

29th Annual Report

BLB Limited

Board of Directors	Sh. Brij Rattan Bagri	<i>Chairman</i>
	Sh. Vikram Rathi	<i>Executive Director</i>
	Sh. Satish Kumar Sharma	<i>Executive Director</i>
	Sh. Keshav Chand Jain	<i>Director</i>
	Dr. Suresh Chand Gupta	<i>Director</i>
	Sh. Rajesh Kumar Damani	<i>Director</i>
Company Secretary	Ms. Kashvi Malhotra	
Principal Bankers	HDFC Bank Limited	
	ICICI Bank Limited	
	The Royal Bank of Scotland	
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, Darya Ganj, New Delhi - 110 002	
Listing at	National Stock Exchange of India Limited Bombay Stock Exchange Limited	

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DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors take immense pleasure in presenting their Twenty Ninth Directors' Report together with the Audited Accounts for the financial year ended 31st March, 2010.

FINANCIAL PERFORMANCE

For the financial year ended 31st March, 2010

(Rs. in lacs)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
Profit/(Loss) before tax	3724.77	(1409.20)
Less: Provision for Taxation		
— Current Tax	887.00	1.21
— Fringe Benefit Tax	—	10.25
— Deferred Tax	452.54	(339.75)
— Relating to earlier years	25.63	(2.88)
Profit/(Loss) after tax	2359.60	(1078.03)
Add: Balance brought forward from last year	8683.76	9973.64
Surplus available for appropriation	11043.36	8895.61
Less: Appropriations		
Dividend on Equity Shares		
Proposed	—	52.87
Interim	105.73	—
Dividend Distribution Tax	17.97	8.98
Transfer to General Reserve	500.00	150.00
Surplus carried to Balance Sheet	10419.66	8683.76

With the recovery of the market in the year 2009-10 most sectors revived after the tragic fall in the capital market in the year 2008-2009. During the year under review, Company has earned a Profit after Tax of Rs. 2359.60 lacs as against Loss after Tax of Rs. 1078.03 lacs during the previous financial year.

DIVIDEND

During the year under review the Directors declared Interim Dividend of Re. 0.20 (i.e. 20%) on the equity shares of Re. 1/- each fully paid up for the financial year 2009-10 which was paid on 29th March, 2010.

RESERVES

During the year under review Company has transferred Rs. 500 Lacs to the General Reserves from the accumulated profits of the Company.

MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section which forms part of the Annual Report.

SUBSIDIARY COMPANIES

Pursuant to Section 212 of the Companies Act, 1956, the Audited Statement of Accounts, Auditors' and Directors' Report of 'BLB Commodities Private Limited', 'BLB Realty Ventures Limited', 'BLB Global Business Limited' and 'BLB Institute of Financial Markets Limited' subsidiaries of the Company are annexed to the Annual Report 2009-10 of the Company.

PUBLIC DEPOSITS

Your Company has not accepted any Public Deposits during the year under review.

DISCLOSURES

During the year the Company has surrendered the Certificate of Registration as Depository Participantship of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

The Company has obtained Trading Membership for Currency Derivative Segment of United Stock Exchange of India Limited and also obtained the Clearing Membership of Currency Derivative Segment of MCX-SX Clearing Corporation Limited.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a separate report on Corporate Governance is appended along with the Compliance Certificate from M/s Ram Rattan & Associates, Statutory Auditors of the Company, which forms part of this report.

LISTING OF SHARES, PAYMENT OF LISTING FEES

The Company's Equity Shares are presently listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the year 2010-11 to both the exchanges where the shares are listed.

DIRECTORS

As per the provisions of Companies Act, 1956 and Article 89 of the Article of Association of the Company, Sh. Brij Rattan Bagri and Sh. Suresh Chand Gupta, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. As stipulated in terms of Clause 49 of listing agreement, the brief resume of Sh. Brij Rattan Bagri and Sh. Suresh Chand Gupta, is provided in the notice of the 29th Annual General Meeting of the Company.

The tenure of appointment of Sh. Vikram Rathi, Executive Director of the Company will expire on 30th January, 2011. Sh. Vikram Rathi is having wide and rich experience in the field of capital market. The Remuneration Committee as well as the Board of Directors recommend his re-appointment as an Executive Director of the Company for a further period of three years. Your directors recommend his re-appointment for your approval.

PARTICULARS OF EMPLOYEES

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, 2010 on a going concern basis.

AUDITORS

The Auditors, M/s. Ram Rattan & Associates, Chartered Accountants, New Delhi 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 and that they are not disqualified for reappointments within the meaning of Section 226 of the said Act. 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.

SECRETARIAL AUDIT

In order to strengthen the internal audit of the Secretarial Department of your Company, a comprehensive audit is being conducted by M/s. Chandrasekaran Associates, Company Secretaries, New Delhi at specified intervals. The recommendations made by the Secretarial Auditors are implemented in order to improve the processes in the Secretarial Department.

DISCLOSURES UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

In terms of section 217(1)(e) read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 of the Companies Act, 1956 your Directors furnish the information as below:

Conservation of Energy	The Company is a stock broking company and has taken necessary energy conservation measure to the extend applicable.	
Technology absorbtion	The Company is engaged in the stock broking business and accordingly have not absorbed any technology.	
Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	The Company is not engaged in Export Activities.	
Foreign Exchange Earnings and Outgo	Current Year	Previous Year
Out flow:	NIL	NIL
Inflow:	NIL	NIL

ACKNOWLEDGEMENTS

Your Directors would like to thank various bodies and statutory authorities including Bankers, SEBI, RBI, ROC, Stock Exchanges, 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 of
BLB Limited

Place: New Delhi
Date: 31st August, 2010

(Brij Rattan Bagri)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India.

REVIEW OF OPERATIONS

With the improvement in the economic environment, the Indian Capital Market has performed better than most of the others during the financial year. During the year under review, your Company has earned a Profit after Tax (PAT) of Rs. 2360 lacs as against a Loss after Tax of Rs. 1078 lacs for the previous financial year.

OPPORTUNITIES & THREATS

A significant portion of the Company's income is from Trading Operations in the Secondary Market. The revival of market has given confidence to the Management to perform well in the coming financial year.

During the year the opportunities in the Equity arbitrage and the concurrent yield has suffered a lot. The reason behind it is good liquidity and high operational cost mainly on account of high statutory charges and the cost of human resource. On the parallel side, the increased use of technology has heightened the related cost and has also considerably reduced the spreads. With the increasing trend of the use of technology, Company has also geared up and has shifted its focus towards maximum use of technology for trading. The future of the segment in which the company operates is filled with great challenges and Management is prepared to take it all as it comes.

Your Company has obtained the Trading Membership of Currency Derivative Segment of United Stock Exchange of India (USE) and the Clearing Membership of MCX Stock Exchange Limited (MCX-SX). Your Company has made further investment by way of equity and loan in Wholly Owned Subsidiary- BLB Commodities Private Limited. BLB Commodities Private Limited has also obtained the Memberships of Indian Commodity Exchange Limited (ICEX), National Multi Commodity Exchange of India Ltd. (NMCE) and ACE Derivative & Commodity Exchange Limited. Further, the Company has also got the in principle approval of Membership of NCDEX- Spot Exchange Limited.

RISK AND CONCERNS

Company performance is closely linked to the Indian Capital Market and the risk associated with the market operations.

Your Company has a full fledged Compliance department headed by Compliance Officer which ensures all Regulatory Compliances from time to time so as to enable the Company to function in a compliant environment.

INTERNAL CONTROL SYSTEMS

Your Company has adequate internal control system to ensure efficient and effective control over the activities of the company. Your Company has Internal Audit team which monitors the Business Activities performed by various departments and furnishes feedback reports to the management for their appraisal.

HUMAN RESOURCES

One of the main components for the successful performance of the organization is its Human Resource. Your Company gives significant importance to its human capital and is dedicated for continuous enhancement of their skills and knowledge by way of training and supervision. The Company provides intensive training to the staff at regular intervals to meet the changing business requirements.

CAUTIONARY NOTE

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

ANNEXURE

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

Sl. No.	Name	Designation	Age (yrs.)	Gross Remuneration (Rs. In Lacs)	Qualification	Experience (in Years)	Date of Commencement of employment	Previous Employer
1	Manoj Kumar Bagri*	Branch Manager	43	9.14	B.Com	21	19/02/2001	Neon Vinimay P. Ltd., Kolkata
2	Mithilesh Kumar Kanti*	Sr. Executive (Market Operation)	40	4.30	B.A	16	14/10/2003	Maheshwari Technical & Financial Services Ltd., Delhi
3	Naveen Chandra Chaturvedi*	Sr. Executive (Market Operation)	29	2.26	B.Com	8	16/10/2003	R.S.S. Investment (P) Ltd.

* Indicates earnings for part of the year.

Notes:

- 1) 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.
- 2) All aforesaid persons are in trading division of the Company and covered under normal terms and conditions of employment of the Company.
- 3) The nature of employment in all cases is contractual.
- 4) None of the above employee is a relative of any Director of the Company.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Report on Corporate Governance for the year ended 31st March, 2010 is given below:

Company's Philosophy on Corporate Governance

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures and good corporate practices that ensure that a company meets its obligations to optimize shareholders value, fulfill its responsibilities to the community, employees, government and other segments of the society. The Corporate Governance is also a systematic process of enhancing transparency in all dealings, regulatory compliances and to maintain the standards of corporate conduct. Your Company's foundation has therefore been rooted to stringent corporate governance principles to ensure shareholders aspirations and societal expectations so that the decision-making powers vested in the executive management are used with care and diligence. Apart from the regulatory Compliance, the Company endeavors to achieve the highest standards of ethical conduct throughout the organization. This report gives an insight into the functioning of the Company.

The Company's philosophy is :-

- Faith in bright future of Indian Capital Market
- Faith in individual potential and respect for human values
- Encouraging innovation for constant improvement to achieve excellence in all functional areas
- Accepting change as a way of life
- Appreciation of our role as a responsible corporate citizen

I.) MANDATORY REQUIREMENTS

1. BOARD OF DIRECTORS

❖ Composition and size of the Board

As on 31st March, 2010 the Company's Board of Directors comprised of six directors out of which four were Non-Executive Directors. The Board meetings of the Company were normally presided over by a Chairman cum Non-Executive Director who is also the Promoter of the Company. One-half 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 2009-2010, eleven Board Meetings were held on the following dates:

- | | | | |
|---------------|----------------|----------------|---------------|
| 1) 30.04.2009 | 2) 30.06.2009 | 3) 31.07.2009 | 4) 31.08.2009 |
| 5) 30.09.2009 | 6) 30.10.2009 | 7) 30.11.2009 | 8) 06.01.2010 |
| 9) 30.01.2010 | 10) 10.03.2010 | 11) 31.03.2010 | |

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 Directors	Category of Directorship	No. of Board Meetings Attended	Whether last AGM Attended	No. of outside Directorship held as on 31/03/2010*	No. of Committee position held in other public companies as on 31/03/2010		Director's Shareholding
					Chairman	Member	
Sh. Brij Rattan Bagri	Promoter & Non-Executive Director	08	No	2	Nil	Nil	32309490
Sh. Vikram Rathi	Executive Director	11	Yes	1	Nil	Nil	45600
Sh. Satish Kumar Sharma	Executive Director	11	Yes	Nil	Nil	Nil	43400
Sh. Keshav Chand Jain	Independent Non-Executive Director	10	No	Nil	Nil	Nil	Nil
Dr. Suresh Chand Gupta	Independent Non-Executive Director	11	Yes	1	Nil	Nil	3004
Sh. Sushil Kumar Gupta (Ceased to be a Director w.e.f. 31.08.2009)	Independent Non-Executive Director	04	N/A	Nil	Nil	Nil	Nil
Sh. Rajesh Kumar Damani (Appointed as an Additional Director on 31.08.2009)	Independent Non-Executive Director	07	No	Nil	Nil	Nil	Nil

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

The intervening period between two meetings was within the maximum time gap of four months as prescribed under Clause 49 of the Listing Agreement. The 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 IA to Clause 49 of the Listing Agreement with the Stock Exchanges, the necessary information was placed before the Board during the meetings.

❖ Disclosure of change during the year

Shri Sushil Kumar Gupta resigned from the Directorship of the Company on 31-08-2009. Mr. Rajesh Kumar Damani was appointed as Additional Director w.e.f. 31-08-2009 by the Board of Directors in its meeting held on 31-08-2009.

2. **AUDIT COMMITTEE**

The Audit Committee comprises of four Directors, all being Non-Executive with two-third 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 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 comprised of the following four members as at 31st March 2010 :

- a. Dr. Suresh Chand Gupta- Chairman
- b. Sh. Brij Rattan Bagri- Member
- c. Sh. Keshav Chand Jain- Member
- d. Sh. Rajesh Kumar Damani- Member

All the members of the Audit Committee are Non-Executive Directors and three of them are Independent Directors. They possess sound knowledge of Accounts, Audit, and Finance etc. Dr. Suresh Chand Gupta; Non Executive Independent Director of the Company is the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

❖ Meeting and Attendance

The Audit Committee held six meetings during the year 2009-2010 as under:-

- 1) 30.04.2009 2) 30.06.2009 3) 31.07.2009
- 4) 30.10.2009 5) 30.12.2009 6) 30.01.2010

The attendance of each Committee member was as under:

<i>Name of Member</i>	<i>Designation</i>	<i>Category</i>	<i>Meetings attended</i>
Dr. Suresh Chand Gupta	Chairman	Non Executive Independent Director	06
Sh. Brij Rattan Bagri	Member	Non Executive Director	05
Sh. Keshav Chand Jain	Member	Non Executive Independent Director	05
Sh. Rajesh Kumar Damani*	Member	Non Executive Independent Director	03

* Appointed as the Member of the Audit Committee w.e.f. 30.09.2009

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 comprised of three members as at 31st March 2010 as under:-

- a. Dr. Suresh Chand Gupta- Chairman
- b. Sh. Brij Rattan Bagri- Member
- c. Sh. Keshav Chand Jain- Member

During the year two meetings were held by the said committee on 30th June, 2009 and 30th November, 2009 and was attended by all the Committee Members. Both the meetings were held to review the remuneration of Sh. Vikram Rathi and Sh. Satish Kumar Sharma, Executive Directors of the Company.

The members of the Remuneration Committee are Non-Executive Directors and two of them are Independent Directors. Dr. Suresh Chand Gupta, Non-Executive Independent Director of the company is the Chairman of the Committee. The 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 2009-10 is as follows:

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Incentive (Rs.)	Total (Rs.)	Service Contract
Sh. Vikram Rathi	Executive Director	1376425/-	Nil	536000/-	1912425/-	5 Years (w.e.f. 31.01.06)
Sh. Satish Kumar Sharma	Executive Director	1505990/-	Nil	Nil	1505990/-	5 Years (w.e.f. 01.10.07)

b) **Non-Executive Director**

The shareholders at 26th Annual General Meeting held on 28th September, 2007 had approved the payment of commission to Sh. Brij Rattan Bagri, Non-Executive Director for a sum not exceeding 5% per annum of the net profits.

The Company has 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 Sh. Brij Rattan Bagri, Non-Executive Director of the Company for a period of five years.

Accordingly the Company has made a provision for Rs. 1,49,50,000/- towards the payment of Commission in the books of account for the financial year 2009-10.

However no commission was paid due to the losses suffered by the Company during the year 2008-09.

c) No remuneration or sitting fees was paid by the Company to any Non-Executive Director for attending the Board Meetings for the financial year 2009-10.

4. **SHAREHOLDERS'/INVESTORS' GRIEVANCE-CUM-SHARE TRANSFER COMMITTEE**

❖ **Composition**

The Company has Investors' Grievance Committee under the nomenclature "Shareholders'/ Investors' Grievance-cum-Share Transfer Committee." The Committee looks after the redressal of grievances of the Shareholders and approves transfer/transmission, sub-division, consolidation and issue of duplicate share certificates, etc. The Shareholders'/Investors' Grievance-cum-Share Transfer Committee comprised of the following three members as at 31st March 2010:

- Dr. Suresh Chand Gupta- Chairman
- Sh. Vikram Rathi - Member
- Sh. Keshav Chand Jain- Member

Dr. Suresh Chand Gupta, Non-Executive Independent Director of the Company is the Chairman of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

❖ **Compliance Officer**

The Board had designated Ms. Kashvi Malhotra, Asst. Company Secretary as Compliance Officer of the Company.

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❖ **Meetings and Attendance**

During the year, 24 meetings of the Committee were held on the following dates:

1) 15.04.2009	2) 30.04.2009	3) 15.05.2009	4) 30.05.2009	5) 15.06.2009
6) 30.06.2009	7) 15.07.2009	8) 31.07.2009	9) 17.08.2009	10) 31.08.2009
11) 15.09.2009	12) 22.09.2009	13) 30.09.2009	14) 15.10.2009	15) 30.10.2009
16) 16.11.2009	17) 30.11.2009	18) 15.12.2009	19) 31.12.2009	20) 15.01.2010
21) 01.02.2010	22) 26.02.2010	23) 15.03.2010	24) 31.03.2010	

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

Name of Member	Designation	Category	Meetings attended
Dr. Suresh Chand Gupta	Chairman	Non Executive Independent Director	24
Sh. Vikram Rathi	Member	Executive Director	24
Sh. Keshav Chand Jain	Member	Non Executive Independent Director	23