (through the Company) of Rs.639.15 crores as on 31.03.2009 and no interest would be levied beyond date of 31.03.2009 till date of approval.</p> <p>(f) 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 &amp; BCL's own resources or through sale of idle land only.</p> <p>(g) The consequential changes arising out of the above measures relating to BSCL and BCL in the books of account of the Company regarding equity, loans interest etc.</p> <p>(h) Merger of the Company and its wholly-owned subsidiary BBJ is under process.</p> <p>9.1 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 &amp; Engg. Co. Ltd. (BWEL):</p> <p>(a) The approved measures have been reflected in the Accounts of the Company for the year ended 31st March, 2008.</p> <p>(b) The administrative control of BWEL has since been transferred to Ministry of Railways and the Company has handed over 22389 equity shares of Rs. 1000 each held by it in BWEL to Ministry of Railways complying with the relevant formalities.</p> <p>(c) The Company has reduced its "Issued and Subscribed" Share Capital by Rs. 906.50 lakhs on cancellation of 90650 equity shares of Rs.1000 each as approved by Govt, of India and compliance of formalities under Companies Act, 1956 is in process.</p> <p>9.2. Further, pursuant to Govt. of India approval no.6(7)/2005-PE.III dated 17.07.2009 the write-off of non-plan loan amounting to Rs. 167.00 lakhs given to BWEL has been suitably adjusted.</p> <p>10. Pursuant to Gol directives, interest on account of Government of India loans released through the Company to certain Subsidiaries, which are under winding up, has been accounted for by the Company for which it has no effect on the reported profits of the Company and the interest as computed upto 31st March, 2011 in respect of such Subsidiaries have been arrived at for BPMEL (including its subsidiary WIL) amounted to Rs.31,518.00 lakhs for which claims have been lodged with the Official Liquidator.</p> <p>11. Subsidiary funds-in-transit comprise of various Government funds receivable by the subsidiaries including erstwhile subsidiaries.</p> <p>12. 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>		

## BHARAT BHARI UDYOG NIGAM LIMITED

13. Remuneration of Managing/Whole time Directors: -	Current year Rs./lakhs	Previous Year Rs./lakhs
Salaries and Allowances	<b>30.31</b>	30.26
Contribution to provident fund	<b>2.15</b>	1.80

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. (Recoveries for accommodation were made as per the terms of appointment and the wholtime Directors are allowed to use Co's car for private use upto 1000 Km per month on payment of Rs. 325/- p.m.)

14. The market price of quoted investments in equity shares of Jessop & Co. Ltd. as on 31st March, 2011 is not available. However, the latest available market price as on 01.09.2005 was Rs.6.00 per share.
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. Matter is pending disposal as on date.
16. Confirmation of balances are awaited from certain parties.
17. Related Party Disclosures (as identified by the management and where transactions exist during the year 2010-11).

(i) Related Party Relationship.

- a) Key Management Personnel: Shri Saibal Baul, Actg. Chairman & Managing Director  
Shri Pramod Kumar,  
Ex. Chairman & Managing Director  
Shri Swapan Kr. Das,  
Director(Finance) Shri Neeraj Mishra,  
Director(Technical)

- (ii) Transaction with related parties  
Remuneration paid to whole time Directors

Refer para 13  
above

18. There are no Micro, Small and Medium Enterprises (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).
19. (a) Sales (Sch.-14) includes service rendered - Rs. 11 lakhs (Rs. 1.46 lakhs).  
(b) Service Charges include additional service charges amounting to Rs. 20.94 lakhs(Rs.Nil) from a subsidiary (BBJ).  
(c) Contributions to Provident and other funds include Contribution to Gratuity Fund, which is net of excess provision in earlier years amounting to Rs. 5.28 lacs (Rs. Nil)
20. Prior Period Adjustment (CR) is net of corporate guarantee charges Rs. 39.15 lakhs (Rs. Nil) raised on subsidiary company in earlier years.

**BHARAT BHARI UDYOG NIGAM LIMITED**

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)

	<b>As at 31.03.2011</b>	As at 31.03.2010
Current Service Cost	<b>3.00</b>	7.54
Past Service Cost	<b>0</b>	0
Interest Cost	<b>2.42</b>	2.25
Expected Return on Plan Asset	<b>0</b>	0
Curtailment cost	<b>0</b>	0
Settlement cost	<b>0</b>	0
Actuarial gain/loss recognized in the year	<b>10.01</b>	1.98
Expense Recognized in Statement of Profit / Loss	<b>15.43</b>	11.77

**(ii) Changes in Present Value of obligations :**

Present Value of Obligation at beginning of year	<b>36.21</b>	31.70
Acquisition Adjustment	<b>0</b>	0
Interest Cost	<b>2.42</b>	2.25
Past Service cost	<b>0</b>	0
Current Service cost	<b>3.00</b>	7.54
Curtailment cost	<b>0</b>	0
Settlement cost	<b>0</b>	0
Benefits Paid	<b>11.89</b>	7.26
Actuarial (gain) / loss on obligations	<b>10.01</b>	1.98
Present Value of obligation at end of year	<b>39.75</b>	36.21
Closing Fund / Provision at end of year	<b>39.75</b>	36.21

**(iii) Actuarial Assumptions :**

	<b>As at 31.03.2011</b>	As at 31.03.2010
Discount Rate	<b>8.0</b>	8.0
Inflation Rate	<b>5.0</b>	5.0
Return on Asset	<b>0</b>	0
Remaining Working Life	<b>9</b>	10
<b>FORMULA USED</b>	<b>PROJECTED UNIT CREDIT METHOD</b>	<b>PROJECTED UNIT CREDIT METHOD</b>

## BHARAT BHARI UDYOG NIGAM LIMITED

22.	Expenditure in foreign currency :		(Rs./Lakhs)
	<b>ITEMS</b>	<b>2010-11</b>	2009-10
	Travelling :	-	5.68
	Others	-	0.34
	TOTAL	-	6.02
23.	Earnings in foreign currency :		(Rs./Lakhs)
		<b>2010-11</b>	2009-10
	Export Sales/Services (FOB)	<b>11.25</b>	0.34
	Others	-	-
	TOTAL	<b>11.25</b>	0.34
24.	Balance due from Directors/Officers :		(Rs./Lakhs)
		<b>2010-11</b>	2009-10
	As at year-end	-	-
	Maximum during the year	-	-

25. 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)	
		2010-11	2009-10	2010-11	2009-10
Spares for Casnub Bogic(CLW)		-	-	<b>6.66</b>	39.81
TOTAL		-	-	<b>6.66</b>	39.81

b) Particulars in respect of Sales :

Items	Unit	Quantity		Value (Rs./Lakhs)	
		2010-11	2009-10	2010-11	2009-10
Spares for Casnub Bogic(CLW)		-	-	<b>8.14</b>	41.55
TOTAL		-	-	<b>8.14</b>	41.55

26. (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 21.

On behalf of the Board of Directors

In terms of our Report of even date

For D. N. MUKHERJEE & CO.,  
Chartered Accountants  
Regn. No.301145E  
CA. R P Mukhejee  
Partner  
Membership No. 015029  
Place : Kolkata  
Date : 26.08.2011

SAIBAL BAUL  
Acting Chairman & Managing Director

S. K. DAS  
Director (Finance)

S. N. MUKHERJEE  
Company Secretary

**SCHEDULE - 22**

**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 relevant provisions of the Companies Act, 1956.
3. The Accounting policies have been consistently applied by the Company and are consistent with those used in 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 recognized 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) for the year 2010-11 signed and duly approved balancing 60% of the attributable expenses incurred by the company.
3. Interest accrued on undrawn Government Plan fund (Equity) on account of the subsidiary companies are passed on to the respective subsidiary companies directly.
4. Dividend is recognized 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 off 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 at the Balance Sheet date and the resultant translation differences, if any, arising thereof are dealt with in Profit & Loss Account except those relating to acquisition of fixed assets which are adjusted to its carrying amount.

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

The Work-in-progress/Contract-in-progress, at different stage 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.

## BHARAT BHARI UDYOG NIGAM LIMITED

### (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 Life Insurance Corporation of India (LIC). LIC's valuation, 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 & 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 unutilised 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 Standard [AS-15 (revised)].
3. In respect of all employees, the Provident Fund contributions are made to Government administered Provident Fund (RPFC) towards which the Company has no further obligation beyond its contributions. Such contributions are charged to Profit & Loss Account as incurred.
4. AS15 (revised 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** are reviewed at each Balance Sheet date and are 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 Indian 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 is recognized 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 recognized 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 recognized but are disclosed in the notes on Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

(l) Dues from Government parties/PSU/Railways are generally considered as recoverable irrespective of its age.

(m) **MATERIAL EVENTS:**

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

In terms of our Report of even date

For D. N. MUKHERJEE & CO.,  
*Chartered Accountants*  
Regn. No.301145E  
CA. R. P. Mukherjee  
*Partner*  
Membership No. 015029  
Place : Kolkata  
Date : 26.08.2011

On behalf of the Board of Directors

SAIBAL BAUL  
*Acting Chairman & Managing Director*

S. K. DAS  
*Director (Finance)*

S. N. MUKHERJEE  
*Company Secretary*

## BHARAT BHARI UDYOG NIGAM LIMITED

### Cash Flow Statement for the Year Ended 31st March, 2011

Particulars	(Rs. in lakhs)	
	2010-2011	2009-2010
<b>A. Cash Flow From Operating Activities</b>		
<b>i. Net Profit / (Loss) After Tax</b>	1.70	40.48
Adjustments for :		
Depreciation	2.24	2.66
Other Income (including dividend)	(126.01)	(109.17)
Interest Expenses	44.00	13,223.34
Interest receivable	(44.00)	(13,223.34)
	(123.77)	(106.51)
<b>ii. Operating Profit Before Working Capital Changes</b>	(122.07)	(66.03)
Adjustments for :		
Sundry Debtors (Gross)	(464.81)	(40.27)
Inventories	(65.73)	(26.68)
Loans & Advances	141,463.09	(14,024.77)
Other Current Assets	363.33	57.54
Liabilities & Provisions	(5,818.46)	(649.69)
	135,477.42	(14,683.87)
<b>Net Cash From Operating Activities</b>	135,355.35	(14,749.90)
<b>B. Cash Flow From Investing Activities</b>		
Other Income (including dividend)	126.01	109.17
Redemption/Sale/Reduction/Transfer of investment in subs. & others	14,936.76	(379.93)
Purchase of Fixed Assets (Net of Adjustment)	(0.51)	(2.31)
<b>Net Cash From Investing Activities</b>	15,062.26	(273.07)
<b>C. Cash Flow From Financing Activities</b>		
Increase/(Decrease) in Share Capital (including pending allotment) on restructuring share deposit pursuant to GOI approval	(31,979.06)	(119.78)
Reduction of Grant-in-Aid	(0.00)	(0.19)
Receipt/(wavier/transfer) of GOI Loan and accrual of interest on the Loan	(120,381.31)	14,337.18
Interest receivable	44.00	13,223.34
Interest Expense	(44.00)	(13,223.34)
Dividend paid (including tax)	0.00	(5.85)
<b>Net Cash From Financing Activities</b>	(152,360.37)	14,211.36
<b>D. Net Increase / (Decrease) In Cash and Cash Equivalents</b>	(1,942.76)	(811.61)
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	3,515.65	4,327.26
<b>Cash and Cash Equivalents at the end of the Period</b>	1,572.89	3,515.65
<b>Cash and Bank Balances Represented by :- (Schedule 9)</b>		
Cash-in-hand	0.10	0.12
Draft/Cheques-in-hand	126.11	0.00
Bank Balance :		
In Current Account with Scheduled Banks	115.44	87.04
In Deposit Account with Scheduled Banks	1,331.24	3,428.49
	1,572.89	3,515.65

On behalf of the Board of Directors

SAIBAL BAUL

*Acting Chairman & Managing Director*  
S. K. DAS  
*Director (Finance)*

S. N. MUKHERJEE  
*Company Secretary*

In terms of our Report of even date.  
For D. N. MUKHERJEE & CO.,  
*Chartered Accountants*  
Reg. No. 311145E  
CA. R. P. Mukherjee  
*Partner*  
Membership No. 015029  
Place : Kolkata  
Date : 26.08.2011



**BHARAT BHARI UDYOG NIGAM LIMITED**

**Balance Sheet Abstract and Company's General Business Profile**

(Submitted in terms of Part IV of the Companies Act, 1956)

**I. REGISTRATION DETAILS :**

Registration No. : U28112WB1986GOI041286 State Code : 21  
 Balance Sheet Date : 31st March 2011

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands) :**

Public Issue : Nil Right Issue : Nil  
 Bonus Issue : Nil Private Placement : Nil

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands) :**

Total Liabilities : 5,733,058 Total Assets : 5,733,058

**SOURCES OF FUND**

Paid up Capital : 1,037,305 Reserve & Surplus : 7,479  
 Share Deposit : 32,501 Unsecured Loan : 4,248,429  
 Restructuring  
 Share Deposit : 138,800

**APPLICATION OF FUND**

Net Fixed Assets : 638 Investments : 511,301  
 Net Current Assets : 4,952,575 Misc. Expenditure : 0  
 Accumulated Losses : 0

**IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands) :**

Turnover & Other Income : 132,135 Total Expenditure : 131,964  
 Profit/(Loss) before Tax : 171 Profit/(Loss) after Tax : 170  
 Earning per share in Re. : 0.11 Dividend Rate % : 0.000

**V. GENERIC NAME OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY :**

(as per monetary terms)

Item Code No. (ITC Code) : # N.A.  
 Product Description : SERVICE  
 Item Code No. (ITC code) : 860699.00  
 Product Description : WAGONS (OTHERS)

# no item code has been assigned to "SERVICE".

In terms of our Report of even date.  
 For D. N. MUKHERJEE & CO.,  
 Chartered Accountants  
 Reg. No.301145E

CA. R. P. Mukherjee  
 Partner  
 Membership No. 015029  
 Place : Kolkata  
 Date : 26.08.2011

On behalf of the Board of Directors

SAIBAL BAUL  
 Acting Chairman & Managing Director

S. K. DAS  
 Director (Finance)

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, 2011**

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/(Loss) (Rs. in lakhs)
The Braithwaite Burn and Jessop Construction Co., Ltd.	2026.50	20,26,500	359.57	519.86

**Notes:**

- a) (i) The Company held the entire subscribed & paid-up share capital of the above subsidiary as on 31.03.2011.  
(ii) No part of the profits/(losses) of the subsidiaries has been dealt with in the accounts of Company.
- b) The Company holds 48,630 equity shares of ₹ 1000/- 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 ₹ 43477.57 lakhs.
- c) BPMEL held 261,893 equity shares of ₹ 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 ₹ 6916.51 lakhs (subject to audit).

On behalf of the Board of Directors

SAIBAL BAUL  
Acting Chairman & Managing Director

NEERAJ MISHRA  
Director (Finance)

S. N. MUKHERJEE  
Company Secretary

Dated: 15th September, 2011