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**2006  
Annual Report**



BOARD OF DIRECTORS	:	ANIL KUMAR SAHA SHYAMAL SAHA AMITABHA MUKHERJEE RAMAKANT TIWARI DULICHAND KAREL PHUL CHAND TIWARI
BANKERS	:	CANARA BANK
SOLICITORS	:	R.L. GAGGAR 6, OLD POST OFFICE STREET, CALCUTTA – 700 001.
AUDITORS	:	S. DHAR & CO. CHARTERED ACCOUNTANTS 32, ANAND MOHAN BOSE ROAD, DUM DUM , KOLKATA – 700 074
REGISTERED OFFICE	:	FALTA INDUSTRIAL GROWTH CENTRE SECTOR IV, FALTA, DIST. 24 PARGANAS (SOUTH) WEST BENGAL
CORPORATE OFFICE	:	P-22, C.I.T. ROAD, SCHEME – 55, CALCUTTA – 700 014.



## NOTICE

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of Bala Techno Global Limited will be held at Company's Registered Office at Falta Industrial Growth Centre, Sector IV, Falta, Dist. 24 Parganas (South), West Bengal on Saturday, the 23<sup>rd</sup> September, 2006 at 9.30 a.m. to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2006 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Shyamal Saha, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Dulichand Karel , who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the company to hold office from the conclusion of the meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolutions which will be proposed as an ordinary Resolutions :

"Resolved that Shri Amitabha Mukherjee who was appointed as an additional Director of the company under section 260 of the companies Act, 1956 and who holds office till the conclusions of the Annual General Meeting, be and is hereby appointed as director of the company liable to retire by rotation"

6. To consider and, if thought fit, to pass, with or without modifications, the following Resolution which will be proposed as a Special Resolution :

"RESOLVED THAT pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines – 2003(hereinafter referred to as the "Guidelines"), and all other applicable rules , laws, guidelines, and regulations and subject to such approvals, permissions and sanctions as may be necessary & subject to such conditions and modifications as may be prescribed or imposed by any competent authority while granting such approvals, permissions, sanctions, consent of the Company be and is hereby accorded to the Board to voluntarily apply for delisting of its Equity Shares from The Calcutta Stock Exchange Association Limited, at such time as the Board of Directors ( whether acting through the Board, a Committee of the Board or any Director or any person authorized by the Board) may, in their absolute discretion, consider appropriate and proper and that the Company's shares be continued to be listed with the Bombay Stock Exchange Limited.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof , as may be framed for the time being , exercising the powers conferred by the aforesaid resolution , be and is hereby authorized to do all such acts , deeds, matters and things as may be considered necessary proper or expedient in order to give effect to the above resolution.

7. To consider , and if thought fit, to pass with or without modification(s), the following Resolutions which will be proposed as an Ordinary Resolutions:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956 (including any statutory



modification or re-enactment thereof, for the time being in force) consent of the Company be and hereby accorded to the Board of Directors of the Company for mortgaging and/or charging on such terms and conditions and at such time or times, and in such form and manner, as it may think fit, the whole or substantially the whole of the Company's any one or more of the undertakings, or all the undertakings including the present and/or future properties, whether movable or immovable, tangible or intangible comprised in any existing or new undertaking or undertakings of the Company, as the case may be, in favour of the Lenders, Agents and/or Trustees for securing the long term, short term and medium term borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (fully/partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments) issued/to be issued by the Company including deferred sales tax loans availed/to be availed by various divisions/units of the Company, from time to time, subject to the limits approved/as may be approved by the members under Section 293(1)(d) of the Companies Act, 1956 as also the interest on the principal amounts at the respective agreed rates additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, premium (if any) on redemption, remuneration of agent(s)/trustee(s), all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement, debenture trust deed (s) and/or any other deed(s) or document(s) entered into/to be entered into between the Company and the lender(s) /agent(s) /Trustees/state government(s)/agency(ies) representing various state government(s) and/or other agencies etc. in respect of the said loans/borrowings/debentures/securities/deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors of the Company (including any Committee thereof) and the lender(s) /agents(s) trustee(s)/state government(s)/agency(ies), etc.

**RESOLVED FURTHER THAT** the securities to be created by the Company as aforesaid may rank prior/paripassu/subservient with/to the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board of Directors or its Committee and as may be agreed to between the concerned parties.

**RESOLVED FURTHER THAT** the Board of Directors or its Committee or persons authorized by the Board, be and is/are hereby authorized to negotiate, finalise, settle, sign and execute any and all applications, agreements, documents, deeds, writings and papers as may be necessary for creating the mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as it/they may, in its/their absolute discretion consider necessary, desirable or expedient for implementing this resolution and to resolve any question, difficulty or doubt relating thereto, or otherwise considered to be in the best interest of the Company."

**Corporate Office**  
P-22, C.I.T.Road,  
Scheme - 55,  
Kolkata - 700 014  
Date : 26<sup>th</sup> August, 2006

By Order of the Board  
**Anil Kumar Saha**  
Director

**NOTES**

1. A Member entitled to attend and vote at the Annual General Meeting is also entitled to appoint proxy to attend and vote instead of himself/herself and a proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company at its Registered Office not less than Forty Eight hours before the commencement of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 12<sup>th</sup> September 2006 to 23<sup>rd</sup> September 2006 (both days inclusive).
3. For the convenience of Members, an Attendance Slip is annexed to the Proxy form. Members are requested to affix their signature as registered with the company at the space provided therein and handover the Attendance Slip at the entrance to the place of the Meeting.
4. Members holding shares in the Dematerialized and Physical mode are requested to intimate/send the following to facilitate better servicing:
  - i. Any change in their address / name
  - ii. Share Certificates held in multiple accounts in identical names or joint accounts in the same order of names , for consolidation of such shareholdings into a single account.
  - iii. All changes pertaining to their Bank details, ECS, mandates, nominations, power of attorney/etc. to their depository participant and to the Company's Registrars and Share Transfer Agents Niche Technologies Private Limited, D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata – 700 001 respectively. Tel No. (033) 2235-7270/7271, 2234-3576, Telefax No. (033) 2215 6823, E-mail : [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com) respectively. Changes intimated to the depository participant will then be automatically reflected in the Company's records, which will help the Company and its Registrar and Transfer Agents to provide efficient and better service to the Members. Shareholders are hereby intimated that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
5. Members are requested to bring their copies of their Admission slips and Annual Reports to the Meeting.
6. Copy of the documents referred to in the notice and the Explanatory Statements are available for inspection at the Registered Office of the Company during office hours on all working days except Saturday, between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
7. Shareholders may kindly note that trading in equity shares of the company are under compulsory dematerialisation form . Members are requested to approach their Depository Participant for dematerialisation of Equity Shares of the Company.
8. In terms of provisions of Section 109A of the Companies Act, 1956, nomination facility is now available to individual shareholder. The shareholders who are desirous of availing this facility may kindly write to the Company at its Corporate Office at P-22, C.I.T. Road, Scheme-55, Kolkata-700014.  
The Equity Shares of the Company are listed on Stock Exchanges at Mumbai and Calcutta . The Annual Listing Fee for the year 2006 – 07 has been paid to each of these Stock Exchanges.
9. The Equity Shares of the Company are listed on Stock Exchanges at Mumbai and Calcutta . The Annual Listing Fee for the year 2006 – 07 has been paid to each of these Stock Exchanges.



10. Details pursuant to clause 49 of the listing agreement with regard to Directors seeking appointment/reappointment in the ensuing Annual General Meeting on 23<sup>rd</sup> September, 2006.

1. Name of Director	Shri Shyamal Saha	Shri Dulichand Karel	Shri Amitabha Mukherjee
2. Date of Birth	2 <sup>nd</sup> December, 1966	11.03.1956	1.11.1960
3. Date of Appointment	29.03.1999	31.12.2002	21.10.2005
4. Qualifications	Under graduate	Graduate	B.Tech(Textile)
5. Expertise in Executive Functional Areas	He has over 12 Yearsexperience in Accounts and Finance.	He has over 18 years experience in Business finance and administration.	He has over 20 years experience in administration, marketing, finance and personal Management
6. List of Companies inwhich Directorshipheld	NIL	NIL	NIL
7. Chairman/Membersof the Committeesof the Board of the Companies on whichhe is a Director	NIL	NIL	NIL
8. Shareholding in the Company	NIL	100 Equity shares	NIL

NOTE : Pursuant to clause 49 of the listing agreement only two committees viz. Audit Committee and Shareholders Grievance Committee have been considered.

11. An Explanatory Statement pursuant to section 173(2) of the companies Act, 1956, in respect of Special Business under item nos.5 to 7 is annexed hereto.

**Annexure to the Notice**

**Explanatory Statement pursuant to  
Section 173(2) of the Companies Act, 1956.**

**Item No.5**

Shri Amitabha Mukherjee was appointed as an additional director on the Board on 21.10.2005. Pursuant to section 260 of the Companies Act, 1956 and Provisions of the company's Articles of Association, he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice from the member under section 257 of the Companies Act, 1956, purposing his candidature for the office of Director. The Board considers that having regard to his wide knowledge and working experience, it will be in the interest of the company to appoint Shri Amitabha Mukherjee as Director of the company.

None of the Directors other than Shri Amitabha Mukherjee is concerned or interested in this resolution.

The Directors therefore recommend the passing of the resolution.



**ITEM NO. 6**

The Equity shares of the Company are presently listed on Bombay Stock Exchange Ltd. and The Calcutta Stock Exchange Association Ltd. SEBI through its Guidelines known as securities and Exchange Board of India ( Delisting of Securities ) Guidelines – 2003 has permitted Companies to voluntarily delist its Shares from a Stock Exchange where the shares are listed for a period of more than 3 years provided, inter alia, the Company is authorised by the shareholders for making such an application for delisting through a special resolution. The Board of Directors has decided to take steps to have the equity shares of the Company delisted from The Calcutta Stock Exchange Association Limited, as the volume of trading on these Stock Exchanges is very insignificant and thereby neither the company nor the investors are deriving any benefit out of such listing. Bombay Stock Exchange Limited where the Company's shares will continue to be listed , have also got nation wide trading terminals and the delisting from Calcutta Stock Exchange will therefore not affect the trading of these shares by the members located in any part of the Country. Further your Company will also be benefited by delisting by way of reduction of costs in the form of listing fees and implication of work.

None of the directors of the Company are interested or concerned in this Resolution.

The Board of Directors of your company commend passing of the resolution set out under Item No.6 as a Special Resolution.

**ITEM NO.7**

In order to meet the requirement of funds for financing of capital expenditure/working capital requirements and/or general corporate purposes, the Company has to raise funds from time to time from Banks/Financial Institutions/investment Institutions/Mutual Funds/Bodies Corporate/Foreign Financial Institutions/Individuals and/or any other agencies by way of loans, both in rupee and foreign currency and/or Debentures (Partly convertible/Fully convertible/Non-convertible)for Long Term/Short Term/Medium Term or any other nature of instruments as may be permissible at law which are normally secured by a mortgage/charge over the immovable/movable properties of one or more units of the Company in such form and manner as may be determined by the Board of Directors of the Company or its Committee, from time to time , in consultation with the lenders/agents/trustees. Besides the Company has availed/would be availing deferred sales tax loans from State Government(s), some of which are secured/required to be secured by a mortgage/charge over the immovable /moveable properties of one or more divisions of the Company in such form or manner as may be determined by the Board of Directors of the Company or its Committees from time to time in consultation with the State Government(s) and/or agencies representing the State Government(s).

It is in the view of provisions of Section 293(1)(a) of the Companies Act, 1956 that the resolution as set out in this item of the Notice is commended for your approval.

None of the Directors of the company is interested or concerned in this Resolution.

**Corporate Office**

P-22, C.I.T.Road,  
Scheme – 55,

**Kolkata – 700 014**

Date : 26<sup>th</sup> August, 2006

By Order of the Board

**Anil Kumar Saha**

*Director*



### **REPORT OF DIRECTORS TO THE MEMBERS**

Your Directors have pleasure in presenting in the 18th Annual Report together with the Audited Statement of Accounts for the year ended, 31st March, 2006.

#### **BUSINESS SCENARIO**

The business scenario of finance Companies has changed drastically in the last few years, due to consolidation and restructuring in the financial sector and liberalization and globalization of markets. The aggressive foray of Indian and Foreign banks and financial Institutions into retail financing has resulted into severe competition. This competition is likely to intensify further.

The line of distinction between finance companies, Financial Institutions and Banks is almost non-existent. This competitive environment calls for efficient process capabilities, use of technology, cost efficiencies, strict credit monitoring and raising the level of customer service. This process of change in the financial services industry has also provided greater growth opportunities for proactive, strong and well managed finance companies.

#### **FINANCIAL RESULTS**

The summarized results for the year 2005-06 are given below :

	Year ended 31st March, 2006 (Rs.in lacs)	Year ended 31st March, 2005 (Rs.in lacs)
Gross Income	483.30	8.87
Gross Profit/(Loss)	157.22	(48.40)
Less: Depreciation	10.48	10.52
Profit/(Loss) before Tax	146.74	( 58.92)
Less: Provision for Taxation	8.65	-
Net Profit/(Loss) after Tax	138.09	(58.92)
Add: Profit/(Loss) brought forward from previous year	(420.08)	(361.16)
Balance being Profit/(Loss) carried forward	(281.99)	(420.08)

#### **DIVIDEND**

In absence of profits, your Directors regret their inability to propose Dividend.

#### **PERFORMANCE AND OUTLOOK**

The gross income for the year was Rs. 483.3 lacs against Rs. 8.87 lacs in previous year and the net income was Rs. 138.09 lacs for the year against net loss of Rs. 58.92 lacs in previous year.

Your Directors are pleased to inform that Canara Bank the Debenture holders of 4,00,000 14% secured Redeemable Non-cumulative Debenture of Rs. 100/- each have waived interest of Rs. 308.69 Lakhs the effect of which has been given during the financial year under review.





The company's performance remained effected due to adverse business environment of Financial Services. Profits margins were under pressure resulting in low realization. Efforts are being made to reduce the losses by curtailment of costs.

#### **DIRECTORS :**

Shri Shyamal Saha and Shri Dulichand Karel Directors of the Company , retire by rotation and being eligible offer themselves for reappointment. .

Shri Amitabha Mukherjee has been appointed as additional director of the company with effect from 21.10.2005. He holds office upto the ensuing Annual General Meeting. The company has received notice from the member under section 257 of the companies Act, 1956 , proposing his candidature for the office of Director.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31st March, 2006, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for 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 preventing and detecting fraud and other irregularities.

#### **CORPORATE GOVERNANCE**

Your Directors affirm their commitments to the corporate governance standards prescribed by the securities and Exchange Board of India (SEBI). A Report on corporate Governance alongwith certificate from Company Secretaries for its compliance under clause 49 of the listing agreement is attached.

#### **VOLUNTARY DELISTING OF THE COMPANY'S EQUITY SHARES**

The Equity shares of the company are listed on the Stock Exchanges at Kolkata and Mumbai. It is proposed to delist the Equity shares of the company from the Stock Exchange at Kolkata for which approval of shareholders is being sought.

#### **DEMATERIALISATION OF SHARES**

Your company's shares are being traded in the dematerialized forms and over 55.35% of the shares of the company have been dematerialized.


**AUDITORS :**

The Auditors of the company, M/s S. Dhar & Co. Chartered Accountants, retire at the conclusion of the ensuing General Meeting. They have signified their willingness to accept reappointment and have confirmed their eligibility under Under Section 224(1B) of the companies Act, 1956.

Directors recommend their reappointment.

The Report of the Auditors and the Notes on Accounts are self Explanatory and therefore do not call for any further comments.

**STATUTORY REQUIREMENTS**

None of the employee of the Company has drawn salary in excess of the limit specified under Section 217(2A) of the Companies Act, read with the rules there under.

The Company being engaged in the service industry, the Statement in regard to conservation of Energy, etc. under Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of directors) Rules, 1988, is not required.

Your Company has not accepted and/or renewed any deposit from the public and/or shareholders during the year under review.

**ACKNOWLEDGEMENT :**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the financial institutions, Bankers, and business constituents.

Your Directors would also like to place on record their deep appreciation of the continued support of shareholders.

ON BEHALF OF THE BOARD

Place : Kolkata

Date : 26th August, 2006

**Anil Kumar Saha**  
*Director*