



BLB LIMITED

REPORT  JUNCTION.COM

22nd
Annual Report
2002-2003

BOARD OF DIRECTORS

Sh. Brij Rattan Bagri	<i>Chairman</i>
Sh. Keshav Chand Jain	<i>Director</i>
Sh. Satish Sharma	<i>Director</i>
Sh. Naveen Mathur	<i>Director</i>
Sh. Pavan Kumar Vijay	<i>Director (Chief Executive Officer upto 29th August, 2003)</i>
Sh. Vikram Rathi	<i>Executive Director</i>

COMPANY SECRETARY

Sh. Rituraj Agrawal

PRINCIPAL BANKERS

HDFC Bank Limited
The Bank of Rajasthan Limited
ABN Amro Bank

AUDITORS

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

SECRETARIAL AUDITORS

M/s. Chandrasekaran Associates
Company Secretaries
New Delhi

REGISTERED OFFICE

4764/23-A, Ansari Road,
Daryaganj, New Delhi - 110 002

LISTING AT

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

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REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

For the Financial Year Ended 31st March, 2003

Dear Shareholders,

Your Directors take immense pleasure in presenting the 22nd Annual Report of the Company alongwith the Audited Accounts for the financial year ended 31st March, 2003.

FINANCIAL RESULTS

(Rs. in Lacs)

	Year Ended March 31, 2003	Year Ended March 31, 2002
Profit before tax	224.48	203.56
Less: Provision for taxation		
- Current tax	17.87	15.84
- Deferred tax	95.18	55.39
Profit after tax	111.43	132.33
Add : Balance brought forward from last year	3601.32	2615.97
	3712.75	2748.30
Add : Provision for taxes for earlier years written Back	6.03	94.45
Deferred tax effect for earlier years	—	759.10
	3718.78	3601.85
Less: Prior Period Adjustments	0.37	0.53
Profit available for appropriation	3718.41	3601.32
Surplus Carried to Balance Sheet	3718.41	3601.32

OPERATIONS

The year 2002-03 was not much better than the year 2001-2002, which was one of the toughest years for the Indian Capital Market.

Despite the adverse conditions that continued to prevail in the Capital Market throughout the current year, as in the previous year, the Company had to struggle a lot in maintaining almost the same profit and to achieve an all time high turnover of Rs. 1404.35 Crores in the current year. This is 106% higher than the turnover of Rs. 683.33 Crores achieved during the previous year. The Company's profit before tax was Rs. 2.24 crores as against Rs. 2.04 crores during the previous year.

During the year under review, the Company expanded its presence in the 'Derivatives Segment' in addition to the 'Cash Segment' and has laid out and started implementing an ambitious programme for further expansion in both the segments, which is bound to enhance its performance and status in the Stock Market.

FUTURE PROSPECTS

The Indian Stock Market has been witnessing one of its worst phases since the last couple of years. However, it has shown signs of revival in the recent days, with the Sensex, the barometer of the Stock Market, crossing the 4000 mark. The Sensex is expected to strengthen further in the days to come, which promises good times for the market and consequently for your Company. "Futures and Options" segment is also attracting the investors' attention significantly in the recent days with the reduction in the lot sizes and addition of more scrips; and here in this segment, the Company has been performing well. The Company is also getting into making Research & Analysis based investments. This apart, the Company is also exploring the primary market, which has been very good recently, and it is felt that many opportunities lie there. The volumes in the Stock Market have increased and the Company has also made its presence felt by executing higher volumes and it is expected that the days to come



would witness your Company doing well in the wake of opportunities galore in the various segments on the strength of its expertise being augmented with the larger workforce to tap the opportunities to the maximum.

During the difficult times that persisted quite long, the Management of your Company worked on new possibilities in the Capital market and has come out with exciting plans to maximize the gains to the shareholders. The Company has set its sight farther by sensing and locating the opportunities at the international level by trading in the ADRs / GDRs listed at the various international stock markets through an overseas subsidiary. The company has also explored the opportunities in the Commodities Market and feels that it would be a good idea to tap this new market, which would, in the days to come, become seamlessly integrated with the stock markets. For executing this plan, the Company plans to take up the commodities market through a subsidiary company. The efforts have already been initiated for realization of these potentials and we sincerely believe that the days to come would be brighter for your Company.

LISTING OF SHARES & PAYMENT OF LISTING FEES

Presently your Company's shares are listed at The Stock Exchange, Ahmedabad (ASE), The Stock Exchange, Mumbai (BSE), The Calcutta Stock Exchange Association Ltd. (CSE), The Delhi Stock Exchange Association Ltd. (DSE) and National Stock Exchange of India Ltd. (NSE). The Company in the Extraordinary General Meeting held on the 22nd of March, 2003 has resolved to get the shares of the company delisted from four of the exchanges viz. ASE, BSE, CSE and DSE. The same has been intimated to all the Exchanges and the matter is under process. The Company has also paid the annual listing fees for the year 2003-2004 to NSE where the shares of the Company would continue to be listed.

DIVIDEND

Your Directors do not recommend any dividend on equity shares for the financial year under review.

DEPOSITS

Deposits from relatives of Director as on 31st March, 2003 were Rs. 1061 Lacs. There were no overdue or unclaimed fixed deposits as on that date.

DISPOSAL OF SUBSIDIARY

In their meeting held on 31st January, 2002, the Board of Directors has decided to dispose off the entire shareholding of the subsidiary Company, BLBFinwiz.com Limited after necessary approvals. After receiving the necessary approvals, the same was disposed of on the 7th October, 2002.

AMALGMATION OF J.D. PROPERTIES LIMITED with the COMPANY

Your Company, in a bid to emerge as a stronger and more competitive organization, is always looking for opportunities for its growth. With this aim, the Board of Directors of your Company had decided on an amalgamation of J.D. Properties Limited with the company. The Scheme of Amalgamation was approved by the Shareholders of the Company in their Extra Ordinary General Meeting held on 15th day of July, 2002. Thereafter, Hon'ble High Court of Delhi vide its Order dated 30th October, 2002 has approved the Scheme of Amalgamation of J.D. Properties Limited with the Company and the same was filed with the Registrar of Companies, NCT of Delhi and Haryana on the 30th December, 2002.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement a separate report on Corporate Governance is appended alongwith a certificate of compliance from the Statutory Auditors of the Company, which forms a part of this report.

**DIRECTORS**

Shri Pavan Kumar Vijay has resigned from his post of Chief Executive Officer of the Company with effect from 29th August, 2003 and presently remains to be an ordinary Director on the Board.

Shri Keshav Chand Jain retires by rotation at the ensuring AGM and being eligible offers himself for re-appointment. Your directors recommend his re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your directors confirm that :

- in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- 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 at the end of the financial year and of the profit of the company for the period under review;
- 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;
- the Directors have prepared the annual accounts for the year ended 31st March, 2003 on a 'going concern' basis.

AUDITORS

The Auditors, M/s Ram Rattan & Associates, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their reappointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

AUDITORS' REPORT

The Auditors' Report to the shareholders does not contain any qualifications.

MANAGEMENT DISCUSSION & ANALYSIS

The year under review has not been a good year for the Stock Market. The Indian stock market, which had undergone severe crisis conditions during 2001-2002 and had almost touched the nadir, failed to recover even in the succeeding year, and remained very dull throughout. In these circumstances, the company has struggled to post almost the same profit before tax of Rs. 224.48 Lacs as in the last year. In fact it is slightly higher than that earned by the company last year, i.e. Rs. 203.56 Lacs.

Since recently, the Market has started showing signs of revival with the investors regaining faith in the market. The Sensex has started to gain and it has already touched the mark of 4000 and conditions look conducive enough to make it to go further up in the near future. The volumes in the market have increased significantly in the recent days and the company has also made its presence felt by contributing a good percentage.

After the bear phase of over two years the stock market industry has realigned itself by structure. There have also been significant developments in the Capital Market instruments of late, major among them being introduction of futures in commodities, reduction of lot sizes from Rs. 2,00,000/- to Rs. 1,00,000/- and introduction of interest rate derivatives. MCX and NCDEX, the two major Commodities Derivatives Exchanges, have come up to provide platform to trade in commodities futures, with state-of-the-art technology and transparency. "Futures and Option" segment is also attracting the investors' attention significantly in the recent days, with the reduction in the lot sizes and addition of more scrips. The Company has also explored the primary market, which has been very good recently, and it is felt that more opportunities lie there.



The company understands that a skilled and dedicated manpower is the best resource a company can have, as it is that which can enhance the worth of a company. In order to tap the various opportunities in the market coming its way and to tap the various opportunities in the market that the near future holds in store for the company, your Company, during the year under review, has increased its terminal capacity significantly for which manpower strength had to be enhanced by adding 91 people. The head count as on 31/03/2003 was 291. Your company provides outstanding in-house training for the benefit of its employees, particularly the persons trading on behalf of the Company.

The management feels that it is critical to build and sustain employee motivation. The company puts in a lot of its resources to train and motivate its employees so that they may become more competent to face the market, which is getting difficult everyday and thereby also making him more committed towards the Company. Moreover, there has been a major shift towards transparent and well-designed objectivity-driven appraisals and performance-linked remuneration. The culture of high performance work ethic is built around this system.

Your Company's Internal Control systems and procedures are commensurate with the size of operations and adequate enough to meet the following objectives:-

- Efficient use and safeguarding of resources.
- Compliance with statutes, policies and procedures.
- Transactions being accurately recorded and promptly reported.

These are reviewed from time to time to make them foolproof. The internal control system lays down policies, authorization and approval procedures. The Company has an internal audit department, which carries audit in different areas of the Company's operations. The Audit Committee reviews the reports and recommendations of the internal Audit Department and monitors the implementation of recommendations made by it.

The management of your Company does not foresee any threats in the near future. The financial industry is on the up these days and in the bundling effect with a growth of geometric progression, there lie opportunities galore. The inflow of foreign institutional investments, delocking of sectoral gaps of foreign direct investments, in different sectors, free trade and investment scenario on WTO 2005 era, would make the Indian Capital Market more vibrant. Your Company is well equipped with all infrastructure and resources to grab the available and emerging opportunities in the Indian and Global Markets.

Statements made in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking but these would be subject to conditions of the stock market, changes in the policies of the Government, economic development, reforms and various other factors.

STATUTORY DISCLOSURES

A) PERSONNEL

The competence and sincerity of all the employees of the Company has led to the continued enhancement of the overall performance of the company and in meeting the various situations aptly, thereby maintaining the reputation of the Company. For the same, the Directors wish to place on record their genuine appreciation. A competent and dedicated workforce, providing optimal performance in all situations and keeping abreast with the latest developments in their individual fields, is the foremost asset of any Company as it is the quality of the workforce that makes or mars the prospects of a company. Your Company, therefore, has always striven to improve the workforce by regularly sponsoring various employees for various training and development programmes including higher education for long term benefits.

No employee was in receipt of remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.



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B) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [Section 217(1)(e)]

- | | | |
|--|---|----------------|
| a) Conservation of Energy, Technology absorption | : | Not Applicable |
| b) Foreign Exchange Outgo. | : | Rs 8,08,079/- |
| c) Foreign Exchange Earnings | : | Nil |

ACKNOWLEDGEMENTS

Your Directors would like to thank various bodies and statutory authorities including bankers, SEBI, RBI, ROC, Stock Exchanges, NSDL, CDSL for their co-operation. Thanks are due to the shareholders for their co-operation and the confidence they have reposed in the management.

For and on behalf of the Board

Place: New Delhi
Date : 29th August, 2003

(BRIJ RATTAN BAGRI)
Chairman





CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

In compliance with the Corporate Governance requirement as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges the Company has been incorporating since the last year a separate section on Corporate Governance in its Annual Report. The Shareholders and Investors of the Company would have found this report informative and useful.

Company's policies on the Corporate Governance and the compliance report on specific areas wherever applicable for the year ended 31st March, 2003 are given hereunder:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

BLB Limited believes that for the success of its business, an adherence to the core values of integrity, honesty, accountability and compliance of laws is of utmost significance. The Company continuously strives for improving performance and seizing opportunities to make it a leader in its field of business. The Company believes that adherence to Corporate Governance in all its dealings will make the Company more committed towards its Shareholders, Government Authorities, Banks, Stock Exchanges, etc.

2. BOARD OF DIRECTORS

❖ Composition and size of the Board

As on March 31, 2003, the Company's Board of Directors Consists of:

- (i) 2 Executive Directors including the Chief Executive Officer.
- (ii) 4 Non Executive Directors, 3 of whom are Independent Directors, and one amongst whom is the Chairman. Independent Directors are those who apart from receiving Director's Remuneration, do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its subsidiaries, which in judgement of the Board, may affect the independence of judgement of the Director.

❖ Board meetings held during the year

During the year 2002-2003, twelve Board meetings were held on the following dates :-

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| (1) 30 th April, 2002 | (2) 25 th June, 2002 | (3) 31 st July, 2002 | (4) 14 th August, 2002 |
| (5) 2 nd September, 2002 | (6) 21 st October, 2002 | (7) 31 st October, 2002 | (8) 23 rd December, 2002 |
| (9) 7 th January, 2003 | (10) 28 th January, 2003 | (11) 24 th February, 2003 | (12) 24 th March, 2003 |

Attendance recorded for each Director at the Board Meetings at last Annual General Meeting (AGM) and details of other Directorships and Committee positions held by them is as follows :-

Name of the Director	Category of Directorship	No. of Board Meetings attended	Whether last AGM attended	No. of outside Directorship held as on 31/03/2003		No. of Committee positions held in other public companies as on 31/03/2003	
				Public	Private	Chairman	Member
Sh. Brij Rattan Bagri	Promoter & Non Executive Director	10	Yes	Nil	Nil	Nil	Nil
Sh. Pavan Kumar Vijay	Executive Director (Chief Executive Officer)	12	Yes	Nil	1	Nil	Nil
Sh. Vikram Rathi	Executive Director	12	Yes	Nil	Nil	Nil	Nil
Sh. Satish Sharma	Independent and Non Executive Director	10	Yes	Nil	Nil	Nil	Nil
Sh. Keshav Chand Jain	Independent and Non Executive Director	12	No	1	2	Nil	Nil
Sh. Naveen Mathur (From 02.09.2002)	Independent and Non Executive Director	7	No	Nil	Nil	Nil	Nil
Dr. S. C. Gupta (Upto 02.09.02)	Independent and Non-Executive Director	5	No	Nil	Nil	Nil	Nil



The intervening period between two meetings was well within the maximum time gap of four months prescribed under clause 49 of the Listing Agreement. Date of Board Meetings are fixed in advance and Agenda papers are generally circulated seven working days prior to the meeting.

As required under Annexure I to Clause 49 of the Listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board during its meetings.

The biographical data of Sh. Keshav Chand Jain, Director, who retires by rotation, and is eligible for re-election, is given in the notice of the ensuing Annual General Meeting.

3. **AUDIT COMMITTEE**

❖ **Composition**

The Company had constituted an Audit Committee on 14th May, 2001 as per the provisions of Sec. 292A of the Companies Act, 1956 and as per the guidelines set out in the Listing Agreement with the Stock Exchanges. Pursuant to Clause 49, the Committee was reconstituted and was delegated additional powers as envisaged under the said Clause. The Committee comprises of the following members as on 31st March, 2003:

1. Sh. Satish Sharma
2. Sh. Keshav Chand Jain
3. Sh. Naveen Mathur (from 21-10-2002)
4. Dr. S.C. Gupta (upto 02-09-2002)

All the members of the Audit Committee are Non Executive Independent Directors. They possess sound knowledge of Accounts, Audit, and Finance etc. Sh. Satish Sharma is the Chairman of the Audit Committee. Sh. Rituraj Agrawal, Company Secretary of the Company acts as the Secretary to the Committee.

❖ **Terms of reference**

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with Stock Exchanges read with the provisions of Section 292A of the Companies Act, 1956. These broadly include reviewing Internal Control Systems, Financial Reporting Systems, ensuring compliance with regulatory guidelines, reviewing Quarterly/ Annual Financial Results and Financial Statements, interaction with Statutory and Internal Auditors, etc.

❖ **Meetings and attendance**

The Audit Committee during the year 2002-2003 had three meetings, which were held on 14th August, 2002, 28th January, 2003 and 30th March, 2003. The attendance of each Committee member was as under:

Name	No. of meetings attended
Sh. Keshav Chand Jain	3
Sh. Satish Sharma	3
Sh. Naveen Mathur (from 21.10.2002)	2
Dr. S. C. Gupta (upto 02.09.02)	1

4. **REMUNERATION COMMITTEE**

❖ **Composition**

The Company had constituted a Remuneration Committee on 9th March, 2002 pursuant to Clause 49 of the Listing Agreement. The Committee was reconstituted on the 21st October, 2002. As on 31st March, 2003 the committee comprises of the following Directors:

1. Sh. Satish Sharma
2. Sh. Keshav Chand Jain
3. Sh. Naveen Mathur (from 21-10-02)
4. Dr. S.C. Gupta (Upto 02-09-02)

All the members of the Committee are Independent Directors. Sh. Satish Sharma, a Non Executive Director, acts as the Chairman of the Committee. Sh. Rituraj Agrawal, Company Secretary of the Company acts as the Secretary to the Committee.



❖ Terms of reference

Remuneration, service agreement and other employment conditions of Executive Directors are determined by the Remuneration Committee. The Committee also determines the Company's policy on specific remuneration package including pension rights and any compensation payments etc. The recommendation of the Remuneration Committee is approved by the Board subject to the approval of shareholders.

❖ Meetings and attendance

During the year 2002-2003, the Committee had one meeting on the 2nd September, 2002, which was attended by all the members.

❖ Details of Remuneration paid to Directors

Details of Remuneration of the Executive Directors for the year ended March 31, 2003 is as follows

Name of the Director	Relationship with other Directors	Salary and Allowances (Rs.)	Perquisite and other benefits (Rs.)	Total (Rs.)
Sh. Pavan Kumar Vijay	None	535608	97248	632856
Sh. Vikram Rathi	None	482725	44747	527472

In the above table, Salary and Allowances include Basic Salary, House Rent Allowance, Conveyance Allowance, Uniform Allowance, Performance Allowance, Leave encashment, Academic, Professional Allowance and Advance for Uniform. Perquisites and Other Benefits include Medical Expenses, Leave Travel Concession and Provident Fund.

The Directors on the Board, except for the Executive Directors, do not get any remuneration.

5. SHAREHOLDERS'/ INVESTORS' GRIEVANCE-CUM-SHARE TRANSFER COMMITTEE

❖ Composition

The Company has an Investors Grievance Committee under the nomenclature "Shareholders'/ Investors' Grievance-cum-Share Transfer Committee." The Committee looks after the redressal of Shareholders and Investors Grievances and approves transfer/transmission, sub-division and rematerialisation of shares, issue of duplicate share certificates etc. The Composition of the Committee is as below :-

- | | |
|------------------------------------|--------------------------------------|
| 1. Sh. Satish Sharma | 2. Sh. Pavan Kumar Vijay |
| 3. Sh. Vikram Rathi | 4. Sh. Naveen Mathur (from 21-10-02) |
| 5. Dr. S. C. Gupta (upto 02-09-02) | |

Sh. Satish Sharma, a Non Executive Director, acts as the Chairman of the Committee. Sh. Rituraj Agrawal, Company Secretary of the Company acts as the Compliance Officer of the Committee.

❖ Terms of reference

The Committee has been authorised to look into issues relating to investor grievances including non-receipt of declared dividend, The Committee is also entrusted with the task of looking after the whole process of transfers, transmissions and rematerialisation of shares etc. of the Company.

❖ Meetings and attendance

During the year, 14 meetings of the Committee were held. The following table shows the details of attendance of members of the committee in its meetings:

Name	No. of meetings attended
Sh. Satish Sharma	13
Sh. Pavan Kumar Vijay	12
Sh. Vikram Rathi	13
Sh. Naveen Mathur (from 21-10-2002)	3
Dr. S.C. Gupta (upto 02-09-02)	5

❖ Shareholders Queries

The Company did not receive any shareholders complaint during the year.