



Bala Techno Synthetics Limited

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**2005
Annual Report**



BOARD OF DIRECTORS

C.P. MEHRA

Chairman

ASHOK MEHRA

TAPAS KAR

MINA ROY

PHOOL CHAND TIWARI

BANKERS

ICICI BANKING CORPORATION LTD

UNITED BANK OF INDIA

ORIENTAL BANK OF COMMERCE

SOLICITORS

MUKHERJEE & BISWAS

10, OLD POST OFFICE STREET,

CALCUTTA - 700 001

AUDITORS

AGARWAL & MODI

CHARTERED ACCOUNTANTS

27, BRABOURNE ROAD,

KOLKATA - 700 001

**REGISTERED OFFICE
& FACTORY**

PLOT NO. B4 & B5

FALTA INDUSTRIAL GROWTH CENTRE

SECTOR III, FALTA,

DIST. 24 PARGANAS (SOUTH)

WEST BENGAL

CORPORATE OFFICE

P-22, C.I.T. ROAD,

SCHEME - 55,

KOLKATA - 700 014.



NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Bala Techno Synthetics Limited will be held at Hotel Rajhans at Falta Industrial Growth Centre, Sector IV, Falta, Dist. 24 Parganas (South), West Bengal on Thursday, the 29th September, 2005 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2005 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 C. P. Mehra, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Smt. Mina Roy, who retires by rotation and being eligible, offers herself for reappointment
4. To appoint Auditors of the Company to hold office from the conclusion of this 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 as Ordinary Resolution.

"RESOLVED THAT Shri Phool Chand Tiwari who was appointed as an additional Director of the Company under section 260 of the Companies Act, 1956 and who holds office till the conclusion of the Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation."

Corporate Office
P-22, C.I.T. Road,
Scheme - 55,
Kolkata - 700 014.

By Order of the Board

Ashok Mehra
Director

Date : 30th August, 2005

**NOTES**

1. A member entitled to attend 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 not less than Forty Eight hours before the meeting.
2. The Register of members and Share Transfer Books of the Company will remain closed from 23rd September, 2005 to 29th September, 2005 (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 hand-over the Attendance Slip at the entrance to the place of the Meeting.
4. Members holding equity shares in physical form are requested to notify the Change of address, if any, immediately to the company quoting their folio numbers and those holding in dematerialized forms should intimate their respective Depository participants.
5. As a measure of economy, no copy of the Annual Report will be distributed at the Annual General Meeting. Members are therefore, requested to bring their copy of the Annual Report to the Meeting.
6. All documents referred to in the accompanying notice and the Explanatory Statements are open for inspection at the Corporate 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. Members holding shares in the same name under different folios are requested to apply for consolidation of such folios and send relevant share certificates.
8. The Registered Office of the Company is at Falta Industrial Growth Centre, Sector III, Falta, Dist. 24 Parganas(South), West Bengal. However, letters or shares for transfer may be sent to its Corporate Office at P-22, C.I.T. Road, Scheme-55, Calcutta-700 014.
9. Members are requested to note that trading in the Company's equity shares is compulsory in dematerialised form for all investors. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable shareholders to hold and trade in dematerialized form.
10. 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, Calcutta-700014.

11. The Equity Shares of the Company are listed on Stock Exchanges at Mumbai and Calcutta. The Annual Listing Fee for the year 2005- 06 has been paid to each of these Stock Exchanges.

12. Appointment/Reappointment of Directors at the ensuing Annual General Meeting on 29th September, 2005.

Name of Director	C P Mehra	Mina Roy	Phool Chand Tiwari
Date of Birth	05.11.1955	31.03.1950	07.01.1958
Date of Appointment	31.12.2002	31.12.2002	15.09.2003
Qualifications	Commerce Graduate	Graduate	Under Graduate
Expertise in Executive Functional Area	(i) Promoter/Director Of the Company (ii) Having more than three decades experience in Textile Industry (iii) Vast experience in General Administration, Marketing and Financial Management.	She has over 17 years experience in Accounts and Commercial matter.	He has over 16 years experience in commercial matter.
List of Companies in Which Directorship Held.	(i) Pacific Cotspin Ltd. (ii) City Desk Finance Pvt.Ltd. (iii) ABC Techno Elastics Ltd. (iv) Acy Techno Tapes (P) Ltd.	None	Bala Techno Global Limited.
Chairman/Members of the Committees of the Board of the Companies on which he is a Director	None	None	Bala Techno Global Limited Shareholders / Investors Grievance committee - Member

14. The Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, in respect of Special Business as set out above is annexed hereto.



**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO
SECTION 173(2) OF THE COMPANIES ACT, 1956.**

Item No. 5

Shri Phool Chand Tiwari was appointed as additional Director on the Board on 6.10.2004. Pursuant to section 260 of the Companies Act, 1956 and provisions of the Company's Articles of Association, he holds office only upto the date of this 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. The Directors recommend his appointment as Director of the Company. None of the director except Shri Phool Chand Tiwari is interested in this Resolution.

Corporate Office :

P-22, C. I. T. Road

Scheme - 55

Kolkata - 100 014

Date : 30th August, 2005

By Order of the Board

Ashok Mehra

Director



REPORT OF DIRECTORS

TO THE MEMBERS

Your Directors have pleasure in presenting in the 14th Annual Report together with the Audited Statement of Accounts for the year ended, 31st March, 2005.

FINANCIAL RESULTS

Your Company's performance during the year in summarised below :

	Year ended 31st March, 2005 (Rs.in lacs)	Year ended 31st March, 2004 (Rs.in lacs)
Gross Income	4706.53	3553.37
Gross Profit/(Loss)	132.13	166.43
Less: Depreciation	<u>31.95</u>	<u>32.80</u>
Profit/(Loss) before Tax	100.18	133.63
Less: Provision for Taxation	<u>7.32</u>	<u>—</u>
Net Profit/(Loss) after Tax	92.86	133.63
Add: Profit/(Loss) brought forward from previous year	(507.05)	(640.68)
Balance being Profit/(Loss) carried forward	<u>(414.19)</u>	<u>(507.05)</u>

DIVIDEND

No Dividend is proposed for the year under review.

PERFORMANCE AND OUTLOOK

The gross income for the year was Rs.4706.53 lacs against Rs.3553.37 in previous year and the net profit was Rs.92.86 lacs for the year against Rs.133.63 lacs in previous year. As part of the Textile Sector, the company expects better financial results in ensuing years on account of the following factors:

- 1) Opening up of textile quotas for the post WTO scenario with effect from 1st January 2005 with unrestricted exports to European Union and U.S.A.
- 2) The Company proposes to decrease the rate of interest on secured loans and the effective interest during the coming years.
- 3) The Company has plans to change the product mix for better prospects.
- 4) The Company has started exports of its products and will endeavor to increase the export ratio of the total turn over in the coming year.
- 5) Owing to better realization the company is expected to achieve a higher turn over in the coming year.
- 6) Due to reduced costs and overheads the overall profitability is expected to improve.

Besides, to encash the opportunities arising in the Textile industry in the post W.T.O. free quota Regime, and to take the fullest advantage of interest subsidy, in the Central Govt. sponsored Textile Up gradation fund Scheme (TUFS) giving access to low international rates of interest, the Company plans to go for expansion/diversification by investing about

Rs.30 crores in allied lines of activity i.e. manufacture of yarn, fabrics, Denims, garments, Home Textiles, bed sheets and similar items for domestic consumption and exports to USA and other countries.

DIRECTORS

Shree C P Mehra and Smt. Mina Roy Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment.

During the year Shri Phool Chand Tiwari was appointed as additional Director of the Company with effect from 6.10.2004 and will hold office upto the date of ensuing Annual General Meeting. The Company has received notice 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, 2005, 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.
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2005 on a going concern basis.

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 as required under Clause 49 of the Listing Agreement is made a part of this Annual Report and a certificate from the Auditors of the company regarding compliance of the conditions of the corporate governance is attached to this Report.

VOLUNTARY DELISTING OF THE COMPANY'S EQUITY SHARES

Your Directors wish to inform that the Company has received approval of delisting from Delhi Stock Exchange Association Ltd. vide their communication DSE/LIST/NR/31 dt 02.09.2004.

DEMATERIALISATION OF SHARES

Pursuant to the Notification issued by the Securities & Exchange Board of India, the equity shares of your Company have been activated for trading in electronic form for all investors in both NSDL and CDSL. As per SEBI directions, trading in equity shares of your Company is compulsory in dematerialised form. Shareholders are free to hold shares in demat form with a 'Depository Participant' or can keep shares in physical form. Dematerialized shares can also be rematerialized at any time.

AUDITORS :

The Auditors of the Company, M/s. Agarwal & Modi, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to

accept reappointment and have confirmed their eligibility under section 224(1-B) of the Companies Act, 1956. Your 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 Companies (particulars of Employees) Rules 1975, as amended.

The Company has not accepted and/or renewed and deposits from the public and/or shareholders during the year under review.

The information in respect of conservation of energy, etc. as required u/s 217(1)(e) of the Companies Act, 1956 read with companies (Disclosures of Particulars in the Reports of Directors) Rules 1988, is given below :

CONSERVATION OF ENERGY :

The Company's activities involve less consumption of energy and as such there is very little scope for energy conservation. However, there is a conscious and concentrated drive towards conservation of energy in all its forms. Strict vigilance is maintained over usage of energy by constant monitoring and educating the need to conserve energy. Replacement of worn out wires, control of idle running of machines, plugging of leakage and putting off power to all major equipment at non-working time, are some of the measures taken to conserve energy during the year.

TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT :

The Company has not obtained any technology from outside parties either from India or abroad nor entered any technical collaboration agreement with any party from abroad. The company keeps abreast with the technology development and introduces, adopts and absorbs those sophisticated technologies, wherever suitable.

The company does not have any in-house Research and Development department. In case of any necessity in future, the company will take technical help from the outside agencies.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	Current Year	Previous Year
i) Earnings (Rs.in Lacs)	150.23	0.51
ii) Expenditure (Rs.in lacs)	32.43	16.44

ACKNOWLEDGEMENT :

Your Directors wish to place on record their appreciation for valuable co-operation and support received from Central/State Government and in particular from the financial Institutions and Banks.

They are also grateful to shareholders, customers and suppliers of the Company for their continued valued support.

Your Directors also wish to place on record, their appreciation for devoted services of the sincere workers, staff and Executives of the Company.

On behalf of the Board

Place : Kolkata
Date : 30th August, 2005

ASHOK MEHRA
Director