

BCB FINANCE LIMITED
(CIN L65990MH2005PLC157586)

10TH ANNUAL REPORT

YEAR ENDED 31ST MARCH, 2015

COMPANY INFORMATION

BOARD OF DIRECTORS (as on 31st March 2015)

1. Uttam Bagri, Managing Director and CFO
2. Bharat Bagri, Whole time Director
3. Sarla Bagri, Director
4. Rahul Bhandawat, Independent Director
5. Kalpesh Ranka, Independent Director
6. Kamalkumar Dujodwala, Independent Director

REGISTERED OFFICE (as on 31st March 2015)

1204, P J Towers, Dalal Street, Fort, Mumbai 400 001
E-mail: yojana@bcbfinance.com
Website: www.bcbfinance.com

REGISTRAR AND SHARE TRANSFER AGENTS

Purva Sharegistry (I) Pvt Ltd
9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai – 400011
Telephone Nos.:91-22-23012518/ Fax No.: 91-22-2301 2517
E-mail: busicomp@gmail.com/ Website: www.purvashare.com

BANKERS

Bank of India, Stock Exchange Branch, Fort, Mumbai 400 001

STATUTORY AUDITORS (FY 2014-2015)

Bhatter & Co., Chartered Accountants
307, Tulsiani Chambers, Nariman Point, Mumbai – 400021

INTERNAL AUDITORS (FY 2014-2015)

M/ s. R. Jaitlia & Co., Chartered Accountants
408, Manish Chambers, Sonawala Road, Opp. Hotel Karan Palace, Goregoan (E), Mumbai – 400063

SECRETARIAL AUDITORS (FY 2014-2015)

Kothari H. & Associates, Practicing Company Secretaries, Mumbai

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 10th Annual Report and Audited Accounts of your Company, for the Financial Year ended 31st March, 2015.

Financial Highlights

The Summarized performance of the Company for the Year 2014-2015 and 2013-14 is given below;

(Rs in Lacs)

Particulars	For Financial Year Ended	
	31 st March 2015	31 st March 2014
Total Income	178.34	238.16
Total Expenditure	113.96	162.62
Profit before Tax	64.38	75.54
Provision for Tax	20.00	33.25
Profit/ (loss) After Tax	44.38	42.29

Financial Performance and state of Company affairs.

During the year under review, your Company has recorded a total income of Rs. 178.34 lacs against Rs 238.16 lac in the previous year. Net Profit before taxation for the financial year ended 31st March, 2015 decreased to Rs 64.38 as compared to Rs 75.54 lac in the previous year. Profit after tax is Rs 44.38 lac as compared to Rs 42.29 lac in the previous year.

Dividend

With a view to conserve the resources your Directors do not recommend dividend for the financial year 2014-2015.

Listing Fees

At present the Company's Equity shares are listed at SME platform of BSE Limited and the Company has paid Listing Fees upto the year 2014-15.

Change in promoters and management

Mr. Bharat Bagri and Mr. Uttam Bagri, the existing promoters of the Company had entered into Share Purchase Agreement (SPA) on 7th October, 2014 with CentrumDirect Limited, on completion of which

1. CentrumDirect is to acquire 52.16% shareholding of the Company
2. CentrumDirect is to acquire control of the company and be designated as the promoters of the Company

Material changes and Commitments

There are no material changes and or commitments affecting the financial position of the Company, between the end of the financial year, i.e. 31st March, 2015 and the date of the report except for the following

1. Completion of the activities under the SPA on 5th August, 2015 and CentrumDirect Limited being the new promoter of the Company with effect from this date.
2. Change in registered office of the Company from 1204, P.J Towers, Dalal Street, Fort, Mumbai-400 001 to Level 9 (Unit-801), Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai-400 098 with effect from 5th August, 2015.
3. Resignation of Mr. Bharat Bagri, Mr. Uttam Bagri and Mrs. Sarla Bagri from the Board and appointment of Mr. Bharat Bagri as Additional Director and re-designation from whole time Director to non executive Director
4. Induction of Mr. Kumud Ranjan Mohanty, Mr. Shailendra Apte and Mr. Narayan Krishnan, being representatives of the new promoters on the Board of the Company on 5th August 2015

Extract of annual return

As provided under Section 92(3) of the Act, the extract of annual return in Form MGT-9 is given in **Annexure I**.

Number of meetings of the Board

Four meetings of the Board were held during the year on 30th May, 2014, 28th August, 2014, 17th October, 2014 and 30th January, 2015. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the listing Agreement.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in Note 8 of the financial statements

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. The Audit Committee has granted omnibus approval for Related Party Transactions stated in **Annexure II** as per the provisions and restrictions contained in the Companies Act, 2013.

Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

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'.

Risk Management

For BCB Finance Limited, an effective risk management policy lies at the core of our business philosophy, which is centered on delivering high and better returns to all our stakeholders. With ups and downs, volatility and fluctuations in the financial business in which the Company operates. BCB Finance Limited is exposed to various risks and uncertainties in the normal course of our business. Since such variations can cause deviations in the results from operations and affect our financial state, the focus on risk management continues to be high.

Corporate social responsibility

Provisions of section 135 of the Companies Act, 2013 dealing with constitution of Corporate Social Responsibility Committee and related matters, is not applicable to your Company.

Auditors

i. Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/ s. Bhatte & Co., Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the Ninth Annual General Meeting (AGM) of the Company held on 27th September, 2014 until the conclusion of the AGM of the Company for the financial year 2018-19, subject to ratification of their appointment at every AGM. The Company has received letter from M/s. Bhatte & Co., Chartered Accountants, regarding their unwillingness to be re-appointed/ continue as Statutory Auditors

The Company has received consent letter from F K Mody & Co., Firm Registration No. 115205W Chartered Accountants, proposed new Auditor as regards their appointment as Statutory Auditors, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 read with rules made thereunder, 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 134 of the Companies Act, 2013.

ii. Internal Auditors

Pursuant to section 138 of the Companies Act, 2013 and rules made thereunder, the Company had appointed M/s. Shruti Maheswari was appointed as Internal Auditor in the Board meeting dated 30th May, 2014. She expressed her unwillingness to continue as Internal Auditor. The Board then appointed M/ s. R. Jaitlia & Co., Chartered Accountants as Internal Auditors on 28th August, 2014 to conduct Internal Audit of records and documents of the Company for the financial year 2014-15.

iii Secretarial Audit:

Mr. Hitesh Kothari, Partner, Kothari H. & Associates, Practicing Company Secretaries were appointed as Secretarial Auditors on 30th May, 2014 to conduct Secretarial Audit of records and documents of the Company for the financial year 2014-15. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc., and there is no secretarial audit qualification for the year under review.

The Secretarial Audit Report is included as **Annexure – III** and forms an integral part of this report.

Corporate Governance

SEBI Circular ref. CIR/ CFD/ POLICY CELL/ 7/ 2014 dated September 15, 2014 on the subject of “Corporate Governance in listed entities” has made the provisions of Clause 49 on Corporate Governance non mandatory for Companies whose equity share capital is listed exclusively on the SME Platforms.

Since the equity share capital of your Company is listed exclusively on the SME Platform of BSE Limited, the Company is not required to mandatorily follow the Corporate Governance requirements, and accordingly the reporting requirements like Management Discussion and Analysis Statement and Business Responsibility Report are not applicable on the Company.

Directors and Key Managerial Personnel

Key Managerial Personnel

The following are the Key Managerial Personnel of your Company as on 31st March, 2015 in terms of Section 203 of the Act:

Managing Director - Mr. Uttam Bagri
Whole Time Director - Mr. Bharat Bagri
Chief Financial Officer (CFO) - Mr. Uttam Bagri
Company Secretary - Ms. Yojana R. Pednekar

Independent Directors

In terms of Section 149 of the Act, the Members, at their meeting held on 27th September, 2014, appointed the following as Independent Directors of the Company for a term of one year:

- Mr. Rahul Bhandawat
- Mr. Kamalkumar Dujodwala
- Mr. Kalpesh Ranka
- Mr. Sandip Kothari

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

The term of Independent Director, Mr. Suresh Ahiya came to an end at the 9th AGM on 27th September 2014 where he choose not to offer himself for reappointment due to old age. Further, Independent Director Mr. Sandip Kothari resigned as Director of your Company w.e.f 10th March, 2015.

The term of the three current Independent Directors Mr. Rahul Bhandawat, Mr. Kamalkumar Dujodwala and Mr. Kalpesh Ranka end on 26th September, 2015. All three current Independent Directors have expressed their unwillingness to continue as Independent Directors.

The Company has received a notice under Section 160 of the Act proposing candidature, of Ms. Swati Sahukara and Mr. Parag Shah as Independent Directors of the Company for a term of one year along with the requisite deposit. Resolutions for approval have been included in the Notice convening the ensuing AGM of the Company.

Based on the confirmations and declarations received from the proposed Directors, they qualify for the appointment as Independent Directors of the Company.

Changes/ appointment of other Directors/ KMPs

1. Mr. Uttam Bagri was appointed as the Chief Financial Officer (CFO) of the Company from 01st October, 2014

2. Mr. Manish Mourya resigned as Company Secretary w.e.f 3rd February, 2015. Ms. Yojana R. Pednekar was appointed as Company Secretary w.e.f 3rd February, 2015.
3. Ms. Sarla Bagri (DIN 01379882) was appointed as Additional Director w.e.f 27th March, 2015 and resigned on 5th August, 2015
4. Mr. Uttam Bagri (DIN 01379841) resigned from the post of Director and Managing Director w.e.f 5th August, 2015
5. Mr. Bharat Bagri (DIN 01379855) resigned and was reappointed as non executive Director instead of Whole Time Director w.e.f 5th August, 2015. Mr. Bharat Bagri will continue to remain on Board as a Non-Executive Director till conclusion of this AGM.
6. Mr. Shailendra Apte (DIN 00017814), Mr. Narayan Krishnan (DIN-00803611) and Mr. Kumud Ranjan Mohanty (DIN 07056917) were appointed as Additional Directors in the Board meeting dated 5th August, 2015. Resolution for approval of this transaction has been included in the Notice convening the ensuing AGM of the Company.
7. Mr. Kumud Ranjan Mohanty (DIN-07056917) was appointed as Managing Director for a term of 5 (Five) years in the Board meeting on recommendation of Nomination and Remuneration Committee meeting, held on 5th August, 2015. In terms of Section 196 of the Companies Act, 2013, his appointment is subject to approval of the members by way of a Special Resolution.

The Board wishes to place on record its appreciation for the invaluable services and guidance given by each of the above during their respective tenures as Directors of the Company.

A brief profile of the Directors seeking appointment at the ensuing AGM is provided as a part of the notice of the ensuing Annual General Meeting.

Composition of Audit Committee

Audit Committee of your Company for the financial year 2014-15 composed of the following members:

Name	Designation
Mr. Kalpesh Ranka	Chairman
Mr. Rahul Bhandawat	Member
Mr. Uttam Bagri	Member

Vigil mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

Particulars of Employees and Remuneration

There is no employee in the Company drawing monthly remuneration of Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum. Hence, the Company is not required to disclose any information as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014

Remuneration details pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of remuneration of each Director to the median employee's remuneration

The information required under Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year are as follows:

Sr. No.	Name of Director	Designation	Remuneration per annum (Rs.)	Median Remuneration per annum (Rs.)	Ratio (Remuneration of Director to Median Remuneration)
1.	Mr. Uttam Bagri	Managing Director	Nil	Nil	N.A.
2.	Mr. Bharat Bagri	Whole Time Director	Nil	Nil	N.A.

Note: On account of low income earned by the Company, the Managing Director & Whole Time Director has foregone their remuneration for the financial year 2014-15

ii. Percentage increase in the median remuneration of employees in the financial year 2014-15 is Nil

iii. The number of permanent employees on the rolls of the Company as on 31st March, 2015 is 1 (one)

iv. Relationship between average increase in remuneration and Company performance:

There was no increase in remuneration of any employee during the year under consideration.

v. Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

Remuneration of KMP is in line with the performance of the Company.

- vi. Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company:

Particulars	As on 31 st March, 2014	As on 31 st March, 2015	% variation
Price (on the SME Platform of BSE Limited) – Closing price	Rs. 25.30	Rs. 25.25	-0.20%
No of shares listed	1,15,02,585	1,15,02,585	0.00%
Market capitalization (Rs. In lacs)	2,910.15	2,904.40	-0.20%
EPS	0.37	0.39	5.41%
Price Earnings Ratio	68.38	64.74	-5.32%

- vii. The key parameters for the variable component of remuneration availed, if any, by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Policy for remuneration of Directors, KMPs and other employees. As during the year, Directors did not draw any remuneration, this point is not applicable.
- viii. There are no employees of the Company who received remuneration in excess of the highest paid Director during the financial year 2014-15
- ix. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.
- x. There is no employee covered under the provisions of section 197(14) of the Act.

Remuneration Policy for the Directors, Key Managerial Personnel and other employees

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is stated in **Annexure IV** of this report.

General.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review.

1. Details relating to Deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of equity shares (including sweat equity shares) and ESOS to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Director further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

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

Bharat Bagri, Whole Time Director- DIN - 01379855

Place: Mumbai

Date: 5th August, 2015

Annexure – I
Extract of Annual Return as on the financial year ended on 31st March 2015

FORM No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Registration and other details:

i.	CIN	L65990MH2005PLC157586
ii.	Registration Date	25 th November, 2005
iii.	Name of the Company	BCB Finance Limited
iv.	Category / Sub-Category of the Company	Public Company limited by shares / Indian Non-government Company
v.	Address of the Registered office & Contact details (as on 31 st March 2015)	1204 P J Towers, Dalal Street, Fort, Mumbai 400 001 E-mail: yojana@bcbfinance.com Website: www.bcbfinance.com Telephone: 022-22722414 Fax: 022-22722451
vi.	Whether listed company	Yes (at SME platform of BSE Limited) BSE Scrip Code 534109
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (I) Pvt Ltd9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai – 400011 Telephone Nos.:91-22-23012518/ Fax No.: 91-22-2301 2517 E-mail: busicomp@gmail.com / Website: www.purvashare.com

I. Principal Business activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company is stated:-

Sr. No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total turnover of the Company
1	99711320	Non-residential mortgage loan services	14%
2	99711352	Granting loans to individuals	24%
3	99711359	Non-mortgage loan services for business purposes, n.e.c.	11%

II. Particulars of Holding, Subsidiary and Associate Companies – None as on 31st March, 2015

III. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

A. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 31-Mar-14				No. of Shares held at the end of the year 31-Mar-15				% of Change during the year
	Demat	Physical	Total	% of Total share capital	Demat	Physical	Total	% of Total share capital	
A. Promoters									
(1) Indian									
(a) Individuals/ HUF	85,10,585	-	85,10,585	73.99	55,02,590	-	55,02,590	47.84	(26.15)
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
* Directors	-	-	-	-	-	-	-	-	-

* Directors Relatives	-	-	-	-	-	-	-	-	-
* Person Acting In Concern	-	-	-	-	-	-	-	-	-
Sub Total (A)(1):-	85,10,585	-	85,10,585	73.99	55,02,590	-	55,02,590	47.84	(26.15)
(2) Foreign									
(a) NRI Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....			-	-	-	-	-	-	-
Sub Total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	85,10,585	-	85,10,585	73.99	55,02,590	-	55,02,590	47.84	(26.15)
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govet(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-			-	-	-
* U.T.I.	-	-	-	-	-	-	-	-	-
* Financial Institutions	-	-	-	-	-	-	-	-	-
* I.D.B.I.	-	-	-	-	-	-	-	-	-
* I.C.I.C.I.	-	-	-	-	-	-	-	-	-
* Government Companies	-	-	-	-	-	-	-	-	-
* State Financial Corporation	-	-	-	-	-	-	-	-	-
* Market Makers	5,05,000	-	5,05,000	4.39	4,17,000	-	4,17,000	3.63	(0.77)
* Any Other	-	-	-	-	-	-	-	-	-
* Otc Dealers (Bodies Corporate)	-	-	-	-	-	-	-	-	-
* Private Sector Banks	-	-	-	-	-	-	-	-	-