

19TH
ANNUAL REPORT
1999-2000

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BLB LIMITED

BLB Limited**BOARD OF DIRECTORS**

Sh. Brij Rattan Bagri	<i>Chairman</i>
Sh. Chand Rattan Bagri	<i>Director</i>
Sh. Keshav Chand Jain	<i>Director</i>
Dr. Suresh Chand Gupta	<i>Director</i>
Sh. Raj Kumar Daga	<i>Director</i>
Sh. Vikram Rathi	<i>Director</i>
Sh. Pavan Kumar Vijay	<i>Executive Director</i>

COMPANY SECRETARY

Sh. Saroj Kumar Pandey

BANKERS

ABN Amro Bank
 Centurion Bank Limited
 Global Trust Bank Limited
 HDFC Bank Limited
 Punjab & Sind Bank
 The Bank of Rajasthan Limited

AUDITORS

M/s: Ram Rattan & Associates
Chartered Accountants
 New Delhi

REGISTERED OFFICE

E-80, Greater Kallash Part-I,
 New Delhi - 110 048

LISTING AT

The Delhi Stock Exchange Association Limited
 The Stock Exchange, Mumbai
 National Stock Exchange of India Limited
 The Calcutta Stock Exchange Association Limited
 The Stock Exchange, Ahmedabad

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report of the Company and the Audited Statement of Accounts for the year ended March 31, 2000.

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

PARTICULARS	1999-2000	1998-1999
Profit before Tax	2,880.78	542.48
Less : Provision for Taxation	1,160.00	182.00
Profit after Tax	1,720.78	360.48
Provision for taxes relating to earlier years	(0.28)	(3.90)
Prior period adjustments	(0.21)	0.09
Provision for wealth tax	(0.18)	—
Excess provision of earlier years written back	1.65	—
Amount available for appropriation	1,721.76	356.67
Appropriated to :		
Dividend on		
Equity Shares (interim)	75.60	72.18
Preference Shares	20.00	20.25
Tax on Dividend		
Equity Shares	8.32	7.94
Preference Shares	4.40	2.22
Transfer to General Reserve	107.96	18.50
Balance carried over to Balance Sheet	1,505.48	235.58

OPERATIONS

During the financial year 1999-2000, the turnover of the Company has increased by 71.61% from Rs. 27,486 lacs to Rs. 47,157 lacs. In spite of stiff competition and continuous changes in capital market, your Company's profit before tax rose sharply by 431% i.e. from Rs. 542 lacs to Rs. 2,881 lacs. Increase in turnover and profitability is attributable to various reasons such as increase in the volumes at stock exchanges, stress of the Company on implementing latest technology, availability of more funds for working capital requirement, efficient work force etc. The Company has been recently awarded "**VYAPAR SHREE**" by The Delhi Stock Exchange Association Limited for being one of the top ten members in terms of turnover at the Exchange.

DIVIDEND

Equity Shares

Your Directors had in their meeting held on March 4, 2000 recommended an interim dividend on equity shares @ 15% on the capital of Rs. 504 lacs. The same has already been paid to the Shareholders. This has entailed an outflow of Rs. 83.92 lacs (inclusive of tax on dividend) as against outflow of Rs. 80.12 lacs (inclusive of tax on dividend) for the year ended on March 31, 1999.

Preference Shares

The Dividend on 2,50,000, 8% Cumulative Redeemable Preference Shares is to be paid for the financial year 1999-2000. The outflow of dividend will be to the tune of Rs. 24.40 lacs (inclusive of tax on dividend).

BLB Limited



MEMBERSHIPS

Your Company is a Depository Participant with National Securities Depository Limited (NSDL) since June 1999. Your Company as such has the distinction of holding multiple corporate memberships of all premier Stock Exchanges of India together with having the status of Depository Participant. Aforesaid synergistic combination has helped the Company to facilitate efficient and competitive trading activities. During the financial year 2000-2001, your Company has obtained both clearing and trading membership of the derivative segment of NSE and is one of the few members to start trading on the very first day. The Company has also obtained both clearing and trading membership of the derivative segment of BSE.

LISTING OF EQUITY SHARES AND PAYMENT OF LISTING FEES

Your Company's shares are now listed at National Stock Exchange of India Ltd. (NSE) and The Stock Exchange, Mumbai (BSE) also in addition to Delhi, Calcutta and Ahmedabad Stock Exchanges. Thus the shares of the Company are easily tradable through out the country.

Your Company has paid annual listing fee of all the exchanges for the year 1999-2000 where its shares are listed.

SHARE TRANSFER

The share transfer division of the Company continues to provide quality service to the investors of the Company. The Company has been transferring shares within 24 hours w.e.f. March 04, 2000. The operations pertaining to the depository system of National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDS) commenced in respect of the Company's Shares with effect from January 6, 2000 and February 29, 2000 respectively. The Securities and Exchange Board of India (SEBI) has notified your Company's shares for compulsory trading in electronic form for all investors with effect from June 26, 2000. In view of this notification, the problem of pilferage of share related documents in postal transit should stand eliminated in respect of transactions done in the electronic mode.

SHARE SPLIT

Each equity share of the Company of Rs.10/- each has been subdivided into 10 equity shares of Re. 1/- each in accordance with the resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on April 3, 2000. The subdivision of shares was completed in May 2000.

AUDITORS

The present Auditors of your Company M/s Ram Rattan & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

NOTE ON SUBSIDIARY

In order to enter into the e-broking business your Company has floated a subsidiary company namely '**BLB Finwiz.Com Limited**' (formerly BLB Online.Com Limited). Your Company acquired 70% of the paid-up equity share capital for Rs. 14,000/- at par. Consequently '**BLB Finwiz.Com Limited**' is a subsidiary of your Company. As required under Section 212 of the Companies Act, 1956, the audited statements of accounts alongwith report of the Board of Directors and Auditors Report of '**BLB Finwiz.Com Limited**' is annexed to this report.

CONVERTIBLE WARRANT

As approved by the Shareholders of the Company in the Extra-Ordinary General Meeting held on January 10, 2000, the Company has issued 20,00,000 Convertible Warrants to the promoters, during the financial year 2000-2001.

PORTAL

Your Company has recently launched a Portal www.blbfinwiz.com on Indian Capital Market. The Portal was inaugurated by Shri D.R. Mehta, Chairman SEBI, on June 26, 2000. In addition to the usual subjects related to the Capital Market, the Portal contains unique modules on Investor Grievances, Investor Education, Database on Capital Market etc.

BLB Limited**FUTURE PROSPECTS**

The appearance of signs of economic recovery of country in recent months augurs well for the health of the capital market. Recently, the stock indices at BSE and NSE have witnessed new heights. Also, the primary market has given signals of optimism. Increasing number of companies are having their stock listed at stock exchanges abroad, comparatively greater stability of Indian bourses in relation to other south-east Asian countries are some of the positive indicators. To add to these, futures trading, which have been recently introduced, is likely to add considerably to the trading volumes. Your Company has acquired the clearing and trading memberships of the derivative segment of both NSE and BSE. Your Company is suitably equipped, both in terms of manpower and technology, to tap business opportunities, as they exist and when they arise.

DEPOSITS

During the year under review, the Company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Chand Rattan Bagri and Dr. Suresh Chand Gupta, Directors of the Company retire by rotation and, being eligible, offer themselves for re-appointment.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The Shareholders of the Company in their Extra Ordinary General Meeting held on April 3, 2000 had approved the Employee Stock Option Plan (ESOP). Your Company has implemented the Employee Stock Option Plan during the financial year 2000-2001.

STATUTORY DISCLOSURES**A) Particulars of Employees**

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, as none of the employee was in receipt of a sum exceeding Rs. 6,00,000/- per annum.

B) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

a) Conservation of Energy, Technology Absorption	:	Not applicable
b) Foreign Exchange Outgo	:	Rs. 19,65,020/-

ACKNOWLEDGEMENT

The overall performance of the Company reflects the dedication, commitment and enthusiasm of the people at all levels of the organisation. The Directors therefore wish to convey their appreciation to all employees for their individual and collective contribution towards satisfactory performance of the Company. Their dedication and commitment have been and continue to be instrumental to our success. The Directors would also like to thank its Shareholders, Bankers, Stock Exchanges, NSDL, CDS, SEBI, RBI, the Registrar of Companies and various other Government Departments for their co-operation and the confidence, which they have reposed in the management.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 28th July, 2000

(BRIJ RATTAN BAGRI)
Chairman

BLB Limited**AUDITORS' REPORT**

To the Members,
BLB Limited

We have audited the attached Balance Sheet of BLB Limited as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date annexed thereto and report that: -

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - i) 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;
 - ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;
 - iii) the Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account;
 - iv) in our opinion the Profit & Loss Account and Balance Sheet comply with the requirements of the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said Statements of Account read together with other notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - a) in so far as it relates to the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2000; and
 - b) in so far as it relates to the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants

Place : New Delhi
Date : 28th July, 2000

(RAM RATTAN GUPTA)
Partner

BLB Limited**ANNEXURE TO THE AUDITORS' REPORT**

Referred in Paragraph 1 of our report of even date.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, most of the assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies have been noticed on such physical verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks have been physically verified by the management at reasonable intervals during the year.
4. As explained to us, the procedure of physical verification of the above referred stocks followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
5. As explained and according to the records produced to us for our verification, no material discrepancy was noticed on physical verification of stocks referred above, as compared to book records.
6. On the basis of examination of stock records, we are of the opinion that the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. In our opinion the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the Register maintained under Section 301 and from companies under the same management are not, prima facie, prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 and/or to the companies under the same management.
9. In respect of loans and advances in the nature of loans given to employees by the Company, parties have been generally repaying the principal amounts and interest, as stipulated.
10. There is an adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to the purchase and sale of goods, equipments and other assets of the Company.
11. According to the information and explanations given to us, the transactions of purchase and sale made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956, aggregating during the year to Rs.50000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market price for such goods and materials or price at which transactions for the similar goods have been made with other parties.
12. The Company has not accepted any deposits from the public.
13. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
14. According to the information and explanations given to us no undisputed amount payable in respect of Income Tax, Wealth Tax, Work Contract Tax (Sales Tax) and Service Tax (Excise Duty) was outstanding at the last day of the financial year for a period of more than six months from the date it became payable. Considering the nature of business carried on at present by the Company, there can be no dues pertaining to Custom Duty.

BLB Limited

15. According to the information and explanations given to us the Company has been regular in depositing Provident Fund dues with the appropriate authorities.
16. In our opinion and according to the information and explanations given to us and as far as we could ascertain, no personal expenses of employees or directors (other than those payable under contractual obligation or in accordance with generally accepted business practice) have been charged to the revenue account.
17. The Company does not fall within the purview of Clause (O) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
18. In respect of finance and investment activities :
- i) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities during the year.
 - ii) In our opinion, the Company has maintained proper records of transactions and contracts of dealing or trading in shares, debentures and other similar securities, the same have not been held by the Company in its own name in view of and to the extent of exemption granted under Section 49 of the Companies Act, 1956. All Investments are held in the Company's name.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants

Place : New Delhi

Date : 28th July, 2000

(RAM RATTAN GUPTA)
Partner

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BLB Limited**BALANCE SHEET AS AT 31ST MARCH, 2000**

	Schedule	As at 31.03.2000 (Rupees)	As at 31.03.1999 (Rupees)
I. SOURCES OF FUNDS			
1) Shareholders' Funds			
Share Capital	1	7,54,00,000	7,54,00,000
Reserves and Surplus	2	30,21,53,263	14,04,00,421
		37,75,53,263	21,58,00,421
2) Loan Funds	3		
Secured		8,54,38,143	5,57,76,418
Unsecured		13,49,13,588	9,92,49,400
		59,79,04,994	37,08,26,239
II. APPLICATION OF FUNDS			
1) Fixed Assets	4		
Gross Block		3,07,26,318	1,77,17,736
Less : Depreciation		95,84,885	50,65,636
Net Block		2,11,41,433	1,26,52,100
Capital Work-in-Progress		48,666	—
		2,11,90,099	1,26,52,100
2) Investments	5	3,73,91,000	1,45,40,000
3) Current Assets, Loans and Advances			
Current Assets			
Stock-in-trade	6	38,33,21,345	25,64,05,503
Sundry Debtors	7	2,66,773	1,84,29,218
Cash and Bank Balances	8	14,16,64,410	4,94,69,896
Other Current Assets	9	8,76,50,807	2,88,38,595
Loans and Advances	10	9,80,25,804	3,16,24,847
		71,09,29,139	38,47,68,059
Less : Current Liabilities and Provisions			
Current Liabilities	11	3,74,75,764	1,52,58,012
Provisions	12	13,46,41,929	2,64,08,018
		17,21,17,693	4,16,66,030
Net Current Assets		53,88,11,446	34,31,02,029
4) Miscellaneous Expenditure (to the extent not written off or adjusted)	13	5,12,449	5,32,110
		59,79,04,994	37,08,26,239
Notes to the Accounts	19		

As per our report of even date annexed.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board of Directors

(RAM RATTAN GUPTA)
Partner**(BRIJ RATTAN BAGRI)**
Director**(PAVAN KUMAR VIJAY)**
Executive DirectorPlace : New Delhi
Date : 28th July, 2000**(VIKRAM RATHI)**
Director**(SAROJ KUMAR PANDEY)**
Company Secretary

BLB Limited**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2000**

PARTICULARS	Schedule	1999-2000 (Rs.)	1998-1999 (Rs.)
INCOME			
Sales		471,57,49,882	274,79,81,464
Profit on Settlement of Contracts (Net)		—	7,39,11,890
Income from Investments		46,885	—
Dividend Income		2,34,69,940	25,01,583
Interest Income		59,83,938	27,88,957
Profit on sale of Investments (Net)		2,72,20,835	3,60,457
Profit on sale of Fixed Assets		—	2,202
Miscellaneous Income		3,68,634	2,47,479
Increase in Stock	14	12,70,40,372	9,60,46,987
		489,98,80,486	292,38,41,019
EXPENDITURE			
Purchases		450,55,85,178	283,40,40,620
Loss on Settlement of Contracts (Net)		2,09,73,135	—
Operational Expenses	15	2,86,76,695	75,81,718
Administrative Expenses	16	97,09,495	84,06,438
Personnel Expenses	17	1,07,11,444	51,52,109
Financial Expenses	18	3,09,21,053	1,18,00,187
Loss on sale of Fixed Assets		2,91,856	—
Miscellaneous Expenditure Written Off		94,661	1,59,285
Depreciation		48,39,197	24,52,709
		461,18,02,714	286,95,93,066
Profit Before Taxation		28,80,77,772	5,42,47,953
Less : Provision for Taxation		11,60,00,000	1,82,00,000
Profit After Taxation		17,20,77,772	3,60,47,953
Balance brought forward from last year		9,68,32,206	7,32,74,311
Prior period adjustments		(20,712)	8,767
Excess provisions for earlier years written back		1,64,580	—
Provision for taxes relating to earlier years		(27,936)	(3,89,924)
Provision for Wealth Tax		(18,000)	—
Surplus available for appropriations		26,90,07,848	10,89,41,107
APPROPRIATIONS			
Dividend on Equity Shares			
Interim		75,60,000	—
Final Proposed		—	72,18,247
Dividend on Preference Shares		20,00,000	20,24,573
Tax on dividend			
Equity Shares		8,31,600	7,94,007
Preference Shares		4,40,000	2,22,074
Profit transferred to General Reserve		1,07,96,193	18,50,000
Surplus carried to Balance Sheet		24,73,60,055	9,68,32,206
		26,90,07,848	10,89,41,107
Notes to the Accounts	19		

As per our report of even date annexed.
For **RAM RATTAN & ASSOCIATES**
Chartered Accountants

(**RAM RATTAN GUPTA**)
Partner

Place : New Delhi
Date : 28th July, 2000

For and on behalf of the Board of Directors

(**BRIJ RATTAN BAGRI**)
Director

(**VIKRAM RATHI**)
Director

(**PAVAN KUMAR VIJAY**)
Executive Director

(**SAROJ KUMAR PANDEY**)
Company Secretary