



# BCB Finance Limited

## 9<sup>th</sup> Annual Report

Regd. Off.1204, P.J. Towers, Dalal Street, Fort, Mumbai  
– 400 001.

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Index

Contents Page

Corporate information

Notice

Directors' Report

Report on Corporate Governance

Management Discussion and Analysis

Auditors Report

Balance Sheet

Profit & Loss Account

Cash Flow Statements

Notes to Accounts

Proxy Form

corporate  
information

**BOARD OF DIRECTORS**

**CHAIRMAN**

Mr. Bharat C. Bagri

**MANAGING DIRECTOR**

Mr. Uttam B. Bagri

**INDEPENDENT DIRECTORS**

Mr. Suresh Ahiya

Mr. Kalpesh Ranka

**PRACTISING COMPANY SECRETARIES**

Kothari H. & Associates

**STATUTORY AUDITORS**

M/s.Mohanlal Jain & Co.

**COMPANY SECRETARY**

Mr. Manish Mourya

**PRINCIPAL BANKER**

Bank of India

**REGISTERED OFFICE**

1204, P.J. Towers, Dalal Street, Fort, Mumbai -  
400 001.

Tel No.: +91-22-2272 2414

Fax No.: +91-22-2272 2414

Email: manish@bcbfinance.com

Website: www.bcbfinance.com

**REGISTRAR & SHARE TRANSFER AGENTS**

PurvaShareregistry (India) Private Limited  
9, Shiv Shakti Industrial Estate, J.R. Boricha  
Marg, Off N.M. Joshi Marg, Near Lodha Excelus,  
Lower Parel (E), Mumbai- 400 011.

Tel.: +91-22-2301 8261 / 6761

Fax: +91-22-2301 2517

Email: busicomp@vsnl.com

Website: www.purvashare.com

## THE DIRECTORS' REPORT

Dear Shareholders,

Yours Directors have pleasure in presenting the Ninth Annual Report and Audited Accounts of BCB Finance Limited ('the Company') for the year ended 31<sup>st</sup> March 2014 ('the financial year').

### FINANCIAL HIGHLIGHTS

The summarized performance of the Company for the years 2013-14 and 2012-13 is given below:

(Rs. In Lac)

Particulars	For Financial Year Ended	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Total Income	238.16	267.28
Total Expenditure	162.62	134.28
Profit before Depreciation and Tax	75.54	133.00
Less: Depreciation	0.00	0.36
Profit after Depreciation but before Tax	75.54	132.64
Less: Tax (including prev year)	33.25	36.00
Profit / (Loss) After Tax	42.29	96.64
Proposed Final Dividend (Including Interim Dividend)	28.74	28.76
Tax on Final Dividend	4.89	4.89
Transferred to Statutory Reserves	8.50	18.00

#### 1. Financial Performance

During the year, your Company has recorded a total income of Rs. 238.16 Lac, against Rs. 267.28 Lac in the previous year. Consequently, Net Profit before Taxation for the financial year ended March 31, 2014 decreased to Rs.75.54 Lac from Rs.133.00 Lac which is decrease of 43.20% from the previous year. Therefore, the Profit after Tax is Rs.42.29 Lac as compared to Rs.96.64 Lac in the previous year.

#### 2. Dividend

The Company has already paid a dividend of 25np per share as interim dividend. The Board recommends that the same be treated and full and final dividend for the financial year 2013-14

#### 3. Listing Fee

At present the Company's Equity Shares are listed at SME Platform of BSE Limited and the Company has paid Listing Fees to the above Stock Exchange for the year 2014-15.

#### 4. Management Discussion and Analysis Report

As required under Clause 52 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Directors' Report.

#### 5. Public Deposit

Your Company has not accepted any deposits from the public during the year under review and shall not accept any deposits without obtaining prior approval of the Reserve Bank of India.

#### 6. Directors

Section 149 of the Companies Act, 2013 (the Act) which defines the composition of the Board has been notified effective April 1, 2014 and provides that an independent director shall not hold office for more than two consecutive terms of five years each provided that the director is re-appointed by passing a special resolution on completion of first term of five consecutive years.

As per the explanation provided under Section 149 of the Act, any tenure of an independent Director on the date of commencement of this Section i.e. April 1, 2014 shall not be counted as a term. The tenure of every independent

director to compute the period of first five consecutive years would be reckoned afresh from April 1, 2014. In term of the aforesaid provisions, the independent Directors of the Company will be eligible to hold office for a consecutive period of five years as per applicable provisions of the Companies Act, 2013.

Section 152 of the Act, also notified effective April 1, 2014 provides that independent directors would need to be excluded from the total number of directors for the purpose of computing the number of directors whose period of office will be liable to determination by retirement of directors by rotation.

As on the date of this report, the Company's Board consists of the following Independent Directors:

1. Mr. Kalpesh Vimalchand Ranka
2. Mr. Suresh Mulji Ahiya

In order to strengthen the Corporate Governance, the Board is proposing to appoint additional 3 persons as independent Directors, viz. Mr. Rahul Bhandawat, Mr. Kamalkumar Dujodwala and Mr. Sandeep Kothari. Mr. Suresh M. Ahiya has due to old age expressed his desire to not continue as Independent Director. The Board puts on record its gratitude for the services rendered by Mr. Suresh Ahiya during his tenure as a Director of the Company. Brief profile of the proposed appointees together with other disclosures in terms of clause 52 of the Listing Agreement are part of the Annexure to the Notice of the 9<sup>th</sup> Annual General Meeting.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 274(1)(g) of the Companies Act, 1956.

#### 7. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. in the preparation of the annual accounts for the year ended March 31, 2014, the applicable Accounting Standards read with the requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same, if any;
- b. the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2014 and of the Profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors had prepared the annual accounts of the Company on a 'going concern' basis.

#### 8. Statutory Auditors

M/s. Mohanlal Jain & Co., Chartered Accountants (having Firm Registration No.106532W) as Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received letter from M/s. Mohanlal Jain & Co., Chartered Accountants, to the effect that they do not desire to be re-appointed as Auditors. Bhatte and Co to be appointed.

The Company has received consent letter from Bhatte and Co as regards their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of the Companies Act 2013

The observations made in the Auditors report read together with the relevant notes thereon, are self-explanatory and hence do not call for any comments under Section 217 of the Companies Act, 1956.

#### 9. Secretarial Auditor

As required under Section 204 of the Companies Act, 2013, the Board of Directors has in its meeting held on 30<sup>th</sup> May, 2014 appointed Mr. Hitesh Kothari, Partner, Kothari H. & Associates, Practicing Company Secretaries,

Mumbai holding certificate of practice number 5502 issued by The Institute of Company Secretaries of India as Secretarial Auditor for the Financial year 2014-15.

#### 10. Particulars of Employees

No Employee of the Company draws remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

#### 11. Energy Conservation Measures, Technology Absorption and R & D Efforts and Foreign Exchange Earnings and Outgo

In view of the nature of activities carried on by the Company, the requirements for disclosure in respect of Conservation of Energy, Technology Absorption, in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. However the Company takes all possible efforts towards energy conservation.

The requirement for disclosure with regard to technology absorption does not apply to the Company as the activities in which the Company operates does not require any technology.

During the period under review the Company has earned Foreign Exchange of `NIL and incurred the Foreign Exchange outgo of `NIL.

#### 12. Corporate Governance

A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance with conditions of Corporate Governance as also the Management Discussion and Analysis Report as stipulated under Clause 52 of the Listing Agreement are annexed to this Report.

#### 13. Reserve Bank of India Regulations

The Company has complied with all the applicable regulations of the Reserve Bank of India as on March 31, 2014.

#### 14. Acknowledgement

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

For and on behalf of the Board of Directors of BCB Finance Limited

Sd/-  
(Uttam Bagri)  
Managing Director  
DIN-01379841  
Place: Mumbai  
Date: May30, 2014

## CORPORATE GOVERNANCE

In terms of Clause 52 of the SME Listing Agreement with BSE Limited (BSE) the report containing details of corporate governance systems and processes at BCB Finance Limited is as under:

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

The Company's philosophy on Corporate Governance is to achieve business excellence, enhance long term values for its stakeholders, maintaining excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. We believe that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. In its endeavor to achieve the higher standards of governance by adopting the best emerging practices, the Company not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to sound corporate governance principles and practices.

### 2.BOARD OF DIRECTORS

The Board of Directors of the Company (Board) has optimum combination of Non-Executive and Independent Directors comprising of more than fifty percent being Non-Executive Directors and more than one-third being Independent Directors.

Mr. Bharat Bagri acts as the Executive Chairman of the Board and Mr. Uttam Bagri is the Managing Director.

None of the Directors hold directorship in more than 15 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

#### Board Procedure

The Directors of the Company are informed about the Agenda of the Board Meetings and Committee Meetings, containing relevant information / supporting data, as required well in advance, to enable the Board to take informed. Statutory Auditors are also requested to attend the Board or Committee meeting as and when required. When deemed expedient, the Board also approves by circular resolution important items of business which are permitted under the Companies Act, 1956, and which cannot be deferred till the next Board Meeting.

Matters discussed at Board Meeting generally relate to Company's performance, quarterly results of the Company, approval of related-party transactions, general notice of interest of Directors, review of the reports of the internal auditors, Audit Committee and compliance with their recommendation, suggestion, compliance of any regulatory, statutory or listing requirements, etc.

#### Board Strength and representation:

As of March 31, 2014, the Board consisted of four members. The Composition and the category of Directors on the Board of the Company were as under:

Categories	Name of Directors
Promoter / Executive Chairman	Mr. Bharat Bagri
Promoter / Managing Director	Mr. Uttam Bagri
Non-Executive and Independent Directors	Mr. Suresh Ahiya Mr. Kalpesh Ranka

During the financial year 2013-14, Four Meetings of the Board of Directors were held on the following dates:

30<sup>th</sup> May, 2013, 19<sup>th</sup> August, 2013, 2<sup>nd</sup> November, 2013 and 28<sup>th</sup> March, 2014.

The Details of Directorship and Membership / Chairmanship of the Committee of the Board held by the Directors as on 31<sup>st</sup> March, 2014 and their attendance at the meetings during the year are as follows:

Name of Directors	Category	No. of Board Meetings held during the financial year 2013-14	No. of Board Meetings attended by the Directors during the financial year 2013-14	Attendance at the Last AGM	No. of Directorships in other public limited companies	No. of Committee positions held including the Company*
Mr. Bharat Bagri	Promoter & Executive Chairman	4	4	Yes	0	0
Mr. Uttam Bagri	Promoter & Managing Director	4	4	Yes	0	0
Mr. Suresh Ahiya	Independent Director	4	4	Yes	0	0
Mr. Kalpesh Ranka	Independent Director	4	4	Yes	0	0

\* Membership / Chairman of only Audit Committee and Shareholders' / Investors' Grievance Committee in Public limited companies have been considered.

Disclosure regarding re-appointment of Directors required as per Clause 52 of the Listing Agreement:

Mr. Uttam Bagri, aged 38 years, is the co-promoter and Managing Director of the Company. He is a graduate in Commerce from the University of Mumbai and holder for a Post Graduate Diploma in Management(PGDM) from the Indian Institute of Management, Ahmedabad (IIM-A). He has a more than decade of experience in the field of stock broking and allied financial services. He has been associated with the Capital Market since 1998, is the Secretary of the BSE Brokers Forum and has served in the past on the Board of BSE Limited as a Trading Member Director. He has been actively involved in the business of our Company and has played a key role in its growth with his inputs in strategic planning and business development.

Shri Kalpesh Ranka

### 3. AUDIT COMMITTEE

The Audit Committee of BCB Finance Limited consists of the two independent Directors and one Executive Director of the Company. All the Directors have good knowledge of Finance, Accounts and Company Law. The Chairman of the Committee is Mr. Kalpesh Ranka. The Committee held 4 (Four) meetings during the year. The Audit Committee also advises the Management on the areas where internal control system can be improved.

The Terms of reference of the Audit Committee are in accordance with all the items listed in Clause 52 (II)(D) and (E) of the Listing Agreement and Section 292 of the Companies Act, 1956 as follows:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the
  - Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
  - Any changes in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure to any related party transactions;



- Qualifications in the draft audit report.
- Such other matters as specified under clause 52 of the Listing Agreement and requirements of Section 292A of the Companies Act, 1956 and Reserve Bank of India or as may be delegated by the Board of Directors of the Company.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Mandatorily Review the following information:
  - a. Management Discussion and Analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee) submitted by management;
  - c. Management letters/letters of internal control weaknesses issued by statutory auditors;
  - d. Internal audit report relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be review by the Audit Committee.

The Audit Committee has the following powers:

- i. to investigate any activity within its terms of reference.
- ii. to seek information from any employee.
- iii. to obtain outside legal and professional advice.
- iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition and attendance at Meetings:

As on 31<sup>st</sup> March, 2014, the composition of Audit Committee has been as under:

- a) Mr. Kalpesh Ranka (Chairman of the Committee & Independent Director)
- b) Mr. Suresh M. Ahiya (Member of the Committee & Independent Director)
- b) Mr. Uttam Bagri (Managing Director having Accounting and Financial knowledge)

During the financial year 2013-14, four meetings of Audit Committee were held on following dates  
30<sup>th</sup>May, 2013, 19<sup>th</sup>August, 2013, 2<sup>nd</sup>November, 2013 and 28<sup>th</sup>March, 2014.

Attendance of the Directors at the Audit Committee Meetings held during the financial year is as under:

Name of Directors	Categories	No. of Meetings Attended
Mr. Kalpesh Ranka	Chairman	4
Mr. Suresh M. Ahiya	Members	4
Mr. Uttam Bagri	Member	4

Mr. Kalpesh Ranka, Chairman of the Audit Committee was present at the last Annual General Meeting held on Saturday, 21<sup>st</sup> September, 2013.

#### 4. REMUNERATION COMMITTEE

The terms of reference of Remuneration Committee includes the following:

1. To recommend to the Board, the remuneration packages of the Company's Managing / Joint Managing / Deputy Managing / Whole Time / Executive Directors including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
2. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;

3. To implement, supervise and administer any share or stock option scheme of the Company;
4. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Composition of the Remuneration Committee:

The Chairman of the Remuneration Committee is Mr. Suresh Ahiya. The Remuneration Committee currently comprises of:

- A) Mr. Suresh Ahiya
- B) Mr. Kalpesh Ranka

During the financial year 2013-14, no meetings of the Remuneration Committee were held.

Remuneration Policy:

The Key components of the remuneration policy of the Company are:

- Compensation will be driver of performance and contribution.
  - Compensation will be based on merit, experience and criticality of the function.
  - Compensation will be transparent, fair and simple to administer.
  - Compensation will be fully legal and tax compliant.
- i) Non-Executive Directors' Remuneration  
The Non-Executive Directors are paid remuneration by way of sitting fee. The Company pays sitting fees of Rs. 5,000/- (Rupees Five Thousand Only) per meeting. Non-Executive Independent Directors for attending its Board Meeting and pays Rs. 2,500/- (Rupees Two Thousand Five Hundred Only) for attending its Committee Meetings. None of the Non-Executive Directors hold any equity shares in the Company as on 31<sup>st</sup> March, 2014.
  - ii) Executive Director's Remuneration  
The Compensation was determined based on level of responsibility, prior experience & remuneration prevailing in the industry.

Details of remuneration paid to the Directors during the financial year 2013-14

Name of Directors	Sitting Fee (in Rs.)	Gross Remuneration (inRs.)	Total (in Rs.)
Mr. Bharat Bagri	--	24,00,000	24,00,000
Mr. Uttam Bagri	--	24,00,000	24,00,000
Mr. Suresh Ahiya	30,000	--	30,000
Mr. Kalpesh Ranka	30,000	--	30,000

## 5. SHAREHOLDERS' / INVESTOR'S GRIEVANCES COMMITTEE

Terms of Reference

The terms of reference of Shareholders' / Investors' Grievances Committee includes the following:

- a. Allotment and listing of our shares in future;
- b. Redressing of shareholders and investors complaints such as non-receipt of declared dividend, annual report, transfer of equity shares and issue of duplicate/split/consolidated Share Certificate(s);
- c. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of share and debentures;
- d. Reference to statutory and regulatory authorities regarding investors grievance; and
- e. To otherwise ensure proper and timely attendance and redressal of investors queries and grievances;
- f. To do all such acts, deeds and things, as may be necessary or incidental to the exercise of the above powers.

Composition of the Shareholders' / Investors Grievance Committee:

As on 31<sup>st</sup> March, 2014, the Composition of the Shareholders' / Investors Grievance Committee has been as under:

Name of Directors	Category
Mr. Suresh Ahiya	Chairman
Mr. Bharat Bagri	Member
Mr. Uttam Bagri	Member