



BCB Finance Limited

Annual Report 2011-12

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corporate information

BOARD OF DIRECTORS

Mr. Bharat Bagri	-	Chairman
Mr. Uttam Bagri	-	Managing Director
Mr. Suresh M. Ahiya		
Mr. Haresh P. Sanghvi		
Mr. Kalpesh V. Ranka		

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Manish Mourya

PRACTISING COMPANY SECRETARIES

Kothari H. & Associates

STATUTORY AUDITORS

M/s. Mohanlal Jain & Co.

PRINCIPAL BANKER

Bank of India

REGISTERED OFFICE

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

Tel.: +91-22-2272 2414

Fax : +91-22-2272 2414

Email: manish@bcbfinance.com

Website: www.bcbfinance.com

REGISTRAR & SHARE TRANSFER AGENT

Purva Shareregistry (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

Our group entities

The Following persons are part of our promoters Group:

Companies

1. BCB Brokerage Private Limited

Hindu Undivided Family

1. Bharat Bagri HUF
2. Uttam Bagri HUF

Individuals

Promoters	Name of the relatives	Relationship
Mr. Bharat Bagri	Uttam Bagri	Son
	Sarla Bagri	Spouse
	Ankita Bagri	Daughter-in-law
	Urvashi Pachisia	Daughter
	Aadya Uttam Bagri	Grandson
	Utsav Uttam Bagri	Grandson
	Krishnadevi Bagri	Mother

Promoters	Name of the relatives	Relationship
Mr. Uttam Bagri	Bharat Chandratan Bagri	Father
	Sarla Bagri	Mother
	Ankita Bagri	Wife
	Urvashi Pachisia	Sister
	Aadya Uttam Bagri	Son
	Utsav Uttam Bagri	Son
	Krishnadevi Bagri	Grandmother

notice

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of BCB FINANCE LIMITED will be held on Saturday, 29th September, 2012 at 9:00 A.M. at the Registered Office of the Company at 1204, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors & Auditors' thereon.
2. To declare a Dividend on Equity Shares of the Company for the Financial Year ended on 31st March, 2012.
3. To appoint a Director in place of Mr. Haresh Sanghvi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Uttam Bagri, who retires by rotation and being eligible offers himself for re-appointment
5. To re-appoint M/s. Mohanlal Jain & Co., Chartered Accountants, having firm registration no. 106532W, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

Place: Mumbai
Date: 14th August, 2012

By Order of the Board of Directors

Uttam Bagri
Managing Director

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 25th September, 2012 to Saturday 29th September, 2012 (both days inclusive).
5. The Shareholders are requested to notify their change of address immediately to the Registrars & Transfer Agent - Purva Sharegistry (India) Private Limited. The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form

for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.

6. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect to special business annexed hereto.
7. Equity shares of the Company are under compulsory Demat trading by all Investors. Those shareholders who have not dematerialized their equity shares are advised to dematerialize their shareholding, to avoid inconvenience in future.
8. Re-appointment of Directors: At the ensuing Annual General Meeting Mr. Haresh Sanghvi and Mr. Uttam Bagri, liable for retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to these directors required to be provided pursuant to Clause 52 of the listing agreement are furnished in the statement on Corporate Governance published elsewhere in this Annual report.
9. Members intending to seek explanation / clarification about the Accounts at the Annual General Meeting are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
10. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.

Place: Mumbai
Date: 14th August, 2012

By Order of the Board of Directors

Uttam Bagri
Managing Director

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

the directors' report

Dear Shareholders,

Yours Directors have pleasure in presenting the Seventh Annual Report and Audited Accounts of BCB Finance Limited ('the Company') for the year ended 31st March 2012 ('the financial year').

FINANCIAL HIGHLIGHTS

The summarised performance of the Company for the years 2011-12 and 2010-11 is given below:
(₹ In Lacs)

Particulars	For Financial Year Ended	
	31 st March, 2012	31 st March, 2011
Total Income	242.92	160.76
Total Expenditure	160.19	132.32
Profit before Depreciation and Tax	82.73	28.44
Less: Depreciation	0.72	2.63
Profit after Depreciation but before Tax	82.01	25.81
Less: Current Tax	20.84	3.20
Add: Excess Provision of Income Tax of Previous years	0.00	27.86
Profit / (Loss) After Tax	61.17	50.47
Proposed Dividend	28.76	0.00
Tax on Dividend	4.67	0.00
Transferred to Statutory Reserves	13.46	10.25

1. Financial Performance

During the year, your Company has recorded a total income of ₹ 242.92 Lac, against ₹ 160.76 Lac in the previous year, with an increase of 51.11%. Net Profit before Taxation for the financial year ended March 31, 2012 increased to ₹ 82.01 Lac from ₹ 25.81 Lac which is increase of 217.75% from the previous year. Consequently, the Profit after Tax increased from ₹ 50.47 Lac to ₹ 61.17 Lac an increase of 21.20%.

2. Dividend

Your Board of Directors proposed the Final Dividend @ 2.5% (i.e. ₹ 0.25) per share on 1,15,02,585 Equity Shares of ₹ 10/- each absorbing an amount of ₹ 33,42,148 (Inclusive of dividend tax of Rs. 466,502). The dividend will be paid to those members whose name appears in the register of members as on 25th September, 2012 subject to the approval by the members at the Annual General Meeting.

3. Listing on SME Platform of the BSE Limited

Yours Directors are pleased to inform you that your Company has become the first Company in India to get listed its securities on the SME Platform of the BSE Limited on 13th March, 2012 and the Company has paid Listing Fees to the Exchange for the year 2012-13.

4. Initial Public Offering

Post Completion of initial public offer (IPO) of shares during February 2012, your Company has fully spent / utilized the proceeds of the funds raised under the IPO as per the object of the issue as on 31st March, 2012. The Company has obtained certificate to this effect from its Statutory Auditors viz. M/s. Mohanlal Jain & Co. dated 30th May, 2012.

Statement of Utilization Issue Proceeds by Company as on 31st March, 2012

(₹ in Lac)

Issue Objects (as per Prospectus)	Amount to be utilized	Amount actually utilized as on 31 st March, 2012
To Augment Capital base and provide for fund requirement for increasing operational scale with respect to NBFC activities		
- Investment in Shares & Securities	350.00	350.00
- Granting of Loans	200.00	200.00
- Repayment of Outstanding Overdraft Facility	200.00	200.00
To meet the Issue Expenses/General Corporate Purposes	135.00	135.00
Total	885.00	885.00

5. 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.

6. 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.

7. Re-appointment of Directors

In accordance with Section 255 and 256 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Haresh Sanghvi, Non-Executive Independent Director and Mr. Uttam Bagri, Managing Director, retire by rotation and are being eligible offer themselves for re-appointment at the ensuing 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.

8. 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 2012, 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, 2012 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.

9. 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 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 Section 226 of the Companies Act 1956.

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.

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. 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

Uttam Bagri
Managing Director

Place: Mumbai
Date: August 14, 2012

corporate governance

In terms of Clause 52 of the 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 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, 2012, the Board consisted of Five Members. The Composition and the category of Directors on the Board of the Company were as under:

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

During the financial year 2011-12, Eight Meetings of the Board of Directors were held on the following dates:

8th May, 2011, 9th June, 2011, 15th June, 2011, 12th July, 2011, 12th November, 2011, 31st January, 2012, 11th February, 2012 and 6th March, 2012.

The Details of Directorship and Membership / Chairmanship of the Committee of the Board held by the Directors as on 31st March, 2012 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 2011-12	No. of Board Meetings attended by the Directors during the financial year 2011-12	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	8	8	Yes	0	0
Mr. Uttam Bagri	Promoter & Managing Director	8	8	Yes	1	0
Mrs. Sarla Bagri@	Promoter & Whole Time Director	8	5	Yes	0	0
Mr. Suresh Ahiya**	Independent Director	8	3	Not Applicable	0	0
Mr. Haresh Sanghvi	Independent Director	8	5	Yes	1	0
Mr. Kalpesh Ranka	Independent Director	8	4	Yes	0	0
Mr. Vijay Ajgaonkar#	Independent Director	8	2	Yes	7	4

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

** Appointed with effect from 10th January, 2012.

Resigned from the Directorship on 10th January, 2012.

@ Resigned from the Directorship on 30th November, 2011.

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 3 (Three) 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:
 1. 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;
 2. Any changes in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to financial statements;
 6. Disclosure to any related party transactions;
 7. Qualifications in the draft audit report.
- * Reviewing with the management the half yearly financial statements before submission to the Board for approval.
- * 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.
- * Discussion with internal auditors any significant findings and follow up thereon;
- * Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matters to the Board;
- * Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- * 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 31st March, 2012, the composition of Audit Committee has been as under:

- a) Mr. Kalpesh Ranka (Chairman of the Committee & Independent Director)
- b) Mr. Haresh Sanghvi (Independent Director) and
- c) Mr. Uttam Bagri (Managing Director having Accounting and Financial knowledge)

During the financial year 2011-12, three meetings of Audit Committee were held on following dates: 12th July, 2011, 12th November, 2011, 6th March, 2012

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

Name of Directors	Category	No. of Meetings Attended
Mr. Kalpesh Ranka	Chairman	3
Mr. Haresh Sanghvi	Member	3
Mr. Uttam Bagri	Member	3

Mr. Kalpesh Ranka, Chairman of the Audit Committee was present at the last Annual General Meeting held on 30th September, 2011.

4. REMUNERATION COMMITTEE

Terms of Reference

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 Remuneration Committee of our Board was first constituted by our Directors by a board resolution dated July 12, 2011 and was subsequently reconstituted on January 10, 2012 due to resignation of Mr. Vijay D. Ajgaonkar. The Remuneration Committee currently comprises of:

- A) Mr. Suresh Ahiya
- B) Mr. Haresh Sanghvi
- C) Mr. Kalpesh Ranka

During the financial year 2011-12 one meeting of the Remuneration Committee were held on 12th July, 2011.

Attendance of the Directors at the Remuneration Committee meetings held during the financial year is as under:

Name of Directors	Category	No. of Meetings Attended
Mr. Suresh Ahiya	Chairman	1
Mr. Haresh Sanghvi	Member	1
Mr. Kalpesh Ranka	Member	1

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 ₹ 5,000/- per meeting Non-Executive Independent Directors for attending its Board Meeting and pays ₹ 2,500/- for attending its Committee Meetings. None of the Non-Executive Directors hold any equity shares in the Company as on 31st March, 2012.

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 2011-12

Name of Directors	Sitting Fee (₹)	Gross Remuneration (₹)	Total (₹)
Mr. Bharat Bagri	--	24,00,000	24,00,000
Mr. Uttam Bagri	--	24,00,000	24,00,000
Mrs. Sarala Bagri@	--	12,00,000	12,00,000
Mr. Suresh Ahiya*	15,000	--	15,000
Mr. Haresh Sanghvi	30,000	--	30,000
Mr. Kalpesh Ranka	30,000	--	30,000
Mr. Vijay D. Ajgaonkar**	10,000	--	10,000

@ Resigned from Board on 30th November, 2011.

* Appointed with effect from 10th January, 2012

** Resigned from Board on 10th January, 2012.

5. SHAREHOLDERS' / INVESTOR'S GRIEVANCES COMMITTEE

Terms of Reference

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

- Allotment and listing of our shares in future;
- 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 31st March, 2012, the Composition of the Shareholders' / Investors Grievance Committee has been as under:

Name of Directors	Category
Mr. Haresh Sanghvi	Chairman
Mr. Bharat Bagri	Member
Mr. Uttam Bagri	Member

Name, Designation and address of the Compliance Officer

Mr. Manish Mourya - Company Secretary and Compliance Officer
 BCB Finance Limited
 1204, P.J. Towers, Dalal Street,
 Fort, Mumbai - 400 001.

Status of Complaints received, resolved and pending as on 31st March, 2012

Number of Shareholders' Complaints received during the year	Nil
Number of Shareholders' Complaints resolved during the year	Nil
Number of Shareholders' Complaints Pending at the end of the year	Nil

6. GENERAL BODY MEETINGS

The details of Annual General Meetings held during the last three years are as follows:

Year	Day, Date and Time	Venue
2008-09	Wednesday, 30 th September, 2009 at 11:00 A.M.	1207/A, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.
2009-10	Monday, 27 th September, 2010 at 11:00 A.M.	1207/A, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.
2010-11	Friday, 30 th September, 2011 at 11:00 A.M.	1204, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001.

Special Resolution(s) passed at the last three Annual General Meetings ("AGM")

AGMs	AGM Date	Special Resolutions Passed
4 th	30 th September, 2009	NIL
5 th	27 th September, 2010	NIL
6 th	30 th September, 2011	<ol style="list-style-type: none"> 1. To Authorize Board of Directors of the Company for Initial Public Offer of its Equity Shares; 2. To Authorize Board of Directors of the Company for Inter-corporate loans and Investments; 3. Appointment of Mr. Uttam Bagri as Managing Director of the Company; 4. Appointment of Mr. Bharat Bagri as Whole-time Director and Executive Chairman of the Company.

Extraordinary General Meeting

During the year under review, One Extra ordinary General Meeting was held on 6th June, 2011 for conversion from private limited company to public limited company.

None of the business proposed to be transacted at the forthcoming Annual General Meeting is required to be approved by Postal Ballot.

Procedure for Postal Ballot and Voting Pattern:

Since, no special business was carried out in last three years by of Postal ballot so this section is not applicable.

7. DISCLOSURES

7.1 Related Party Transaction

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information in Note No.22 under notes to Accounts.

7.2 Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

7.3 Whistle Blower Policy

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company does not have any formal Whistle Blower Policy. The Directors of the Company affirms that no personnel have been denied access to the Audit Committee.

7.4 Proceeds from the Initial Public Offer of the Company

The Details about the utilization of the proceeds raised through Initial Public Offer of equity shares of the Company are disclosed to the Audit Committee. The Company has not utilized these funds for the purposes other than those mentioned in the prospectus of the Company.

7.5 Reconciliation of Share Capital Audit

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

7.6 Non-Mandatory Requirements

The Status of compliances with the non-mandatory requirements is as under:

7.6.1 The Board

No separate office for the Chairman is maintained, and hence no reimbursement is made towards the same.

No Specific tenure has been specified for the Independent Director. However, they are liable to retire by rotation and seek re-appointment by the Members.

7.6.2 Remuneration Committee

Details regarding Remuneration Committee are provided and forms part of this report.

7.6.3 Shareholders' Rights

The Company has posted its half yearly financial results on its website i.e. www.bcbfinance.com

7.6.4 Audit Qualification

There are no audit qualifications in the financial statements for the financial year 2011-12. Standard practices and procedures are followed to ensure unqualified financial statements.

7.6.5 Training to Board Members

The Board is equipped to perform its role through inputs from various sources from time to time. Directors are fully briefed on all matters concerning the business and operations of the Company and they regularly interact with the management in a free and open manner in order to obtain any information that they may require.

7.6.6 Mechanism for evaluating Non-Executive Board Members

The Company presently does not have any formal mechanism for evaluating Non-Executive Board members.

7.6.7 Whistle Blower Policy

At present, the Company does not have any formal Whistle Blower Policy.

8. MEANS OF COMMUNICATION

The half yearly financial results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and also uploaded on the Company's website - www.bcbfinance.com

The official news, release, presentation that may be made to the Shareholders at the Annual General Meeting and the presentation as may be done to the analysts will be posted on the Company's website - www.bcbfinance.com

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

- | | |
|---------------------------------------|---|
| 9.1 Date, Time and Venue | : 29 th September, 2012 at 9:00 A.M. at the Registered office of the Company at 1204, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001. |
| 9.2 Financial Year | : The Financial Year of the Company is from April 1 to March 31 of the following year. |
| 9.3 Date of Book Closure | : 25 th September, 2012 to 29 th September, 2012 (both days inclusive) |
| 9.4 Dividend Payment Date | : From October 1, 2012 to October 6, 2012. |
| 9.5 Listing on Stock Exchanges | : The Company's equity shares are listed on SME Platform of BSE Limited. |
| 9.6 Stock Code / Symbol | : 534109 / BCBFL |

9.7 Market Price Data

Table below gives the monthly high and low prices and volumes of BCB Finance Limited equity shares at SME Platform of BSE Limited for the year 2011-2012:

Month	BSE	
	High (₹)	Low (₹)
March 2012	27.0	25.00
April 2012	25.40	25.00
May 2012	25.05	25.00
June 2012	25.10	25.00
July 2012	25.50	25.10

9.8 Registrar and Transfer Agents:

Purva Sharegistry (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 No. +91-22-2301 8261 / 6761
 Fax No. +91-22-2301 2517
 Email: busicomp@vsnl.com
 Website: www.purvashare.com

9.9 Share Transfer System

: Shares held in Physical form are processed by the Registrar and Share Transfer Agent in the prescribed manner and if the documents are complete in all respects, are transferred within the timeframe under the applicable provisions of law.

9.10 Distribution of Shareholdings as on 31st March, 2012

Shareholding of Nominal Value of		Shareholders		Amount	
		Number	% to total	In ₹	% to total
Upto	5,000	2	1.48	100	0.00
30,001	40,000	81	60.00	3240000	2.82
50,001	1,00,000	13	9.63	1040000	0.90
1,00,001	Above	39	28.89	110745750	96.28
TOTAL		135	100.00	115025850	100.00

9.11 Category of Shareholders as on 31st March, 2012

Category	No. of Shares	Shareholding %
Resident Individuals	1828000	15.89
Bodies Corporate	1192000	10.36
Clearing Members	80000	0.70
Promoter	5563065	48.36
Promoter Relative	2487520	21.63
Non-Resident Indians	4000	0.03
Hindu Undivided Family	348000	3.03
TOTAL	11502585	100.00

9.12 Dematerialization of Shares and Liquidity

As on 31st March, 2012, a total of 1,14,98,585 equity shares aggregating to 99.97% of the total issued, subscribed and paid-up equity share capital of the Company were in dematerialized form.

The equity Share of the Company are regularly traded on the BSE Limited.

9.13 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments: NIL

9.14 Plant Locations: Not Applicable

9.15 Address for Correspondence:

Registrar and Share Transfer Agents
Purva Shareregistry (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 No. +91-22-2301 8261 / 6761

Fax No. +91-22-2301 2517

Email: busicomp@vsnl.com

Website: www.purvashare.com

Company

BCB Finance Limited

Registered Office:

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

Tel.: +91-22-2272 2414

Fax : +91-22-2272 2414

Email: manish@bcbfinance.com

Website: www.bcbfinance.com

For BCB Finance Limited

Date: 14th August, 2012
Place: Mumbai

Uttam Bagri
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
BCB Finance Limited,

We have reviewed the compliance of the conditions of Corporate Governance by M/s.BCB Finance Limited for the year ended 31st March, 2012, as stipulated in Clause 52 of the Listing Agreement of the said Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

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

FOR KOTHARI H. & ASSOCIATES
Company Secretaries

Hitesh Kothari
(Proprietor)

C. P. No. 5502
Place: Mumbai
Date: 14th August, 2012

management discussion and analysis

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our business.

Management Discussion and Analysis (MDA) is structured as follows:

- Industry structure and Development
- Opportunities and Threats
- Outlook
- Internal Control Systems and their adequacy
- Financial and operational performance
- Material Development in Human Resources

Some Statements in this discussion may be forward looking. Future performance may however differ from those stated in the management discussion and analysis on account of various factors such as changes in Government regulations, tax regimes, impact of competition, etc.

A) INDUSTRY STRUCTURE AND DEVELOPMENT

On macroeconomic front the financial year 2011-12 was among the most challenging years. The policy and governance environment impacted the economic scenario. Persistent inflation resulted in the regulator raising the policy rates leading to a high interest-rate environment. The global environment remained weak for most part of the year with many European countries sinking into recession, the US showing muted growth and even China witnessing a slowdown from its consistent growth over the past decade.

All these factors contributed towards an industrial slowdown and eventually led to a moderation in GDP growth. Raising capital became more difficult and working capital cycles in most industries increased, resulting in cash flow issues across various sectors. The microfinance sector came to a standstill, owing to regulatory hurdles.

However, in the midst of these challenges, there were certain pockets and segments that continued to thrive.

NON-BANKING FINANCIAL SERVICES SECTOR

The NBFC sector has gained more importance over the past 5 years than at any time in the past. The total assets of NBFCs grew by as much as ~130% over the past five years. As of March 31, 2010, there were 12,662 NBFCs of which 295 were categorised into systemically important NBFCs. As on March 2010, the total assets under management by NBFCs equalled ₹ 661,186 crores. This corresponds to 11% of total bank assets. As on March 2011, the total asset base was ₹ 843,451 crores - an increase of 27.5%. This is higher than the CAGR of ~23% for NBFCs for the past 5 years.

Over the last 4 years, the contribution of Infrastructure Finance to the total bank credit has increased significantly, principally owing to a large number of projects in the power, telecom and road sectors. From less than 5% in FY 2005, the share of infrastructure loans in the incremental credit growth of Indian banks now ranges from 20-25%, indicating a structural shift in the direction of bank credit.

B) OPPORTUNITIES AND THREATS

Your Company being an Investment Company seeks opportunities in the Capital Market. The Volatility in the Stock indices in the financial year under report represents both opportunities and challenge for the Company.

C) OUTLOOK

The long term objective of the Company is to remain strong player in the market with strong emphasis on product and market development. Your Company is also continuously improving its operational efficiency, and cost control which alone can improve the bottom line in future in highly competitive environment. Further, your Company is hopeful to get advantage of this overall boom

likely to happen for the Indian markets and will do all out efforts to secure the bigger share of the increasing market in future.

D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorized used or disposition and that transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive internal audit, periodical review by the management and documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

E) FINANCIAL AND OPERATIONAL PERFORMANCE

Share Capital

The Paid up Share Capital of the Company as on 31st March, 2012, stands at ₹ 11,50,25,850 divided into 11502585 equity shares of ₹ 10/- each fully paid up.

Reserves and Surplus

The Reserves and Surplus is ₹ 891.63 Lacs as on the end of the Current year.

Total Income

During the year under consideration, total income was ₹ 242.93 lacs as against ₹ 160.76 during the previous year.

Interest and Finance Charges

During the year under consideration, total interest and finance charges were ₹ 27.60 lacs as against ₹ 22.87 during the previous year.

Current Income Tax

During the year under consideration, the income tax, was ₹ 20.84 lacs as against ₹ 3.20 during the previous year.

F) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

During the year, your Company has appointed Company Secretary and Compliance Officer on 1st July, 2011. Apart from this there has been no material development on the Human Resources front during the year. As on 31st March, 2012 the Company had 3 employees.

The Company continues to lay emphasis on developing and facilitating optimum human performance. Performance management was the key word for the Company this year.

ANNUAL DECLARATION BY CEO / MANAGING DIRECTOR PURSUANT TO CLAUSE 52 (1)(D)(ii) OF THE LISTING AGREEMENT

I, Uttam Bagri-Managing Director of BCB Finance Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 52(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges for the financial year ended 31st March, 2012.

For BCB Finance Limited

Date: 14th August, 2012
Place: Mumbai

Uttam Bagri
Managing Director

CERTIFICATION BY THE MANAGING DIRECTOR ON FINANCIAL STATEMENTS OF THE COMPANY

I, Uttam Bagri, Managing Director of BCB Finance Limited, certify that:

- (a) I have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

- (b) There are, to the best our knowledge the belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

- (c) We are responsible for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Uttam Bagri
Managing Director

Place: Mumbai
Date: August 14, 2012

auditors' report

TO THE SHAREHOLDERS OF BCB FINANCE LIMITED

1. We have audited the attached Balance Sheet of **BCB FINANCE LIMITED**, as at 31st March, 2012 and also the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 a 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 (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment), 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified under clause 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purpose 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 statement of Profit & Loss and the Cash Flow Statement dealt with by the report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in compliance with Accounting Standard referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of representations received from the Directors of the Company and taken on record by the Board of Directors, none of the Directors of the Company is prima facie as on 31st March 2012 disqualified from being appointed as Director of the Company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act 1956 in the manner so required and read with notes thereon including Significant Accounting give 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, 2012;

- (ii) in the case of the statement of Profit & Loss, of the Profit of 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.

For and on behalf of
MOHANLAL JAIN & CO.
Chartered Accountants
(Firm Reg. No: 106532W)

Mohanlal Jain
Proprietor
(M. No. 036824)
Place: Mumbai
Date: 14th August, 2012

ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of BCB Finance Limited on the Financial statements for the year ended March 31, 2012]

FIXED ASSETS:

1. (a) As informed, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) We were also informed that all the assets of the Company have been physically verified by the management during the year and that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size and nature of the Company.
 - (c) The Company has not disposed off substantial part of fixed assets during the year and accordingly, going concern is not affected.

INVENTORIES:

2. (a) We are informed that the stock of inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedure for physical verification of inventories followed by management is reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) According to the inventory records produced to us for our verification, we are of the opinion that the Company is maintaining proper records of its inventories. Further, discrepancies noticed on such physical verification of inventories, if any, referred to above, as compared to the book records, though not material, have been properly dealt with in the books of account.

RELATED PARTY TRANSACTION:

3. (a) The Company has taken & granted loans during the year, secured or unsecured from companies, firms, or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. However, there are transactions with the parties referred under the above section. In this connection we were informed that those transactions are in the nature of current account.
 - (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of these unsecured loans taken & granted are, prime facie not prejudicial to the interest of the company.
 - (c) As informed to us, in respect of the loan taken by the company, there are no stipulations as to repayment of the principal amount and the payment of interest.
 - (d) In our opinion and according to the information and explanation given to us, there is no overdue amount of loans and interest.

INTERNAL CONTROLS:

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems/procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods & services. During the course of our audit we have not observed any major weakness in the internal controls system.

5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that have taken place with one of the Companies, for rendering of services that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 have been so entered. In our opinion and based on the information provided to us by the management, the transactions have been made at prices which are reasonable having regard to the market prices at the relevant time.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market price at the relevant time.

DEPOSITS:

6. The Company has not accepted any deposits from the public under the provisions of Section 58A and section 58AA.

INTERNAL AUDIT:

7. In our opinion, during the financial year, no audit has been carried out by the Company.

COST AUDIT:

8. We were informed that the Central Government has not prescribed under Section 209(1)(d) of the Companies Act, 1956 maintenance of cost records for any of the products manufactured by the Company.

STATUTORY DUES:

9. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Sales Tax, Excise Duty and other statutory dues, applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Customs Duty and excise duty were outstanding, as at 31st March, 2012 for a period of more than six months from the date were they became payable.
- (c) According to the information and explanations given to us and based on records produced to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty, which have not been deposited on account of any dispute.
10. In our opinion, the Company does not have any accumulated losses at the end of the year and it has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our examination of the records and the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or Financial Institution as at the Balance Sheet date.
12. Based on our examination of documents and records, we are of the opinion that adequate documents and records are maintained by the Company in case of loans and advances

granted on the basis of security or by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
14. The Company is dealing in or trading in shares, securities, debenture and other investments. Proper records have been maintained of the transactions made during the year. The shares, securities, debenture and other investments have been held by the Company, in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. Based on our examination of the records and information and explanations given to us, the company has not availed any term loan from Banks and Financial Institutions during the year.
17. In our opinion and according to information and explanation given to us, no funds have been raised on a short-term basis, which have been used for long-term investments.
18. The Company has not made any preferential allotment of shares during the year 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 or in previous year.
20. The Company has raised a sum of Rs. 885 Lac through a public issue during the year by issuing 35.40 Lac Shares of Face Value of Rs. 10/- each @ premium of Rs. 15 per share.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud done by the Company or noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
MOHANLAL JAIN & CO.
Chartered Accountants
(Firm Reg. No: 106532W)

Mohanlal Jain
Proprietor
(M.No. 036824)

Place: Mumbai
Date: 14th August, 2012

Auditors' Report

(As required under Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2009 dated September 18, 2009)

To,
The Board of Directors,
BCB Finance Limited
1204 P. J. Towers,
Dalal Street, Fort,
Mumbai - 400 001.

In our opinion and to the best of our information and according to the explanations given to us for the financial year ended 31st March 2012, we report as under:

1. BCB Finance Limited is engaged in the business of Non-Banking Financial Institution and has obtained a Certificate of Registration (COR) from the Reserve Bank of India vide Registration Certificate No. N-13.01840 dated 13th August, 2006.
2. BCB Finance Limited is entitled to continue to hold such COR in terms of its asset/income pattern as on March 31, 2012 with reference to paragraph 15 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 in respect of non-deposit taking NBFCs.
3. Based on the criteria set forth by the Reserve Bank of India in Company Circular No. DNBS.PD. CC No. 85 / 03.02.089 /2006-07 dated December 6, 2006 for classification of NBFCs as asset finance Company, BCB Finance Limited does not classify as asset finance Company as defined in Non-Banking Financial Companies Acceptance Of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year ended 31st March 2012, and is not registered with RBI as such.
4. BCB Finance Limited is a non-deposit accepting NBFC.
5. The Board of Directors of BCB Finance Limited has on the 4th of April, 2012 passed a resolution for non- acceptance of any Public Deposits.
6. The Company has not accepted any public deposits during the year ended 31st March, 2012.
7. BCB Finance Limited has complied with the prudential norms relating to income recognition, Accounting Standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting Or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
8. BCB Finance Limited is not a systemically important non-deposit accepting NBFC as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For Mohanlal Jain & Co.
Chartered Accountants
Firm Registration Number: 106532W

Mohanlal Jain
Proprietor
Membership No. 036824
Place: Mumbai
Date: 14th August, 2012

**BCB Finance Limited
Balance Sheet as at 31st March 2012**

(Amount in ₹)

Particulars		Note No.	As at 31st March, 2012	As at 31st March, 2011
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	115,025,850	15,925,170
	(b) Reserves and surplus	3	85,820,742	93,646,457
2	Current liabilities			
	(a) Short-term borrowings	4	10,230,536	27,841,276
	(b) Trade payables		-	1,801
	(c) Other current liabilities	5	5,227,997	21,000
	(d) Short-term provisions	6	6,425,930	853,782
	TOTAL		222,731,056	138,289,486
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	Tangible assets	7	108,000	589,996
	(b) Non-current investments	8	9,832,024	12,425,690
	(c) Long-term loans and advances	9	6,954,232	4,537,379
2	Current Assets			
	(a) Inventories	10	70,317,536	40,155,710
	(b) Cash and cash equivalents	11	59,511,365	64,364,623
	(c) Short-term Loans and advances	12	72,408,235	16,200,000
	(d) Other current assets	13	3,599,665	16,088
	TOTAL		222,731,056	138,289,486
III	Notes & Accounting Policies forming part of The Financial Statements	1 to 23		

As per our report of even date

for and on behalf of
Mohanlal Jain & Co.
Chartered Accountants
Firm Regn. No. 106532W

For and on behalf of the Board of Directors of
BCB FINANCE LIMITED

Bharat Bagri
Director

Uttam Bagri
Managing Director

Mohanlal Jain
Proprietor
Membership No. 36824

Place : Mumbai
Date : 14th August, 2012

Manish Mourya
Company Secretary

BCB Finance Limited
Profit and Loss statement for the year ended 31st March, 2012

(Amount in ₹)

Particulars		Refer Note No.	As at 31st March 2012	As at 31st March 2011
I.	Revenue from operations	14	24,291,910	16,076,158
II.	Other income		-	-
III.	Total Revenue (I + II)		24,291,910	16,076,158
IV.	Expenses:			
	Employee benefits expense	15	9,641,260	8,400,000
	Finance Costs	16	2,760,131	2,287,020
	Depreciation and amortization expense	7	72,000	263,230
	Operation and Other expenses	17	3,617,406	2,545,051
	Total expenses		16,090,797	13,495,301
V	Profit Before Tax (III- IV)		8,201,113	2,580,857
VI	Tax expense:			
	(1) Current tax		2,084,000	319,709
	(2) Excess Tax Provision for Previous Year		-	-2,785,915
VII	Profit / (Loss) for the period from continuing operations (IX-X)		6,117,113	5,047,063
VIII	Earnings per equity share:			
	(1) Basic		0.89	3.17
	(2) Diluted		0.89	3.17
IX	Notes & Accounting Policies forming part of The Financial Statements	1 to 23		

As per our report of even date

for and on behalf of
Mohanlal Jain & Co.

Chartered Accountants
Firm Regn No. 106532W

Mohanlal Jain
Proprietor
Membership No. 36824

Place : Mumbai

Date : 14th August, 2012

For and on behalf of the Board of Directors of
BCB FINANCE LIMITED

Bharat Bagri
Director

Uttam Bagri
Managing Director

Manish Mourya
Company Secretary

2	<u>Share Capital</u>	As at 31 March 2012		As at 31 March 2011	
		Number	Amount	Number	Amount
	Authorised				
	Equity Shares of Rs. 10 each with voting rights	12,000,000	120,000,000	3,000,000	30,000,000
	Issued Subscribed & Paid up				
	Equity Shares of 10 each fully paid up with voting rights	11,502,585	115,025,850	1,592,517	15,925,170
	Total	11,502,585	115,025,850	1,592,517	15,925,170

2.1 The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,592,517	15,925,170	1,592,517	15,925,170
Shares Issued during the year				
Bonus Shares issued during the year	6,370,068	63,700,680	-	-
Initial Public Offering (IPO)	3,540,000	35,400,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	11,502,585	115,025,850	1,592,517	15,925,170

2.3 The details of Shareholders holding more than 5% shares:

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares with Voting Rights				
Mr. Bharat Bagri	5,425,000	47.16	1,085,000	68.13
Mrs. Sarla Bagri	1,425,000	12.39	285,000	17.90
Mr. Utsav Bagri	630,005	5.48	126,001	7.91
M/s. Icab Securities and Investment Limited	896,000	7.79	-	-
Total	8,376,005	72.82	1,496,001	93.94

2.4 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	6,370,068	-	-	-	-
Shares bought back	-	-	-	-	-

2.5 There are no calls remaining unpaid as on March 31, 2012, hence no disclosure is required pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956.

2.6 "Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share."

3	<u>Reserves & Surplus</u>	As at 31 March 2012	As at 31 March 2011
		₹	₹
(a) Securities Premium Account			
	Opening Balance	14,400,170	14,400,170
	<u>Less</u> : Premium Utilised for various reasons for issuing Bonus Shares	14,400,170	-
	<u>Add</u> : Securities premium credited on Share issue	53,100,000	-
	Closing Balance	53,100,000	14,400,170
(b) Statutory Reserve			
	Opening balance	23,970,000	22,945,000
	Add: Additions / transfers during the year	1,346,000	1,025,000
	Less: Utilisations / transfers during the year	-	-
	Closing Balance	25,316,000	23,970,000
(b) Surplus in Profit and Loss Account			
	Opening balance	55,276,287	51,254,224
	Less: Utilized fro issue of Bonus Shares	49,300,510	-
	Add: Net Profit For the current year	6,117,113	5,047,063
	Less: Transfer to Statutory Reserve	1,346,000	1,025,000
	Less : Proposed Dividend on Equity Shares	2,875,646	-
	Less: Tax on Dividend	466,502	-
		7,404,742	55,276,287
	Total	85,820,742	93,646,457

4	<u>Short Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
		₹	₹
<u>Secured</u>			
	Loans repayable on demand		
	(i)from Banks (Secured By FDR)	10,230,536	27,841,276
	Total	10,230,536	27,841,276

5	<u>Other Current Liabilities</u>	As at 31 March 2012	As at 31 March 2011
		₹	₹
Other Liabilities			
	Miscellaneous Liabilities	5,227,997	21,000
	Total	5,227,997	21,000

6

<u>Short Term Provisions</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Provision for Tax		
Provision for Income Tax	2,905,282	821,282
(b) Others		
Provision for Standard Assets	178,500	32,500
Proposed Dividend	2,875,646	-
Tax on Dividend	466,502	-
Total	6,425,930	853,782

	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1 April 2011	Additions/ (Disposals)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	Balance as at 31 March 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Fixed Assets									
a Tangible Assets									
Vehicles	686,687	-	-	276,690	-	276,690	-	409,997	-
Computer	300,000	-	300,000	120,000	72,000	-	192,000	180,000	108,000
Total	986,687	-	300,000	396,690	72,000	276,690	192,000	589,996	108,000

8 : Investments					
INVESTMENTS (At Cost, fully paid-up) :					
a) In Equity Shares of Private Limited Company (Unquoted) :					
No. of Equity Shares held as at		Name of the Company	Face Value	COST	
31.03.2012	31.03.2011		₹	As at 31.03.2012	As at 31.03.2011
				₹	₹
0	81,820	RATNAKAR BANK		-	5,481,940
0	81,820	TOTAL		-	5,481,940
b) In Equity Shares of Public Limited Companies (Quoted) :					
No. of Equity Shares held as at		Name of the Companies	Face Value	COST	
31.03.2012	31.03.2011		₹	As at 31.03.2012	As at 31.03.2011
				₹	₹
10,000	-	BINANI INDUSTRIES LTD.	10.00	1,200,100	-
1,000	-	CASTROL INDIA LTD.	10.00	514,010	-
2,000	-	LARSEN & TUBRO LTD.	2.00	2,563,355	-
4,000	-	RIDDHI SIDDHI GLUCO BIOLS LTD.	10.00	840,040	-
1,500	-	SESA GOA LTD.	1.00	290,715	-
400	-	ULTRATECH CEMENT LTD.	10.00	602,804	-
100,000	-	NETWORK18 MEDIA & INVESTMENTS LTD.	5.00	3,821,000	-
	505,000	ARYAMAN FINANCIAL SERVICES LTD. (EQ)	10.00	-	6,943,750
				9,832,024	6,943,750
Total				9,832,024	12,425,690
Less :Provision for diminution in the value of Investments				-	-
TOTAL				9,832,024	12,425,690

9

<u>Long Term Loans and Advances</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Advance Tax/TDS	6,954,232	4,537,379
Total	6,954,232	4,537,379

10

<u>Inventories</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
Stock of Shares/ Securities	70,317,536	40,155,710
Total	70,317,536	40,155,710

11

<u>Cash and cash equivalents</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Balances with banks		
(i) On Current Account	111,365	3,140,623
(ii) Fixed Deposits with original maturity more than 12 months	59,400,000	59,400,000
(b) Cash on hand	-	1,824,000
Total	59,511,365	64,364,623

12

<u>Short-term loans and advances</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Loans and advances		
Secured, considered good (Secured by pledge of Shares)	71,523,235	13,000,000
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
(b) Others		
Advance salary to Directors	-	3,200,000
Deposit with BSE	885,000	-
Total	72,408,235	16,200,000

13

<u>Other Current Assets</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Accruals		
(i) Interest accrued on Fixed deposits	16,088	16,088
(ii) Interest accrued on Bonds	1,107,090	-
(b) Others		
Prepaid Expenses (IPO Expenses)	2,476,487	-
Total	3,599,665	16,088

14

<u>Revenue from operations</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
(a) Profit on Share trading	5,340,885	4,524,222
(b) Profit on sale of Investments	1,888,700	2,415,622
(c) Dividends	365,333	519,595
(d) Interest received from Parties/Bonds	10,905,492	2,814,534
(e) Other Operating Revenue		
Interest on FDR	5,791,500	5,802,185
Total	24,291,910	16,076,158

15

<u>Employee Benefits Expense</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Salaries and incentives	9,641,260	8,400,000
Total	9,641,260	8,400,000

16

<u>Finance Cost</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
(a) Interest expense	2,760,131	2,287,020
Total	2,760,131	2,287,020

17

<u>Other Expenses</u>	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
(a) Rent	800,000	800,000
(b) ROC Expenses	648,500	-
(c) Audit Fees	129,000	21,000
(d) Legal & Professional fees	301,500	-
(e) Securities Transaction Tax	521,393	1,344,042
(f) Share Issue Expenses	619,121	-
(g) Miscellaneous Expenses	597,892	380,009
Total	3,617,406	2,545,051

1. NOTES AND ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

A. Significant Accounting Policies adopted by the Company is as follows:

i) Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. The Company follows prudential norms for income recognition; asset classification and provisioning for non-performing assets as prescribed by Reserve Bank of India vide Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2007.

ii) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/materialize.

iii) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation thereon. Fixed Assets are accounted at cost of acquisition inclusive of inward freight, duties taxes and other incidental expenses related to acquisition and installation of Fixed Assets incurred to bring the assets to their working condition for their intended use.

iv) Depreciation

Depreciation is provided for in the books on written down value method as per the rates prescribed under Schedule XIV of the Companies Act 1956.

v) Investments

Investments made by the Company with a long term prospective in Quoted and Unquoted securities are held as investments and are valued at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments

vi) Income Recognition

Revenues are recognized and expenses are accounted for on accrual basis with necessary provisions for all known liabilities and losses. Income from Non- Performing Assets is recognized only when it is realized. Interest on deposits and loans is accounted for on the time proportion basis after considering reasonable certainty that the ultimate collection

will be made. Dividend income is recognized when right to receipts is established. Profit or loss on sale of securities is accounted on trade date basis.

vii) Foreign Currency Transaction

Foreign currency transactions are recorded in the books at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized as income or expense in the profit and loss account of the same period.

Foreign currency assets and liabilities are translated at the period end rates and the resultant exchange differences, are recognized in the profit and loss account.

viii) Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition or production of qualifying assets are capitalized as the cost of the respective assets. Other Borrowing Costs are charged to the Profit and Loss Account in the period in which they are incurred.

ix) Employees benefits

All employee benefit obligations payable wholly within twelve months of the rendering the services are classified as Short Term Employee Benefits. Such Benefits are estimated and provided for in the period in which the employee renders the related service.

Post Employment Benefits

All eligible employees of the Company are entitled to receive benefits under the provident fund and Gratuity is accounted for as and when paid.

x) Inventories

Funds deployed by the Company for short term trading in Quoted securities are held as stock in trade and are measured at lower of the cost and net realizable value. Cost of inventories comprises all costs of purchase (net of input credit) and other costs incurred in bringing the inventories to their present condition. Costs of inventories are determined by using the First-In First-Out Method (FIFO).

xi) Accounting for taxes on Income

- i) Income tax comprises the current tax and net change in deferred tax assets, which are made in accordance with the provisions as per the Income Tax Act, 1961.
- ii) Deferred Tax resulting from timing differences between accounting income and taxable income for the period is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

xii) Leased Assets

Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor, are classified as Operating Leases. The rental and all other expenses of leased assets are treated as revenue expenditure.

xiii) Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

xiv) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the assets belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the profit and loss account. If at the balance date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

xv) Cash and cash equivalents

The Company considers bank balances and Fixed Deposit Receipts to be cash equivalents.

Additional information to the financial statements

- 18 The management has asked for confirmation from its suppliers regarding their registration with competent authorities under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). However, No one has confirmed their registration under the act. Accordingly no further information is submitted in this regards. The auditors have relied on the said submission of the management. Details are as under.

The principal amount and the interest thereon due to any supplier as at the year end	The amount of payment made to the supplier beyond the appointed day and the interest thereon, during the year:	The amount of interest due and payable for the period of delay in making payment	The amount of interest accrued and remaining unpaid at the end of the year	The amount of further interest remaining due and payable in the succeeding year
-	-	-	-	-

- 19 Details required as per Companies Act to the extent applicable is given below:

	As at 31 March 2012	As at 31 March 2011
Remuneration to Auditors		
Audit Fees	1,00,000	18,000
Tax Audit	29,000	3,000
Other matters	-	-
Total	1,29,000	21,000

Disclosure under Accounting Standard

- 20 As per Accounting Standard (AS) 17 on "Segment Reporting", Segment information has not been provided as the Company has only one reportable segment.
- 21 An earnings per share is calculated by dividing the Profit / (Loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The numbers used in calculating the basic and diluted earnings per share are stated below:

Sr. No.	Particulars	As at 31 March 2012	As at 31 March 2011
1.	Net profit for the year as per Profit and Loss Accounts (Rs.)	6,117,113	5,047,063
2.	Weighted Average number of equity shares	6,908,718.61	15,92,517
3.	Nominal value per share (Rs.)	10	10
4.	Basic & Diluted Earnings/(Loss) per share	0.89	3.17

- 22 Related party transactions:

A) Related parties and their relationship

i. Individuals (directly/indirectly) having control over the reporting enterprise / Key Managerial Persons

- Mr. Bharat Bagri, Chairman
- Mrs. Sarla Bagri, Director (Holding Directorship till 30th November, 2011)
- Mr. Uttam Bagri, Managing Director
- Mr. Kalpesh Ranka, Director
- Mr. Vijay D. Ajgaonkar, Director (Holding Directorship till 10th January, 2012)
- Mr. Hareesh Sanghvi, Director
- Mr. Suresh Ahiya, Director

Others:

Enterprises over which Key Management personnel are able to exercise significant influence:

- BCB Brokerage Private Limited
- Ratnakar Securities Private Limited
- Ratnakar Commodities Private Limited
- Bharat Bagri HUF
- Uttam Bagri HUF

Relatives of the individuals mentioned at (ii) with whom transactions have taken place during the period/ year

Sr. No.	Name
1	Ankita Bagri
2	Urvashi Pachisia
3	Aadya Bagri
4	Krishnadevi Bagri
5	Utsav Bagri
6	Shashikant Damani

B) Transactions with related parties during the year ended 31st March,2012:

(₹ IN LACS)

Nature of Transaction	Key Management Personnel	Others	Total
Directors Remuneration	68.00 (60.00)	- (-)	68.00 (60.00)
Loan Taken	100.00 (93.00)	50.00 (135.95)	150.00 (228.95)
Loan Repaid	100.00 (93.00)	0.00 (135.95)	100.00 (228.95)
Loan Given	- (-)	100.00 (300.00)	100.00 (300.00)
Loan Received back	- (-)	100.00 (300.00)	100.00 (300.00)
Interest paid/provided on loan/advances	- (0.44)	- (0.60)	- (1.04)
Interest received/receivable	- (-)	0.74 (0.71)	0.74 (0.71)
Salary/Advance Salary Paid	32.00 (-)	24.00 (24.00)	56.00 (24.00)
Rent Paid	- (-)	8.00 (8.00)	8.00 (8.00)
Purchase of Investments	- (-)	- (7.48)	- (7.48)
Sale of Investments	54.82 (-)	- (-)	54.82 (-)
Brokerage on Shares Transaction	- (-)	1.50 (2.56)	1.50 (2.56)
Sale of Motor Car	3.50 (-)	- (-)	3.50 (-)

C) Balances with related parties during the year ended 31st March,2012:

Nature of Transaction	Key Management Personnel	Others	Total
Retained Salary (u/s 314) Urvashi Pachisia	- (-)	25.00 (-)	25.00 (-)
Ankita Bagri	- (-)	25.00 (-)	25.00 (-)
<u>Others</u> Mr. Uttam Bagri	0.60 (-)	- (-)	0.60 (-)

D) Disclosure of material transactions with related parties during the year ended 31st March, 2012:

(₹ In Lacs)

Nature of Transaction / Name of Related Party	2011-12	2010-2011
Remuneration Paid:		
- Bharat Bagri	12.00	12.00
- Sarla Bagri	12.00	12.00
- Uttam Bagri	44.00	36.00
Loan Taken		
- Bharat Bagri	0.00	17.25
- Sarla Bagri	0.00	64.00
- Uttam Bagri	100.00	11.75
- Urvashi Pachisia	25.00	15.25
- Ankita Bagri	25.00	45.75
- Krishnadevi Bagri	0.00	10.75
- Bharat Bagri HUF	0.00	27.20
- Aadya Bagri	0.00	14.00
- Utsav Bagri	0.00	7.00
- Uttam Bagri HUF	0.00	16.00
Loan Repaid		
- Bharat Bagri	0.00	17.25
- Sarla Bagri	0.00	64.00
- Uttam Bagri	100.00	11.75
- Urvashi Pachisia	0.00	15.25
- Ankita Bagri	0.00	45.75
- Krishnadevi Bagri	0.00	10.75
- Bharat Bagri HUF	0.00	27.20
- Aadya Bagri	0.00	14.00
- Utsav Bagri	0.00	7.00
- Uttam Bagri HUF	0.00	16.00
Interest paid/Provided on Loan		
- Bharat Bagri	0.00	0.12
- Sarla Bagri	0.00	0.29
- Uttam Bagri	0.00	0.03
- Urvashi Pachisia	0.00	0.01
- Ankita Bagri	0.00	0.17
- Krishnadevi Bagri	0.00	0.01
- Bharat Bagri HUF	0.00	0.03
- Aadya Bagri	0.00	0.14
- Utsav Bagri	0.00	0.19
- Uttam Bagri HUF	0.00	0.05
Loan Given		
- Ratnakar Securities Pvt Ltd.	50.00	275.00
- Ratnakar Commodities Pvt Ltd.	50.00	25.00
Loan Received Back		



- Ratnakar Securities Pvt Ltd.	50.00	275.00
- Ratnakar Commodities Pvt Ltd.	50.00	25.00
Interest received/receivable on loan		
- Ratnakar Securities Pvt Ltd.	0.72	0.71
- Ratnakar Commodities Pvt Ltd.	0.02	0.00
Salary Paid		
- Urvashi Pachisia	12.00	12.00
- Ankita Bagri	12.00	12.00
Advance Salary paid		
- Uttam Bagri	0.00	32.00
Rent Paid		
- Uttam Bagri	4.00	4.00
- Krishnadevi Bagri	4.00	4.00
Purchase of Investments		
- Shashikant Damani	0.00	7.48
Sale of Investments		
- Uttam Bagri	54.82	0.00
Brokerage on Shares Transaction		
- BCB Brokerage Pvt Ltd.	0.16	0.37
- Ratnakar Securities Pvt Ltd.	1.34	2.19
Sale of Motor Car		
- Uttam Bagri	3.50	0.00

Note: Figures in brackets are of previous year.

- 23 These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous period figures have been recasted / restated to confirm to the classification of the current period.

For and on behalf of
MOHANLAL JAIN & CO.
Chartered Accountants
(Firm Regn. No: 106532W)

Mohanlal Jain
Proprietor
(M.No. 36824)

Place: Mumbai
Date: 14th August, 2012

**BCB FINANCE LIMITED****Cash Flow Statement for the Year Ended 31st March, 2012**

	2011-12	2010-11
A : Cash flows from operating activities:		
Profit before taxation	8,201,113	2,580,857
Adjustments for:		
Depreciation	72,000	263,230
Preliminary Expenses W/off		-
Provision for NPA	114,000	32,500
Profit from Sale of Investments	(1,888,700)	-
Loss from Sale of Assets	59,997	-
Interest expense	2,760,131	2,287,020
Operating profit before working capital changes	9,318,541	5,163,608
Working capital changes:		
(Increase) / Decrease in inventories	(30,161,826)	(590,123)
(Increase) / Decrease in Other Current Assets	(3,583,576)	-
(Increase) / Decrease in Loans & Advances	(58,625,088)	7,283,913
Increase / (Decrease) in trade payables	5,237,196	22,801
	(87,133,294)	6,716,591
Cash generated from operations	(77,814,753)	11,880,198
Income taxes paid	-	(567,852)
Net cash used in operating activities	(77,814,753)	12,448,050
B : Cash flows from investing activities:		
Sale / (Purchase) of Fixed Assets (Net)	350,000	(300,000)
Sale / (Purchase) of Investments (Net)	4,482,366	3,806,733
Net cash used in investing activities	4,832,366	3,506,733
C : Cash flows from financing activities:		
Proceeds from issue of Share Capital	35,400,000	-
Proceeds from Share Premium	53,100,000	-
Proceeds/(payments) from Secured borrowings	(17,610,740)	(8,718,928)
Interest paid	(27,60,131)	(2,287,020)
Net cash generated from financing activities	68,129,129	(11,005,948)
D : Net increase in cash and cash equivalents = (A+B+C)	-4,853,258	(11,325,299)
E : Cash and cash equivalents at beginning of period	64,364,623	59,415,788
F: Cash and cash equivalents at end of period = (D+E)	59,511,365	64,364,623

As per our report of even date

for and on behalf of
Mohanlal Jain & Co.
Chartered Accountants
Firm Regn No. 106532W

Mohanlal Jain
Proprietor
Membership No. 36824
Place : Mumbai
Date: 14th August, 2012

For and on behalf of the Board of Directors of
BCB FINANCE LIMITED

Bharat Bagri
Director

Uttam Bagri
Managing Director

Manish Mourya
Company Secretary



Schedule to the Balance Sheet as on 31st March, 2012 of BCB Finance Limited, a Non-Depositing taking Non Banking Financial Company

(as required in terms of paragraph 13 of the Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007)

(₹ in '000)

Particulars			
Liabilities Side			
(1)	Loans and Advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid	Amount Outstanding	Amount Overdue
	(a) Debentures	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate Loans and Borrowing	5,228	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (OD against FDR)	10,230	NIL
Assets Side			
		Amount Outstanding	
(2)	Break-up of Loans and Advances including Bills Receivables (other than those included in (4) below)		
	(a) Secured	Gross: 71,523, Provision : 179, Net: 71,344	
	(b) Unsecured	NIL	
(3)	Leased assets and stock on hire and other assets counting towards afc activities	NIL	
(4)	Break up of Investments		
a.	Current Investments		
	i. Quoted		
	(1)(a) Equity Shares	14,982 (Market Value : 14,997)	
	(i)(b) Preference Shares	NIL	
	(ii) Debentures and Bonds	NIL	
	(iii) Units of Mutual Funds	NIL	
	(iv) Government Securities	NIL	
	(v) Others	NIL	
	ii. Unquoted	55,335	
b.	Long Term Investments		
	i. Quoted		
	(1)(a) Equity Shares	9,832 (Market Value : 9,698)	
	(i)(b) Preference Shares	NIL	
	(ii) Debentures and Bonds	NIL	
	(iii) Units of Mutual Funds	NIL	
	(iv) Government Securities	NIL	
	(v) Others	NIL	
	ii. Unquoted		
	(1)(a) Equity Shares	NIL	
	(i)(b) Preference Shares	NIL	
	(ii) NABARD Bonds	NIL	
	(iii) Units of Mutual Funds	NIL	
	(iv) Government Securities	NIL	
	(v) Others	NIL	
(5)	Borrower Group-wise Classification of Assets financed as in (2) and (3) above		
	Category	Amount net of provisions	



		Secured	Unsecured	Total
	1. Related Parties	NIL	NIL	NIL
	2. Other than related parties	Gross: 71,523 Provision : 179 Net: 71,344	NIL	NIL
(6)	Investor Group-wise Classification of all Investments (Current and Long Term) in shares and securities (both quoted and unquoted)			
	Category	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)	
	1. Related Parties	NIL	NIL	
	(a) Subsidiaries	NIL	NIL	
	(b) Companies in the same group	NIL	NIL	
	(c) Other Related Parties	NIL	NIL	
	2. Other than Related parties	80,030	80,150	
(7)	Other Information			
	Particulars	Amount		
(i)	Gross Non-Performing assets	NIL		
(ii)	Net Non-performing assets	NIL		
(iii)	Assets acquired in satisfaction of debt	NIL		

As per our report of even date

for and on behalf of
Mohanlal Jain & Co.

Chartered Accountants
Firm Regn No. 106532W

Mohanlal Jain
Proprietor
Membership No. 36824

Place : Mumbai
Date : 14th August, 2012

For and on behalf of the Board of Directors of
BCB FINANCE LIMITED

Bharat Bagri
Director

Uttam Bagri
Managing Director

Manish Mourya
Company Secretary



BCB Finance Limited

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

ATTENDANCE SLIP

RECORD OF ATTENDANCE AT THE 7TH ANNUAL GENERAL MEETING HELD ON SATURDAY, 29TH SEPTEMBER, 2012 AT 9:00 A.M. AT 1204, P.J. TOWERS, DALAL STREET, FORT, MUMBAI - 400 001. Please complete this Attendance Slip and Handover at the Entrance of the Meeting Venue.

NAME OF THE SHAREHOLDER OR PROXY OR REPRESENTATIVE ATTENDING THE MEETING

Mr./Mrs./Ms.
(In Capitals)
Members' Folio No. Signature.....
(in case the shares are held in Demat Mode)
DP ID.....
Client ID.....

TO BE USED ONLY WHEN THE FIRST NAMED SHAREHOLDER ATTENDS

PLEASE GIVE NAME OF THE FIRST NAMED SHARE HOLDER
Mr./Mrs./Ms.....
Members' Folio No..... No. of Shares Held.....

Dated: 29th September, 2012

BCB Finance Limited

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

PROXY

Members' Folio No. _____

I/We _____ Of _____ name being member(s) of BCB Finance Limited, hereby appoint Shri/Smt./ Kum. _____ of _____ or failing him / her Shri/ Smt. /Kum. _____ for me / us on my/ our behalf at the SEVENTH ANNUAL GENERAL MEETING of the Company, to be held on Saturday, September 29, 2012 at 9:00 A.M and any adjournment thereof.

Signed this ____ Day of _____ 2012

Affix a
Re. 1
Revenue
Stamp

Signature of the Share Holder

Note: This proxy form duly completed must be received at the Company's Registered Office at least 48 hours before the meeting.