

BLB LIMITED

BOARD OF DIRECTORS	Sh. Brij Rattan Bagri	Chairman
	Sh. Keshav Chand Jain	Director
	Sh. Satish Sharma	Director
	Sh. Pavan Kumar Vijay	Director
	Sh. Vikram Rathi	Executive Director
	Dr. S.C. Gupta	Director *
	Sh. Sushil Gupta	Director *
	* (Since 28.04.2006)	

Company Secretary Sh. Amit Kumar

Principal Bankers HDFC Bank Limited
ABN Amro Bank
ICICI Bank Ltd.
The Bank of Rajasthan Ltd.

Auditors M/s Ram Rattan & Associates,
Chartered Accountant
New Delhi

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

Listing of Shares National Stock Exchange of
India Limited
Bombay Stock Exchange
Limited
The Calcutta Stock Exchange
Association Limited

YOUR DIRECTORS' REPORT

For the Financial Year Ended 31st March, 2006

Dear Shareholders,

Your Directors take immense pleasure in presenting the 25th Annual Report of the Company alongwith the Audited Accounts for the financial year ended 31st March, 2006.

FINANCIAL RESULTS

	Year Ended March 31, 2006	(Rs. In Lacs) Year Ended March 31, 2005
Profit before tax	1426.91	(759.19)
Less: Provision for Taxation		
- Current Tax	0.68	3.20
- Fringe Benefit Tax	8.15	—
- Deferred Tax	42.70	110.60
Profit after tax	1375.38	(872.99)
Add: Balance brought forward from last year	3763.55	4650.13
Less: Provision for taxes relating to earlier years	3.21	(13.59)
Surplus Available for Appropriations	5135.72	3763.55
Less: Appropriations		
Proposed Dividend on Equity Shares	52.87	—
Tax on Dividend	7.41	—
Transfer to General Reserve	—	—
Surplus carried to Balance Sheet	5075.44	3763.55

DIVIDEND

Your directors in their meeting held on 28.04.2006 have declared an Interim Dividend @ 10%, i.e., 0.10 Paise on every share of Re. 1/- of the Company for the financial year under review. Your Board of Directors, recommends to consider the same as the final dividend.

DEPOSITS

Deposits from the Directors and their relatives as on 31st March, 2006 were Rs. 92,00,000/- (Rupees Ninety Two Lacks only). There were no overdue or unclaimed deposits as on that date.

FUTURE PROSPECTS

A discussion made in this regard under Management Discussion and Analysis, forms a part of this report.

SUBSIDIARY COMPANIES

During the financial Year under review, Company has promoted, a wholly owned subsidiary company namely, 'BLB Institute of Financial Markets Limited' (BIFM). BIFM got registration with the Registrar of Companies, NCT of Delhi and Haryana as on 21.10.2005 for the purpose of providing education and training in financial markets.

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 Limited' and 'BLB Institute of Financial Markets Limited' are attached to this report.

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 M/s Ram Rattan & Associates, Statutory Auditors of the Company, which forms part of this report.

DIRECTORS

Your Board of Directors, in their meeting held on 28.04.2006 have appointed Dr. Suresh Chand Gupta and Mr. Sushil Gupta, as Additional Directors in the board of the Company. Their appointment is till the date of 25th Annual General Meeting, but company has received notice as required under Section 257 of the Companies Act, 1956 for their regularization as Directors. Your directors recommend their regularization as Directors.

Sh. K.C.Jain and Sh. Brij Rattan Bagri, who retires by rotation at the ensuing AGM and being eligible offers themselves for re-appointment. Your directors recommend their re-appointment.

STATEMENT OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure 1 to the Directors Report.

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;
- 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 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 prevention and detecting fraud and other irregularities;
- The Directors have prepared the accounts for the year ended 31st March, 2006 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 them 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(IB) of the Companies Act, 1956. The Board recommends their re-appointment.

AUDITORS' REPORT

The Auditors' Report to the shareholder does not contain any reservation, qualifications or adverse remarks.

LISTING OF SHARES & PAYMENT OF LISTING FEES

The Shares of the company are presently listed at the National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Association Ltd (CSE). Your Company had applied for delisting of the shares from CSE but necessary approvals is still pending. The Company has paid the annual listing fees for the year 2006-07 to NSE, BSE and CSE.

STATUTORY DISCLOSURES**A) PERSONNEL**

Achievements, progress during the year under review and projecting expansions of the Company are in compliment to hard work, dedication and faith of the employees in the Company. Your Board of Directors wishes to convey their thanks to all the employees of the Company for their continuous efforts in reaching the company at its present heights. The continued dedication and commitment of the employees have been instrumental to our success.

B) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|--|------------------|
| a) Conservation of Energy, Technology absorption | : Not Applicable |
| b) Foreign Exchange Outgo | : Rs. 4,50,362/- |
| c) Foreign Exchange Earning | : Rs. Nil |

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : New Delhi
Date : 16.08.2006

(BRIJ RATTAN BAGRI)
Chairman

Annexure**Particulars of Employees of the Company, as per the provisions of Section 217(2AA) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975,**

Name	Age	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Experience	Date of Commencement of employment	Previous Employer
Ajay Wadhwa	36	Manager (Mkt. Operations)	26,40,381/-	19,25,968/-	B.Sc	7 Yrs	10.03.1999	None
Manoj Kumar Bagri	39	Manager (Mkt. Operations)	30,09,646/-	21,68,402/-	B.Com	16 Yrs	19.02.2001	Neol Vinimay Pvt. Ltd.
Navneet Kothari	29	Sr. Executive (Mkt. Operations)	26,30,645/-	19,31,788/-	B.Com (H)	8 Yrs.	01.01.2001	None
Shailender Singh	33	General Manager (Mkt. Operations)	31,34,382/-	22,68,361/-	B. Com	8 Yrs	01.07.1998	None

- Notes : (i) Gross Remuneration comprises of salary, allowances, perquisites, performance based incentive and the Company's contribution to Provident Fund but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.
- (ii) All abovesaid persons are into Market Operations of the Company and covered under normal terms and conditions of employment of the Company.
- (iii) None of the above employees is a relative of any Director of the Company.

For and on behalf of the Board

Place : New Delhi
Date : 16.08.2006

(BRIJ RATTAN BAGRI)
Chairman

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MANAGEMENT DISCUSSION AND ANALYSIS**Industry Overview**

Year 2005-06, a golden year in the history of Stock Markets of India. The booming indices of 2004-05 repeated their history again in the year 2005-06. Sensex/Nifty, the economy barometers broke all the barriers and assumptions and have shown a different robust walk in Capital Market of India. The heights of glorious walk of indices with outstanding growth in, market capitalization, etc making enormous gains are visible in the Sensex touching 12,612 on 10th May 2006.

In consonance with the buoyancy in the stock market, there was a significant increase in the Turnover and Market Capitalisation. The Market Capitalisation of NSE rose from Rs. 15,85,585 Crore in year 2004-05 to Rs. 28,13,201 Crore as on 31st March 2006, indicating gain of around 77.4%. Similarly, Market Capitalisation of BSE also recorded a hike of 77.9% to Rs. 30,22,189 Crore in 2005-06 over to Rs. 16,98,428 Crore of Year 2004-05.

Story has not ended only convincing about roaring indices but it also covers a new record of highest single day downfall of Sensex by 826.38 points a crash of 6.76%.

The reforms of the Equity and Derivative Markets, started majorly a few years ago, continued unabated this year too. This resulted in further development and maturity of the Stock Markets, taking them closer to their goal of being at par with or even beating the best in the world in all ways.

In the all pervading buoyant economic environment, the Primary Market too considerably pepped up, with the number of issues during 2005-06 getting doubled as compared to the previous year. Numbers of good IPOs are also in waiting list, which are likely to attract new investors in the capital market.

Diverse participation is a major source of strength of the securities markets. The number of mega investors belonging to diverse categories, viz. FIIs, FIs, Mutual Funds, High Networth Investors increased considerably during the year. An increase in the interest of the Foreign Institutional Investors (FIIs) in the Indian Stock Markets was conspicuous from the ballooning of their portfolios. Mutual Funds were another big reason for bullish movements in market. During 2005-06, the net investments by mutual funds in equity and debt increased by 191% to Rs. 50,794 Crore, from Rs. 17,429 Crore in year 2004-05.

Review of Operations & Performance of the company

During the year under review, the Company has performed in tune with the markets. The Company's client division, which commenced its services last year, has progressed satisfactorily.

As approved by Shareholders in the last Annual General Meeting of the Company, Company has formed a wholly owned subsidiary company, namely as 'BLB Institute of Financial Markets Limited' which offers various educational and training courses about Indian Financial Markets, with an aim to create professionals and investors through creating awareness and knowledge.

During the year under review company has also got necessary approval from SEBI for surrender of membership of Delhi Stock Exchange, UP Stock Exchange and Dealership of Over the Counter Exchange of India (OTCEI).

Opportunities and Threats

The major threats to the business of the Company are unforeseen and adverse developments on the political and economic front, not only in the national context but also in the global context. Occurrence of natural calamities also remains a concern for the business of the Company, as all these factors play a pivotal role in shaping investor sentiments. The opportunities beckon in the form of sustained economic growth, a positive outlook of India in the eyes of FII's spurred by the sustained economic growth and tremendous potential for growth in all walks of economy and life of the inhabitants of the nation, particularly the rural India.

Future Plans

Company plans to increase its presence in the client segment by expanding itself to various locations by opening of new branches and by providing sub-brokerships, franchisees, etc.. Company will continue its increase efforts in catering services to its clients from the categories like FIIs, FIs, Mutual Funds, Banks, HNIs from all branches of the Company. To serve the clients in a more better way, your Company also plans to start Portfolio Management Services after getting necessary nods of the concerned authorities. Your company has also started distribution of mutual fund schemes.

Arbitrage and Jobbing Division the main revenue junction of the Company is continuously under expansion by deployment of more resources, in this regard. Strengthening of 'Research Division' to make it compatible with the changing economic scenario is also a part of the expansion process.

Company through its wholly owned subsidiary plans opening of Educational Institutions at different places, for providing knowledge and training in financial markets including Capital and Commodities Markets.

Human Resources

Your Company understands that a skilled and a dedicated manpower base is the best resource a Company can have, as it enhances the worth and performance of a company.

Your Company puts in a lot of its resources in enhancing motivation and providing training to its employees with a view to increase the competence and performance of the employees, particularly the personnel engaged in trading, who directly contribute to the profitability of the company so that they may become more competent to execute their jobs and contribute to the profitability of the company.

Internal Control Systems

Your Company has adequate procedures for internal control, commensurate with the size of operations, 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 get reviewed from time to time to make them fool-proof. The internal control system lays down policies, authorization and approval procedures. The Company has an Internal Audit Department which carries out audit of the various 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.

Cautionary Note

Statements made in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be futuristic views within the applicable laws. However, these are subject to certain risks and uncertainties occasioned by factors beyond the control of the Management, including the conditions of the stock markets, changes in the policies of the Government and various other factors.



RAM RATTAN & ASSOCIATES
Chartered Accountants

**104, Hans Bhawan,
1, Bahadur Shah Zafar Marg,
New Delhi-110 002.**

AUDITORS' REPORT

To the Member of BLB Limited

1. We have audited the attached Balance Sheet of BLB Limited as at 31st March, 2006, the related Profit and Loss Account of the Company for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report 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 account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) in our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2006, from being appointed as a Director under Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956; and
 - vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes appearing thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2006;
 - b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants

Place : New Delhi
Date : 16th August, 2006

(RAMESH KUMAR AHUJA)
Partner

RAM RATTAN & ASSOCIATES
Chartered Accountants

**104, Hans Bhawan,
1, Bahadur Shah Zafar Marg,
New Delhi-110 002.**

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in Paragraph 3 of our report of even date)

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory were noticed.
 - c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
- ii)
 - a) The securities held as stock-in-trade and in the custody of the Company, have been physically verified by the management at reasonable intervals. The stock-in-hand positions are reconciled with demat accounts maintained with depository while Units of Mutual Funds held as Stock-in-Trade in Demat accounts with the custodians are verified with the statements received from them on regular basis.
 - b) As explained to us, the procedure of verification of the stocks followed by the management is, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) As explained and according to the records produced to us for our verification, no discrepancies were noticed on verification of stocks referred above, as compared to book records.
- iii)
 - a)
 - 1) The Company has granted unsecured loans to two wholly owned subsidiaries covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was of Rs. 56.15 lacs and the year-end balance of such loan was Rs. 56.15 lacs.
 - 2) The Company has granted an unsecured loan to its associate company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was of Rs. 225.00 lacs and the year-end balance of such loan was nil.
 - b) The Company has granted loans to its wholly owned subsidiaries on interest free basis and in our opinion, the other terms and conditions of unsecured loans are prima facie, not prejudicial to the interest of the company.
 - c) In our opinion and according to information and explanations given to us the Company is regular in receiving the principal amount of the aforesaid loan and no payment was due from the said Companies.
 - d) In our opinion, there is no overdue amount of loan granted to the said Companies.
 - e)
 - 1) The Company has not taken any unsecured loan from any Company or a firm as covered in the register maintained under Section 301 of the Companies Act, 1956.; and
 - 2) The Company has taken unsecured loans from five other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1471 lacs and the year end balance of loans taken from such parties was Rs. 92 lacs.
 - f) In our opinion, the rate of interest and other terms and conditions of unsecured loans taken by the Company are prima facie, not prejudicial to the interest of the Company.
 - g) In our opinion and according to the information and explanations given to us the Company is regular in repaying the principal amounts as stipulated and interest thereon.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control system.