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Annual Report  
**2013-2014**

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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Bharat Kumar Bhandari	Chairman, Managing Director
Mr. Gaurav Kumar Bhandari	Executive Director
Mr. Sandeep Daga	Independent Director
Mr. Naveen Kumar Banthia	Independent Director
Mr. Kirthy Kumar A. Shah	Independent Director
Mr. Y. Ravinder Reddy	Non-Executive Director

### **AUDITORS**

Mishra & Co.,  
Chartered Accountants,  
No. 699, 13<sup>th</sup> Cross,  
MES Road,  
Bangalore – 560 054

### **BANKERS**

City Union Bank

### **REGISTRAR AND SHARE TRANSFER AGENT**

Maheshwari Datamatics Pvt. Ltd,  
6, Mangoe Lane,  
2<sup>nd</sup> Floor,  
Kolkata – 700 001

### **REGISTERED OFFICE**

No. 17, 4<sup>th</sup> Floor,  
Shah Sultan Complex,  
Ali Asker Road,  
Bangalore – 560 052

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

PRASANNA.S. RAO  
No.02, II Floor, WOC Road  
Rajajinagar,  
Bangalore- 560 044

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## NOTICE

TO ALL THE MEMBERS OF B&B REALTY LIMITED,  
NOTICE IS HEREBY given that 31st Annual General Meeting of Shareholders of B&B Realty Ltd is going to be held on Tuesday 30<sup>th</sup> September 2014 at 03.00 p.m., at the Registered office of the company at #17, 4th Floor, Shah Sultan Complex, Ali Asker Road, Bangalore – 560 052 to transact the following businesses:

<b>ORDINARY BUSINESS</b>
1. To receive, consider and adopt the duly audited Balance Sheet and Profit and Loss Accounts for the year ended 31 <sup>st</sup> March 2014 along with the reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Y. Ravindra Reddy who retires by rotation and being eligible reappointment offers himself for reappointment.
3. To appoint a director in place of Mr. Kirty Kumar.A.Shah who retires by rotation and being eligible reappointment offers himself for reappointment.
4. To appoint the Auditors of the company to hold office from the conclusion of the meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxy form duly stamped and executed in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the time of commencement of the Annual General Meeting.
3. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, authorizing their representative to attend and vote at the Annual General Meeting.
4. Members / proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience.
5. The Ministry of Corporate Affairs, vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a “Green Initiative” by allowing paperless compliances by the companies to serve the requisite documents to its members vide e-mode, in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your designated e-mail ID in its records. You are thus requested to kindly submit your e-mail ID with the company at [investorid@bbrl.in](mailto:investorid@bbrl.in) by providing their name, address, registered folio No./DP ID No / Client ID No. and their e-mail IDs.
6. Members holding shares in physical form are requested to advise any change in their registered address, to the Company’s Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited, Kolkata quoting their folio number. Members holding shares in electronic form must send the advice about change in their registered address or bank particulars to their respective Depository Participant and not to the Company.
7. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
8. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialized form, they must quote their Client ID Number and their DP ID Number.

9. The Register of Members and Share Transfer Books of the Company shall remain closed from **September 23, 2014 to September 26, 2014** (both days inclusive) for the purpose of Annual General Meeting.
10. Information under Clause 49 of the Listing Agreement of the Stock Exchanges with respect to the directors seeking for their appointment/re-appointments are given in the Annual Report/Corporate Governance Report.
11. The Copies of resolutions of the Board is available for inspections by members at the registered office of the company during working hours on any working day till the date of the Annual General Meeting.

By Order of the Board

Place: Bangalore  
Date: 03/09/2014

Bharat Kumar Bhandari  
Managing Director

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of the Director	Mr. Y Ravindra Reddy	Mr. Kirty Kumar.A.Shah
Qualification	Diploma in Civil, B.A	
Directorship held in other public companies ( excluding Private companies and foreign companies)	Rose Garden Developers Ltd B&B Infratech Ltd	B&B Infratech Ltd Enrich Stocks Pvt Ltd Bonchance Finance Pvt Ltd Aniradha Finance Pvt Ltd
Memberships / Chairmanships of the committees in public companies	NIL	NIL
Shareholding of Non-Executive Director	1000000	100
Relationships between Directors inter-se	NIL	NIL

## DIRECTORS REPORT

### The Shareholders,

Your Directors have pleasure in presenting the Annual Report together with Audited Statement of Accounts for the financial year ended on March 31, 2014.

### FINANCIAL RESULTS:

Particulars	Current Year March 31, 2014	Previous Year March 31, 2013
Total Revenue	2316000.00	--
Total Expenditure	2065000.00	(22,42,152)
Earnings before exceptional and extraordinary items and tax	251000.00	(22,42,152)
Earnings before extraordinary items and tax	251000.00	(22,42,152)
Earnings before tax	251000.00	(22,42,152)
Tax expenses	171000.00	Nil
Earnings/(loss) from Discontinuing operations (after tax)	79000.00	(22,42,152)

### OPERATIONAL REVIEW

The Net Profit of your company for the Current Financial Year 2013–14 is Rs.79000/-. The Company had incurred a Loss of Rs.22, 42,152/- in the Previous Financial Year 2012–2013.

### RESERVES

The company has transferred Rs.79000/- of profit to the reserves.

### DIVIDEND

In view of the Nominal Profit incurred during the financial year 2013-14, the Directors have not recommended any dividend for the year under review.

### FIXED DEPOSIT

The company has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

## **DIRECTORS**

The Board of Directors in its meeting held on 3rd September, 2014 subject to approval of shareholders in ensuing Annual General Meeting has approved the proposal for re-appointment of Mr. Y.Ravindra Reddy, the Non Executive Independent Director and Mr.Kirty Kumar.A.Shah, the Non Executive Independent Director of the company, with effect from 1st October 2014. A brief resume of such Directors is given further in the Annual Report.

## **AUDIT COMMITTEE**

The audit committee presently has 4 directors as members viz. Mr. Sandeep Daga, Mr. Naveen Kumar Banthia, Mr.Kirty Kumar A. Shah and Mr. Bharat Kumar Bhandari. Except Mr. Bharat Kumar Bhandari, all other members of the audit committee are non-executive independent directors. Mr. Sandeep Daga is the Chairman of the Audit Committee. The role, terms of reference, the authority and power of the Audit Committee are in conformity with the requirements of the Companies Act, 1956 and Clause 49 of the listing agreement. More details of the audit committee are provided in the report on Corporate Governance attached to this annual report.

## **AUDITORS**

The auditors M/s. Mishra & Co, Chartered Accountants, will retire at the ensuing Annual General Meeting. It is proposed to appoint M/s T.Srinivasa & co, as statutory auditors of the company to hold office from the conclusion of the Thirty second annual general meeting and to authorize the board of directors and find their remuneration. The company has received a letter from M/s.T.Srinivasa & Co to the effect that their appointment, if made, would be within the limits prescribed under the provision of the companies Act, 2013 and that they are not disqualified for such appointment with the meaning of the side Act.

## **AUDITORS' REPORT**

There are no qualifications observed in the auditor's report for the Financial Year 2013-14.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as under:-

### **A. CONSERVATION OF ENERGY**

The operations of your company are not energy-intensive. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by the purchase of energy-efficient equipment. Your company constantly evaluates new technologies and invests to make its infrastructure more energy-efficient.

### **B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION.**

This is not applicable to your company as the company is into real estate business.

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign Exchange earning and outgo for the financial year is as follow:

- a) Total foreign exchange earning: NIL
- b) Total foreign exchange outgo: NIL

## **CORPORATE GOVERNANCE**

Your company has incorporated appropriate standards for good corporate governance and shall aim at exhibiting maximum transparency and adequacy of reports /information provided under mandatory provisions or otherwise. Pursuant to Clause 49 of the listing agreement a detailed report on Corporate Governance is produced as a part of the Annual Report which is further certified by the statutory auditor of the company.

## **PARTICULARS OF EMPLOYEES**

None of the employees of the Company were drawing emoluments more than what has been specified under Section 217(2A) of the Companies Act, 1956 a part of our report attached herewith.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby confirms that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period;
3. 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
4. The directors have prepared the accounts for the financial year on a 'Going Concern' basis.

## **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

The Ministry of Corporate Affairs (MCA) has recently taken a green initiative in Corporate Governance by allowing paperless compliances by the Companies and permitted the service of Annual Reports and documents to the shareholders through electronic mode subject to certain conditions. Your Company appreciates the initiative taken by MCA as it strongly believes in a green environment. This initiative also helps in prompt receipt of communication, apart from avoiding losses / delays in postal transit. The Notice of Annual General Meeting, Annual Report and all communications hitherto will be sent to the members in electronic form at the e-mail address provided by them to the depositories or Registrars & Transfer Agents of the Company. The same will be sent by post physically to the Members, whose e-mail addresses are not available. Members can also have access to the documents through the Company's website. The documents will also be available to the members for inspection at the Registered Office of the Company during the office hours. Members are also entitled to be furnished with copies of the abovementioned documents, free of cost, upon receipt of requisition, at any point of time.

## **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their gratitude for the valuable guidance and support given by Government of India, State Government departments, Financial Institutions, Banks, and various stake holders, such as, shareholders, customers, suppliers etc. Your Directors also commend the continuing commitment and dedication of the employees at all levels which has been critical for the Company's growth. The Directors look forward to their continued support in future.

**Place: Bangalore**  
**Date: 03.09.2014**

**For and on behalf of the Board**  
**Bharat Kumar Bhandari**  
**Managing Director**





## CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

### Need and objective of the Code

Clause 49 of the Listing agreement entered into with the Stock Exchanges, requires, as part of Corporate Governance the listed entities to lay down a Code of Conduct for Directors on the Board of an entity and its Senior Management. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company. The term "Senior Management" shall mean personnel of the company who are members of its core management team excluding the Board of Directors.

### Philosophy of the Code

The Board of Directors (the "Board") and the senior management of B&B Realty Limited (herein after referred as "Company") subscribe to the following Code of Conduct adopted by the Board. The code expects from the Board and senior management of the company and envisages:

1. Use **due care and diligence in performing their duties** of office and in exercising their powers attached to that office;
2. **Act honestly and use their powers of office, in good faith and in the best interests** of Company as a whole;
3. Not to make **improper use of information nor take improper advantage of their Position** as a Director/ Senior Manager.
4. Not to allow **personal interests** to conflict with the interests of the Company;
5. Recognize that their **primary responsibility** is to the Company shareholders as a whole but they should (where appropriate) have regard for the interests of all stakeholders of the Company;
6. Not to engage in **conduct likely to bring discredit** upon the Company; and
7. Be **independent in judgment** and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors;
8. Ensure the **confidentiality of information** they receive whilst being in office of Director/Senior Manager and is only disclosed if authorized by the company, or the person from whom the information is provided, or as required by law.

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# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PHILOSOPHY

We stand committed to the good corporate governance in terms of transparency, independent supervision and true and fair disclosure of all the material facts changes and of our company to increase the value of our stakeholders. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedication to increase long-term shareholder value, keeping in view the interests of the Company's stakeholders.

## BOARD OF DIRECTORS

### Composition

The Constitution of the Board is exactly as per the requirements of Clause 49 of the Listing Requirement. The Board of Directors has a combination of Executive and non-executive Directors. The Board comprises of one Managing Director, one whole time directors and four Non-executive Independent Directors. All the directors are liable to retire by rotation except the managing Director and whole-time Director.

None of the Director on the Board is a member of more than ten Committees and Chairman of more than five Committees (Committees being Audit Committee and Shareholders/Investors' Grievance and Share Transfer Committee) across all the public Companies of which he is the Director. The necessary disclosures regarding other directorships and committee memberships have been made by all the Directors.

### Board Procedures

During the financial year 2013-14, five board meetings were held dated, 29/05/2013, 08/8/2013, 03.09.2013, 12/11/2013 and 5/02/2014,. The details of the composition of the Board, attendance at the Board meeting during the year and at the last Annual General Meeting, number of directorship, membership/chairmanship in other public companies are as follows:

Name & Designation	Attendance		No. of other Memberships/ Directorships*	Membership in the committees of other companies	
	Board	Last AGM		As member	As Chairman
Mr. Bharat Kumar Bhandari Managing Director	5/5	Yes	4	0	1
Mr. Gaurav Kumar Bhandari Whole-time Director	5/5	Yes	2	0	0
Mr. Y. Ravinder Reddy Non Executive whole time Director	2/5	Yes	2	0	0
Mr. Kirthy Kumar A. Shah Non-executive Independent Director	5/5	No	4	0	0
Mr. Sandeep Kumar Daga Non-executive Independent Director	4/5	Yes	1	0	0
Mr. Naveen Kumar Banthia Non-executive Independent Director	3/5	Yes	2	0	0

\*Other Directorship excludes Directorship in Private Limited Companies.