

YOUR DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2008

Dear Shareholders,

Your Directors take immense pleasure in presenting the 27th Annual Report of the Company along with the Audited Accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Year Ended March 31, 2008	Year Ended March 31, 2007
Profit before tax	4573.65	745.65
Less : Provision for Taxation		
— Current Tax	18.94	0.33
— Fringe Benefit Tax	23.00	7.00
— Deferred Tax	<u>(440.22)</u>	<u>(11.00)</u>
Profit after tax	4971.93	749.32
Add : Balance brought forward from last year	5757.11	5075.44
Less : Provision for taxes relating to earlier years	(0.78)	(7.37)
Surplus Available for Appropriation	10728.26	5817.39
Less : Appropriations		
Interim dividend paid on equity shares	132.16	52.87
Dividend Distribution Tax	22.46	7.41
Transfer to General Reserve	<u>600</u>	<u>—</u>
Surplus carried to Balance Sheet	9973.64	5757.11

During the year under review company has earned a Profit After Tax of Rs. 4971.93 Lacs as against Rs. 749.32 lacs earned during the previous financial year. The profit has been significantly higher than the previous year which was mainly on account of a host of factors such as buoyancy in Capital Markets, increased FII activity, sharp rise in the volumes at the exchanges, etc. Management has now decided to focus on the core capabilities and has initiated steps to strengthen its core capabilities. The result of various initiatives taken are going to be reflected in future performance of the company.

DIVIDEND

During the year under review your directors have recommended and paid two interim dividends equivalent to 25%, i.e. 25 Paise on every share of Re.1. The first interim dividend for 10% was declared in July, 2007 and the second interim dividend of 15% was declared in January, 2008. Your Board of Directors recommends the same to be treated as final. Your Company has transferred a sum of Rupees Six Crores to General Reserve as required in terms of provision of Section 205 of the Companies Act, 1956.

PUBLIC DEPOSITS

Your Company has not accepted any Public Deposits and as such, no amount of principal or interest was outstanding as on the balance sheet date.

CREDIT RATING

Your Company has got itself rated from CRISIL Limited for the purpose of short term debt. CRISIL has assigned the Company a rating 'P2+' i.e. the degree of safety with regard to timely payment of interest and principal on the instrument is strong.

FUTURE PROSPECTS

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

SUBSIDIARY COMPANIES

Pursuant to Section 212 of the Companies Act, 1956, the Audited Statement of Accounts of 'BLB Global Business Limited', 'BLB Institute of Financial Markets Limited' and 'BLB Realty Ventures Limited', Subsidiaries of the Company are annexed.

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.

LISTING OF SHARES, PAYMENT OF LISTING FEES & VOLUNTARY DELISTING FROM THE CALCUTTA STOCK EXCHANGE LIMITED

The Company's Equity Shares are presently listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Pursuant to an application made to The Calcutta Stock Exchange Association Limited in accordance with the special resolution passed at the Extra Ordinary General Meeting held on 22nd March, 2003 for voluntary delisting under the provisions of the SEBI (Delisting of Securities) Guidelines-2003, the Equity Shares of the Company have been delisted from The Calcutta stock Exchange Association Limited with effect from 25th March, 2008.

The Company has paid the annual listing fees for the year 2008-09 to NSE and BSE.

DIRECTORS

Sh. Brij Rattan Bagri and Dr. Suresh Chand Gupta who retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your directors recommend their re-appointment for your approval.

STATEMENT OF EMPLOYEES AS PER 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 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 year 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, 2008 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 re-appointment for your approval.

AUDITORS' REPORT

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

STATUTORY DISCLOSURES

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

- | | | |
|--|---|----------------|
| a) Conservation of Energy, Technology absorption | : | Not Applicable |
| b) Foreign Exchange Outgo | : | NIL |
| c) Foreign Exchange Earning | : | NIL |
| d) Activities relating to exports; initiatives taken to increase exports development of new export markets for products and services and export plans. | : | Not Applicable |

ACKNOWLEDGEMENTS

Your Directors would like to thank various bodies and statutory authorities including bankers, SEBI, RBI, ROC, Stock Exchanges, NSDL, CDSL, ANMI, etc. 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 : 12th August, 2008

(BRIJ RATTAN BAGRI)
Chairman

ANNEXURE

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sl. No.	Name	Age (yrs.)	Designation/ Nature of Duties	Gross Remuneration (Rs. In Lacs)	Qualification	Total Experience	Date of Commencement (In Yrs.) MM/DD/YYYY	Previous Employer of employment
1	Abhishek Jhunjunwala	28	Sr. Executive (Market Operation)	28.72	B.Com	6	07/05/2004	Todi Securities P. Ltd., Kolkata
2	Ashit R. Soni*	38	Sr. Executive (Market Operation)	21.03	B.Com	14	07/29/2002	Plaza Securities P. Ltd.
3	Ashok Kumar Sharma	37	Manager (Market Operation)	29.74	B.Com (H)	11	05/10/1998	RNM Capital Partners Ltd.
4	Avadhoot N. Nagvekar	36	Sr. Executive (Market Operation)	24.30	S.Y.B.Com	14	12/13/2002	J.J. Bhabhera Stock Broker
5	Bijal Jayant Kumar Shah	28	Sr. Executive (Market Operation)	38.73	10th	8	10/31/2002	C.R. Kothari & Sons Shares & Stock Brokers P. Ltd
6	Bijen Indu Bhakta	41	Sr. Executive (Market Operation)	31.91	B.Com	21	03/22/2002	Vintage Capital Markets Ltd.
7	Bikash Sharma	29	Sr. Executive (Market Operation)	26.35	B.Com	6	07/05/2004	S.K. Securities P. Ltd
8	Brijesh Abhani	30	Sr. Executive (Market Operation)	45.72	S.Y.B.Com	8	03/08/2003	Bonanza Portfolio Ltd
9	Chanda A Rameshchandra	27	Executive (Market Operation)	41.11	B.Com	4	01/07/2005	Triveni Management
10	Chintan P Rasaniya	26	Sr. Executive (Market Operation)	39.74	B.Com	8	03/03/2004	ASE Capital Markets Services Ltd.
11	Chokshi Mihir Rajanikant	32	Executive (Market Operation)	31.62	B.Com	10	05/14/2005	Monarch Project & Finmarkets Ltd.
12	Deepak Verma*	28	Sr. Executive (Market Operation)	13.12	10th	8	04/01/2002	Evergrowing Investment & Consultant P. Ltd.
13	Dileep Kumar Pathak	30	Sr. Executive (Market Operation)	28.70	12th	10	10/29/2003	MKR Investment P. Ltd., Gurgaon
14	Dimple Gunvantrai Shah*	40	Sr. Executive (Market Operation)	23.60	B.Com	21	08/10/2002	Angel Cap. And Debt. Mkt. Ltd.
15	Dipen M Shah	27	Sr. Executive (Market Operation)	36.42	B.Com	7	02/06/2004	S.K. Stock Broking P. Ltd.
16	Gauri Shankar Damani	34	Executive (Market Operation)	28.02	B.Com	15	12/23/2005	Indo Asian Securities Pvt. Ltd.
17	Girish Jagubhai Patel	35	Sr. Executive (Market Operation)	26.40	B.Com	13	11/14/2003	Sonal Investments
18	Hiren Arvindbhai Patel	27	Sr. Executive (Market Operation)	34.58	Diploma in Mechanical Eng.	10	03/03/2004	Shivam Finstock. P. Ltd.
19	Hitesh Anil Nagrecha	30	Sr. Executive (Market Operation)	28.36	12th	7	12/13/2002	Novel Securities
20	Ishwar Singh	29	Sr. Executive (Market Operation)	25.24	12th	9	10/23/2003	Vivek Financial Focus Ltd.
21	Jayesh M Piurohit	26	Sr. Executive (Market Operation)	52.03	S.Y.B.Com	5.6	03/29/2003	Triveni Management & Securities P. Ltd.
22	Jayesh Vinodbhai Parmar	23	Sr. Executive (Market Operation)	32.76	B.Com	6	09/13/2003	Indus Portfolio P. Ltd.
23	Jignesh G. Shah	36	Sr. Executive (Market Operation)	37.76	B.com	15	10/22/2002	R. R. Chokhani Securities P. Ltd.
24	Kalpesh H Patel	31	Sr. Executive (Market Operation)	47.33	S.Y.B.Com	13	10/22/2002	Samir Financial
25	Kapil Mohan	31	Manager (Market Operation)	59.22	B.Com	8	04/03/2006	-
26	Keshaw Jhwar	27	Executive (Market Operation)	24.31	12th	3.6	07/02/2005	East India Sec.
27	Krishna Ballabh Chandak	27	Sr. Executive (Market Operation)	36.91	12th	8	03/22/2002	Vijay Jalan & Co.,
28	Manish C. Parekh	35	Sr. Executive (Market Operation)	33.02	B.Com	13	03/01/2004	Monarch Project & Finmarkets Ltd.
29	Manoj Kumar Bagri	41	Branch Manager	49.42	B.Com	19	02/19/2001	Neon Vinimay Pvt Ltd.
30	Manoj Kumar Gupta	25	Sr. Executive (Market Operation)	25.17	B.Com	7	10/27/2003	Quadrant Infotech P. Ltd. - Gurgaon
31	Mehul D. Shah	27	Sr. Executive (Market Operation)	28.65	B.Com, Diploma in Computer Commercial Applications	7	10/23/2002	Sunidhi Consultancy Services Ltd

Sl. No.	Name	Age (yrs.)	Designation/ Nature of Duties	Gross Remuneration (Rs. In Lacs)	Qualification	Total Experience	Date of Commencement (In Yrs.)	Previous Employer of employment
32	Mehul Govindbhai Parikh	30	Sr. Executive (Market Operation)	28.99	M.Com	8	02/07/2004	Monarch Project & Finmarkets Ltd.
33	Mihir N. Patel	30	Sr. Executive (Market Operation)	29.12	10th	14	10/23/2002	Rohan Investments
34	Navneet Kothari	31	Sr. Executive (Market Operation)	38.15	B.Com (H)	10	01/01/2002	Shreekant Phumbhar
35	Nirav Arvindbahi Shah	29	Executive (Market Operation)	37.64	B.Com	2	08/10/2006	—
36	Nitin K. Vinayak*	28	Sr. Executive (Market Operation)	16.05	B.Com	5	05/01/2002	—
37	Pankaj Naranbhai Babaria	28	Sr. Executive (Market Operation)	28.94	10th	6	03/17/2004	NEK Investment
38	Raj Mohan Singh Rawat*	32	Sr. Executive (Market Operation)	22.88	12th	14	08/26/2002	Bulls & Bears Portfolios Ltd.
39	Rajesh Kumar Gupta	33	Executive (Market Operation)	26.46	B.Com (H)	5	12/23/2005	Sappers Broking Services P. Ltd
40	Rajesh Kumar*	32	Sr. Executive (Market Operation)	19.68	B.Com	6	04/22/2002	Karvy Consultant Ltd.
41	Rajnish Kumar*	28	Sr. Executive (Market Operation)	19.62	12th	8	07/01/2002	OPM Securities
42	Rakesh G Dholakiya	26	Sr. Executive (Market Operation)	28.10	M.Com	6	02/06/2004	Sneha Capital P. Ltd.
43	Rakesh Kumar Ambasta	37	Asst. Manager (Market Operation)	27.47	B.Com	15	09/22/1998	Mantri Finstock Ltd.
44	Ranjeet Singh Minhas	39	Manager (Market Operation)	41.18	M.A	16	05/15/1998	R. S. Gupta & Co.
45	Rishab Jain	30	Executive (Market Operation)	36.18	M.C.A	8	02/21/2005	L.G Electronic India P. Ltd.
46	Sachin Kumar	28	Sr. Executive (Market Operation)	28.01	B.C.A	6	02/09/2004	Unity Fin-Cap P. Ltd, Noida
47	Sakharam Pendhari	34	Sr. Executive (Market Operation)	25.13	10th	14	07/10/1994	S.M.Nissar
48	Sandeep Prakash Khatri*	28	Sr. Executive (Market Operation)	23.91	12th	8	06/10/2002	Raghuwar Exports Ltd
49	Saugata Acherjee	34	Sr. Executive (Market Operation)	27.66	B.A	12	11/03/2001	Biswttari Finwest P. Ltd.
50	Shailendra Kumar Singh	35	General Manager (Market Operation)	35.29	B.Sc	13	07/01/1995	—
51	Shrikant Hari Gangan	27	Sr. Executive (Market Operation)	41.53	B.Com	10	07/05/2002	R.R Chowkhani
52	Tarun Kanti Ghosh	41	Sr. Executive (Market Operation)	25.04	B.Com	13	03/22/2002	S. Thirani & Co.
53	Vijay K. Doshi	36	Sr. Executive (Market Operation)	27.37	10th	12	11/13/2002	Bonanza Portfolio Ltd
54	Vilesh C. Muchhala	31	Sr. Executive (Market Operation)	35.12	B.Com, Diploma in Computer B.Com	14	07/05/2002	Icon Computers & communications
55	Vinod Kumar Saini	28	Sr. Executive (Market Operation)	27.80		6	06/02/2003	Shree Ganesh Investments
56	Vishnu Jiwrajka	29	Executive (Market Operation)	31.44	B.Com (H)	12	12/01/2005	Vedika Securities P. Ltd.
57	Vishnu Sharma	30	Sr. Executive (Market Operation)	24.51	12th	8	10/14/2003	Star Share & Stock Broker,
58	Vishwas Ramchandra Sakpal	35	Sr. Executive (Market Operation)	45.61	12th	12	12/13/2002	Express Securities P. Ltd.
59	Vivek Kumar Singh	30	Sr. Executive (Market Operation)	42.51	S.Y.B.Com	9	02/11/2002	Posidion Securities Pvt. Ltd.
60	Yash Khana	32	Sr. Executive (Market Operation)	42.58	B.Com (H)	10	09/24/2001	Exponential Financial Services P. Ltd.

Notes :

- 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.
- All aforesaid persons are in trading division of the Company and covered under normal terms and conditions of Employment of the Company.
- The nature of employment in all cases in contractual.
- None of the above employees is a relative of any Director of the Company.

* Indicates earings for part of the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Economic and Industry Overview

During the year 2007-08 Indian economy continued to expand at a robust pace. The growth was contributed by all sectors of the economy but remarkably by the manufacturing and the service sectors. On account of the economic developments India received the global attention and we along with China are perceived to be the growth engines for the future. The buoyant economic environment and the bright future prospectus of India got the attention of the global investors and the FII inflows continued during the year. The increased liquidity combined with excellent performance of the corporate sector helped growth of equity market significantly. The sensex touched the peak level of 21,206 in the month of January, 2008. As a result the volume in the market also went up to unprecedented level. There was a considerable growth in the other areas of industry such as Mutual funds, IPO's and insurance products.

However the market saw unprecedented volatility from the second half of January 2008 seeing a significant fall in valuations and market indices as a fall out of the sub-prime crisis and the related economic concerns in the United States. American and European Banks have taken large write offs for deterioration in asset values leading to a crisis. The crisis off late has taken the shape of a global nature. The prices of the crude oil had started rising and have increased sharply.

REVIEW OF OPERATIONS

During the year under review, the Company riding the buoyant markets achieved all round record performance. This is reflected in the Profit After Tax figures which have been Rs. 5036.36 Lacs as against Rs. 749.32 Lacs for the previous financial year. This was possible because your Company was prepared to take advantage of such active market conditions.

BLB Institute of Financial Markets Limited (BIFM), a Wholly Owned Subsidiary which offers a wide array of high quality financial market education has also progressed satisfactorily well. The management has geared itself to tap the huge potential in the financial market education.

Opportunities & Threats and Outlook for 2008-2009

One of the main causes of global crisis and inflation is the sharp rise in crude prices apart from sub-prime issues etc. India being one of the fastest developing countries could not stand in isolation. India has also seen a sharp rise in inflation rates with oil and metal prices increasing sharply. A number of Indian corporates had entered into Foreign Exchange Derivative Transactions which has resulted in Mark to Market losses as underlying currency movement have been unfavorable to them. There has been political uncertainty on account of impending elections. The environment for investments therefore has been one of extreme caution. This had led to a steep fall in traded volumes in the Indian Stock Exchanges resulting in lower business opportunity for the last quarter of Financial Year 2008 and thereafter. Due to lack of business opportunities your Company had also decided to wind up the Retail Broking unit / dispose of the same to any willing buyer.

The manifold increase in capital mobilization from the primary market, increase in resource mobilization by mutual funds, phenomenal growth in secondary market volumes, introduction of new products like mini derivative contracts & Securities Lending & Borrowing Scheme, introduction of new instruments in the F& O segment, proposed introduction of Currency Futures etc. provide significant business opportunities for your Company.

However a significant portion of the Company's income arises from trading operations in secondary market, which is largely dependent on the condition of the stock market. The stock market activity depends largely upon the economic growth momentum and combination of several factors like inflation, growing domestic savings, political stability, surging portfolio investments into India, etc. The unusual developments in the global economy indicate heightened uncertainties and new challenges for the emerging market economies like India. The year ahead seems to be full of challenges for your company.

Risk and Concerns

Market conditions, in particular the performance of the equity markets, contribute substantially to Company's revenues and will impact our ability to earn. The recent sharp fall of the valuations, a substantial drop in the volumes and a reduction in liquidity in the

market may have an adverse effect on the performance of the Company.

The Capital market industry in which your Company is operating is subject to extensive regulation. Regulatory challenges continue with the number of recent changes introduced by the regulator. Your Company has been proactive and has been adopting a business strategy to meet the emerging market environment. The Company, time to time, evaluates the technological obsolescence and the associated risk and makes investment accordingly.

Internal Control Systems

The Company has an adequate system of internal controls to ensure efficient use and safeguarding of resources, accuracy and prompt update of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by an in-house team of professionals. An internal audit team carries out audits of various departments, also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

Human Resources

The company places significant importance to its human capital. The company believes in sharing of revenues based on performance & potential. Hence the Company's remuneration structure includes a significant component of variable pay, which is based on performance.

The company has been paying special attention to improve the skill set of the employees through various training programs. Your Company puts in lot of its resources in enhancing motivation and providing training to its employees, with a view to increase their competence and performance.

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Cautionary Note

Statements in this Report, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the Company's operations are affected by many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT

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

Company's Philosophy on Corporate Governance

The company believes that "Corporate Governance" refers to the process and structure by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders. The company has implemented the principles of Corporate Governance in its dealings and activities and it is fully supported and endorsed by all the directors and senior management personnel so as to sustain a cooperative, competent, positive, harmonious and productive work atmosphere and for the growth of business organization.

The Corporate Governance philosophy is based on the following principles:

- Satisfaction of the spirit of the law through ethical business conduct.
- Transparency and a high degree of disclosure levels.
- A simple and transparent corporate structure driven solely by the business needs.
- Compliance with Clause 49 of the Listing Agreement as amended from time to time.
- Establishment of an efficient corporate structure for the management of the Company's affairs.

The Compliance Report on Corporate Governance for the year ended 31st March, 2008 is given as under:

I) MANDATORY REQUIREMENTS:

1. BOARD OF DIRECTORS

❖ Composition and size of the Board

As on 31st March, 2008 the Company's Board of Directors comprised of six directors out of which four were non-executive directors. The Board meetings of the Company are presided over by a non-executive Chairman and more than one third of the Directors of the Company were Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

❖ Board Meetings held during the year

During the year 2007-2008, ten Board Meetings were held on the following dates:

- | | | | | |
|---------------|---------------|---------------|---------------|----------------|
| 1) 09.04.2007 | 2) 30.04.2007 | 3) 09.05.2007 | 4) 11.07.2007 | 5) 30.07.2007 |
| 6) 28.08.2007 | 7) 30.10.2007 | 8) 28.11.2007 | 9) 21.01.2008 | 10) 15.03.2008 |

Attendance recorded for each director at the Board Meetings, last Annual General Meeting (AGM) and details of other directorships and committee positions held by them are 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 31/03/2008	No. of Committee positions held in other public companies as on 31/03/2008		Director's Share-holding
					Chairman	Member	
Sh. Brij Rattan Bagri	Promoter & Non-Executive Director	10	Yes	2	Nil	Nil	25651640
Sh. Vikram Rathi	Executive Director	10	Yes	1	Nil	Nil	45600
Sh. Satish Kumar Sharma	Executive Director **	10	Yes	Nil	Nil	Nil	15900
Sh. Keshav Chand Jain	Independent and Non-Executive Director	10	No	Nil	Nil	Nil	Nil
Dr. Suresh Chand Gupta	Independent and Non-Executive Director	10	Yes	1	Nil	Nil	2004
Sh. Sushil Gupta	Independent and Non-Executive Director	10	No	Nil	Nil	Nil	Nil

* This does not include any Private Company and foreign Company.

** Appointed as Executive Director from 01st October, 2007.

The intervening period between two meetings was well within the maximum time gap of four months as prescribed under Clause 49 of the Listing Agreement. Dates of Board meetings are fixed in advance and agenda papers are normally circulated seven working days prior to the meeting. The Board has periodically reviewed compliance report of all laws applicable to the Company.

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

2. AUDIT COMMITTEE

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee has been constituted by the Board comprising three Directors, all being non-executive with majority of them being independent. The Chairman of the Audit Committee is an Independent Director. The Company Secretary acts as the Secretary to the Audit Committee.

The constitution of the Audit Committee also meets the requirements under Section 292A of the Companies Act, 1956 (The Act). The terms of reference and powers of the Audit Committee are in keeping with those contained under Clause 49 of the Listing Agreement and the Companies Act, 1956.

The Audit Committee specifically reviews:

- Management Discussion and Analysis of financial conditions and results of operations.
- Quarterly and Annual Financial Results.
- Significant related party transactions.
- Internal Audit Reports.
- Recommendation for appointment and fixing of the remuneration of Statutory Auditors.

❖ Composition

The Audit Committee comprises of the following members:

- a. Sh. Satish Kumar Sharma – Chairman (ceased on 28th August, 2007)
- b. Dr. Suresh Chand Gupta- Chairman (appointed on 28th August, 2007)
- c. Sh. Brij Rattan Bagri
- d. Sh. Keshav Chand Jain

All the members of the Audit Committee are non-executive directors and two of them are Independent directors. They possess sound knowledge of Accounts, Audit, and Finance etc. Sh. Satish Kumar Sharma, an independent non-executive director was the Chairman of the Audit Committee till 28th August, 2007. However, due to his appointment as Executive Director of the Company he ceased to be Member as well as Chairman of the Committee. Thereafter Dr. Suresh Chand Gupta, Independent Non Executive Director of the Company has been appointed as Member and Chairman of the committee. Company Secretary of the Company acts as the Secretary to the Committee.

❖ Meeting and Attendance

The Audit Committee during the year 2007-2008 had five meetings, which were held on (1.) 30th April, 2007, (2.) 30th July, 2007, (3.) 28th August, 2007, (4.) 30th October, 2007 and (5.) 21st January, 2008. The attendance of each Committee member was as under:

<i>Name</i>	<i>Total No. of meetings held</i>	<i>No. of meetings attended</i>
Sh. Satish Kumar Sharma (ceased on 28th August, 2007)	2	2
Dr. Suresh Chand Gupta (appointed on 28th August, 2007)	3	3
Sh. Keshav Chand Jain	5	5
Sh. Brij Rattan Bagri	5	5

3. REMUNERATION COMMITTEE

The remuneration of director(s) is considered and decided by the Remuneration Committee of the Company on the basis of their performance, responsibilities, experience, qualification, market conditions, role played by them, etc.

❖ Composition

The Company constituted its Remuneration Committee pursuant to Clause 49 of the Listing Agreement.

The Remuneration Committee comprises of the following members:

- a. Sh. Satish Kumar Sharma – Chairman (ceased on 28th August, 2007)
- b. Sh. Suresh Chand Gupta- Chairman (appointed on 28th August, 2007)
- c. Sh. Brij Rattan Bagri
- d. Sh. Keshav Chand Jain

During the year one meeting was held on 28th August, 2007 to review the remuneration of Sh. Vikram Rathi, to fix the remuneration of Sh. Satish Kumar Sharma and to fix commission of Sh. Brij Rattan Bagri. All members of the committee on that date attended the same.

All the members of the Remuneration Committee are Non-Executive Directors and two of them are Independent Directors. Sh. Satish Kumar Sharma, an Independent Non-Executive Director was the Chairman of the Remuneration Committee till 28th August, 2007. However, due to his appointment as Executive Director of the Company he ceased to be Member as well as Chairman of the Committee. Thereafter Dr. Suresh Chand Gupta, Independent Non-Executive Director of the company has been appointed as Member and Chairman of the committee. Company Secretary of the Company acts as the Secretary to the Committee.

❖ **Details of remuneration paid to the Directors:**

a) Executive Directors

The aggregate value of salary perquisites paid to Whole-Time Directors (Executive Directors) for the Financial Year 2007-08 is as follows:

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Incentive (Rs.)	Total (Rs.)	Service Contract
Sh. Vikram Rath	Executive Director	9,47,489	96,382	9,50,000	19,93,871	5 Years
Sh. Satish Kumar Sharma	Executive Director	5,44,385	Nil	9,00,000	14,44,385	5 Years

b) Non Executive Director

At the Annual General Meeting held on 29th September, 2007 approval of shareholders was given for the payment of commission to Sh. Brij Rattan Bagri, Non- Executive Director for a period not exceeding 5 years, a sum not exceeding 5 % per annum of the net profit subject to approval of Central Government.

The Company received necessary permission from the Ministry of Corporate Affairs vide their letter No. 12/952/2007-CL.VII dated 08-04-2008 under various provisions of the Companies Act, 1956 to make payment of commission @ 5% of the net profits w.e.f. 01st July 2007 to the Non- Executive Director Sh. Brij Rattan Bagri for a period of five years. Accordingly the Company has made a provision for Rs. 1,88,28,000/- in the books of account.

No remuneration or sitting fees was paid to any Non-Executive Director for attending Board meetings, by the Company for the financial year 2007-2008.

4. 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, consolidation and issue of duplicate share certificates, etc. The Shareholders'/Investors' Grievance-cum-Share Transfer Committee comprises of the following members:

- Sh. Satish Kumar Sharma – Chairman (ceased on 28th August, 2007)
- Sh. Suresh Chand Gupta- Chairman (appointed on 28th August, 2007)
- Sh. Vikram Rath
- Sh. Keshav Chand Jain

All members of the Committee are Independent Non-Executive Directors. Sh. Satish Kumar Sharma, an Independent Non-Executive Director was the Chairman of the Shareholders'/Investors' Grievance-cum-Share Transfer Committee till 28th August, 2007. However, due to his appointment as Executive Director of the Company he ceased to be Member as well as Chairman of the Committee. Thereafter Dr. Suresh Chand Gupta, Independent Non Executive Director of the Company has been appointed as Member and Chairman of the committee. Company Secretary of the Company acts as the Secretary to the Committee.

❖ **Compliance Officer**

The Board had designated Shri Naveen Chandra Kushwaha, Company Secretary as Compliance Officer of the Company.

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

Phone : 011-32968110, 32968111, Fax : 011-23283159

E-mail : naveenchandra@blblimited.com

❖ **Meetings and Attendance**

During the year, 15 meetings of the Committee were held on the following dates:

- | | | | | |
|----------------|----------------|----------------|----------------|----------------|
| 1) 16.04.2007 | 2) 30.04.2007 | 3) 15.05.2007 | 4) 15.06.2007 | 5) 30.07.2007 |
| 6) 16.08.2007 | 7) 29.09.2007 | 8) 31.10.2007 | 9) 15.11.2007 | 10) 15.12.2007 |
| 11) 15.01.2008 | 12) 15.02.2008 | 13) 29.02.2008 | 14) 15.03.2008 | 15) 31.03.2008 |

The following table shows the details of attendance of members of the Committee in its meetings:

Name	Total No. of meetings held	No. of meetings attended
Sh. Satish Kumar Sharma (ceased on 28th August, 2007)	06	06
Dr. Suresh Chand Gupta (appointed on 28th August, 2007)	09	09
Sh. Keshav Chand Jain	15	15
Sh. Vikram Rath	15	15

❖ **Shareholders Queries/Complaints**

The Company has received 1 complaint and resolved the same during the year.

No complaint is pending as on 31st March, 2008.

5. GENERAL BODY MEETINGS

❖ **Details of Annual General Meetings held during the last 3 years.**

Year	Venue	Date	Time	Whether any special resolution passed
2006-2007	PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016	28th September, 2007	11.30 A.M.	Yes
2005-2006	Pearey Lal Bhawan (Gandhi Memorial Hall) 2, Bahadur Shah Zafar Marg, New Delhi-110 002	27th September, 2006	3.00 P.M.	Yes
2004-2005	Phoolwari, Pragati Maidan, New Delhi - 110 001	30th September, 2005	11.30 A.M.	Yes

Postal Ballot:

There were no resolutions passed through postal ballot during the financial year 2007-2008. There are no special resolutions proposed to be conducted through postal ballot.

6. DISCLOSURES

❖ **Disclosure on materially significant related party transactions**

During the year under review, there were no transactions of material nature with promoters, the Directors or the management, their subsidiaries or relatives, etc. that had potential conflict with the interests of the Company at large. All disclosures related to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested directors neither participate in the discussion nor do they vote on such matters. The details of related party transactions during 2007-2008 are duly disclosed in the Notes on Accounts to the Balance sheet as required by the Accounting Standard (AS-18) - 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India (ICAI).

❖ **Compliance by the Company**

There were no instances of non-compliances and no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the Capital Markets, during the last three years.

❖ **Whistle Blower Policy**

The Company has not adopted any Whistle Blower Policy. However, the Company has not denied access to any personnel to approach the Management or the Audit Committee on any issue.

❖ **Mandatory and Non Mandatory requirements**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

The Company at present has adopted the non-mandatory requirement with regard to constitution of Remuneration Committee.

7. MEANS OF COMMUNICATION

Timely Disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good corporate governance. Such Quarterly/Half Yearly/Annual results were published in 'Economic Times (English)', 'Business Standard' (English), 'Financial Express' (English), 'Statesman' (English), 'Business Line' (English) 'Veer Arjun' (Hindi) and 'Jansatta' (Hindi), 'Navbharat Times'(Hindi). Such results were also uploaded on Company's website, i.e. www.blblimited.com and on www.sebidifan.nic.in.

The Company is not displaying any official news releases nor making any presentations to institutional investors or to the analysts.