

# ***BLB LIMITED***

**39<sup>th</sup>** Annual Report  
2019-2020

<b>Corporate Identification Number</b>	L67120DL1981PLC354823	
<b>Board of Directors</b>	Sh. Brij Rattan Bagri Sh. Anshul Mehra Sh. Keshav Chand Jain Smt. Dhwani Jain Sh. Chitter Kumar Aggarwal Sh. Ram Pal Sharma	Chairman Executive Director Director Independent Director Independent Director Independent Director
<b>Chief Financial Officer</b>	Sh. Deepak Shrivastava	
<b>Company Secretary and Compliance Officer</b>	Ms. Varsha Yadav	
<b>Principal Banker</b>	HDFC Bank Limited	
<b>Statutory Auditors</b>	M/s. R. K. Ahuja & Co., Chartered Accountants, Faridabad	
<b>Secretarial Auditors</b>	M/s. Chandrasekaran Associates Company Secretaries, New Delhi	
<b>Registered Office</b>	H. No. 4760-61/23, 3 <sup>rd</sup> Floor, Ansari Road, Daryaganj, New Delhi- 110002	
<b>Registrar and Share Transfer Agent</b>	M/s. Abhipra Capital Limited A- 387, Abhipra Complex, Dilkhush Industrial Area G. T. Karnal Road, Azadpur, New Delhi- 110033	
<b>Listing at</b>	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)	

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## BOARD'S REPORT

**Dear Shareholders,**

Your Directors take immense pleasure in presenting their **Thirty Ninth (39<sup>th</sup>)** Annual Report together with the Audited Financial Statement of Accounts of **BLB Limited** ("the Company") for the Financial Year 2019-20.

### **1. FINANCIAL SUMMARY AND HIGHLIGHTS**

The summarized Audited results of your Company for the Financial Year 2019-20 ended on 31.03.2020 viz. -a-viz. for the Financial Year 2018-2019 ended on 31.03.2019 are given in the table below:

**(Rs. In Lakhs)**

PARTICULARS	FINANCIAL YEAR ENDED	
	31/03/2020	31/03/2019
Revenue from Operations	20233.80	19374.13
Other Income	(265.57)	119.73
Expenses	(20018.77)	(19623.07)
Profit (loss) before Depreciation, Finance Costs, Exceptional items and Tax Expense	(50.54)	(129.21)
Less: Depreciation/ Amortization/ Impairment	36.87	36.30
Profit (loss) before Finance Costs, exceptional items and Tax Expense	(87.41)	(165.51)
Less: Finance Costs	154.62	121.32
Profit (loss) before Exceptional items and Tax Expense	(242.03)	(286.83)
Less: Exceptional items	933.02	-
Profit (loss) before Tax Expense	(1175.05)	(286.83)
Less: Tax Expense (Current & Deferred)	(371.04)	119.12
Profit (loss) for the year	(804.01)	(405.95)
Other Comprehensive Income (loss)	(91.42)	32.81
Total Comprehensive Income (loss)	(895.43)	(373.14)
Basic Earnings Per Share (in Rs.)	(1.52)	(0.77)
Diluted Earnings Per Share (in Rs.)	(1.52)	(0.77)

Revenue from Operations for the Financial Year 2019-20 of your Company has increased from Rs. 19374.13 Lakhs for the previous F.Y. 2018-19 to Rs. 20233.80 Lakhs. Loss After Tax increased from Rs. 405.95 lakhs for F.Y. 2018-19 to Rs. 804.01 lakhs for the current F.Y. 2019-2020 on account of loss during the year under review.

### **2. COVID-19**

In the last month of 2019-2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to business operations of company. As of March 31, 2020, work from home was enabled to close to 90 percent of the employees to work remotely and securely.

### **3. RESERVES AND SURPLUS**

The Board of Directors of your Company has decided not to transfer any amount to Reserves for the Financial Year 2019-2020.

### **4. DIVIDEND**

The Board of Directors of your Company after considering holistically the relevant circumstances has decided that it would be prudent, not to recommended any dividend for the Financial Year 2019-2020.

**5. STATE OF COMPANY'S AFFAIRS**

- a) **Segment Wise Position of Business-** The main business of the Company is in trading and investment in Shares and Securities.
- b) **Change in Status of Company –** There is no change in the status of your Company as the Company continues to be listed in National Stock Exchange of India Limited (NSE) & BSE Limited (BSE). The Company has surrendered the membership of BSE and Currency Derivative Segment in NSE during the year under review.
- c) **Key Business Developments-** No key business developments took place during the year under review.
- d) **Change in the Financial Year –** There has been no change in the financial year followed by Company. The Company follows financial year starting from 01<sup>st</sup> April and ending on 31<sup>st</sup> March.
- e) **Capital Expenditure Program-** There have been no Capital Expenditure Program during the year under review and also not likely in the future.
- f) **Developments, Acquisition and assignment of material Intellectual Property Rights-** There are no material developments, acquisitions and assignments of material Intellectual Property Rights that took place during the year under review.
- g) **Any other material event having an impact on the affairs of the Company-** No material event took place during the year under review having an impact on the affairs of the Company.

**6. CHANGE IN NATURE OF BUSINESS**

During the year under review, there were no changes in nature of business of the company. The main business of company continued to trading and investment in Shares and Securities.

**7. MATERIAL CHANGES AND COMMITMENT**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the Financial Statements relate and the date of this report.

**8. DETAILS OF REVISION OF THE FINANCIAL STATEMENT OR REPORT**

There have been no revision in the Financial Statements and Board report during the Financial Year under review.

**9. SHARE CAPITAL**

The Authorized Share Capital of your Company as on March 31, 2020 stood at Rs. 31,50,00,000/- comprising of 26,50,00,000 equity shares of Re. 1/- each amounting to Rs. 26,50,00,000/- and 5,00,000 preference shares of Rs. 100/- each amounting to Rs. 5,00,00,000/- and remained unchanged as compared to March 31, 2019.

The Issued, Subscribed and Paid-up Equity Share Capital of your Company as on March 31, 2020, stood at Rs. 5,28,65,258/-, comprising of 5,28,65,258 Equity shares of Re. 1/- each fully paid-up and remained unchanged as compared to March 31, 2019.

Further, no Capital reduction/ buyback/ change in voting rights have been undertaken during the year under review.

**10. CHANGES IN SHARE CAPITAL AND DISCLOSURES**

There was no change in the paid up Share Capital of the Company during the financial year 2019-2020.

**Equity Shares or Other Convertible Securities:**

The Company has not issued any equity shares or other convertible securities during the year under review.

**Equity Shares with Differential Rights:**

The Company has neither issued any equity shares with differential rights during the year under review nor are any such equity shares outstanding.

**Sweat Equity Shares:**

The Company has not issued any Sweat Equity Shares during the year under review.

**Employee Stock Options:**

The Company has not provided any Stock Option Scheme to the employees during the year under review.

**Voting Rights not directly exercised by Employees:**

The Company has no Scheme in which voting rights are not directly exercised by Employees of Company. Further, no shares are held by trustee(s) for the benefit of employees.

**Debentures, Bonds or other Non-convertible Securities:**

The Company has not issued any Debentures, Bonds or other non-convertible securities during the year under review. Also, SEBI Circular dated 26<sup>th</sup> November, 2018 regarding Large Corporates (LC) is not applicable to the Company for the Financial Year ended on 31<sup>st</sup> March, 2020.

**Warrants:**

The Company has not issued any Warrants during the year under review.

**Credit Rating of Securities:**

The Company has not obtained any Credit Rating of Securities during the year under review.

**Bonus Shares:**

The Company has not issued any Bonus Shares during the year under review.

**11. INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unclaimed and unpaid dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF), established by the Government of India, after completion of seven years from declaration of Dividend. Further, according to the rules, the shares on which the dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the year the Company has transferred the unclaimed and unpaid dividends amounting to Rs. 1,73,787.80 pertaining to the Financial Year 2011-12 and also transferred the 1,31,235 corresponding shares on which such dividends were unclaimed for seven consecutive years as per the requirement of IEPF rules. Detailed list of dividend amount and Shares transferred to IEPF Authority is available on the website of the Company viz. "www.blblimited.com".

**12. NODAL OFFICER**

In accordance with the provisions of sub-rule (2A) of Rule 7 of Investor Education and Protection Fund

Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Ms. Varsha Yadav, Company Secretary of the Company has been appointed as the Nodal Officer of the Company. The details are available on the Company's website at "www.blblimited.com".

### **13. DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY**

#### **Inductions:-**

- Sh. Anshul Mehra (DIN: 00014049) was appointed as Whole Time Director, designated as Executive Director of the Company, by the Shareholders in the 38<sup>th</sup> Annual General Meeting with effect from 01<sup>st</sup> August, 2019.
- Sh. Keshav Chand Jain (DIN: 00007539), was appointed as Non- Executive Director of the Company by the Shareholders in the 38<sup>th</sup> Annual General Meeting with effect from 01<sup>st</sup> August, 2019.
- Sh. Deepak Shrivastava was appointed as Chief Financial Officer of the Company with effect from 13<sup>th</sup> August, 2019.
- The Board of Directors had re-appointed Mrs. Dhvani Jain as Independent Director for a second term of 5 years with effect from the 20<sup>th</sup> October, 2019 subject to the approval of shareholders at the forthcoming AGM. The Board recommends the same for your approval.

#### **Resignations:-**

- Sh. Keshav Chand Jain resigned from the Directorship with effect from 09<sup>th</sup> April, 2019. Thereafter, he was re-appointed as Non - Executive Director in the Annual General Meeting held on 01.08.2019.
- Sh. Vikram Rathi resigned from the post of Whole Time Director, designated as Executive Director, of the Company with effect from 02.10.2019.
- Sh. Anshul Mehra resigned as Chief Financial Officer of the Company with effect from 13<sup>th</sup> August, 2019.

*The Board places on record the appreciation of services rendered by the Director's/ KMP(s) of the Company during the year under review.*

#### **Appointments/ Re-appointments:-**

Sh. Brij Rattan Bagri (DIN: 00007441) Chairman and Non- Executive Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the same for your approval.

Further, the board of directors is recommending to appoint Mr. Deepak Sethi (DIN: 01140741) and Mr. Gaurav Gupta (DIN: 00531708) as an Independent Director of the Company at the ensuing Annual General Meeting for a term of 5 years to further strengthen the board.

### **14. DECLARATION BY INDEPENDENT DIRECTORS**

Sh. Ram Pal Sharma (DIN: 02785619), Sh. Chitter Kumar Aggarwal (DIN: 00038502) and Smt. Dhvani Jain (DIN: 06985038) are the Independent Directors on the Board of your Company. In the opinion of the Board and as declared by these Directors, each of them meets the criteria of independence as specified in Regulation 16 & 25 of the Listing Regulations and Section 149 (6) of the Companies Act, 2013 and the Rules made thereunder.

### **15. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Company has convened and held a separate meeting of independent directors on 25.02.2020.

**16. FAMILIARIZATION PROGRAMMES**

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, various businesses in the group etc. The details of the familiarization Program are available on the website of the Company at [www.blblimited.com](http://www.blblimited.com).

**17. CODE OF CONDUCT**

Pursuant to Regulation 26(3) of the Listing Regulations, all the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

**18. DETAILS OF BOARD MEETINGS**

During the year under review, 9 (Nine) Board meetings were held, details of which are given in the relevant paragraphs of Corporate Governance Report which forms part of this report.

**19. COMMITTEES OF BOARD**

The Composition of Committees, i.e. Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee has changed since the last Annual General Meeting.

Details of the same like date of reconstitution of Committees, number of committee meetings, attendance of committee members and other terms of reference are given in the relevant paragraphs of Corporate Governance Report which forms part of this report.

**20. RECOMMENDATIONS OF COMMITTEES**

Your Board has accepted all the recommendation(s) made by the all the Committees during the year and up to the date of this report.

**21. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION**

The Nomination and Remuneration Committee of your Company has framed a "Nomination, Remuneration and Evaluation Policy" on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director. The said policy has been approved by the Board of Directors of your Company.

The detailed "Nomination, Remuneration and Evaluation Policy" is enclosed as an **Annexure -I**.

**22. EVALUATION OF BOARD PERFORMANCE**

The Board has framed a performance evaluation policy which is displayed on the website of the company, viz. [www.blblimited.com](http://www.blblimited.com), for evaluating its own performance of Executive Director, Non-executive Directors including Independent Directors and Committees of Company.

Pursuant to the Section 134(3)(p) and Schedule IV of the Companies Act, 2013 read with Regulation 17 of the Listing Regulations, the Board of Directors in their meeting held on 25.02.2020 have carried out an evaluation of Independent Directors, the directors individually, as well as the evaluation of the working of its Committees.

Based on the Performance Evaluation carried out by the Board of the Company, the performance of the Board and its Committees and Individual Directors of the Company was found satisfactory.

As per Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of Independent Directors was held on 25<sup>th</sup> February, 2020, where Independent Directors, reviewed the performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and found their performances to be satisfactory.

**23. DISCLOSURE ABOUT RECEIPT OF ANY COMMISSION/ REMUNERATION BY MANAGING DIRECTOR/WHOLE TIME DIRECTOR FROM HOLDING COMPANY OR SUBSIDIARY COMPANY**

The company does not have any holding or Subsidiary Company. So, the Whole Time Director was not in receipt of commission from the Holding Company or commission / remuneration from its Subsidiary Companies.

**24. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- A. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- B. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 loss of the Company for that period;
- C. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- D. the directors had prepared the annual accounts on a going concern basis;
- E. the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- F. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**25. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. The internal audit is entrusted to M/s. Ram Rattan & Associates, Chartered Accountants, New Delhi. Your Company continuously invests in strengthening the internal control processes and systems. The internal control process and systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. Procedures to ensure conformance with the policies, processes and standards have been put in place covering all activities.

The processes and financial activities are subjected to independent audits by internal auditors as well as statutory auditors. Implementations of recommendations from various audit reports are regularly monitored by the senior management.

**26. REPORTING OF FRAUD AS PER SECTION 143(12)**

For Financial Year 2019-2020, no Fraud has been reported by Auditors of the Company in terms of Section 143(12) of the Companies Act, 2013.

**27. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY**

During the Financial Year under consideration there has been no subsidiary, joint venture or associate company of the company.



**28. PUBLIC DEPOSIT**

During the year under review, your Company had not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

However, Company had taken loan of Rs. 4.75 Cr. from one of its director Sh. Brij Rattan Bagri during the year in compliance with the Companies (Acceptance of Deposits) Rules, 2014 and repaid loan amounting to Rs. 1.75 Cr. The year end balance of loan was Rs. 15.70 Crore. (Previous year Rs. 12.65 Crore). A declaration to the effect that that loan granted to company was not out of borrowed funds was also provided by Sh. Brij Rattan Bagri.

**29. LOANS, GUARANTEES AND INVESTMENTS**

Particulars of Loans, Investment and Guarantees given, as per the provision Section 186 of the Companies Act, 2013 are provided in Note Nos. 4 and 12 of Financial Statements, along with the purpose for which they have been granted which forms part of this Annual Report. The outstanding amount of loan granted by Company to other Companies as on March 31, 2020 stands at Rs. Nil (previous year Rs. 200.00 Lakhs)

Further your Company continues to hold investments in securities, details of which are provided in the Note No. 4 of Financial Statements which forms part of this Annual Report. No Guarantee was given by the company during the year under review.

**30. RELATED PARTY TRANSACTIONS**

The Company has also adopted a Related Party Transaction Policy which is also available on the website of the Company viz "[www.blblimited.com](http://www.blblimited.com)". In the policy, the criteria for determining the material transactions has been defined according to which any contract or transaction or arrangement are to be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

The contracts or arrangements with related parties referred to in sub-section (1) of Section 188 read with Section 2(76) of the Companies Act, 2013 entered into by the Company are in the ordinary course of business and on arm's length basis. There is no material transaction with related parties during the year as defined under Listing Regulations and as per company's Related Party Transaction Policy. Further, as per Companies Act, 2013 and rules made there under, the term "Material Transactions" has not been defined and therefore for the purpose of material transactions as mentioned in the **Form AOC-2**, the Company has taken the definition from the Regulation 23 of the Listing Regulations read with Related Party Transaction Policy and has concluded that no transaction falls under material transaction as per the requirement.

The prescribed **Form AOC-2** is enclosed and forms part of this Report as **Annexure-II**. Your directors draw attention of members to Note No. 35 to the financial statements which set out related party disclosures.

**31. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year, the provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company on account of losses; turnover not exceeding Rs. 1000 Crores or net worth not exceeding Rs. 500 Crores as per the last audited financial statement for FY 2018-19.

**32. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 by your Company are explained as under:

<b>(A) Conservation of energy-</b>		
(i) the steps taken or impact on conservation of energy	The Company is a stock broking Company and requires normal consumption of electricity. The Company takes all necessary steps to reduce the consumption of energy. Your Company is not an industry as listed in Schedule to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.	
(ii) the steps taken by the company for utilising alternate sources of energy		
(iii) the capital investment on energy conservation equipments		
<b>(B) Technology absorption-</b>		
(i) the efforts made towards technology absorption	The Company is engaged in the Stock Broking Business and accordingly does not absorb any Technology.	
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution		
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-		
(a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and		
(iv) the expenditure incurred on Research and Development	No expenditure was incurred on Research and Development.	
<b>(C) Foreign Exchange Earnings and Outgo-</b>		
The total foreign exchange used and the total foreign exchange earned during the year as compared to the previous financial year has been provided hereunder:		
<b>Foreign Exchange Earnings &amp; Outgo</b>	<b>Current Year (2019-2020)</b>	<b>Previous Year (2018-19)</b>
Inflow	NIL	NIL
Outflow	1.53 Lacs	Rs. 5.13 lacs

### 33. RISK MANAGEMENT POLICY

- a. **Development:** In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Company reviews the same periodically.
- b. **Implementation:** The Company recognizes that risk is an integral and unavoidable component of business and hence is committed to managing the risk in a proactive and effective manner. The Risk Management Policy approved by the Board has been effectively implemented. The Company's Management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Risk Management System of the Company and are managed accordingly. In the opinion of Board, none of the risks which have been identified may threaten the existence of the Company.