



BLB LIMITED



23rd
Annual Report
2003-2004

BOARD OF DIRECTORS

Sh. Brij Rattan Bagri	<i>Chairman</i>
Sh. Keshav Chand Jain	<i>Director</i>
Sh. Satish Sharma	<i>Director</i>
Sh. Pavan Kumar Vijay	<i>Director</i>
Sh. Vikram Rathi	<i>Executive Director</i>
Dr. S. C. Gupta	<i>Additional Director</i>

COMPANY SECRETARY

Sh. Rajeev Kumar

PRINCIPAL BANKERS

HDFC Bank Limited
ABN Amro Bank
ICICI 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 Calcutta Stock Exchange Association Limited

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BLB LIMITED

Regd. Office : 4764/23-A, Ansari Road, Daryaganj, New Delhi - 110 002

PROXY FORM

I/We of
in the district of being a member/members of the above Company hereby appoint
Sh./ Smt. of in the district of
..... or failing him Sh./ Smt. of
..... in the district of as my/our proxy to vote
for me/us and on my/our behalf at the 23rd Annual General Meeting to be held on Thursday, the 30th September, 2004
at 11:30 A.M. at Hotel Atithi Palace, 50, Daryaganj, Near Ram Mandir, New Delhi - 110 002 or at any adjournment
thereof.

Client ID & DP ID/ Registered Folio No. :

Signed on

**Affix
Revenue
Stamp**

Signature

Note : The Proxy must be deposited at the Registered Office of the Company at 4764/23-A, Ansari Road, Daryaganj, New Delhi - 110 002, not less than 48 hours before the time for holding the meeting.



BLB LIMITED

Regd. Office: 4764/23-A, Ansari Road, Daryaganj, New Delhi - 110 002

ATTENDANCE SLIP

1. Full Name of Shareholder/ Proxy
2. Client ID & DP ID/ Registered Folio No.
3. If Proxy, Full Name of Shareholder

I hereby record my presence at the 23rd Annual General Meeting of the Company held on Thursday, the 30th day of September, 2004 at 11:30 A.M. at Hotel Atithi Palace, 50, Daryaganj, Near Ram Mandir, New Delhi - 110 002.

.....
Signature of Shareholder/ Proxy

Note : This attendance slip is to be handed over at the entrance of the Meeting Hall.



BLB LIMITED

Registered Office : 4764/23-A, Ansari Road, Daryaganj, New Delhi-110002

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of the Company will be held on Thursday, the 30th day of September, 2004 at 11.30 A.M. at Hotel Atithi Palace, 50, Daryaganj, Near Ram Mandir, New Delhi – 110 002 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date together with the Schedules, Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Sh. Brij Rattan Bagri, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Ram Rattan & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and any amendment or re-enactment thereof and subject to such other approvals as may be necessary, the Company hereby accords its consent to the following revision in payment of remuneration to Sh. Vikram Rathi, Executive Director of the Company, with effect from 20th February, 2004, for the remaining period of service upto 30th January, 2006 :

- a) The limit for performance-based incentive be increased to twenty four months' gross salary per year instead of twelve months' gross salary as was approved in the Annual General Meeting held on 30th September, 2002.
- b) All other terms of his appointment remain the same.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to enter into fresh agreement with Sh. Vikram Rathi in connection with the revised increased remuneration."

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Dr. S.C. Gupta, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office as per the provisions of Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of director, be and is hereby, appointed as a director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 and/or any other law for the time being in force and subject to such other approvals as may be required, approval of the Company be and is hereby accorded to the payment of commission to non-executive Directors of the Company (other than Managing/Executive Directors) annually for a period not exceeding 5

years, for each financial year of the Company commencing from 1st April, 2004 of a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 to be divided amongst the non-executive Directors in such manner as the Board of Directors may from time to time determine."

By Order of the Board

Place : New Delhi

Date : 1st September, 2004

(RAJEEV KUMAR)

Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Explanatory Statement setting out the material facts in respect of the Special Business under Item Nos. 5 to 7 is annexed hereto and forms part of this notice.
3. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed for one day only i.e. 28th September, 2004.
5. The Company has already transferred all unclaimed dividend declared upto the financial year 1994-95 to the General Revenue Account of the Central Govt. as required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, NCT of Delhi & Haryana, Paryavaran Bhawan, C.G.O. Complex, Lodi Road, New Delhi - 110 003. The dividend declared for the financial year 1995-96 on the 26th August, 1996 has also been transferred to the Investor Education and Protection Fund ("the Fund") maintained under Section 205C of the Companies Act, 1956. The dividend declared for the financial year 1996-97 on 29th September, 1997 is due to transfer to the Fund and the same shall be transferred in due course of time. Those shareholders who have not claimed dividend for any financial year commencing after 1st April, 1997 may write to the Company.
6. The members are requested to notify the change in their address, if any, at the earliest.
7. Members attending the meeting are requested to bring their copy of Annual Report.
8. Members who hold their shares in dematerialised form are requested to bring their Client ID and DP ID number for easy identification and attendance at the meeting.
9. Members who have not got their shares dematerialised are advised to do the same in their own interest.
10. Members may send their queries relating to the accounts, in writing, at the Registered Office of the Company well in advance.
11. Additional Information with respect to appointment/re-appointment of Directors as per Clause 49 of the Listing Agreement is appended to this notice.

By Order of the Board

Place : New Delhi

Date : 1st September, 2004

(RAJEEV KUMAR)

Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5**

Sh. Vikram Rathi was appointed as Executive Director of the Company with effect from 31st January, 2001 for a period of 5 years upto 30th January, 2006 by the members in the 20th Annual General Meeting of the Company held on 29th September, 2001. The remuneration of Sh. Vikram Rathi was increased by the members in the 21st Annual General Meeting of the Company held on 30th September, 2002.

The Remuneration Committee considered his remuneration vis-à-vis the remuneration being paid by the trade and industry for such posts with responsibilities, as well as his contribution for the development of business in the Company, and recommended an increase in the remuneration being paid to him.

The Board of Directors accordingly considered the recommendation of Remuneration Committee and approved the increase in performance based incentive with effect from 20th February, 2004 till the remaining period of appointment i.e. upto 30th January, 2006, subject, however, to the approval of Members. The Board recommends the resolution for your approval.

No other director is interested in the resolution except Sh. Vikram Rathi as the resolution relates to increase in his remuneration.

ITEM NO. 6

Dr. S.C. Gupta, 60 years, M.Com., MBA, M.Phil., Phd., having experience of about 40 years and expertise in the matters relating to finance, marketing and management, has been appointed as an Additional Director by the Board of Directors of the Company on 31st August, 2004. In terms of the provisions of Section 260 of the Companies Act, 1956, Dr. S.C. Gupta shall hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice and the requisite deposit from a member of the Company under Section 257 of the Companies Act, 1956 proposing the candidature of Dr. S.C. Gupta for the office of Director of the Company. It will be in the interests of the Company that Dr. S.C. Gupta continues as a Director of the Company.

Dr. S.C. Gupta does not hold the directorship or committee positions in any other public limited company.

The Board of Directors recommends the approval of this resolution.

None of the directors except Dr. S.C. Gupta is interested in the resolution as the same relates to his appointment.

ITEM NO. 8

Pursuant to the requirements of the Listing Agreement with the Stock Exchanges, the Company has broad based Board of Directors, inter-alia, comprising of non-executive/independent Directors. These Directors are persons of eminence and bring a wide range of expertise and rich experience to the Board of Directors. Besides participation in the Board Meetings and Committee Meetings where they are members, some of these non-executive directors are also devoting considerable time to the business of the Company and the Company is substantially benefiting by their mature advice. In view of this, it is considered fair and justifiable that they are suitably remunerated by way of commission not exceeding 1% per annum of the net profits of the Company computed in the manner provided in the relevant provisions of the Companies Act, 1956. The quantum of such commission to be divided amongst the Directors would be determined by the Board of Directors from time to time.

The Board of Directors recommends the approval of this resolution.

All the non-executive Directors of the Company may be deemed to be interested or concerned in the passing of this Special Resolution.

By Order of the Board

Place : New Delhi

Date : 1st September, 2004

(RAJEEV KUMAR)

Company Secretary

ADDITIONAL INFORMATION WITH RESPECT TO APPOINTMENT/RE-APPOINTMENT OF DIRECTORS AS PER CLAUSE 49 OF THE LISTING AGREEMENT**Sh. Brij Rattan Bagri**

Sh. Brij Rattan Bagri, B.Sc., M.B.A., author of renowned book on Capital Markets and aged about 53 years is a legend in capital markets having an experience of more than 25 years. He has expertise in the matters relating to stock broking, arbitrage, depository participant, etc. It is due to his vision, far-sight, valuable guidance and able leadership that the Company has achieved the heights it is presently on. The Company has always benefited by his valuable advice on key matters related to the working of the Company. He has proved himself as an asset for the Company by his long continued sincerity and dedication.

Sh. Brij Rattan Bagri is a Director of the Company since its incorporation and presently, is the Chairman of the Company. He holds directorships in BLB Commodities Private Limited.

Sh. Brij Rattan Bagri does not hold any Chairmanship/Membership of Audit Committee, Shareholders'/Investors' Grievance Committee or Remuneration Committee of other Public Limited Companies whether listed or not.

Sh. Vikram Rathi

Sh. Vikram Rathi, 38 years, is B.Com.(Hons.) and is a fellow member of the Institute of Chartered Accountants of India and has an experience of 15 years in finance, accounts, taxation and matters relating to capital markets. He is director of the Company since 28th January, 1994 and Executive Director of the Company since 31st January, 2001. It is due to his expertise in the functional areas of the Company, the Company is able to achieve the performance it has showed during the last 4-5 years.

Sh. Vikram Rathi holds directorships in BLB Commodities Private Limited and BLB Global Business Limited (a company registered in Mauritius).

Sh. Vikram Rathi is a member of the Remuneration Committee of the Company. However, he does not hold any position in any Committee of any other Company.

Dr. S.C. Gupta

Dr. S.C. Gupta, Post Graduate in Commerce, MBA from Faculty of Management Studies (FMS), University of Delhi, M.Phil from Delhi School of Economics and Phd. from FMS, University of Delhi and author of book on Development Banking for Rural Development has expertise in the matters relating to Finance, Marketing and Management. Dr. S.C. Gupta, aged about 60 years, is renowned educationalist and is presently working as Reader in University of Delhi and has an experience of about 40 years.

Dr. S.C. Gupta was a Director of the Company from 28th January, 1994 to 2nd September, 2002 and during his tenure the Company has benefited considerably from the valuable advises given by him. Dr. S.C. Gupta does not hold directorship in any other company and is also not a member of any committee of any other company.



Annual Report 2003-2004

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

For the Financial Year Ended 31st March, 2004

Dear Shareholders,

Your Directors take immense pleasure in presenting the 23rd Annual Report of the Company alongwith the Audited Accounts for the financial year ended 31st March, 2004.

FINANCIAL RESULTS

	Year Ended March 31, 2004	Year Ended March 31, 2003
	<i>(Rs. in Lacs)</i>	
Profit before tax	1673.74	224.10
Less : Provision for taxation		
– Current tax	109.14	17.86
– Deferred tax	577.30	95.18
Profit after tax	987.30	111.06
Add : Balance brought forward from last year	4351.05	3601.32
(Short)/Excess Provision for taxes relating to earlier years	(3.50)	6.03
	5334.85	3718.41
Add : Surplus in Profit and Loss Account of Merged Company	—	632.64
Surplus Available for Appropriations	5334.85	4351.05
Less : Appropriations		
Transfer to General Reserve	684.72	—
Surplus carried to Balance Sheet	4650.13	4351.05

MANAGEMENT DISCUSSION AND ANALYSIS

The Indian Stock Market has witnessed great boost during the year 2003-04, after a tough time of almost two years. The equity markets witnessed a major rally in the year. The significant undervaluations coupled with strong earnings growth triggered the rally. A normal and well-distributed monsoon intensified the rally further. Foreign Institutional Investors were the major drivers of the market. They invested heavily in all emerging markets, however, India received a much larger share than in the past. As a result, the BSE Sensex, the barometer of the economy, crossed the sentimental 6,000 mark and the market witnessed the increase in volumes to a great extent during the year under review, enabling the Company to improve upon its position and to capitalise the available opportunities.

The Indian Stock Market has shown good signs of improvement and India being the emerging market is attracting a good number of Foreign Institutional Investors in the recent past and the trend is likely to continue in the year to come thereby resulting into a tremendous growth in investments in the Indian Capital Market. The Primary Market is also on top and is expected to be on roll for the times to come. However, the recent past has also witnessed change in Government and consequently, change in Government Policies. The Govt. has introduced the Securities Transaction Tax (STT) on the transactions in securities in the Union Budget for 2004-05. As your Company is in the business of buying, selling and arbitrage of securities, the cost of operations of the Company is likely to increase and accordingly, the margins of the Company are expected to come down by the levy of STT. However, your Company is hopeful that the markets will adjust to the emerging situation.

The performance of the Capital Market is dependant on various macro and micro economic fundamentals, which are dynamic in nature. The present concerns for the capital market are rising commodity prices resulting into inflation, increase in crude oil prices and the upward trend of interest rate level globally. The proposal of exemption of long-term capital gain would attract more investors into the market at a high level of transparency. At this juncture your Company is planning to diversify into cliental business to cater the investors needs across all the categories i.e. institutional, high networth individuals and retail investors and is fully equipped to face the challenges stored in future.



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 in 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 116 people. The head count as on 31/03/2004 was 407. 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 them 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 ethics 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.
- Compliances with statutes, policies and procedures.
- Transactions being accurately recorded and promptly reported.

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

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 the conditions of the stock markets, changes in the policies of the Govt., economic development, reforms and various other factors.

OPERATIONS

Your directors take immense pleasure to report that the year under review was a very good year for the Company. The growing economy and the major rallies and increase in volumes in the Indian Stock Market enabled the Company to improve upon its position and to capitalise the available opportunities. Further, "Futures and Options" segment also afforded an opportunity to the Company to perform well. The Research and Analysis based investments of the Company also proved beneficial for the Company. The steps taken during the tough times of last couple of years also had very good impact on the profitability of the Company. With a view to tap the available opportunities, the Company expanded its capacity.

Resultantly, the Company could achieve a profit before tax of Rs.16.74 Crores during the year ended review as against Rs.2.24 Crores during previous year, which was more than 7.4 times higher.

LISTING OF SHARES & PAYMENT OF LISTING FEES

The shares of the Company are presently listed at the National Stock Exchange of India Ltd. (NSE), the Stock Exchange, Mumbai (BSE) and the Calcutta Stock Exchange Association Ltd. (CSE). The Company has got its shares delisted from the Delhi Stock Exchange Association Ltd. (DSE) with effect from 7th May, 2004 and the Stock Exchange, Ahmedabad (ASE) with effect from 31st March, 2004. Your Company is also in the process of getting its shares delisted from the CSE.

The Company has also paid the annual listing fees for the year 2004-05 to NSE and BSE, where the shares of the Company will continue to be listed.

DIVIDEND

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

DEPOSITS

Deposits from the relatives of Director as on 31st March, 2004 were Rs.14.25 Crores. There were no overdue or unclaimed fixed deposits as on that date.



SUBSIDIARY COMPANY

During the year under review, a subsidiary of the Company, BLB Global Business Limited, was incorporated in Mauritius with an object to trade in ADR/GDR of securities of Indian companies. The subsidiary started its operations and has suffered a loss of U.S. Dollars 12,588 (equivalent to Rs.5,60,545, as on 31st March, 2004) during the year under review.

As required under Section 212 of the Companies Act, 1956, the audited statement of accounts together with the reports of Directors and Auditors of BLB Global Business Ltd. is annexed to this report.

AMALGAMATION OF J.D. PROPERTIES LIMITED WITH THE COMPANY / ISSUE OF SHARES

J.D. Properties Ltd. (the Amalgamated Company) was amalgamated with the Company pursuant to the Scheme of Amalgamation as approved by the Hon'ble High Court of Delhi vide its Order dated 30th October, 2002. During the year under review, the Company has allotted 91,41,138 Equity Shares of Re.1/- each to the eligible shareholders of the Amalgamated Company and cancelled 66,75,880 Equity Shares of Re.1/- each of the Company held by the Amalgamated Company.

The additional shares allotted pursuant to the Scheme of Amalgamation are listed at the Stock Exchange, Mumbai and the National Stock Exchange of India Ltd.

CORPORATE GOVERNANCE

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

DIRECTORS

Sh. Naveen Mathur has resigned from the Directorship of the Company with effect from 31st March, 2004. Your Directors place on record their sincere appreciation for the valuable advice, support and contribution made by him during his tenure as director.

Dr. S.C. Gupta was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 31st August, 2004. Pursuant to provisions of the Companies Act, 1956, he holds office only upto the date of ensuing Annual General Meeting and is eligible for re-appointment. Your directors recommend his re-appointment.

Sh. Brij Rattan Bagri retires by rotation at the ensuing 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(2A) of the Companies Act, 1956, your directors confirm that :

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies, and applied them consistently and made judgements 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 of 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, 2004 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 re-appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their appointment.

AUDITORS' REPORT

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