

30th Annual Report

BLB Limited

2010 - 2011

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 (Up to 4th March, 2011)</i>
	Sh. Rajesh Kumar Damani	<i>Director</i>
	Sh. Manas Jain	<i>Additional Director (w.e.f. 4th March, 2011)</i>
Company Secretary	Ms. Priyanka Sharma	
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 Thirtieth Directors' Report together with the Audited Accounts for the financial year ended 31st March, 2011.

FINANCIAL PERFORMANCE

For the Financial Year Ended 31st March, 2011

(Rs. in lacs)

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
Profit/(Loss) before tax	(3121.32)	3724.77
Less: Provision for Taxation		
— Current Tax	3.70	887.00
— Deferred Tax	(1271.80)	452.54
— Relating to earlier years	—	25.63
Profit/(Loss) after tax	(1853.22)	2359.60
Add: Balance brought forward from last year	10419.66	8683.76
Surplus available for appropriation	8566.43	11043.36
Less: Appropriations		
Dividend on Equity Shares		
Proposed	52.87	—
Interim	—	105.73
Dividend Distribution Tax	8.78	17.97
Transfer to General Reserve	—	500.00
Surplus carried to Balance Sheet	8504.79	10419.66

During the year under review, your Company has incurred Loss After Tax for Rs. 1853.22 Lacs as against Profit After Tax for Rs. 2359.60 Lacs during the previous financial year.

DIVIDEND

Your Directors recommend a dividend of Rs. 0.10 (i.e. 10%) on the equity shares of Re. 1/- each fully paid-up from the accumulated profits of the Company, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

RESERVES

During the year under review, your Company has not transferred any sum to General Reserves.

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

The following may be read in conjunction with the Consolidated Financial Statements enclosed with the Accounts, prepared in accordance with Accounting Standard 21. In view of the general exemption granted by the Ministry of Corporate Affairs vide the General circular No. 2/2011 dated 8th February, 2011 and Resolution passed by the Board of Directors in its Meeting held on 25.08.2011, the required reports and accounts of Subsidiary Companies are not required to be attached to your Company's Accounts. However a statement, in terms of Section 212 of the Companies Act, 1956 and as mentioned in above said Circular, is attached with the Annual Accounts of your Company.

Shareholders desirous of obtaining the report and accounts of your Company's Subsidiaries may obtain the same upon request. The report and accounts of the Subsidiary Companies will be kept for inspection at your Company's Registered Office and those of the Subsidiary Companies. Further, the report and accounts of the Subsidiary Companies will also be available at the "Investors Cell" section of your Company's website, www.blblimited.com in a downloadable format.

Your Subsidiary Company, BLB Global Business Limited has been incurring losses for the past several financial years therefore;

it would not be feasible to continue the business of the company in such circumstances. As such the Company has decided to get the same liquidated as per the applicable laws.

During the year under review, the name of your Subsidiary Company BLB Realty Venture Limited has been changed to Sri Chaturbhuj Properties Limited.

PUBLIC DEPOSITS

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

DISCLOSURES

During the Year under review, Your Company had downsized its jobbing and arbitrage business significantly due to lack of business opportunities in order to safeguard itself from the potential losses.

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 2011-12 to both the exchanges where the shares are listed.

DIRECTORS

During the year under review, Dr. Suresh Chand Gupta, Non-Executive Independent Director resigned from the Directorship of the Company. The Board accepted the same and placed on record its sincere gratitude for his contribution towards the growth and development of the Company during his tenure as Director of the Company.

Further, your Board in its meeting held on 4th March, 2011 has appointed Sh. Manas Jain as an Additional Director of the Company, who shall hold the office upto the date of ensuing Annual General Meeting. Your Company has received a notice from a Shareholder in terms of Section 257 of the Companies Act, 1956 proposing candidature of Sh. Manas Jain for the post of the Director of the Company. Your Board recommends the same for your approval.

As per the provisions of Companies Act, 1956 and Article 89 of the Article of Association of the Company, Sh. Rajesh Kumar Damani and Sh. Keshav Chand Jain, 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. Rajesh Kumar Damani and Sh. Keshav Chand Jain, is provided in the Notice of the 30th Annual General Meeting of the Company. Your Directors recommends their re-appointment for your approval.

PARTICULARS OF EMPLOYEES

There is no employee in the Company drawing salary beyond the limit as specified under Section 217 (2A) of Companies Act, 1956.

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 loss 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, 2011 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. Your 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 measures to the extent applicable.	
Technology Absorption:	The Company is engaged in the Stock Broking Business and accordingly has 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, MCA, 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 Directors of
BLB Limited**

Place : New Delhi
Date : 25th August, 2011

(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

Your Company has incurred a Loss After Tax of Rs. 1853 lacs for the year 2010-11 as compared to the Profit after Tax of Rs. 2360 lacs for the previous financial year. The loss of the Company in the year under consideration is basically due to increased technological outlay and downsizing of business operations on account of lack of business opportunities in the Capital Market.

OPPORTUNITIES & THREATS

The Equity Market continued to be affected by lack of interest of Retail Investors, unstable FII's Flow, concerns on corporate earning(s), high inflation, interest rates, high statutory cost, global crisis etc. The volume of the equity cash market reduced significantly on account of the above mentioned factors. Further, with the technological changes, the style of operations for jobbing and arbitrage had also undergone significant change.

Due to the increased use of technology for jobbing & arbitrage and trading, the cost of operations had augmented considerably on the one hand and due to aforesaid factors & use of technology, the market had moved towards perfection thereby considerably reducing the spreads on the other hand. The Company had to downsize its jobbing and arbitrage business significantly in order to protect itself from the potential losses.

The future of the segment in which the Company operates is full of challenges and difficulties and your Company is exploring various opportunities for the development of new business avenues.

Your Company has further invested by way of loan in the wholly owned subsidiary, BLB Commodities Private Limited as there are business opportunities available in the commodities and commodities derivative segment. During the year, BLB Commodities Private Limited has surrendered the Membership of National Multi Commodity Exchange of India Limited (NMCE).

Your Company had also made further investment by way of equity and debt in the wholly owned subsidiary Sri Chaturbhuj Properties Limited (Erstwhile BLB Realty Ventures Limited). The Management of the Company has decided to wind up BLB Global Business Limited, the wholly owned subsidiary of the Company at Mauritius due to lack of business opportunities.

During the year, your Company has formed a wholly owned subsidiary for undertaking real estate business by the name of Sri Sharadamba Properties 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.

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, 2011 is given below:

Company's Philosophy of Corporate Governance

Your Company's outlook towards corporate governance is not only restricted to legal or regulatory frame work but also to practice transparency in operations and maintain a professional approach and accountability in dealing with its stakeholders.

Your Company's corporate governance philosophy is inspired from following principles enumerated below:

- *Maintenance of full transparency and disclosures at all levels of management.*
- *Committed to work for the betterment of Stakeholders and company.*
- *Adherence to follow and comply with all legal and regulatory frame work.*
- *To take decision keeping in view the shareholders values and rights.*
- *Believes in providing best and quality services in their working segments with implementing Total Quality Management at all levels.*

This corporate governance report in relation to the year ended on 31st March, 2011 as per the clause 49 of the Listing Agreement is enumerated below for your kind perusal:

I.) MANDATORY REQUIREMENT

1. BOARD OF DIRECTORS

❖ Composition and size of the Board

As on 31st March, 2011, 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 the 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 2010-2011, thirteen Board Meetings were held on the following dates:

1.	30.04.2010	2.	31.05.2010	3.	30.06.2010	4.	30.07.2010
5.	31.08.2010	6.	20.09.2010	7.	29.10.2010	8.	26.11.2010
9.	31.12.2010	10.	31.01.2011	11.	14.02.2011	12.	04.03.2011
13.	31.03.2011						

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 31.03.2011*	No. of Committee position held in other public companies as on 31.03.2011		Director's Shareholding
					Chairman	Member	
Sh. Brij Rattan Bagri	Promoter & Non-Executive Director	10	No	3	Nil	Nil	32309490
Sh. Vikram Rathi	Executive Director	12	Yes	3	Nil	Nil	45600
Sh. Satish Kumar Sharma	Executive Director	13	Yes	1	Nil	Nil	43400
Sh. Keshav Chand Jain	Independent Non-Executive Director	13	Yes	Nil	Nil	Nil	Nil
Dr. Suresh Chand Gupta (Ceased to be a Director w.e.f. 04.03.2011)	Independent Non-Executive Director	12	Yes	Nil	Nil	Nil	3004
Sh. Rajesh Kumar Damani	Independent Non-Executive Director	13	No	Nil	Nil	Nil	Nil
Sh. Manas Jain (Appointed as an Additional Director on 04.03.2011)	Independent Non-Executive Director	1	N/A	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 date of 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**

Dr. Suresh Chand Gupta resigned from the Directorship of the company on 04.03.2011. Mr. Manas Jain was appointed as an Additional Director w.e.f. 04.03.2011 by the Board of Directors in its meeting held on 04.03.2011.

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 members:

- a. Dr. Suresh Chand Gupta – Chairman (ceased on 04.03.2011)
- b. Sh. Keshav Chand Jain – Chairman (appointed on 04.03.2011)
- c. Sh. Manas Jain – Member (appointed on 04.03.2011)
- d. Sh. Brij Rattan Bagri – Member
- e. 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, an Independent Non-Executive Director was the chairman of the Audit Committee till 4th March, 2011. However, due to his resignation from directorship of the Company, he ceased to be member as well as chairman of the committee. Thereafter Sh. Manas Jain and Sh. Keshav Chand Jain, Non-Executive Independent Directors of the Company were appointed as the Member and Chairman of the Committee respectively. The Company Secretary of the Company acts as the Secretary to the Committee.

• **Meetings and Attendance**

The Audit Committee of the Company held Seven Meetings during the year 2010-2011, which are enumerated below:

1.	30.04.2010	2.	29.06.2010	3.	30.07.2010	4.	31.08.2010
5.	29.10.2010	6.	24.12.2010	7.	14.02.2011		

The Attendance of each committee member during the year under review is given below:

Name of Member	Category	Meetings attended
Sh. Keshav Chand Jain (appointed as Chairman w.e.f. 04.03.2011)	Non Executive Independent Director	7
Sh. Brij Rattan Bagri	Non Executive Director	5
Sh. Rajesh Kumar Damani	Non Executive Independent Director	7
Dr. Suresh Chand Gupta (ceased to be member & Chairman w.e.f. 04.03.2011)	Non Executive Independent Director	7
Sh. Manas Jain (Appointed as member w.e.f. 04.03.2011)	Non Executive Independent Director	Nil

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 members:-

- a. Dr. Suresh Chand Gupta – Chairman (ceased on 04.03.2011)
- b. Sh. Manas Jain – Chairman (appointed on 04.03.2011)
- c. Sh. Brij Rattan Bagri – Member
- d. Sh. Keshav Chand Jain – Member
- e. Sh. Rajesh Kumar Damani – Member (appointed on 04.03.2011)

During the year, two meetings were held by the said committee on 31st August, 2010 and 31st December, 2010. The meetings were 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.

All members of the Remuneration Committee are Non-Executive Directors and three of them are Independent Directors. Dr. Suresh Chand Gupta, an Independent Non- Executive Director was the Chairman of the Remuneration Committee till 4th March, 2011. However, due to his resignation from Directorship of the Company, he ceased to be Member as well as Chairman of the Committee. Thereafter Sh. Manas Jain, an Independent Non-Executive Director of the Company was appointed as the Member and Chairman of the Committee and Sh. Rajesh Kumar Damani, an Independent Non-Executive Director of the Company was appointed as the Member 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 2010-2011 is as follows:

Name	Designation	Salary (Rs.)	Perquisites (Rs.)	Incentive (Rs.)	Total (Rs.)	Service Contract
Sh. Vikram Rathi	Executive Director	16,99,914/-	9,360/-	1,50,100/-	18,59,374/-	3 Years
Sh. Satish Kumar Sharma	Executive Director	14,10,348/-	9360/-	Nil	14,19,708/-	5 Years

b) **Non-Executive Director**

In terms of approval of shareholders in the 26th Annual General Meeting held on 28th September, 2007 and subsequent approval from Ministry of Corporate Affairs, Government of India under various provisions of the Companies Act, 1956 a sum of Rs. 1,49,50,000/- was paid to Sh. Brij Rattan Bagri as commission for the financial year 2009-2010. However, no provision has been made for payment of such commission due to losses suffered during the year under review.

No remuneration or sitting fees was paid to any Non-Executive Director for attending Board meetings, by the Company for the financial year 2010-2011.

4. **SHAREHOLDER'S/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 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 members:

- a. Dr. Suresh Chand Gupta – Chairman (ceased on 04.03.2011)
- b. Sh. Manas Jain – Chairman (appointed on 04.03.2011)
- c. Sh. Keshav Chand Jain – Member
- d. Sh. Vikram Rathi – Member

Dr. Suresh Chand Gupta, an Independent Non- Executive Director was the Chairman of the Committee till 4th March, 2011. However, due to his resignation from Directorship from the Company, he ceased to be Member as well as Chairman of the Committee. Thereafter Sh. Manas Jain, an Independent Non-Executive Director of the Company was appointed as the Member and Chairman of the Committee. The Company secretary of the Company acts as the Secretary to the Committee.

❖ **Compliance Officer**

The Board had designated Ms. Priyanka Sharma, Asst. 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: priyankasharma@blblimited.com

❖ **Meeting and Attendance**

During the year, 23 meetings of the Committee were held on the following dates:

1.	15.04.2010	2.	30.04.2010	3.	15.05.2010	4.	31.05.2010	5.	15.06.2010
6.	30.06.2010	7.	15.07.2010	8.	30.07.2010	9.	14.08.2010	10.	31.08.2010
11.	15.09.2010	12.	22.09.2010	13.	15.10.2010	14.	29.10.2010	15.	15.11.2010
16.	26.11.2010	17.	15.12.2010	18.	31.12.2010	19.	15.01.2011	20.	31.01.2011
21.	14.02.2011	22.	16.03.2011	23.	31.03.2011				

The following table shows the details of attendance of members of the Committee:

S.No.	Name of Member	Category	Meetings Attended
1	Dr. Suresh Chand Gupta (ceased to be member & Chairman w.e.f. 04.03.2011)	Non Executive Independent Director	21
2	Sh. Manas Jain (Appointed as member & Chairman w.e.f. 04.03.2011)	Non Executive Independent Director	2
3	Sh. Keshav Chand Jain	Non Executive Independent Director	23
4	Sh. Vikram Rathi	Executive Director	22

❖ **Shareholders Queries/Complaints**

The Company received three complaints from its shareholders regarding non-receipt of dividend and the same were resolved during the year. No complaints were pending as on 31st March, 2011.

5. GENERAL BODY MEETINGS

❖ **The details of Annual General Meetings held during last three financial years are given as under:-**

Financial Year	Venue	Date	Time	Number of special resolution passed
2009-2010	PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	29 th September, 2010	11:30 a.m.	One
2008-2009	PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	29 th September, 2009	11:30 a.m.	Nil
2007-2008	PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016	28 th September, 2008	11:30 a.m.	Nil

❖ **The details of Extra Ordinary General Meeting held during the last three financial years is given as under:-**

Financial Year	Venue	Date	Time	Number of special resolution passed
2009-2010	PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016	06th February, 2010	11:15 a.m.	One

❖ **POSTAL BALLOT**

During the year under review, the Company sent the Notice of Postal Ballot dated 20th September, 2010 for obtaining the approval of the Members by way of Special Resolution through Postal Ballot pursuant to the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Special Resolution by Postal Ballot) Rules 2001 for shifting of the Registered Office of the Company from National Capital Territory of Delhi to the State of Haryana.

- The Board of Directors of the Company appointed Dr. S.Chandrasekaran, a Company Secretary in Whole-Time Practice, as scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.
- Notice along with the Postal Ballot form and prepaid self-addressed envelope were dispatched to the Shareholders on 23rd September, 2010.
- The Postal Ballot forms received by the Scrutinizer were kept in sealed boxes till the last date of receiving the same i.e. 25th October, 2010.
- The Scrutinizer submitted his report to the Company on 26th October, 2010.
- Based on the Scrutinizer's Report received by the Company, the result of the Postal Ballot as announced on 27th October, 2010, is enumerated below:

Particulars	Votes in terms of shares
Total no. of votes received through Postal Ballot forms	46,252,525
Less : No. of votes for which the rights is not exercised through Postal Ballot forms	0
Less : the no. of votes which has been rejected	70,423
Net valid no. of votes cast through Postal Ballot forms	46,182,102
Total no. of votes which has been cast in favour of resolution	46,182,102
Total no. of votes which have been cast against resolution	0

However, due to some technical and operational difficulties which might have arose while carrying on the business in State of Haryana, your Board decided to continue to keep the Registered Office of the Company at National Capital Territory of Delhi.

DISCLOSURE

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

During the year under review, there were no transactions of material nature with the Promoters, the Directors or the management, their Relatives or Subsidiaries etc. that could have potential conflict with the interest 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 discussions nor do they vote on such matters. The details of related party transactions during 2010-2011 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 has been no instance of non-compliance by the Company and no penalties, strictures were 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.

❖ **Code of Conduct for Prevention of Insider Trading**

Pursuant to the requirement of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted amended "Model Code of Conduct" for dealing in Company's securities.

❖ **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.

6. 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 'Financial Express' (English) and 'Jansatta' (Hindi). Such results were also uploaded on Company's website, i.e. www.blblimited.com

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

7. GENERAL SHAREHOLDER INFORMATION

i. 30th Annual General Meeting

Date : 30th September, 2011
 Time : 11.30 A.M.
 Venue : PHD Chamber of Commerce and Industry,
 PHD House, 4/2 Siri Institutional Area,
 August Kranti Marg, New Delhi-110016

ii. Financial Year : 01st April, 2010 to 31st March, 2011

iii. Date of Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed for one day only viz. Friday, 23rd September, 2011.

iv. Dividend Payment Date:

The Dividend, if any, approved by the members of the Company will be payable on and after 04th October, 2011.

v. Listing on Stock Exchanges

The equity shares of the Company are listed at the following Stock Exchanges:-

Name of the Stock Exchanges	Address of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	532290
National Stock Exchange of India Limited	"Exchange Plaza", 5th Floor, Plot No. C/1, G- Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051	BLBLIMITED

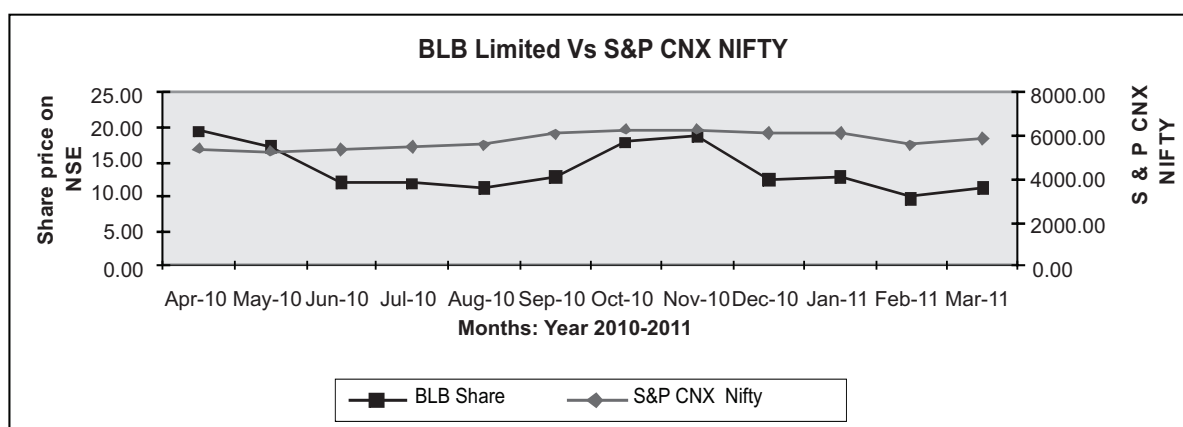
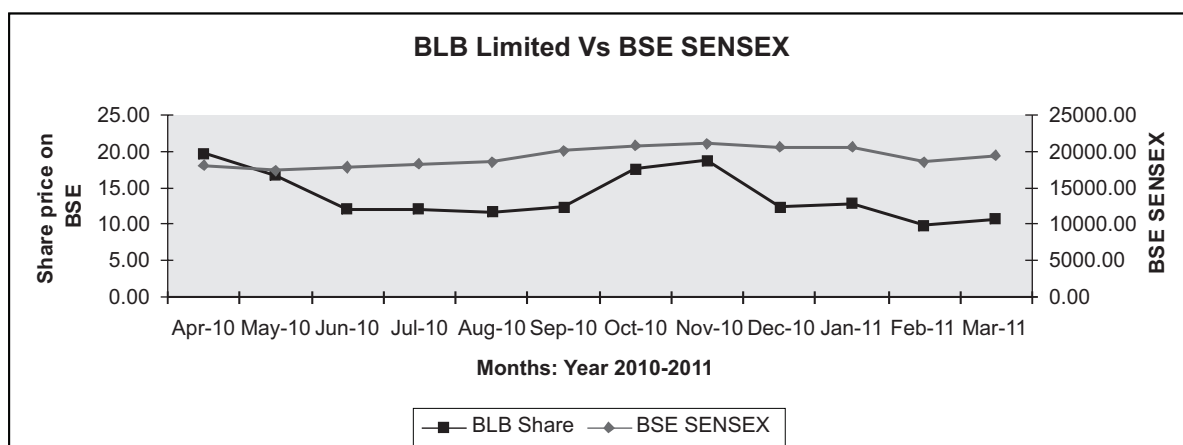
The Annual Listing fee for the year 2011-2012 has been paid to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

vi. Market Price Data

High/Low market price of the Equity shares of a face value of Re.1/- each of the Company traded on National Stock Exchange of India Limited and Bombay Stock Exchange Limited with comparative indices during the period 01st April, 2010 to 31st March, 2011 is furnished below:

Month	NSE		BSE		S&P CNX NIFTY		SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High	Low	High	Low
April, 2010	19.55	13.40	19.75	13.00	5399.65	5160.90	18047.86	17276.80
May, 2010	17.30	11.05	16.70	10.85	5278.70	4786.45	17536.86	15960.15
June, 2010	12.05	10.05	12.18	10.00	5366.75	4961.05	17919.62	16318.39
July, 2010	11.85	10.80	12.18	10.70	5477.50	5225.60	18237.56	17395.58
August, 2010	11.35	9.15	11.69	9.45	5549.80	5348.90	18475.27	17819.99
September, 2010	12.75	9.70	12.34	9.32	6073.50	5403.05	20267.98	18027.12
October, 2010	17.90	9.85	17.75	9.80	6284.10	5937.10	20854.55	19768.96
November, 2010	18.80	11.75	18.70	11.60	6338.50	5690.35	21108.64	18954.82
December, 2010	12.70	9.70	12.39	9.72	6147.30	5721.15	20552.03	19074.57
January, 2011	12.75	9.90	12.80	9.89	6181.05	5416.65	20664.80	18038.48
February, 2011	9.85	7.85	9.85	7.75	5599.25	5177.70	18690.97	17295.62
March, 2011	11.35	8.25	10.70	8.00	5872.00	5348.20	19575.16	17792.17

vii. Performance of share price of the Company in comparison to BSE Sensex and S&P CNX Nifty:



viii. Registrar and Transfer Agents

M/s Abhipra Capital Limited is the Registrar and Transfer Agent for the Equity Shares of the Company both in the Demat and Physical forms.

M/s Abhipra Capital Limited

A-387, Abhipra Complex, Dilkhush Industrial Area,
G.T.Karnal Road, Azadpur, New Delhi-110 033
Phone: 42390909, Fax: 91-11-42390704-05-06
e-mail: info@abhipra.com, Website: www.abhipra.com

ix. Share Transfer System

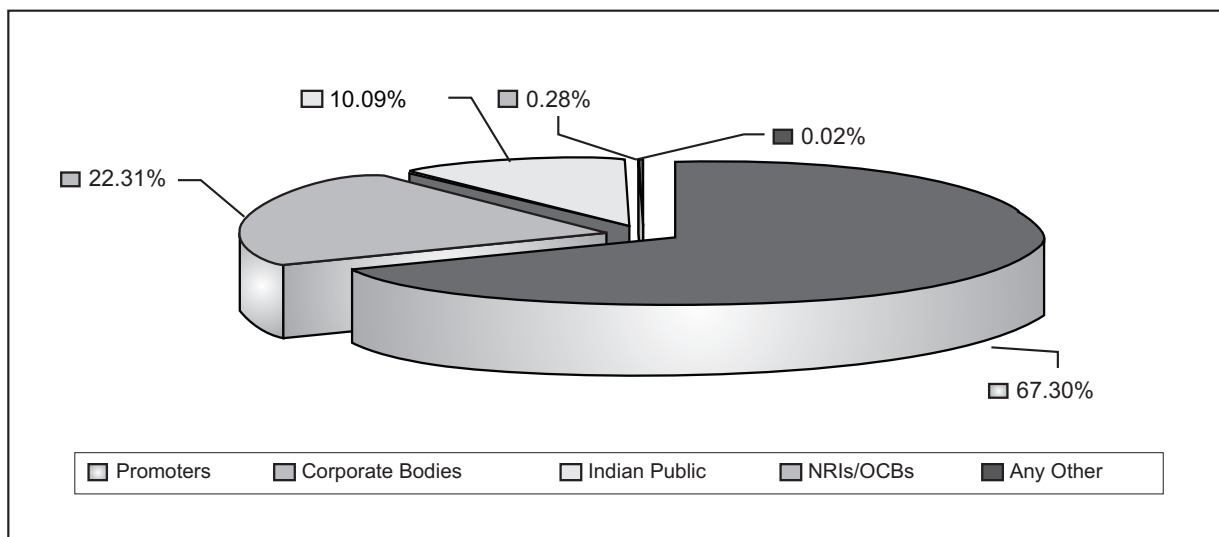
The Equity Shares of the Company are traded compulsorily in dematerialized form pursuant to a SEBI directive. The Registrar and Transfer Agent of the Company M/s Abhipra Capital Limited look after all the matters relating to the transfer, transmission and dematerialization etc. of the Equity Shares of the Company.

x. Distribution of Shareholding and Shareholding pattern as on 31st March, 2011

	Category	No. of Shares held	Percentage of Share holding
A.	Promoters' Shareholding		
	a. Indian Promoters	35577690	67.30%
	b. Foreign Promoters	Nil	Nil
	Sub-Total	35577690	67.30%
B.	Non-Promoters Holding		
	1. Institutional Investors		
	a. Mutual Funds and UTI	Nil	Nil
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions / Non-Government Institutions)	Nil	Nil
	c. FIIs	Nil	Nil
	Sub-Total	Nil	Nil
	2. Others		
	a. Corporate Bodies	11794357	22.31%
	b. Indian Public	5335966	10.09%
	c. NRIs/OCBs	7881	0.02%
	d. Any Other (please specify)	149364	0.28%
	Sub-Total	17287568	32.70%
	GRAND TOTAL	52865258	100.00%

ADR/GDR: There is no ADR and GDR holding.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011



xi. Distribution of Shareholding as on 31st March 2011

Share holding of Nominal Value	Shareholders		Paid-up Value	
	Number	% to total	(Rs.)	% of total
Upto – 5000	4373	96.48	1783434	3.37
5001 – 10000	58	1.28	431162	0.82
10001 – 20000	32	0.71	456931	0.86
20001 – 30000	18	0.40	461382	0.87
30001 – 40000	4	0.09	134739	0.25
40001 – 50000	8	0.18	356900	0.68
50001 – 100000	30	0.66	2016557	3.82
100001 & Above	9	0.20	47224153	89.33
TOTAL	4532	100.00	52865258	100.00

xii. Dematerialization of Shares

The Equity Shares of the Company are traded on the recognized Stock Exchanges only in dematerialized form with effect from 26th June 2000. 51259150 Equity Shares out of the total 52865258 Equity Shares issued have been dematerialized as on 31st March 2011. This represents 96.96% the total paid up capital of the Company.

The Equity Shares of the Company are available for trading in depository systems of both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN of the Equity Shares of the Company is INE791A01024.

xiii. Outstanding ADR/GDR/Warrants or any Convertible instruments

The Company has not issued any GDRs/ADRs; Further the Company has no outstanding warrants or any convertible instruments as on 31st March, 2011.

xiv. Plant Locations

The Company is not a manufacturing unit hence it has no plants.

xv. Address of Correspondence

Shareholders correspondence should be addressed to:

Ms. Priyanka Sharma

Asst. Company Secretary cum Compliance officer

BLB Limited

4764/23-A, Ansari Road,

Daryaganj, New Delhi-110 002, India

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

E-mail: investorcomplaint@blblimited.com

II.) NON-MANDATORY REQUIREMENTS

The company complies with the following Non-Mandatory requirements stipulated under Clause 49 of the Listing Agreement.

❖ REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee. Relevant details of the Remuneration Committee have been provided in paragraph 3 of this Report.

❖ AUDIT QUALIFICATION

The Company has no audit qualification in its financial statements.

❖ TRAINING OF BOARD MEMBERS

As regards training of Board Members, the Directors on the Board are seasoned professional having wide range of expertise in different fields. They keep themselves abreast with the latest developments in the field to Management, Technology, Industry and Business Environment etc.

For and on behalf of the Board

Place : New Delhi

Date : 25th August, 2011

(BRIJ RATTAN BAGRI)

CHAIRMAN

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No. of the Company: 55-12767

Nominal Capital : Rs. 12,50,00,000/-

To

The Members

BLB LIMITED

4764/23-A,

Ansari Road, Daryaganj,

New Delhi-110002

We have examined all relevant records of BLB Limited (the Company) for the purpose of certifying of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges for the financial year ended 31st March, 2011. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Clause 49 of the Listing Agreement.

For **M/S. RAM RATTAN & ASSOCIATES**

Chartered Accountants

Place : New Delhi

Date : 25th August, 2011

(RAM RATTAN GUPTA)

Partner (M. No. 083427)

(Firm Registration. No. 04472N)

CEO & CFO CERTIFICATION

To
The Board of Directors
BLB Limited
4764/23-A, Ansari Road,
Darya Ganj, New Delhi – 110 002

SUB. : CEO & CFO CERTIFICATION AS PER CLAUSE 49 OF THE LISTING AGREEMENT

Dear Sirs,

We Vikram Rathi, Executive Director and Vikash Rawal, Chief Financial Officer of the Company certify to the Board of Directors that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we confirm that there are no deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the auditors and the Audit Committee that there is:
 - (i) no significant changes in internal control over financial reporting during the year;
 - (ii) no significant changes in accounting policies during the year;
 - (iii) no instances of fraud in the company has come to our knowledge.

For **BLB LIMITED**

For **BLB LIMITED**

Place : New Delhi
Date : 25th August, 2011

(VIKRAM RATHI)
Executive Director

(VIKASH RAWAL)
Chief Financial Officer

DECLARATION OF THE EXECUTIVE DIRECTOR

This is to Certify that the Company has laid down Code of Conduct for all the Board Members and Senior management of the Company and the copy of the same are uploaded on the website of the Company- www.blblimited.com.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31st March, 2011.

For **BLB LIMITED**

Place : New Delhi
Date : 25th August, 2011

(VIKRAM RATHI)
Executive Director

AUDITORS' REPORT

To the members of BLB Limited

1. We have audited the attached Balance Sheet of BLB Limited as at 31st March, 2011, the Profit and Loss Account and also 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 the 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, 2003 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 purposes 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 as on 31st March, 2011 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, 2011, from being appointed as a Director in terms of 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, 2011;
 - b) in the case of the Profit and Loss Account, of the **loss** 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
Firm Registration No: 004472N

(CA. RAM RATTAN GUPTA)
Partner
M. No. 083427

Place : New Delhi
Date : 25th August, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date)

- i) In respect of its fixed assets:
 - 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 were noticed on such verification.
 - c) During the year the company has disposed off a substantial part of fixed assets. According to the information and explanations given to us, we are of the opinion that the sale of said part of fixed assets has not affected the going concern status of the company.
- ii) In respect of its inventories:
 - a) The securities held as stock-in-trade have been verified by the management with demat accounts maintained with depositories at reasonable intervals and the Units of Mutual Funds held as Stock-in-Trade in Demat accounts with the custodians are verified from the statements received from them on a 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 before us for our verification, no discrepancies were noticed on verification of stocks referred above, as compared to book records.
- iii)
 - a) The Company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was of Rs. 2605.00 lacs and the year-end balance of such loans was Rs.2605.00 lacs.
 - b) In our opinion, the rate of interest and the other terms and conditions of such loans are prima facie, not prejudicial to the interest of the Company.
 - c) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are regular in payment of interest as stipulated.
 - d) In respect of the aforesaid loans, there is no overdue amount as the same are repayable on demand.
 - e) The Company has taken unsecured loans from three other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 555.00 lacs and the year-end balance of such loans was Nil.
 - f) In our opinion, the rate of interest and the other terms and conditions of such loans 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 making the payment of the principal amount and interest as stipulated.
- 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 and 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.
- v) In respect of Contracts or arrangements referred to in section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the particulars of Contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register which is required to be maintained under that Section;
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The company has not accepted deposits from public in term of Section 58A of the Companies Act, 1956 read with clause 2(xii) of NBFC Acceptance of Public Deposits Directions, 1998 accordingly the provision of Clause 4(viii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) Looking to the nature of business carried by the Company, the provisions of Clause 4(viii) of the Companies (Auditor's Report) Order, 2003 regarding maintenance of cost records are not applicable to the Company.

ix) In respect of statutory dues:

- a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education & Protection Fund, Income Tax, Work Contract Tax, Wealth Tax, Service Tax, Profession Tax and other material statutory dues applicable to it. Considering the nature of business carried on by the Company, there can be no dues pertaining to Custom Duty, Sales Tax and Cess. According to the information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Work Contract Tax, Wealth Tax, Service Tax, Profession Tax were in arrears as at 31/03/2011 for a period of more than six months from the date they became payable.
- b) The particulars of statutory dues as at March 31, 2011 which have not been deposited on account of disputes are as follows:

Name of statute	Nature of Dues	Amount (Rs.in Lacs)	Period to which the amount relates	Forum where disputes are pending
Income Tax Act, 1961.	Income Tax	498.04	Assessment Year 2008-09	CIT(A) VI, New Delhi
Indian stamp Act, 2010. (Delhi Amendment)	Stamp Duty	65.02	01/06/2010 - 31/03/2011	Hon'ble Delhi High Court

- x) The Company does not have accumulated losses as at 31st March, 2011. During the financial year covered by our audit, the company has incurred cash losses amounting to Rs. 2805.59 Lacs and further that the company did not incur any cash loss during the preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. However the Company has not issued any debentures during the year.
- xii) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society and as such the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company has maintained proper records of transactions and contracts of dealing or trading in shares, securities and other investments and has made timely entries therein. The aforesaid securities have been held by the Company in its own name except to the extent of exemption granted under Section 49 of the Companies Act, 1956.
- xv) According to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by one of its subsidiaries from banks, are prima facie not prejudicial to the interest of the Company.
- xvi) In our opinion and according to the information and explanations given to us, the company has not taken any fresh term loan during the year and therefore clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis, have been used for long-term investment by the company.
- xviii) The Company has not made any preferential allotment of shares during the year and as such the provisions of Clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix) The Company did not issue any debentures during the year and as such the provisions of Clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) The Company has not raised any money by way of public issue during the year and as such the provisions of Clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xxi) In our opinion and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **RAM RATTAN & ASSOCIATES**

Chartered Accountants

Firm Registration No: 004472N

Place : New Delhi

Date : 25th August, 2011

(CA. RAM RATTAN GUPTA)

Partner

M. No. 083427

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
I) SOURCES OF FUNDS:			
1) Shareholders' Funds			
Share Capital	1	5,28,65,258	5,28,65,258
Reserves and Surplus	2	1,19,65,55,174	1,38,80,41,781
		<u>1,24,94,20,432</u>	<u>1,44,09,07,039</u>
2) LOAN FUNDS			
Secured Loans	3	2,12,82,901	37,30,76,845
Unsecured Loans		—	4,30,00,000
TOTAL		<u>1,27,07,03,333</u>	<u>1,85,69,83,884</u>
II APPLICATION OF FUNDS:			
1) FIXED ASSETS	4		
Gross Block		11,65,54,424	19,85,76,272
Less : Depreciation		7,36,76,016	12,13,05,586
Net Block		<u>4,28,78,408</u>	<u>7,72,70,686</u>
Capital Work-in-Progress		—	5,02,190
		<u>4,28,78,408</u>	<u>7,77,72,876</u>
2) INVESTMENTS	5	16,72,59,417	17,28,07,685
3) DEFERRED TAX ASSET (NET)		14,89,13,000	2,17,33,000
(Refer Note 9 of Schedule 20)			
4) CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	3,95,51,742	44,39,66,754
Sundry Debtors	7	8,85,19,777	8,92,52,376
Cash and Bank Balances	8	29,53,55,379	79,59,60,809
Other Current Assets	9	1,90,63,219	22,28,26,679
Loans and Advances	10	57,49,41,822	35,67,42,684
		<u>1,01,74,31,939</u>	<u>1,90,87,49,302</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	72,98,866	17,75,70,970
Provisions	12	9,84,80,565	14,65,08,009
		<u>10,57,79,431</u>	<u>32,40,78,979</u>
Net Current Assets		<u>91,16,52,508</u>	<u>1,58,46,70,323</u>
TOTAL		<u>1,27,07,03,333</u>	<u>1,85,69,83,884</u>
NOTES ON ACCOUNTS	20		

As per our report of even date annexed.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 004472N

(CA. RAM RATTAN GUPTA)
Partner
M. No. 083427

For and on behalf of the Board of Directors

(BRIJ RATTAN BAGRI)
Chairman

(VIKRAM RATHI)
Executive Director

Place : New Delhi
Date : 25th August, 2011

(VIKASH RAWAL)
Chief Financial Officer

(PRIYANKA SHARMA)
Asst. Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	SCHEDULE	2010-2011(Rs.)	2009-2010 (Rs.)
I. INCOME			
Sales		6,79,16,11,636	24,12,29,23,596
Profit on settlement of Contracts (Net)		—	83,94,67,129
Other Income	13	12,80,87,815	8,27,07,786
Gain on Sale of Investments (Net)		15,24,89,463	12,59,08,567
Increase in Stock-in-Trade	14	—	1,83,23,431
		7,07,21,88,914	25,18,93,30,509
II. EXPENDITURE			
Purchases		6,32,81,09,257	24,02,41,38,285
Decrease in Stock-in-Trade	14	40,44,15,012	—
Loss on Settlement of Contracts (Net)		40,49,73,764	—
Operational Expenses	15	7,03,60,245	43,86,78,266
Administrative Expenses	16	11,58,98,877	15,15,71,891
Personnel Expenses	17	4,05,80,473	16,16,29,847
Financial Expenses	18	3,95,25,007	1,96,33,958
Loss on Sale and Discarded Fixed Assets		1,73,46,595	2,88,99,741
Depreciation		1,42,17,895	2,67,63,454
		7,43,54,27,125	24,85,13,15,442
III. (LOSS)/PROFIT FOR THE YEAR	(I-II)	(36,32,38,211)	33,80,15,067
— Prior period adjustments		(1,04,371)	4,33,463
— Provision of Employees Benefits written back (Refer Note 7 of Schedule 20)		5,12,10,540	3,40,28,542
(LOSS)/PROFIT BEFORE TAX		(31,21,32,042)	37,24,77,072
Deferred Tax Adjustments		12,71,80,000	(4,52,54,000)
Provision for Taxation – Current	19	(3,70,000)	(8,87,00,000)
(Short)/Excess Provision for Income Tax		—	(25,63,078)
(LOSS)/PROFIT AFTER TAX		(18,53,22,042)	23,59,59,994
Balance Brought Forward		1,04,19,65,771	86,83,75,720
SURPLUS AVAILABLE FOR APPROPRIATION		85,66,43,729	1,10,43,35,714
APPROPRIATIONS			
Dividend on Equity Shares			
— Interim Dividend		—	1,05,73,052
— Proposed Dividend		52,86,526	—
Dividend Distribution Tax		8,78,039	17,96,891
Transfer to General Reserve		—	5,00,00,000
Balance carried to Balance Sheet		85,04,79,164	1,04,19,65,771
		85,66,43,729	1,10,43,35,714
EARNINGS PER SHARE			
Basic & Diluted (Par value of Re 1/-) (Refer Note 13 of Schedule 20)		(3.50)	4.46
NOTES ON ACCOUNTS	20		

As per our report of even date annexed.

 For **RAM RATTAN & ASSOCIATES**

Chartered Accountants

Firm Registration No: 004472N

(CA. RAM RATTAN GUPTA)

Partner

M. No. 083427

Place : New Delhi

Date : 25th August, 2011

For and on behalf of the Board of Directors

(BRIJ RATTAN BAGRI)

Chairman

(VIKASH RAWAL)

Chief Financial Officer

(VIKRAM RATHI)

Executive Director

(PRIYANKA SHARMA)

Asst. Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 Rs.	2009-2010 Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net (Loss) / Profit before Taxation	(31,21,32,042)	37,24,77,072
Adjustment for:		
Gain on Sale of Investments	(15,24,89,463)	(12,59,08,567)
Surplus on Withdrawal of Stock-In-Trade	—	(93,70,836)
Depreciation	1,42,17,895	2,67,63,454
Interest paid to Banks	3,14,87,330	1,37,23,055
Interest paid to others	42,74,179	17,81,533
Income from Investment	(14,51,504)	(3,96,731)
Securities Transaction Tax – Investment	4,94,444	2,73,825
Loss on Sale and discarded Fixed Assets	1,73,46,595	2,88,99,741
	(8,61,20,524)	(6,42,34,526)
Operating profit before Working Capital changes	(39,82,52,566)	30,82,42,546
Adjustment for:		
Trade & Other receivables excluding		
Direct Taxes	20,99,12,754	(23,75,82,455)
Inventories	40,44,15,012	(1,83,23,431)
Trade payables	(22,23,91,823)	39,19,35,943
	4,58,55,427	(21,00,50,459)
Cash generated from operations	(63,16,623)	9,81,92,087
Direct taxes paid	(3,71,58,122)	(6,04,46,241)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(4,34,74,745)	3,77,45,846
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to Fixed Assets (Net of Opening Capital WIP)	(39,80,996)	(1,54,87,174)
Sale of Fixed Assets	73,10,974	1,01,37,834
Income from Investment	14,51,504	3,96,731
Securities Transaction Tax – Investment	(4,94,444)	(2,73,825)
Purchase of Investments	(12,96,09,302)	(12,84,77,041)
Sale of Investments	28,76,47,032	17,24,05,308
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	16,23,24,768	3,87,01,833

	2010-2011 Rs.	2009-2010 Rs.
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Unsecured Loans	(4,30,00,000)	4,30,00,000
Interest paid to Banks	(3,14,87,330)	(1,37,23,055)
Loan to Subsidiaries	(18,89,00,000)	(7,16,00,000)
Interest paid to others	(42,74,179)	(17,81,533)
Secured Loans	(35,17,93,944)	15,38,36,731
Dividend on Equity Shares	—	(1,58,59,578)
Tax on Dividend	—	(26,95,336)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(61,94,55,453)	9,11,77,229
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(50,06,05,430)	16,76,24,908
CASH AND CASH EQUIVALENTS - OPENING BALANCE	79,59,60,809	62,83,35,901
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	29,53,55,379	79,59,60,809

As per our report of even date annexed.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 004472N

(CA. RAM RATTAN GUPTA)
Partner
M. No. 083427

Place : New Delhi
Date : 25th August, 2011

For and on behalf of the Board of Directors

(BRIJ RATTAN BAGRI)
Chairman

(VIKASH RAWAL)
Chief Financial Officer

(VIKRAM RATHI)
Executive Director

(PRIYANKA SHARMA)
Asst. Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 1</u>		
SHARE CAPITAL		
<u>Authorised</u>		
Equity :		
7,50,00,000 Equity Shares of Re.1/- each (Previous Year: 7,50,00,000 Equity Shares of Re.1/-each)	7,50,00,000	7,50,00,000
Preference :		
5,00,000 Preference Shares of Rs.100/-each (Previous Year: 5,00,000 Preference Shares of Rs.100/- each).	5,00,00,000	5,00,00,000
	12,50,00,000	12,50,00,000
<u>Issued, Subscribed and Paid up</u>		
Equity :		
5,28,65,258 Equity Shares of Re.1/- each (Previous Year : 5,28,65,258 Shares of Re.1/- each)		
Of the above Shares		
No. of Shares	Particulars	
40,00,000	Issued for cash as fully paid-up.	40,00,000
80,00,000	Allotted as fully paid-up bonus shares by capitalization of Securities Premium in 1995-96.	80,00,000
1,95,00,000	Allotted pursuant to a Scheme of Amalgamation in 1996-97.	1,95,00,000
1,89,00,000	Allotted as fully paid-up bonus shares by capitalization of Securities Premium in 1998-99.	1,89,00,000
24,65,258	Allotted as fully paid-up shares pursuant to a Scheme of Amalgamation in 2004-2005.	24,65,258
5,28,65,258		5,28,65,258

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
SCHEDULE - 2		
RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	7,10,28,970	7,10,28,970
Capital Redemption Reserve		
As per last Balance Sheet	2,50,00,000	2,50,00,000
Securities Premium		
As per last Balance Sheet	2,50,47,040	2,50,47,040
General Reserve		
As per last Balance Sheet	22,50,00,000	17,50,00,000
Add: Transferred from Profit & Loss Account	—	5,00,00,000
	22,50,00,000	22,50,00,000
Profit & Loss Account		
As per Annexed Profit & Loss Account	85,04,79,164	1,04,19,65,771
	1,19,65,55,174	1,38,80,41,781

SCHEDULE - 3

SECURED LOANS

Loans and Advances

from Banks

- Working Capital (Including interest accrued and due) (Secured against pledge of FDR's & Securities)

2,12,82,901 37,17,34,981

from Others

- Term Loan (Secured against plots at Noida)

— 13,41,864

2,12,82,901 37,30,76,845

UNSECURED LOANS

Other Loans and Advances

- i) From a Director
- ii) From Others

— 3,55,00,000

— 75,00,000

— 4,30,00,000

SCHEDULE - 4

FIXED ASSETS

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK (WDV)	
	As At 01.04.2010	Additions	Deductions	As At 31.03.2011	As At 01.04.2010	For the Year	Deductions	As At 31.03.2011	As At 31.03.2011	As At 31.03.2010
BUILDINGS	79,88,537	—	35,60,217	44,28,320	17,47,280	2,13,112	8,87,559	10,72,833	33,55,487	62,41,257
LAND	65,65,700	—	—	65,65,700	—	—	—	—	65,65,700	65,65,700
COMPUTERS ETC.	9,60,41,664	24,13,335	6,09,15,005	3,75,39,994	7,45,01,058	71,52,750	4,96,51,265	3,20,02,543	55,37,451	2,15,40,606
OFFICE EQUIPMENTS	1,08,46,907	3,22,663	20,14,584	91,54,986	54,60,878	6,94,310	9,94,729	51,60,459	39,94,527	53,86,029
TELECOM EQUIPMENTS	1,44,12,082	35,598	62,96,591	81,51,089	84,59,640	6,63,775	33,64,647	57,58,768	23,92,321	59,52,442
UPS & GENERATORS	1,27,97,827	—	25,45,798	1,02,52,029	66,76,088	7,62,076	14,15,780	60,22,384	42,29,645	61,21,739
FURNITURE & FIXTURES	3,81,23,253	16,98,086	91,71,538	3,06,49,801	1,83,12,398	33,41,801	43,87,231	1,72,66,968	1,33,82,833	1,98,10,855
VEHICLES	1,13,89,588	—	19,79,893	94,09,695	57,37,530	13,76,567	11,24,846	59,89,251	34,20,444	5,652,058
ASSETS BELOW RS.5000/-	4,10,714	13,504	21,408	4,02,810	4,10,714	13,504	21,408	4,02,810	—	—
TOTAL FIXED ASSETS	19,85,76,272	44,83,186	8,65,05,034	11,65,54,424	12,13,05,586	1,42,17,895	6,18,47,465	7,36,76,016	4,28,78,408	7,72,70,686
CAPITAL WORK-IN PROGRESS	5,02,190	—	5,02,190	—	—	—	—	—	—	5,02,190
GRAND TOTAL	19,90,78,462	44,83,186	8,70,07,224	11,65,54,424	12,13,05,586	1,42,17,895	6,18,47,465	7,36,76,016	4,28,78,408	7,77,72,876
PREVIOUS YEAR	30,13,01,605	1,54,87,174	11,77,10,317	19,90,78,462	17,32,14,874	2,67,63,454	7,86,72,742	12,13,05,586	7,72,72,876	12,80,86,731

	Face Value Rs.	As At 31.03.2011		As At 31.03.2010	
		Qty.	Rs.	Qty.	Rs.
<u>SCHEDULE - 5</u>					
INVESTMENTS (AT COST)					
LONG TERM INVESTMENTS (TRADE)					
QUOTED					
(FULLY PAID-UP)					
Shree Renuka Sugars Ltd#	1	—	—	500000	NIL
Reliance Industries Ltd.#	10	—	—	50700	NIL
Jindal Steel & Power Ltd.#	1	—	—	100000	NIL
VBC Ferro Alloys Limited	10	155172	3,84,36,104	173534	4,29,84,372
Midvalley Entertainment Limited*	10	200000	1,50,00,000	—	—
Total 'A'			5,34,36,104		4,29,84,372
LONG TERM INVESTMENTS (NON-TRADE)					
UNQUOTED (FULLY PAID-UP)					
Equity Shares of :					
The Delhi Stock Exchange Association Ltd.	1	80000	4,90,500	80000	4,90,500
The Calcutta Stock Exchange Association Ltd.	1	250	26,22,000	250	26,22,000
The Uttar Pradesh Stock Exchange Association Ltd.	2000	1	4,03,500	1	4,03,500
Bombay Stock Exchange Ltd.	1	11401	17,43,652	11401	17,43,652
Sharp Corp. Ltd.					
(Formerly known as Orient Overseas Pvt. Ltd.)	100	80000	1,00,00,000	80000	1,00,00,000
Singhal Agro Industries Ltd.	100	80000	1,00,00,000	80000	1,00,00,000
Midvalley Entertainment Limited*	10	—	—	200000	1,50,00,000
Sidharth Automat India Private Limited	10	—	—	150000	1,35,00,000
Railtech Infrastructure Private Limited	10	—	—	100000	60,00,000
Subsidiaries					
BLB Global Business Ltd. (Mauritius)	US\$ 1	107500	48,83,361	107500	48,83,361
BLB Institute of Financial Markets Limited	10	1900000	1,90,00,000	1900000	1,90,00,000
BLB Commodities Pvt Ltd.	10	4500000	4,51,80,300	4500000	4,51,80,300
Sri Chaturbhuj Properties Ltd.					
(Formerly known as BLB Realty Ventures Limited)	10	1850000	1,85,00,000	100000	10,00,000
Sri Sharadamba Properties Limited	10	100000	10,00,000	—	—
Total 'B'			11,38,23,313		12,98,23,313
Total 'A' + 'B'			16,72,59,417		17,28,07,685
Aggregate cost of Quoted Investments			5,34,36,104		4,29,84,372
Aggregate cost of Unquoted Investments			11,38,23,313		12,98,23,313
Aggregate Market Value of Quoted Investments			6,15,08,862		21,19,20,690

bonus shares held as investment at nil value.

* listed on 27/01/2011 and is under lock-in period of one year from the date of its listing.

SCHEDULE - 6

INVENTORIES

(As valued and certified by one of the Directors of the Company)

Securities held as Stock-in-trade	3,95,51,742	44,39,66,754
	3,95,51,742	44,39,66,754

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 7</u>		
SUNDRY DEBTORS		
(Unconfirmed, unsecured but considered good)		
Debts outstanding for more than 6 months (Refer Note 4 of Schedule 20)	8,85,19,777	8,92,52,376
	<u>8,85,19,777</u>	<u>8,92,52,376</u>
<u>SCHEDULE - 8</u>		
CASH AND BANK BALANCES		
Cash in hand	27,00,997	15,01,122
Balance with scheduled banks		
— In Current account	44,06,132	1,09,67,718
— In Fixed Deposits	28,81,25,000	77,83,02,949
Cheques/drafts in hand	1,23,250	51,89,020
	<u>29,53,55,379</u>	<u>79,59,60,809</u>
<u>SCHEDULE - 9</u>		
OTHER CURRENT ASSETS		
Stamps in hand	4,075	15,711
Interest Receivable	1,21,95,747	—
Interest accrued but not due	24,04,849	1,13,25,597
Margin Money with Stock Exchanges	19,48,540	21,06,97,390
Stock Exchange Receivables	25,10,008	7,87,981
	<u>1,90,63,219</u>	<u>22,28,26,679</u>
<u>SCHEDULE - 10</u>		
LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
— Against capital assets	12,20,32,000	13,89,47,477
— Others	4,01,78,619	1,64,52,904
Loans to Subsidiaries	26,05,00,000	7,16,00,000
Taxes paid	12,63,79,738	9,16,63,904
Prepaid Expenses	29,46,909	51,62,845
Security Deposits	2,29,04,556	3,29,15,554
	<u>57,49,41,822</u>	<u>35,67,42,684</u>

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 11</u>		
CURRENT LIABILITIES		
Sundry Creditors		
— Due to Director	2,24,385	1,29,77,241
— Due to Others	51,16,552	9,47,46,550
Unclaimed Dividends	19,27,929	20,19,178
Mark to Market margin - Equity Index/Stock Futures	30,000	3,68,54,880
Equity Index/Stock Options Premium Account	—	3,09,73,121
	72,98,866	17,75,70,970
<u>SCHEDULE - 12</u>		
PROVISIONS		
Taxation	9,23,16,000	9,43,88,289
Employees Benefits	—	5,21,19,720
Proposed Dividend	52,86,526	—
Tax on Proposed Dividend	8,78,039	—
	9,84,80,565	14,65,08,009
<u>SCHEDULE - 13</u>		
OTHER INCOME		
Dividend Income		
— from Investments	14,51,504	3,96,731
— from Others	10,21,801	38,48,760
Interest Income	5,98,76,190	5,75,08,892
Surplus on Withdrawal of Stock-In-Trade	—	93,70,836
Miscellaneous Income	6,57,38,320	1,15,82,567
	12,80,87,815	8,27,07,786
<u>SCHEDULE - 14</u>		
INCREASE IN STOCK-IN-TRADE		
Opening Stock	44,39,66,754	45,92,56,859
Less: Stocks withdrawn & taken to Investments	—	3,36,13,536
Net Opening Stock	44,39,66,754	42,56,43,323
Less: Closing Stock	3,95,51,742	44,39,66,754
	(40,44,15,012)	1,83,23,431

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 15</u>		
OPERATIONAL EXPENSES		
Stock Exchange Expenses	99,76,719	7,34,12,224
SEBI Registration Fees	5,82,662	38,02,769
Securities Transaction Tax	4,55,12,879	30,64,02,403
Stock Exchange Subscription Charges	1,18,021	1,18,021
V-SAT Maintenance Charges	8,33,589	25,77,310
Insurance Charges	94,180	75,907
Depository Transaction Charges	2,13,959	8,29,007
Telecommunication Expenses	54,74,653	56,52,720
Professional Fees to Dealers	43,42,464	4,37,66,917
Software Licenses & Maintenance	32,11,119	20,40,988
	7,03,60,245	43,86,78,266

SCHEDULE - 16
ADMINISTRATIVE & OTHER EXPENSES

Advertisement	4,95,790	4,61,323
Auditors' Remuneration		
— For Audit work	2,20,600	2,20,600
— For Certification work	—	1,10,300
Bad Debts Written off	4,62,349	16,55,163
Computer Expenses	13,25,806	15,03,429
Donations	7,70,00,000	9,11,00,992
Electricity Expenses	21,47,486	52,43,796
Legal & Professional Charges	69,24,990	69,51,448
Listing Fees	44,120	44,361
Postage & Telegram	2,28,848	3,75,432
Printing & Stationery	4,27,435	4,84,837
Rates & Taxes	2,04,846	6,35,670
Rent	1,83,51,697	3,33,26,788
Repair & Maintenance	9,50,338	19,46,580
Securities Transaction Tax – Investment	4,94,444	2,73,825
Shareholders' Meeting Expenses	79,873	1,99,662
Sundry Expenses	16,92,483	16,66,254
Telephone Expenses	11,76,749	13,19,308
Traveling & Conveyance	26,32,090	26,84,676
Vehicle Running & Maintenance	10,38,933	13,67,447
	11,58,98,877	15,15,71,891

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 17</u>		
PERSONNEL EXPENSES		
Salary, Bonus, Incentives & Others	3,48,45,464	13,18,83,326
Employer's Contribution to P.F. ESI. Etc.	14,07,054	50,38,892
Contribution to LIC Gratuity Fund	31,044	5,65,808
Staff Welfare	7,25,722	18,28,901
Staff Training & Development Expenses	65,747	29,64,463
Recruitment Expenses	2,26,360	9,80,042
Directors' Remuneration	32,79,082	1,83,68,415
	4,05,80,473	16,16,29,847
<u>SCHEDULE - 18</u>		
FINANCIAL EXPENSES		
Bank Guarantee Commission	37,51,424	40,99,445
Bank Charges	12,074	29,925
Interest paid to Banks	3,14,87,330	1,37,23,055
Interest paid to others	42,74,179	17,81,533
	3,95,25,007	1,96,33,958
<u>SCHEDULE - 19</u>		
PROVISION FOR TAX EXPENSES		
Income Tax	3,00,000	8,86,00,000
Wealth Tax	70,000	1,00,000
	3,70,000	8,87,00,000

SCHEDULE-20

NOTES TO ACCOUNTS

1) Significant Accounting Policies:

a) Basis of preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention in accordance with the applicable accounting standards referred to in section 211(3C) and other relevant provisions of the Companies Act, 1956.

b) Use of Estimates

The preparations of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c) Fixed Assets

Fixed assets are stated at cost of acquisition and include other incidental expenses, if any, less accumulated depreciation. Capital work in progress represents fixed assets that are not yet ready for their intended use before the Balance sheet date.

d) Depreciation

- i) Depreciation on all fixed assets is provided on written down value method in the manner as specified in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on assets costing Rs. 5,000/- or below is provided at the rate of hundred percent.

e) Investments

- i) Investments are classified into Long term Investments and Current Investments. Investments which are intended to be held for one year or more are classified as Long term Investments and Investments which are intended to be held for less than one year are classified as current Investments
- ii) Long Term Investments are carried at cost.

f) Inventories

- i) The securities acquired with the intention of trading are considered as Stock in trade and disclosed as Current assets.
- ii) The stock in trade of quoted securities is valued at the lower of cost or market price, the cost is determined on First in First out (FIFO) basis.
- iii) The Units of open-ended Mutual Fund Schemes are valued at lower of the cost or closing NAV, the cost is determined on First in First out basis.

g) Borrowing Costs

Borrowing costs are capitalized as part of the cost of qualifying asset when it is possible that will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

h) Employee Benefits

Retirement benefits are dealt with in the following manner: -

- i) Provident fund is accounted on accrual basis with contribution made to appropriate Government Authorities.
- ii) Leave encashment is determined and paid on the basis of accumulated leaves to the credit of each employee at the month end.
- iii) Liability for gratuity is funded with the Life Insurance Corporation of India (LIC) and premium based on actuarial valuation paid to LIC is charged to Profit & Loss account.

i) Revenue Recognition

- i) Revenue from sales is recognized at the completion of each settlement of the capital market segment of the Stock Exchange.
- ii) In respect of non-delivery based transactions in capital market segment, the profit/loss is accounted for at the end of each settlement.

- iii) In respect of derivative market segment, almost all the open interests are covered in capital market segment. As such the negative impact of open interest, which is covered in the capital market, is taken at nil. The open interests which are not covered in the capital market segment and currency derivative segment, are accounted for in the accounts on the basis of recommendations given by ICAI.
- iv) Income from Dividends is recognized when the right to receive payment is established.
- v) In respect of interest & other income, the company recognizes income on accrual basis.

j) Taxation

- i) The provision for current taxes is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961 and the Wealth Tax Act, 1957.
- ii) Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

k) Foreign Exchange Transactions

- i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates and the difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those relating to fixed assets and long term investment are recognized in the Profit and Loss Account.

l) Impairment of Assets

- i) The company makes an assessment at each balance date whether any indication exists that an asset has been impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The company recognizes the impairment loss in the profit & loss account in the year in which an asset is identified as impaired.
- ii) The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount as on the balance sheet date.

m) Provisions and Contingent liabilities

- i) The company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources.
- iii) Where there is a remote likelihood of outflow of resources in respect of a possible obligation or a present obligation, no provision or disclosure is made.

n) Operating Lease

Assets acquired on lease wherein a significant portion of risk & rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals paid on such leases are charged to revenue on accrual basis as an expense on a systematic basis over the term of lease.

2) Contingent liabilities

- i) Guarantees issued by banks on behalf of the Company as on 31/03/2011: Rs.1,730 Lacs. (Previous year: Rs. 3,200 Lacs).
- ii) Amount payable towards the purchase of immovable properties as on 31/03/2011: Rs. 51.02 lacs (Previous year: Rs. 439.30 lacs).
- iii) Counter Guarantees given by company jointly with its Chairman to the banks on behalf of one of its Subsidiary Companies as on 31/03/2011: Rs.1,675 Lacs. (Previous year: Rs. 500 lacs).
- iv) Disputed Income Tax liabilities not acknowledged as debt by the company and under appeals: Rs.498.04 Lacs. (Previous year : Rs. 196.40 lacs)
- v) The Income Tax Department has reconsidered certain issues due to change of opinion relating to some completed assessments against which judgments have already been given by appellant authorities at different stages in favour of the company. Such disputed Income Tax dues aggregate to Rs. 313.46 Lacs. (Previous year: Rs. 154.03 lacs).
- vi) The State Government of Maharastra had levied stamp duty on the company under the Bombay Stamp Act, 1958 for the period from 01/04/2001 to 23/06/2006. However the company has disputed the same with Hon'ble Delhi

High Court & Hon'ble Bombay High Court and the matter is subjudice. Hence, the liability on account of stamp duty cannot be ascertained and therefore no provision on this account has been made in the books.

- vii) The State Government of Delhi has levied stamp duty through Indian Stamp (Delhi Amendment) Act, 2010 w.e.f 01/06/2010 on securities business carried by the company on proprietary basis. During the year, the constitutional validity of the said levy has been challenged in Delhi High court through a writ petition filled by an association of brokers wherein the company is a member and the matter is subjudice. The liability on account of levy of stamp duty works out to Rs. 65.20 Lacs (without interest) for which no provision has been made.
- 3) The Company has made donations of Rs. 770.00 Lacs for Charitable objects in accordance with the Special Resolution passed by the Shareholders in the Extraordinary General Meeting held on 6th February, 2010 and the provisions of Section 293(1)(e) of the Companies Act, 1956 (Previous year : Rs. 911.00 Lacs).
- 4) Sundry debtors include :
- i) Rs. 876.90 Lacs given to The Calcutta Stock Exchange Association Limited to tide over the payment crisis, which erupted in March 2001. A suit for recovery is pending with the Hon'ble Delhi High Court and the management is confident of recovery thereof (Previous year: Rs. 876.90 Lacs).
- ii) Rs. 8.30 Lacs due from various parties are under arbitration proceedings and the management is confident of recovery thereof (Previous year: Rs.15.62 Lacs).
- 5) In the opinion of the Board of Directors, the aggregate value of Current Assets, Loans and Advances on realization, in the ordinary course of business, will not be less than the amount at which these are stated in the Balance Sheet.
- 6) Bank Fixed Deposits are pledged as follows:
- i) Rs. 619.00 Lacs with Stock Exchanges towards capital adequacy deposits/margins (Previous year: Rs. 2,887.25 Lacs).
- ii) Rs. 2,262.00 Lacs with banks against various facilities provided by them (Previous year: Rs. 4,895.78 Lacs).
- 7) The company has made a total payment of Rs. 9.09 Lacs (Previous year: Rs. 55.79 Lacs) during the year under the 'Employees Benefits Scheme' as reflected in Schedule '12'. Since none of the employees were in employment in the said category at the year end, no provision was required under this head (Previous year: Rs. 62.19 Lacs). In view of this, the remaining provision of Rs.512.10 Lacs has been reversed in the books of accounts. (Previous year: Rs. 340.28 lacs).
- 8) Details of Shares, ETF's, Debentures and Units of Mutual Funds held as stock-in-trade is as follows:

Particulars	Face Value Rs.	As At 31.03.2011		As At 31.03.2010	
		Qty.	Amount Rs.	Qty.	Amount Rs.
<u>STOCK IN HAND</u>					
<u>FULLY PAID-UP EQUITY SHARES</u>					
(A) FREE SHARES					
Aban Offshore Ltd.	2	—	—	2,400	27,90,120
ABB Ltd.	2	—	—	12,500	1,03,08,798
ACC Ltd.	10	—	—	2,271	21,34,905
Adani Enterprises Ltd.	1	—	—	1	470
Axis Bank Ltd.	10	—	—	2,250	25,93,764
Bajaj Auto Ltd.	10	—	—	3,200	63,08,768
Bajaj Hindusthan Ltd.	1	—	—	2,885	3,91,495
Bank Of Baroda	10	3,750	33,81,248	—	—
Bank Of India	10	—	—	1,900	5,93,807
BEML Ltd.	10	—	—	1,126	11,76,604
BGR Energy Systems Ltd.	10	—	—	4,400	22,24,368
Bharat Heavy Electricals Ltd.	10	—	—	3,430	81,41,882
Bharti Airtel Ltd.	5	—	—	5,501	17,18,397
Bharat Petroleum Corporation Ltd.	10	—	—	16,467	83,84,665
Bhushan Steel Ltd.**	2	—	—	50,000	1,66,41,764
Bilpower Ltd.	10	—	—	—	—
Bombay Rayon Fashions Ltd.	10	3,000	7,29,090	—	—
Canara Bank	10	—	—	22,036	90,06,393
Cairn India Ltd.	10	2,000	6,70,080	—	—
Century Textiles & Industries Ltd.	10	—	—	12,940	65,59,469

Particulars	As At 31.03.2011			As At 31.03.2010	
	Face Value Rs.	Qty.	Amount Rs.	Qty.	Amount Rs.
Cipla Ltd.	2	—	—	13,750	46,21,538
Colgate Palmolive (India) Ltd.	1	—	—	14,850	1,00,28,205
Crompton Greaves Ltd.	2	—	—	2	511
DLF Limited	2	—	—	900	2,66,130
Dr. Reddy's Laboratories Ltd.	5	—	—	13,202	1,67,93,056
Educomp Solutions Ltd.	2	—	—	2,240	16,74,960
Etc Networks Ltd.	10	—	—	6,140	14,25,400
Fame India Ltd.	10	—	—	5,000	4,25,250
The Federal Bank Ltd.	10	—	—	851	2,17,048
Financial Technologies (India) Ltd.	2	—	—	2,400	37,64,640
First Source Solutions Ltd.	10	—	—	47,500	13,63,250
Gail (India) Ltd.	10	—	—	22,500	91,64,055
The Great Eastern Shipping Company Ltd.	10	—	—	6,711	19,74,376
Gmr Infrastructure Ltd.	1	—	—	1,17,478	69,00,588
Goodyear India Ltd.	10	—	—	20,000	54,40,050
Grasim Industries Ltd.	10	—	—	352	9,90,827
Gujarat State Fertilizers & Chemicals Ltd.	10	—	—	3,300	6,76,984
Gujarat Nre Coke Ltd.	10	—	—	9,000	7,87,050
Heatshrink Technologies Ltd	10	45	45	45	45
Hero Honda Motors Ltd.	2	—	—	10	19,444
Hindalco Industries Ltd.	1	—	—	13,994	25,04,356
Hindustan Construction Company Ltd.	1	—	—	54,600	73,19,488
Hindustan Petroleum Corporation Ltd.	10	—	—	9,100	28,57,113
Hindustan Zinc Ltd.**	2	—	—	17,500	42,13,164
Housing Development And Infrastructure Ltd.	10	—	—	5,418	15,51,444
Housing Development Finance Corporation Ltd.**	2	—	—	3,300	17,69,267
IDBI Bank Ltd.	10	—	—	240	2,76,000
Indiabulls Real Estate Ltd.	2	—	—	1,300	1,89,878
The India Cements Ltd.	10	—	—	50	6,483
Indian Bank Ltd.	10	—	—	13,200	21,87,661
Indian Overseas Bank	10	—	—	53,052	47,03,964
Infosys Technologies Ltd.	5	—	—	3,443	90,06,716
ITC Ltd.	1	28,000	47,95,820	3,375	8,81,301
IVRCL Infrastructure & Projects Ltd.	2	—	—	20,468	33,46,391
Jaiprakash Associates Ltd.	2	—	—	75	11,216
Jindal Steel & Power Ltd.	1	1,000	6,58,440	1,920	13,49,952
JSW Steel Ltd.	10	250	2,25,230	—	—
Kingfisher Airlines Ltd.	10	—	—	17,000	7,95,600
Larsen & Toubro Ltd.	2	—	—	10,001	1,63,01,757
LIC Housing Finance Ltd.**	2	—	—	8,500	13,87,062
Mahanagar Telephone Nigam Ltd.	10	—	—	76,781	55,80,763
Mahindra & Mahindra Ltd.	5	—	—	624	6,66,638
Maruti Suzuki India Ltd.	5	2,250	27,06,425	400	5,58,990
McLeod Russell India Ltd.	5	—	—	8,100	21,88,097
Mercator Lines Ltd.	1	—	—	14,845	8,26,124
Micro Inks	10	2	1,247	2	1,247
Moser—Bear (I) Ltd.	10	—	—	29,700	21,68,100
Mphasis Ltd.	10	—	—	2,400	14,89,080
Mundra Port And Special Economic Zone Ltd.**	2	—	—	4,500	6,73,179
Nagarjuna Fertilizer & Chemicals Ltd.	10	—	—	82,208	25,08,227
Nava Bharat Ventures Ltd.	2	—	—	3,000	11,72,307
NTPC Ltd.	10	—	—	38,263	77,06,503
NHPC Ltd.	10	—	—	35,000	10,65,750
Oil Country Tubular Ltd.	10	—	—	30,000	30,61,500
Oil & Natural Gas Corporation Ltd.*	5	—	—	14,866	78,80,235

Particulars	Face Value Rs.	As At 31.03.2011		As At 31.03.2010	
		Qty.	Amount Rs.	Qty.	Amount Rs.
Oracle Financial Services Software Ltd.	5	—	—	1,200	27,55,116
Orchid Chemicals & Pharmaceuticals Ltd.	10	4,000	11,64,120	—	—
Pan India Corporation Ltd.	10	—	—	1,61,689	1,29,351
Pentamedia Graphics Ltd.	1	6,000	8,580	6,000	15,540
Pantaloon Retail (India) Ltd.	2	7,000	17,98,105	—	—
Power Grid Corporation Of India Ltd.	10	—	—	9,671	10,32,254
Punj Lloyd Ltd.	2	—	—	29,996	52,91,660
Punjab National Bank	10	—	—	20	18,417
Ranbaxy Laboratories Ltd.	5	—	—	26,402	1,23,74,036
Reliance Communications Ltd.	5	—	—	4	656
Reliance Industries Ltd.	10	—	—	1,500	14,91,884
Shree Renuka Sugars Ltd.	1	—	—	25,000	17,82,500
Shri Lakshmi Cotsyn Ltd	10	—	—	2,60,000	2,85,88,100
Siemens Ltd.	2	—	—	4,512	33,38,425
Software Technology Group International Ltd.	10	—	—	25,000	1,64,750
Southern Online Bio Technologies Ltd.	10	—	—	—	—
State Bank Of India	10	2,250	59,21,615	—	—
Steel Authority Of India Ltd.	10	—	—	1,351	3,18,269
Sterlite Industries (India) Ltd.*	1	—	—	11,388	46,71,415
Sun Pharmaceuticals Industries Ltd.**	1	—	—	3,160	13,67,476
Tata Communications Ltd.	10	—	—	14,961	41,92,712
Tata Consultancy Services Ltd.	1	1,500	16,18,560	12,000	93,67,800
Tata Power Co. Ltd.	10	—	—	8,500	1,15,58,864
Tech Mahindra Ltd.	10	—	—	1,200	10,23,720
Titan Industries Ltd.	10	—	—	1,031	18,49,808
Tulip Telecom Ltd.**	2	—	—	2,500	4,20,425
Unitech Ltd.	2	—	—	36,000	25,86,600
United Spirits Ltd.	10	—	—	3,000	39,64,200
VBC Ferro Alloys Ltd	10	509	1,26,842	—	—
Voltas Ltd.	1	—	—	11,002	19,41,113
Welcure Drugs & Pharmaceuticals Ltd.	10	—	—	1,06,857	2,79,628
Welspun Corp Ltd.	5	—	—	33,601	91,79,793
Wipro Ltd.	2	—	—	13,006	91,94,592
West Coast Paper Mills Ltd.	2	—	—	25,000	15,30,000
Zee Entertainment Enterprises Ltd.	1	—	—	11,200	30,04,400
TOTAL (A)			2,38,05,447		36,71,48,133

* During the year the Face Value of the share has been split in the ratio of 1:2** During the year the Face Value of the share has been split in the ratio of 1:5

(B) DEBENTURES

L&T Finance Ltd.	1000	5,122	52,98,658	5,122	53,98,639
Trent Ltd. (NCD)	10	—	—	783	3,85,675
Tata Capital Ltd.	1000	2,012	21,50,385	2,012	22,65,999
TOTAL (B)			74,49,043		80,50,313

(C) EXCHANGE TRADED FUNDS

Reliance Mutual Fund – Gold Exchange Traded Fund	100	—	—	200	3,12,394
Benchmark Mutual Fund — NiftyBees	10	—	—	62,622	3,29,50,621
Benchmark Mutual Fund – Gold Benchmark Exchange Traded Scheme	100	—	—	13,700	2,20,04,986
TOTAL (C)			—		5,52,68,001

Particulars	Face Value Rs.	As At 31.03.2011		As At 31.03.2010	
		Qty.	Amount	Qty.	Amount
			Rs.		Rs.
<i>(D) FULLY PAID—UP UNITS OF MUTUAL FUNDS</i>					
Reliance Mutual Fund	10	97,800	10,00,000	97,800	10,00,489
RNRL Fund – Growth	10	2,44,499	24,57,213	2,44,499	24,73,300
BSL Special Situation Fund—Growth	10	3,91,198	38,40,039	3,91,198	38,27,521
Fidelity India Growth	10	97,800	10,00,000	97,800	10,00,000
ABN AMRO 3yrs Reg. Plan	10	—	—	50,000	5,00,000
Sundaram—BNP Paribas Smile Fund(G)	10	—	—	75,909	23,48,997
DSP Black Rock India Mutual Fund	10	—	—	16,958	7,50,000
HDFC – Top 200 Fund (G)	10	—	—	8,942	16,00,000
TOTAL (D)			82,97,252		1,35,00,307
Note: Units of Mutual Funds have been rounded off to nearest unit.					
TOTAL (A to D)			3,95,51,742		44,39,66,754

8A) Details of Equity Index Futures, Equity Index options, Equity Stock Futures , Equity Stock Options, Currency Futures & Interest Rate futures contracts where the company is having Open Interests as on balance sheet date:

i) Equity Index/Stock Futures Contracts

Name of Future	Series of Future	Nature of Position (Long/Short)	No. of Contracts	No. of Units Involved	Daily Settlement Price As on 31.03.2011 (Rs.)
FUTIDX—NIFTY	28—Apr—11	SHORT	40	2,000	5,858.70
FUTSTK—LITL	28—Apr—11	SHORT	1	4,000	39.95
FUTSTK—ORCHIDCHEM	28—Apr—11	SHORT	2	4,000	303.45
FUTSTK—FORTIS	28—Apr—11	SHORT	4	8,000	152.05
FUTSTK—IDEA	28—Apr—11	SHORT	2	8,000	67.85

9) Deferred Tax Assets / Liabilities for the year are accounted for in accordance with Accounting Standard 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India. The details of Deferred Tax Assets are as follows:—

(Rs. in Lacs)

	As at 31/03/2011	As at 31/03/2010
(a) Deferred Tax Asset		
Due to timing difference between Book and Tax Depreciation	105.53	56.68
Due to unabsorbed Capital loss	16.00	4.81
Due to unabsorbed losses from speculative Business	1377.44	—
Due to provision for Employees Benefits	—	173.14
	1498.97	234.63
(b) Deferred Tax Liability		
Due to Gain in unsold stock—in—trade which was converted from Investments.	(9.84)	(17.30)
Net Deferred Tax Asset (a—b)	1489.13	217.33

- 10) Legal and Professional charges include Rs. 5,76,000/— paid for income tax matters to a non executive director of the Company.
 (Previous year : Rs. 4,19,500/—)

11) **Related Party Disclosure**

I) **List of Related Parties**

a) **Key Management Personnel & Relatives**

- 1) Sh. Brij Rattan Bagri (Chairman), Relatives: Smt. Neerja Bagri (Wife), Ms. Nanditaa Bagri (Daughter), Sh. Siddhartha Bagri (Son)
- 2) Sh. Vikram Rath (Executive Director)
- 3) Sh. Satish Kumar Sharma (Executive Director) Relatives: Sh. D.K. Sharma (Brother), Sh. Arun Kumar Sharma (Brother).

b) **Subsidiary Enterprises**

- 1) BLB Global Business Limited*
- 2) BLB Institute of Financial Markets Limited*
- 3) Sri Chaturbhuj Properties Limited (formerly known as BLB Realty Ventures Limited)
- 4) BLB Commodities Private Limited
- 5) Sri Sharadamba Properties Limited

c) **Associate Enterprises**

- 1) Manu Properties Pvt. Limited*

* During the year the company did not enter into any transaction with the said parties.

II) **Related Party Transactions**

(Rs. in Thousands)

Sl. No.	Nature of Transactions	Key Management Personnel/Relatives		Subsidiary Enterprise	
		2010-11	2009-10	2010-11	2009-10
1)	Interest Received	—	—	1,35,64	4,18
2)	Recovery of expenses	—	—	5,53	70,09
3)	Interest Paid on Loans	41,86	6,82	—	—
4)	Salary/Remuneration/Commission	48,57	1,99,07	—	—
5)	Staff Training & Development Expenses	—	—	—	29,23
6)	Legal & Professional Charges	5,43	14,37	—	—
7)	Investments in shares	—	34,71	18,500	3,90,00
8)	Share Application Money	—	—	—	35,00
9)	Loan granted:				
	— Opening Balance	—	—	7,16,00	—
	— Sums granted	—	—	28,05,00	7,26,00
	— Sums received Back	—	—	9,16,00	10,00
	— Closing Balance	—	—	26,05,00	7,16,00
10)	Loans taken:				
	— Opening Balance	4,30,00	8,05,00	—	—
	— Sums accepted	4,50,00	8,05,00	—	—
	— Sums repaid	8,80,00	3,75,00	—	—
	— Closing Balance	—	4,30,00	—	—
11)	Interim Dividend Paid	—	71,34	—	—
12)	Dividend Paid (2008—09)	—	35,67	—	—
13)	Purchase of Fixed Assets	—	—	—	1,02,97

The figures have been rounded to nearest thousand.

- 12) During the year, the company has scaled down its trading operations to safeguard against volatile market situations, on account of high statutory levies and other overheads.

13) Earnings Per Share

Particulars	2010-2011 Rs.	2009-2010 Rs.
i) Net (Loss)/Profit after tax	(18,53,22,042)	23,59,59,994
ii) Weighted average number of equity shares of Re. 1/—for Earnings Per Share computation.	5,28,65,258	5,28,65,258
iii) Earnings Per Share (Basic & Diluted)	(3.50)	4.46

14) Loans and Advances in the nature of Loans (As required by clause 32 of the listing agreement with the stock exchanges):

A. Loans and Advances in the nature of Loans to Subsidiary and Associates (Rs. in Lacs)

Name of the Company	Relationship	Balance as at		Maximum Balance during the year	
		31st March	31st March		
		2011	2010	2010-11	2009-10
		Rs.	Rs.	Rs.	Rs.
1. BLB Commodities Pvt. Ltd.	Subsidiary	2,550	700	2,550	700
2. BLB Institute of Financial Markets Ltd.	Subsidiary	—	—	—	10
3. Sri Chaturbhuj Properties Ltd. <i>Formerly known as BLB Reality Ventures Ltd.</i>	Subsidiary	55	16	55	16

B. Borrowers have made no investments in shares of the company

15) Managerial Remuneration

- a) Managerial remuneration under section 198 of the Companies Act, 1956 paid or payable for the Financial Year to the Directors is as under:

Particulars	2010-2011 Rs.	2009-2010 Rs.
Salary Allowances, Incentive, etc	32,60,362	33,99,695
Contribution to PF	18,720	18,720
	32,79,082	34,18,415
Commission to Non Executive Director	—	1,49,50,000
Total	32,79,082	1,83,68,415

- b) Computation of Net Profit in accordance with Section 198 / 349 of the Companies Act, 1956. (Rs. in Lacs)

Particulars	Year ended 31st Mar 2011	Year ended 31st Mar 2010
Net (Loss)/Profit before Tax as per Profit & Loss A/c	(1,853.22)	3724.77
Add: Commission to Non Executive Director	—	149.50
Salary Allowances, Incentive, to Whole Time Directors	32.79	34.18
Loss on Sale and discarded Fixed Assets	173.55	288.99
	(1,646.88)	4,197.44
Less: Excess of expenditure over income for the previous financial year deducted under Section 349(4)(i).	—	(1,200.10)
Net (Loss)/Profit as per section 198/349 of The Companies Act, 1956.	(1,646.88)	2,997.34
Maximum permissible remuneration under section 198 of the company @ 10% of profit computed above to Executive Directors / (in the event of losses/inadequate profits maximum permissible ceiling as decided by the Remuneration Committee from time to time).	54.00	299.73
Maximum permissible remuneration under section 198 of the company @ 5% of profit computed above to Non—Executive Director. (see note below)	—	149.87

NOTE : The company received necessary permission from the Ministry of Corporate Affairs vide their letter No.12/952/2007—CL.VII dated 8—4—2008 under various provisions of the Companies Act, 1956 to make payment of commission @ 5% of the net profits w.e.f. 01/07/2007 to the Non—Executive Director Sh. Brij Rattan Bagri for a period of five years.

16) **Auditors' remuneration includes :**

Particulars	2010-2011 Rs.	2009-2010 Rs.
Audit Fees	2,04,055	2,04,055
Tax Audit Fees	16,545	16,545
Certification Work	—	1,10,300
	2,20,600	3,30,900

17) **Details of tax deducted at source is as follows:**

Particulars	2010-2011 Rs.	2009-2010 Rs.
Interest Income	64,77,116	59,43,935
Others	5,03,659	8,62,909
	69,80,775	68,06,844

18) **Details of investment in shares made and disposed off during the year:**

(Figures in lacs)

Particulars	2010-2011		2009-2010	
	Qty.	Amount	Qty.	Amount
Acquisitions	0.95	1,111.09	6.26	464.96
Disposals	0.95	1,160.86	6.26	1,724.05

19) **Operating Leases**

Since all existing Operating Leases entered into by the Company are cancelable on serving a notice of one to three months, as such no information is required to be furnished as per Accounting Standard AS—19.

20) The company has credited a sum of Rs.576.90 Lacs to the profit & loss account under the head miscellaneous income on account of remission of certain liabilities.

21) The Company has not received any intimation from 'Suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

22) **Segment Accounting** Since the Company's operations primarily comprise of trading in shares, securities and derivatives as such there is no other reportable segment as specified by Accounting Standard 17 issued by The Institute of Chartered Accountants of India.

23) **Additional information pursuant to the provisions of Part-II of the Schedule-VI of the Companies Act, 1956 in respect of the trading activities are as under:**

(Rupees in Lacs)

Particulars	2010-2011		2009-2010	
	Qty.	Amount	Qty.	Amount
Opening Stock				
a) Equity Shares, ETF's & Debentures	18.55	4304.66	38.66	4,539.19
Less: Shares withdrawn from stock	—	—	1.73	336.13
	18.55	4304.66	36.93	4,203.06
b) Units of Mutual Funds	9.83	135.00	8.81	53.38
Total	28.38	4439.66	45.74	4,256.44
Purchases (Net)				
a) Equity Shares, ETF's & Debentures	156.29	61746.09	808.27	2,10,529.38
b) Units of Mutual Funds	18.80	1535.00	1,503.18	29,712.00
Total	175.09	63281.09	2,311.45	2,40,241.38
Sales				
a) Equity Shares, ETF's & Debentures	174.16	66317.54	826.65	2,11,553.83
b) Units of Mutual Funds	20.32	1598.57	1,502.16	29,675.41
Total	194.48	67916.11	2,328.81	2,41,229.24
Closing Stock				
a) Equity Shares, ETF's & Debentures	0.68	312.54	18.55	4,304.66
b) Units of Mutual Funds	8.31	82.97	9.83	135.00
Total	8.99	395.51	28.38	4,439.66

24) **Previous year's figures have been regrouped and/or rearranged wherever necessary to conform to this year classification.**

25) Statement Pursuant to Part-IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :

Registration No. : 1 2 7 6 7 State Code : 5 5
 Balance Sheet Date : Date Month Year
 3 1 0 3 2 0 1 1

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands) :

Public Issue : N I L Right Issue : N I L
 Bonus Issue : N I L Private Placement : N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands) :

Total Liabilities : 1 2 7 0 7 0 3 Total Assets : 1 2 7 0 7 0 3

SOURCES OF FUNDS

Paid up Capital : 5 2 8 6 5 Reserves & Surplus : 1 1 9 6 5 5 5
 Secured Loan : 2 1 2 8 3 Unsecured Loans : N I L

APPLICATION OF FUNDS

Net Fixed Assets : 4 2 8 7 8 Investments : 1 6 7 2 5 9
 Deferred Tax Assets : 1 4 8 9 1 3 Net Current Assets : 9 1 1 6 5 3

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands) :

Turnover/Incomes & Others : 7 0 7 2 1 8 9 Total Expenditure : 7 4 3 5 4 2 7
 Loss before Tax : 3 1 2 1 3 2 Profit After Tax : 1 8 5 3 2 2
 Basic & Diluted Earning Per Share (Rs.) : (3 . 5 0) Dividend % (Equity Shares) : 1 0

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY :

Item Code No. (ITC Code) : -
 Product/Service Description : DEALING IN SHARES AND SECURITIES

As per our report of even date annexed.

For **RAM RATTAN & ASSOCIATES**
 Chartered Accountants
 Firm Registration No: 004472N

(CA. RAM RATTAN GUPTA)
 Partner
 M. No. 083427

Place : New Delhi
 Date : 25th August, 2011

For and on behalf of the Board of Directors

(BRIJ RATTAN BAGRI)
 Chairman

(VIKASH RAWAL)
 Chief Financial Officer

(VIKRAM RATHI)
 Executive Director

(PRIYANKA SHARMA)
 Asst. Company Secretary

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO THE SUBSIDIARY COMPANY**

Name of the subsidiary company	BLB Institute of Financial Markets Limited	BLB Global Business Limited	BLB Commodities Private Limited	Sri Sharadamba Properties Limited	Sri Chaturbhuj Properties Ltd. (Formerly known as BLB Realty Ventures Limited)
1. Financial year of the subsidiary ended on	31 st March, 2011	31 st March, 2011	31 st March, 2011	31 st March, 2011	31 st March, 2011
2. Share of the subsidiary company on the above date and extent of holding					
i) Equity Shares	Rs.1,90,00,000/- (19,00,000 shares of Rs. 10/- each fully Paid-up)	USD 1,07,500 (1,07,500 shares of USD 1 each fully Paid-up) (equivalent for INR 48,83,361/-)	Rs.4,50,00,000/- (45,00,000 shares of Rs. 10/- each fully Paid-up)	Rs.10,00,000/- (1,00,000 shares of Rs. 10/- each fully Paid-up)	Rs.1,85,00,000/- (18,50,000 shares of Rs. 10/- each fully Paid-up)
ii) Extent of Holding	100%	100%	100%	100%	100%
3. Net aggregate amount of Profits/ (Losses) of the subsidiary company for the above financial year so far as it concerns the member of BLB Limited.					
i) dealt with in the account of BLB Limited	NIL	NIL	NIL	NIL	NIL
ii) Not dealt with in the accounts of BLB Limited	(6,15,593)	USD 8,710 equivalent to INR (4,72,736)*	28,65,313	(98,755)	(2,14,287)
4. Net aggregate amount of profit/ (Losses) of previous financial years of the subsidiary company as far as it concerns members of BLB Limited.					
i) Dealt with in the accounts of BLB Limited.	NIL	NIL	NIL	NIL	NIL
ii) Not dealt with in the accounts of BLB Limited.	42,19,263	USD 1,05,671 equivalent to INR (48,01,696)*	58,46,118	(98,755)	(6,01,432)

*Note: Includes exchange rate difference arise on conversion.

For and on behalf of the Board of Directors

(BRIJ RATTAN BAGRI)
Chairman

(VIKRAM RATHI)
Executive Director

Place : New Delhi
Date : 25th August, 2011

(VIKASH RAWAL)
Chief Financial Officer

(PRIYANKA SHARMA)
Asst. Company Secretary

STATEMENT PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES

(Rs. In Lacs)

Name of the subsidiary company	BLB Institute of Financial Markets Limited	BLB Global Business Limited	BLB Commodities Private Limited	Sri Sharadamba Properties Limited	Sri Chaturbhuj Properties Ltd. (Formerly known as BLB Realty Ventures Limited)
Financial Year ending on	31 st March, 2011	31 st March, 2011	31 st March, 2011	31 st March, 2011	31 st March, 2011
Country	India	Mauritius	India	India	India
Currency	INR	USD	INR	INR	INR
Exchange rate on the last day of financial year	—	44.65	—	—	—
Share Capital	190.00	48.83	450.00	10.00	185.00
Reserves (including Profit & Loss Account)	42.19	(48.02)	58.46	(0.99)	(6.01)
Total Assets	232.19	1.12	3856.60	10.00	240.01
Total Liabilities	232.19	1.12	3856.60	10.00	240.01
Investments [excluding subsidiary companies]	28.20	—	200.04	—	—
Turnover/ income from operations	2.00	—	5208.31	—	—
Profit/(Loss) Before Taxation	(7.96)	(4.73)	83.28	(0.99)	(2.14)
Provision for Taxation (Current and Deferred Tax)	(1.80)	—	54.63	—	—
Profit/(Loss) After Taxation	(6.16)	(4.73)	28.65	(0.99)	(2.14)
Proposed Dividend	NIL	NIL	NIL	NIL	NIL

Note :

The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8th February, 2011 has granted general exemption to Companies from attaching the Annual Accounts of the Subsidiary Companies as required to be attached under Section 212 (1) of the Companies Act, 1956. The Annual Accounts of the Subsidiary Companies and the related detailed information shall be made available to the shareholders of the Company and Subsidiary Companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies are available for inspection by any Shareholder at the Registered Office of the Company and concerned Subsidiary Companies.

For and on behalf of the Board of Directors

(BRIJ RATTAN BAGRI)
Chairman

(VIKRAM RATHI)
Executive Director

Place : New Delhi
Date : 25th August, 2011

(VIKASH RAWAL)
Chief Financial Officer

(PRIYANKA SHARMA)
Asst. Company Secretary

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors

BLB Limited,
New Delhi

We have audited the attached Consolidated Balance Sheet of BLB Limited (the Company) and its subsidiaries (the Group) as at March, 31, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of all the subsidiaries, whose financial statements reflect total assets of Rs.1500.44 Lacs as at 31st March 2011, the total revenue of Rs. 4919.74 Lacs and cash flows amounting to Rs.63.70 Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
- b) in the case of the Consolidated Profit and Loss Account, of the *loss* for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement of the cash flows for the year ended on that date.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 004472N

Place : New Delhi
Date : 25th August, 2011

(**CA. RAM RATTAN GUPTA**)
Partner
M. No. 083427

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
I) SOURCES OF FUNDS:			
1) Shareholders' Funds			
Share Capital	1	5,28,65,258	5,28,65,258
Reserves and Surplus	2	1,20,00,05,541	1,38,99,49,535
		<u>1,25,28,70,799</u>	<u>1,44,28,14,793</u>
2) Loan Funds			
Secured	3	6,83,25,801	37,30,76,846
Unsecured		1,00,54,247	4,55,37,264
		<u>7,83,80,048</u>	<u>41,86,14,110</u>
Total		<u><u>1,33,12,50,847</u></u>	<u><u>1,86,14,28,903</u></u>
II APPLICATION OF FUNDS:			
1) Fixed Assets	4		
Gross Block		13,07,31,158	21,96,65,116
Less : Depreciation		8,37,34,231	13,56,70,552
		<u>4,69,96,927</u>	<u>8,39,94,564</u>
Capital Work-in-Progress		—	5,02,190
Net Block		<u>4,69,96,927</u>	<u>8,44,96,754</u>
2) Investments	5	10,15,20,107	11,30,64,174
3) Deferred Tax Asset			
(Refer Note 8 of Schedule 21)		14,94,85,878	2,15,97,000
4) Current Assets, Loans and Advances			
Inventories	6	26,60,52,635	50,29,96,455
Sundry Debtors	7	15,45,98,924	8,94,10,776
Cash and Bank Balances	8	34,82,72,271	84,25,06,998
Other Current Assets	9	4,10,23,343	24,77,11,209
Loans and Advances	10	38,29,43,876	29,86,66,401
		<u>1,19,28,91,049</u>	<u>1,98,12,91,839</u>
Less : Current Liabilities and Provisions			
Current Liabilities	11	5,39,54,049	18,98,03,583
Provisions	12	10,69,99,615	15,05,25,087
		<u>16,09,53,664</u>	<u>34,03,28,670</u>
Net Current Assets		<u>1,03,19,37,385</u>	<u>1,64,09,63,169</u>
5) Miscellaneous Expenditure	13	13,10,550	13,07,806
(to the extent not written off or adjusted)			
Total		<u><u>1,33,12,50,847</u></u>	<u><u>1,86,14,28,903</u></u>
NOTES ON ACCOUNTS	21		

As per our report of even date annexed.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 004472N

(CA. RAM RATTAN GUPTA)
Partner
M. No. 083427

Place : New Delhi
Date : 25th August, 2011

For and on behalf of the Board of Directors

(BRIJ RATTAN BAGRI)
Chairman

(VIKASH RAWAL)
Chief Financial Officer

(VIKRAM RATHI)
Executive Director

(PRIYANKA SHARMA)
Asst. Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	SCHEDULE	2010-2011 (Rs.)	2009-2010 (Rs.)
I. INCOME			
Sales		7,28,35,86,101	24,13,96,44,006
Profit on Settlement of Contracts (Net)		—	85,13,62,846
Income from Educational Activities		2,00,000	4,48,04,445
Other Income	14	11,89,46,978	8,40,64,557
Gain on Sale of Investment		15,24,89,463	12,59,08,567
Increase in Stock-in-Trade	15	—	7,73,53,132
		7,55,52,22,542	25,32,31,37,553
II EXPENDITURE			
Purchases		6,96,79,28,681	24,10,16,24,907
Loss on Settlement of Contracts (Net)		37,61,16,173	—
Decrease in Stock-in-Trade		23,69,43,820	—
Operational Expenses	16	8,16,15,120	45,54,40,626
Administrative Expenses	17	12,98,08,659	16,12,43,103
Personnel Expenses	18	4,28,72,856	17,86,75,955
Financial Expenses	19	4,23,07,104	2,16,98,489
Loss on Sale and discarded fixed assets		1,76,24,700	2,95,74,840
Miscellaneous Expenditure Written Off		5,11,857	4,33,757
Depreciation		1,59,02,658	3,18,29,038
		7,91,16,31,628	24,98,05,20,715
III (LOSS)/PROFIT BEFORE TAX AND PRIOR PERIOD ITEMS (I-II)		(35,64,09,086)	34,26,16,838
— Prior period adjustments		(1,08,662)	3,46,292
— Excess Provision of Employees Benefits written back (Refer Note 7 of Schedule 21)		5,12,10,540	3,40,28,542
(LOSS)/PROFIT BEFORE TAX		(30,53,07,208)	37,69,91,672
Deferred Tax Adjustments		12,78,88,878	(4,46,66,500)
Provision for Taxation - Current	20	(63,10,000)	(9,08,50,000)
Income Tax for earlier years		(51,099)	(28,09,427)
(LOSS)/PROFIT AFTER TAX		(18,37,79,429)	23,86,65,745
Balance brought forward		1,04,33,34,010	86,70,38,208
SURPLUS AVAILABLE FOR APPROPRIATIONS		85,95,54,581	1,10,57,03,953
APPROPRIATIONS			
Dividend on Equity Shares			
— Interim Dividend		—	1,05,73,052
— Proposed Dividend		52,86,526	—
Dividend Distribution Tax		8,78,039	17,96,891
Transfer to General Reserve		—	5,00,00,000
Balance carried to Balance Sheet		85,33,90,016	1,04,33,34,010
		85,95,54,581	1,10,57,03,953
EARNING PER SHARE (Rs.)			
Basic & Diluted (Par value of Re. 1) (Refer Note 11 of Schedule 21)		(3.48)	4.51
NOTES ON ACCOUNTS	21		

As per our report of even date annexed.

For **RAM RATTAN & ASSOCIATES**
 Chartered Accountants
 Firm Registration No: 004472N

For and on behalf of the Board of Directors

(CA. RAM RATTAN GUPTA)
 Partner
 M. No. 083427

(BRIJ RATTAN BAGRI)
 Chairman

(VIKRAM RATHI)
 Executive Director

Place : New Delhi
 Date : 25th August, 2011

(VIKASH RAWAL)
 Chief Financial Officer

(PRIYANKA SHARMA)
 Asst. Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE
YEAR ENDED 31ST MARCH, 2011**

	2010-2011 Rs.	2009-2010 Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net (Loss)/ Profit before Taxation	(30,53,07,208)	37,69,91,672
Adjustment for:		
(Profit) on Sale of Investments	(15,24,89,463)	(12,59,08,567)
Surplus on Withdrawal of Stock-In-Trade	—	(93,70,836)
Depreciation	1,59,02,658	3,18,29,039
Interest Paid to Banks	3,18,74,961	1,38,53,186
Interest paid to others	55,06,235	34,39,210
Miscellaneous Expenditure written off	5,11,857	4,33,757
Loss on Sale and discarded Fixed Assets	1,76,24,700	2,95,74,840
Prior period items	—	29,817
Securities Transaction Tax – Investment	4,94,444	2,73,825
Income from investment	(17,95,729)	(4,95,060)
	<u>(8,23,70,337)</u>	<u>(5,63,40,789)</u>
Operating profit before Working Capital changes	<u>(38,76,77,545)</u>	<u>32,06,50,883</u>
Adjustment for:		
Trade & Other receivables excluding Direct Taxes	9,66,33,593	(25,15,80,193)
Inventories	23,69,43,820	(7,73,53,132)
Trade payables	(18,79,80,285)	4,72,47,682
	<u>14,55,97,128</u>	<u>(28,16,85,643)</u>
Cash generated from operations	(24,20,80,417)	3,89,65,240
Direct taxes paid	(4,33,31,737)	(6,19,65,549)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	<u><u>(28,54,12,154)</u></u>	<u><u>(2,30,00,309)</u></u>
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Cash and cash Equivalent on Consolidation	—	87,60,031
Additions to Fixed Assets (Net of Capital WIP)	(45,09,996)	(1,07,62,614)
Income from Investment	17,95,729	4,95,060
Securities Transaction Tax – Investment	(4,94,444)	(2,73,825)
Sale of Fixed Assets	84,82,466	1,05,86,947
Purchase of Investments	(54,99,53,524)	(9,69,77,041)
Sale of Investments	71,39,87,053	17,24,05,308
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	<u><u>16,93,07,284</u></u>	<u><u>8,42,33,866</u></u>

	2010-2011 Rs.	2009-2010 Rs.
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Preliminary Expenses	(5,14,599)	(6,49,983)
Dividend on Equity Shares	—	(1,58,59,578)
Tax on Dividend	—	(26,95,336)
Unsecured Loans	(3,54,83,017)	3,33,37,606
Interest paid to Banks	(3,18,74,961)	(1,38,53,186)
Interest paid to Others	(55,06,235)	(34,39,210)
Secured Loans	(30,47,51,045)	15,38,36,731
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(37,81,29,857)	15,06,77,044
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(49,42,34,727)	21,19,10,601
CASH AND CASH EQUIVALENTS – OPENING BALANCE	84,25,06,998	63,05,96,397
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	34,82,72,271	84,25,06,998

As per our report of even date annexed.

For **RAM RATTAN & ASSOCIATES**
 Chartered Accountants
 Firm Registration No: 004472N

(CA. RAM RATTAN GUPTA)
 Partner
 M. No. 083427

Place : New Delhi
 Date : 25th August, 2011

For and on behalf of the Board of Directors

(BRIJ RATTAN BAGRI)
 Chairman

(VIKASH RAWAL)
 Chief Financial Officer

(VIKRAM RATHI)
 Executive Director

(PRIYANKA SHARMA)
 Asst. Company Secretary

**SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND
CONSOLIDATED PROFIT & LOSS ACCOUNT**

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 1</u>		
SHARE CAPITAL		
<u>Authorised</u>		
Equity :		
7,50,00,000 Equity Shares of Re.1/- each (Previous Year: 7,50,00,000 Equity Shares of Re.1/-each).	7,50,00,000	7,50,00,000
Preference :		
5,00,000 Preference Shares of Rs.100/-each (Previous Year: 5,00,000 Preference shares of Rs.100/- each).	5,00,00,000	5,00,00,000
	12,50,00,000	12,50,00,000
<u>Issued, Subscribed and Paid up</u>		
Equity :		
5,28,65,258 Equity Shares of Re.1/- each. (Previous Year : 5,28,65,258 Equity Shares of Re.1/- each).	5,28,65,258	5,28,65,258
Of the above Shares		
No. of Shares		
40,00,000 Issued for cash as fully paid-up.	40,00,000	40,00,000
80,00,000 Allotted as fully paid-up bonus shares by capitalization of Securities Premium in 1995-96.	80,00,000	80,00,000
1,95,00,000 Allotted pursuant to a Scheme of Amalgamation in 1996-97.	1,95,00,000	1,95,00,000
1,89,00,000 Allotted as fully paid-up bonus shares by capitalization of Securities Premium in 1998-99.	1,89,00,000	1,89,00,000
24,65,258 Allotted as fully paid-up shares pursuant to a Scheme of Amalgamation in 2003-2004.	24,65,258	24,65,258
5,28,65,258	5,28,65,258	5,28,65,258
<u>SCHEDULE - 2</u>		
RESERVES AND SURPLUS		
<u>Capital Reserve</u>		
As per last Balance Sheet	7,10,28,970	7,10,28,970
<u>Capital Reserve (on consolidation)</u>		
Capital Reserve on consolidation	7,19,815	7,19,815
Less: Goodwill on consolidation	1,80,300	1,80,300
	5,39,515	5,39,515
<u>Capital Redemption Reserve</u>		
As per last Balance Sheet	2,50,00,000	2,50,00,000
<u>Securities Premium</u>		
As per last Balance Sheet	2,50,47,040	2,50,47,040
<u>General Reserve</u>		
As per last Balance Sheet	22,50,00,000	17,50,00,000
Add: Transferred from Profit & Loss Account	—	5,00,00,000
	22,50,00,000	22,50,00,000
<u>Profit & Loss Account</u>		
As per Annexed Profit & Loss Account	85,33,90,016	1,04,33,34,010
	1,20,00,05,541	1,38,99,49,535

As At 31.03.2011
Rs.

As At 31.03.2010
Rs.

SCHEDULE - 3

SECURED LOANS

Loans and Advances

from Banks

— Working Capital (Including interest accrued and due) (Secured against pledge of FDR's, Demat Commodities & Securities)	6,83,25,801	37,17,34,981
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from Others

— Term Loan (Secured against plots at Noida)	—	13,41,865
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6,83,25,801

37,30,76,846

UNSECURED LOANS

Other Loans and Advances

i) From a Director	1,00,00,000	3,55,00,000
ii) From Others(Including interest accrued and due)	—	1,00,37,264
iii) Interest accrued and due From a Director	54,247	—

1,00,54,247

4,55,37,264

SCHEDULE - 4

FIXED ASSETS

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK (WDV)	
	As At 01.04.2010	Additions	Deductions	As At 31.03.2011	As At 01.04.2010	For the Year	Deductions	As At 31.03.2011	As At 31.03.2011	As At 31.03.2010
LAND	65,65,700	—	—	65,65,700	—	—	—	—	65,65,700	65,65,700
BUILDINGS	79,88,537	—	35,60,217	44,28,320	17,47,280	2,13,112	8,87,559	10,72,833	33,55,487	62,41,257
COMPUTERS	10,97,67,478	24,13,335	6,72,22,041	4,49,58,772	8,61,55,008	81,79,589	5,51,92,444	3,91,42,153	58,16,619	2,36,12,470
OFFICE EQUIPMENTS	1,24,67,566	3,22,663	22,39,684	1,05,50,545	59,55,743	8,20,518	10,29,389	57,46,872	48,03,673	65,11,823
TELECOM EQUIPMENTS	1,55,77,453	35,598	66,24,319	89,88,732	89,13,010	7,56,838	35,50,053	61,19,795	28,68,937	66,64,443
UPS & GENERATORS	1,28,07,578	—	25,45,798	1,02,61,780	66,97,817	7,65,521	14,15,780	60,47,558	42,14,222	61,09,761
LIBRARY BOOKS	23,786	—	—	23,786	4,714	2,653	—	7,367	16,419	19,072
FURNITURE & FIXTURES	4,22,92,638	16,98,086	97,12,189	3,42,78,535	1,96,73,458	37,62,723	45,76,904	1,88,59,277	1,54,19,258	2,26,19,180
VEHICLES	1,13,88,388	5,29,000	19,79,893	99,37,495	57,37,530	13,88,199	11,24,846	60,00,883	39,36,612	56,50,858
ASSETS BELOW RS.5000/-	7,85,992	13,504	62,003	7,37,493	7,85,992	13,504	62,003	7,37,493	—	-
TOTAL FIXED ASSETS	21,96,65,116	50,12,186	9,39,46,144	13,07,31,158	13,56,70,552	1,59,02,657	6,78,38,978	8,37,34,231	4,69,96,927	8,39,94,564
CAPITAL WORK-IN PROGRESS	5,02,190	—	5,02,190	—	-	—	—	—	—	5,02,190
GRAND TOTAL	22,01,67,306	50,12,186	9,44,48,334	13,07,31,158	13,56,70,552	1,59,02,657	6,78,38,978	8,37,34,231	4,69,96,927	8,44,96,754
PREVIOUS YEAR	32,69,66,116	1,69,83,035	12,37,81,845	22,01,67,306	18,23,21,310	3,69,69,300	8,36,20,058	13,56,70,552	8,44,96,754	14,46,44,806

	Face Value	As At 31.03.2011		As At 31.03.2010	
	Rs.	Qty.	Rs.	Qty.	Rs.
SCHEDULE - 5					
INVESTMENTS (AT COST)					
LONG TERM INVESTMENTS (TRADE)					
QUOTED (FULLY PAID-UP)					
Jindal Steel & Power Ltd. #	1	—	—	100000	NIL
MIDVALLEY Entertainment Ltd.*	10	200000	1,50,00,000	—	-
Reliance Industries Ltd. #	10	—	—	50700	NIL
Reliance Power Ltd.	10	10027	28,20,150	10027	28,20,150
Shree Renuka Sugars Ltd#	1	—	—	500000	NIL
VBC Ferro Alloys Limited	10	173534	3,84,36,104	173534	4,29,84,372
Total 'A'			5,62,56,254		4,58,04,522
LONG TERM INVESTMENTS (NON-TRADE)					
UNQUOTED (FULLY PAID-UP)					
Equity Shares of :					
The Delhi Stock Exchange Association Ltd.	1	80000	4,90,500	80000	4,90,500
The Calcutta Stock Exchange Association Ltd.	1	250	26,22,000	250	26,22,000
The Uttar Pradesh Stock Exchange Association Ltd.	2000	1	4,03,500	1	4,03,500
Bombay Stock Exchange Ltd.	1	11401	17,43,652	11401	17,43,652
Sharp Corp Ltd.(Formerly known as Orient Overseas Pvt. Ltd.)	100	80000	1,00,00,000	80000	1,00,00,000
MIDVALLEY Entertainment Ltd.*	10	—	—	200000	1,50,00,000
Singhal Agro Industries Ltd.	100	80000	1,00,00,000	80000	1,00,00,000
Siddharth Automat India Pvt. Ltd.	10	—	—	1,50,000	1,35,00,000
Railtech Infraventure Private Ltd.	10	—	—	1,00,000	60,00,000
CURRENT INVESTMENTS (NON-TRADE)					
UNQUOTED					
MUTUAL FUNDS					
Reliance Liquid Fund	10	1308541.740	2,00,04,201	342147	75,00,000
Total 'B'			4,52,63,853		6,72,59,652
Total 'A' + 'B'			10,15,20,107		11,30,64,174
Aggregate value of unquoted Investments			4,52,63,853		6,72,59,652
Aggregate value of quoted Investments			5,62,56,254		4,58,04,522
Market Value of Quoted Investments			6,28,16,383		21,34,19,225

bonus shares held as investment at nil value.

*Listed on 27/01/2011 and is under lock-in period of one year from the date of its listing.

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 6</u>		
INVENTORIES		
(As valued and certified by the Management)		
Shares & Securities	3,95,51,742	44,39,66,754
Commodities held for resale	22,65,00,893	5,90,29,701
	26,60,52,635	50,29,96,455
<u>SCHEDULE - 7</u>		
SUNDRY DEBTORS		
(Unconfirmed, unsecured but considered good)		
i) Debts outstanding for more than 6 months (Refer Note 5 of Schedule 21)	8,85,19,777	8,92,52,376
ii) Other Debts	6,60,79,147	1,58,400
	15,45,98,924	8,94,10,776
<u>SCHEDULE - 8</u>		
CASH AND BANK BALANCES		
Cash in hand	42,95,259	20,79,484
Balance with scheduled banks		
— In Current account	1,46,16,216	3,28,23,270
— In Fixed Deposits	32,92,28,546	80,21,61,960
Cheques/drafts in hand	1,32,250	54,42,284
	34,82,72,271	84,25,06,998
<u>SCHEDULE - 9</u>		
OTHER CURRENT ASSETS		
Stamps in hand	18,377	15,711
Other Consumables	—	2,51,399
FDR Interest accrued but not due	27,94,635	1,14,84,676
Margin Money with Stock Exchanges	1,23,98,540	23,07,97,390
Mark to Market Margins against future sale contracts entered into for hedging of physical stocks	2,33,01,783	40,59,602
Stock Exchange Receivables	25,10,008	11,02,431
	4,10,23,343	24,77,11,209

	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
<u>SCHEDULE - 10</u>		
LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received		
— Against capital assets	14,32,18,532	14,05,07,477
— Others	7,78,04,514	1,60,09,999
Taxes paid	13,46,84,894	9,52,84,572
Prepaid Expenses	35,89,380	1,20,32,299
Security Deposits	2,36,46,556	3,48,32,054
	38,29,43,876	29,86,66,401
<u>SCHEDULE - 11</u>		
CURRENT LIABILITIES		
Sundry Creditors		
— Due to Directors	4,81,24,298	1,30,41,468
— Due to others	2,24,385	10,68,89,710
Unclaimed Dividends	19,27,929	20,19,178
Mark to Market margin – Futures Contracts	36,77,437	3,68,80,106
Equity Index/Stock Options Premium Account	—	3,09,73,121
	5,39,54,049	18,98,03,583
<u>SCHEDULE - 12</u>		
PROVISIONS		
Taxation	10,08,35,050	9,84,05,367
Employee's Benefits	—	5,21,19,720
Proposed Dividend	52,86,526	—
Tax on Proposed Dividend	8,78,039	—
	10,69,99,615	15,05,25,087
<u>SCHEDULE - 13</u>		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	12,94,925	5,91,986
Share Issue Expenses	15,625	7,15,820
	13,10,550	13,07,806

	2010-2011 Rs.	2009-2010 Rs.
<u>SCHEDULE - 14</u>		
OTHER INCOME		
Income from Brokerage	3,44,302	—
Dividend Income		
— from Investments	17,95,729	4,95,060
— from Others	10,21,801	38,48,760
Interest Income	4,87,95,116	5,80,52,532
Surplus on Withdrawal of Stock-In-Trade	—	93,70,836
Miscellaneous Income	6,69,90,030	1,22,97,369
	11,89,46,978	8,40,64,557
<u>SCHEDULE - 15</u>		
INCREASE IN STOCK		
Opening Stock	50,29,96,455	45,92,56,859
Less: Stocks withdrawn & taken to Investments	—	(3,36,13,536)
Net Opening stock	50,29,96,455	42,56,43,323
Less: Closing Stock	26,60,52,635	50,29,96,455
	(23,69,43,820)	7,73,53,132
<u>SCHEDULE - 16</u>		
OPERATIONAL EXPENSES		
Charges paid to Exchanges	1,35,15,766	7,49,56,461
SEBI Registration Fees	5,82,662	38,02,769
Securities Transaction Tax	4,55,12,879	30,64,02,403
Subscription Charges paid	2,91,671	3,25,833
V-SAT Maintenance Charges	8,33,589	26,31,081
Insurance Charges	1,01,625	83,420
Depository Transaction Charges	3,23,966	8,58,128
Telecommunication Expenses	67,07,672	60,27,800
Educational Institute Expenses	1,13,075	1,33,47,696
Expenses relating to Commodity Trading	60,78,632	9,76,530
Professional Fees paid to Dealers	43,42,464	4,37,66,917
Software Licenses & Maintenance	32,11,119	22,61,588
	8,16,15,120	45,54,40,626

	2010-2011 Rs.	2009-2010 Rs.
<u>SCHEDULE - 17</u>		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement	5,18,423	4,89,995
Auditors' Remuneration	7,72,400	4,78,572
Bad Debts & Miscellaneous Balances Written off	4,62,349	16,55,163
Computer Expenses	13,56,795	23,31,183
Donation	8,70,00,000	9,11,00,992
Electricity Expenses	22,59,770	66,73,052
Legal & Professional Charges	87,52,003	85,60,500
Listing Fees	44,120	44,361
Postage & Telegram	2,41,665	4,58,933
Printing & Stationery	4,35,730	10,97,962
Rates & Taxes	2,11,932	7,55,376
Rent	1,93,48,696	3,45,39,143
Repair & Maintenance	9,50,338	25,26,931
Securities Transaction Tax (Investment)	4,94,444	2,73,825
Shareholders' Meeting Expenses	79,873	1,99,662
Sundry Expenses	17,89,221	32,66,173
Telephone Expenses	12,06,729	20,41,026
Traveling & Conveyance	28,45,238	33,82,807
Vehicle Running & Maintenance	10,38,933	13,67,447
	12,98,08,659	16,12,43,103
<u>SCHEDULE - 18</u>		
PERSONNEL EXPENSES		
Salary, Bonus, Incentives & Others	3,68,15,089	14,93,18,530
Employer's Contribution to P.F. ESI. etc.	14,83,441	57,85,566
Contribution to Gratuity Fund	31,044	8,51,623
Staff Welfare	7,51,274	21,05,298
Staff Training & Development Expenses	65,747	3,14,463
Recruitment Expenses	2,26,360	11,36,972
Directors' Remuneration	34,99,901	1,91,63,503
	4,28,72,856	17,86,75,955
<u>SCHEDULE - 19</u>		
FINANCIAL EXPENSES		
Bank Guarantee Commission	46,24,174	43,35,759
Bank Charges	3,01,734	70,334
Interest paid to Banks	3,18,74,961	1,38,53,186
Interest paid to others	55,06,235	34,39,210
	4,23,07,104	2,16,98,489
<u>SCHEDULE - 20</u>		
PROVISION FOR TAX EXPENSES		
Income Tax for the year	62,40,000	9,07,50,000
Wealth Tax for the year	70,000	1,00,000
	63,10,000	9,08,50,000

SCHEDULE-21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY, ITS SUBSIDIARIES AND ASSOCIATES.

1) I) Principles of Consolidation:

Subsidiary Companies

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise of the financial statement of BLB Limited and its subsidiaries. The accounts of Foreign Subsidiary have been prepared with the local laws and applicable international financial reporting standards. Reference in these notes to the 'Group' shall mean BLB Limited and its 'Subsidiaries' namely BLB Global Business Limited (BGBL), Sri Chaturbhuj Properties Ltd. (Formerly known as BLB Realty Ventures Limited) (SCPL), BLB Commodities Private Limited (BCPL), BLB Institute of Financial Markets Limited (BIFM) and Sri Sharadamba Properties Limited (SSPL), Further the Company shall mean BLB Limited.

The company has netted the capital reserve from the goodwill arising on acquisition of (BCPL) in the consolidated balance sheet and has shown the net capital reserve under the head 'Reserves & Surplus'.

The details of Subsidiary Companies which are included in consolidation and the Parent Company's holding therein is as under:-

Name of the Subsidiary	Percentage of Holding	Place of Incorporation	Financial Year Ended on
BLB Global Business Limited	100%	Mauritius	31 st March, 2011
BLB Institute of Financial Markets Limited	100%	India	31 st March, 2011
Sri Chaturbhuj Properties Limited (Formerly known as BLB Realty Ventures Ltd.)	100%	India	31 st March, 2011
BLB Commodities Private Limited	100%	India	31 st March, 2011
Sri Sharadamba Properties Limited	100%	India	31 st March, 2011

2) Significant Accounting Policies:

a) Basis of preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention in accordance with the applicable accounting standards referred to in section 211(3C) and other relevant provisions of the Companies Act, 1956.

b) Use of Estimates

The preparations of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c) Fixed Assets

Fixed assets are stated at cost of acquisition and include other incidental expenses, if any, less accumulated depreciation. Capital work in progress represents fixed assets that are not yet ready for their intended use on the Balance sheet date.

d) Depreciation

- Depreciation on all fixed assets is provided on written down value method in the manner as specified in Schedule XIV to the Companies Act, 1956.
- Depreciation on assets costing Rs. 5,000/- or below is provided at the rate of hundred percent.

e) Investments

- Investments are classified into Long term Investments and Current Investments. Investments which are intended to be held for one year or more are classified as Long term Investments and Investments which are intended to be held for less than one year are classified as current Investments
- Long Term Investments are carried at cost.

f) Inventories

- The securities acquired with the intention of trading are considered as Stock in trade and disclosed as Current assets.

- ii) Stock in trade of quoted securities is valued at the lower of cost or market price, the cost is determined on First In First Out (FIFO) basis.
- iii) The units of open-ended Mutual Fund Schemes are valued at lower of the cost or closing NAV, the cost is determined on First In First Out basis.
- iv) The stocks of Commodities are valued at cost or market price, whichever is lower. The Cost is considered on specific identification of individual lots and represents purchase value and expenses incurred on bringing goods to their present location and condition. The comparison of Cost and Market value is done lot-wise separately for each category of commodities. Inventories do not include commodities held in trust on behalf of its principals in connection with execution of their specific orders under agency agreements.

g) Miscellaneous Expenditure

- i) Preliminary Expenses and share issue expenses are amortized over a period of five years.
- ii) Membership fee given to Various Commodity Exchanges is being treated as deferred revenue expenditure and same is being written off in five years.

h) Borrowing Costs

Borrowing costs are capitalized as part of the cost of qualifying asset when it is possible that will result in future economic benefits and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

i) Employee Benefits

Retirement benefits are dealt with in the following manner: -

- i) Provident fund is accounted on accrual basis with contribution made to appropriate Government Authorities.
- ii) Leave encashment is determined and paid on the basis of accumulated leaves to the credit of each employee at the month end.
- iii) Liability for gratuity is funded with the Life Insurance Corporation of India (LIC) and Max New York Life Insurance Company Limited (MNYLICL). Premiums based on actuarial valuation paid are charged to Profit & Loss account.

j) Revenue Recognition

I) In respect of the Company

- i) Revenue from sales is recognized at the completion of each settlement of the capital market segment of the Stock Exchange.
- ii) In respect of non-delivery based transactions in capital market segment, the profit/loss is accounted for at the end of each settlement.
- iii) In respect of derivative market segment, almost all the open interests are covered in capital market segment. As such the negative impact of open interest, which are covered in the capital market, is taken at nil. The open interests which are not covered in the capital market segment and currency derivative segment are accounted for in the books on basis of recommendations given by ICAI.
- iv) Income from Dividends is recognized when the right to receive payment is established.

II) In respect of BCPL

- i) The negative impact of Mark to Market margin on the open interest at the Commodity Exchanges wherever backed by physical commodities is reversed from Mark to Market margin Account. However the open interests which are not backed by physical commodities are accounted for on the basis of Guidance Note issued by the ICAI on Accounting for Equity Index and Equity Stock futures and Options.
- ii) In respect of physical commodities transactions covered by future contracts, the difference between the future rate and the spot/exchange rate at the date of transaction is recognized as income or expense over the life of the contract. Any profit or loss on arising on the cancellation of future contracts is recognized as income or as expense for the period.

III) In respect of BIFM

- i) Revenue from Classroom Coaching & training are spread proportionately over the batch period.
- ii) Revenue from Prospectus and other educational deliverables are recognized on actual sale basis.
- iii) Revenue from online educational services is recognized upon receipt of subscription fee.

IV) In respect of Interest and Other heads of income, the group follows accounting on accrual basis.

k) Taxation

- i) The provision for current taxes is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961 and the Wealth Tax Act, 1957.
- ii) Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

l) Foreign Exchange Transactions

- i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates and the difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the Profit and Loss Account.

m) Impairment of Assets

- i) The company makes an assessment at each balance date whether any indication exists that an asset has been impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The company recognizes the impairment loss in the profit & loss account in the year in which an asset is identified as impaired.
- ii) The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount as on the balance sheet date.

n) Provisions and Contingent liabilities

- i) The company creates a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources.
- iii) Where there is a remote likelihood of outflow of resources in respect of a possible obligation or a present obligation, no provision or disclosure is made.

o) Operating Lease

Assets acquired on lease wherein a significant portion of risk & rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals paid on such leases are charged to revenue on accrual basis as an expense on a systematic basis over the term of lease.

3) Contingent liabilities

- i) Guarantees issued by banks on behalf of the Group as on 31/03/2011: Rs. 2,480 Lacs. (Previous year Rs.3,500 Lacs).
- ii) Amount payable towards the purchase of immovable properties of the Company as on 31/03/2011: Rs. 51.02 lacs (Previous year: Rs. 439.30 lacs).
- iii) Counter Guarantees given by the company jointly with its Chairman to the banks on behalf of BCPL as on 31/03/2011: Rs.1,675 Lacs. (Previous year: Rs. 500 lacs).

- iv) Disputed Income Tax liabilities not acknowledged as debt by the Group and under appeals: Rs.499.54 Lacs. (Previous year : Rs. 197.90 lacs)
 - v) The Income Tax Department has disputed certain issues pertaining to different years against which judgments have been given by various appellant authorities in favour of the Company. The disputed Income Tax aggregates to: Rs. 313.46 Lacs. (Previous year: Rs. 154.03 lacs).
 - vi) The State Government of Maharashtra had levied stamp duty on the company under the Bombay Stamp Act, 1958 for the period from 01/04/2001 to 23/06/2006. However the company has disputed the same with Hon'ble Delhi High Court & Hon'ble Bombay High Court and the matter is subjudice. Hence, the liability on account of stamp duty cannot be ascertained and no provision on this account has been made in the books.
 - vii) The State Government of Delhi has levied stamp duty through Indian Stamp (Delhi Amendment) Act, 2010 w.e.f 01/06/2010 on securities business and the exchange traded commodities derivatives business carried by the Company and BCPL respectively on proprietary basis. During the year, the constitutional validity of the said act has been challenged in Delhi High court through a writ petition filled by an association of brokers wherein the company is a member and the matter is subjudice. The total liability on account of levy of stamp duty works out to Rs. 69.38 Lacs (without interest) for which no provision has been made.
 - viii) BIFM has received a Demand-cum-Show Cause Notice from the Service Tax Department asking to pay service tax amounting to Rs. 153.06 Lacs (excluding interest and penalty, if any) for the period from 01/10/2006 to 30/09/2010 on few educational courses which in its opinion are exempt from service tax. BIFM has filed a writ petition with the Delhi High Court against the said demand-cum-show cause notice.
- 4) i) The Company has made donations of Rs. 770.00 Lacs for Charitable objects in accordance with the Special Resolution passed by the Shareholders in the Extraordinary General Meeting held on 6th February, 2010 and the provisions of Section 293(1)(e) of the Companies Act, 1956 (Previous year : Rs. 911.00 Lacs).
- ii) BCPL has made donations of Rs. 100 Lacs for Charitable objects in accordance with the Special Resolution passed by the Shareholders in the Extraordinary General Meeting held on 22nd December, 2010 and the provisions of Section 293(1)(e) of the Companies Act, 1956 (Previous year : NIL).
- 5) Sundry debtors include :
- i) Rs. 876.90 Lacs given to The Calcutta Stock Exchange Association Limited by the Company to tide over the payment crisis, which erupted in March 2001. A suit for recovery is pending with the Hon'ble Delhi High Court and the management is confident of recovery thereof (Previous year: Rs.876.90 Lacs).
 - ii) Rs. 8.30 Lacs due from various parties to the Company are under arbitration proceedings and the management is confident of recovery thereof (Previous year: Rs.15.62 Lacs).
- 6) Bank Fixed Deposits of the Group are pledged as follows:
- i) Rs. 642.50 Lacs with various Exchanges towards capital adequacy deposits/margins (Previous year Rs. 2,902.25 Lacs).
 - ii) Rs. 2,637.00 Lacs with banks against various facilities provided by them (Previous Year Rs. 5,045.78 Lacs).
- 7) The company has made a total payment of Rs. 9.09 Lacs (Previous year: Rs. 55.79 Lacs) during the year under the 'Employees Benefits Scheme' as reflected in Schedule '12'. Since none of the employees were in employment in the said category at the year end, no provision was required under this head (Previous year: Rs. 62.19 Lacs). In view of this, the remaining provision of Rs.512.10 Lacs has been reversed in the books of accounts. (Previous year: Rs. 340.28 lacs).

- 8) Deferred Tax Assets / Liabilities for the year are accounted for in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The details of Deferred Tax Assets are as follows:-

Particulars	(Rupees in Lacs)	
	As at 31/03/2011	As at 31/03/2010
Deferred Tax Asset		
Due to timing difference between Book and Tax Depreciation	108.71	55.32
Due to unabsorbed Capital loss	16.00	4.81
Due to unabsorbed losses from speculative Business	1379.99	—
Provision for Employees Benefits	—	173.14
Deferred Tax Liability		
Gain in unsold stock-in-trade which was converted from Investment.	(9.84)	(17.30)
Net Deferred Tax Asset	1494.86	215.97

9) **Related Party Disclosure**

I) **List of Related Parties**

a) **Key Management Personnel & Relatives**

- 1) Sh. Brij Rattan Bagri (Chairman), Relatives: Smt. Neerja Bagri (Wife), Ms. Nanditaa Bagri (Daughter), Sh. Siddhartha Bagri (Son)
- 2) Sh. Vikram Rathi (Executive Director)
- 3) Sh. Satish Kumar Sharma (Executive Director), (Relative: Sh. D.K. Sharma (Brother), Sh. Arun Sharma (Brother),
- 4) Sh. G.C. Sharma (Whole Time Director-BIFM upto 01/06/2010)

b) **Associate Enterprises**

- 1) Manu Properties Pvt. Ltd.*

* During the year the group did not enter into any transaction with the said parties.

II) **Related Party Transactions**

(Rs. in thousands)

Sl. No.	Nature of Transactions	Key Management Personnel & Relatives	
		2010-11	2009-10
1)	Interest Paid on Loans	42,46	17,70
2)	Salary/Remuneration/Commission	50,77	2,07,02
3)	Loans taken:		
	— Opening Balance	4,30,00	1,20,00
	— Sums accepted	5,50,00	11,15,00
	— Sums repaid	8,80,00	8,05,00
	— Closing Balance	1,00,00	4,30,00
4)	Legal & Professional Charges	5,43	14,37
5)	Interim Dividend Paid	—	71,34
6)	Dividend Paid (2008-09)	—	35,67
7)	Investments in shares	—	34,71

The figures rounded to nearest one thousand.

10) Segment Accounting

Since the Company's operations primarily comprise of trading in shares, securities and derivatives as such there is no other reportable segment as specified by Accounting Standard 17 issued by The Institute of Chartered Accountants of India.

11) Earning Per Share

Particulars	2010-2011 Rs.	2009-2010 Rs.
i) Net (Loss)/Profit after tax	(18,37,79,529)	23,86,65,745
ii) Weighted average number of equity shares of Re. 1/-for Earnings Per Share computation.	5,28,65,258	5,28,65,258
iii) Earnings Per Share (Basic & Diluted)	(3.48)	4.51

12) Operating Leases

Since all existing Operating Leases entered into by the Group are cancelable on serving a notice of one to three months, as such no information is required to be furnished as per Accounting Standard AS-19.

- 13) The Company has credited a sum of Rs.576.90 Lacs to the profit & loss account under the head miscellaneous income on account of remission of certain liabilities.
- 14) During the year, the Company has scaled down its trading operations to safeguard against volatile market situations, on account of high statutory levies and other overheads.
- 15) During the year, BIFM (Subsidiary Company) has transfer its long term courses to BLB Society for Education & Research in terms agreement executed between the parties on 01/04/2010.
- 16) Previous year's figures have been regrouped and/or rearranged wherever necessary to conform to this year classification.

As per our report of even date annexed.

For **RAM RATTAN & ASSOCIATES**
Chartered Accountants
Firm Registration No: 004472N

For and on behalf of the Board of Directors

(CA. RAM RATTAN GUPTA)
Partner
M. No. 083427

(BRIJ RATTAN BAGRI)
Chairman

(VIKRAM RATHI)
Executive Director

Place : New Delhi
Date : 25th August, 2011

(VIKASH RAWAL)
Chief Financial Officer

(PRIYANKA SHARMA)
Asst. Company Secretary



BLB Limited

Registered Office : 4764/23-A, Ansari Road,
Darya Ganj, New Delhi - 110 002