

ANNUAL REPORT
1999

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BALURGHAT
TECHNOLOGIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Shri Uttam Chand Sethia

Vice-Chairman

Prof. Sukumar Bhattacharya

Managing Director

Shri Pawan K. Sethia

Executive Director

Shri Arun Sethia

LISTINGS AT

The Calcutta Stock Exchange Assn. Ltd.

Mumbai Stock Exchange.

Madras Stock Exchange.

Jaipur Stock Exchange.

Director

Shri Mahavir Prasad Goenka

**Secretary and
Finance Manager**
Shri D. Banerjee

REGISTRARS & SHARE TRANSFER AGENTS

ABC Computers Private Limited
National Council of Education Building
Jadavpur University Campus, Jadavpur
Calcutta-700 032

Auditors

Guha & Sons
Chartered Accountants
Calcutta

REGISTERED OFFICE

170/2C, A. J. C. Bose Road
Calcutta-700 014

Banker

Vijaya Bank

BALURGHAT TECHNOLOGIES LIMITED

NOTICE

Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held on 26th June, 2000, 11.30 A.M., at Gyan Mancha, 11, Pretoria Street, Calcutta-700 071, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the period ended 30th September 1999 and the Balance Sheet as at that date together with the Auditors Report and the Directors Report thereon,
2. To reappoint Sri Uttam Chand Sethia, Chairman of the Company who retires by rotation at this meeting, and being eligible, offers himself for reappointment.
3. To appoint Guha & Sons, Chartered Accountants, the retiring Auditors of the Company, as the Statutory Auditors, and if reappointed shall hold their office until conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS :

4. SPECIAL RESOLUTION –

To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution —

“RESOLVED that pursuant to the certificate dated 11.04.2000 issued by the Registrar of Companies, West Bengal confirming the alteration of the main object clause of the Memorandum of Association, approval of the Shareholders of the Company and is hereby accorded for commencing and carrying on business of information technology and tele communications in terms of clause 3 (three) of the Memorandum of Association of the Company.

Further Resolved that the Shareholders of the Company do hereby ratify that all the pre commencement activities undertaken by the Company prior to the passing of this instant resolution, will constitute to be valid, as if commenced after passing of this resolution, and shall be binding on the Company, whatsoever.

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* By Order of the Board
BALURGHAT TECHNOLOGIES LTD.

Registered Office :
170/2C, A. J. C. Bose Road,
Calcutta-700 014
Dated : 29th April, 2000

– Sd –
D. BANERJEE
Secretary & Finance Manager

NOTES:-

1. The Register of Members and Share Transfer Books of the Company will remain closed from 16th June, 2000 to 26th June, 2000 (both days inclusive).
2. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A proxy need not be a Member of the Company, Proxies, in order to be effective, must be recieved at the Registered Office of the Company not less than forty- eight hours before the meeting.
3. Members are requested to bring their copies of the Report and Accounts to the meeting alongwith the Admission slip duly filled in and handover the same at the entrance of the meeting hall.
4. Members are requested to notify and correction/ change in their address immediately to the Registrars and Transfer agent.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.

In view of the Company have obtained the approval of the Registrar of Companies, West Bengal to alter the main object for incorporation intending to diversify in the field of information Technology and Telecommunication. Following the aforesaid confirmation, by a subsequent application the name of the company was changed to Balurghat Technologies Ltd. with due consent of the members.

Now for the Balurghat Technologies Ltd., to commence its working in the field of information technology and telecommunications require accord from the General Body of the Shareholders.

The Directors recommends the passing of this resolution in the interest of the Company.

None of the Directors are in any way interested in the forgoing Resolution.

BALURGHAT TECHNOLOGIES LIMITED**DIRECTORS' REPORT**

To the Members :

Your Directors have the pleasure in reporting an eventful year in the history of the Company alongwith the Annual Financial Results for the year ended 30.09.99 and the Report of the Auditor's thereon.

CHANGE OF NAME

The Directors are glad to inform you that in order to keep pace with the changed business environment around the world and to compete globally, your Company has been renamed as Balurghat Technologies Ltd. with necessary approval of the Members and the Registrar of Companies, West Bengal. Hence forth your Company would operate both information technology division and transport service division.

FINANCIAL HIGHLIGHTS

The highlights of the Financial performance of the Company for the year ended 30th September 1999, is stated in brief here below :—

Particulars	(Rs. In Lacs.)	
	12 Months.. 30.09.1999	18 Months 30.09.1998
Total Turnover	5,061.20	6,448.62
Less : Total Expenses	4,896.31	6,200.66
P B D I T	164.89	247.96
Less : Depreciation	55.19	94.90
Finance Charges	59.15	105.16
Profit before Tax	50.54	47.90
Provision for Tax	5.76	17.85
Profit after Tax	44.78	30.05
Balance brought forward from Previous Year	44.83	40.64
Less : Provision for Taxation for earlier years	—	(0.96)
Profit available for Appropriation	89.61	69.73
Appropriations :		
Transferred to General Reserve	60.00	4.90
Debenture Redemption Reserve	20.00	20.00
Balance Carried Forward	9.61	44.83

DIVIDEND

In view of the various adversities faced by the Company in the transport operations resulted in insufficient generation of profits, and your Directors regret their inability to recommend any dividend, for the period under review.

OPERATIONS

The economic recession that had affected the industry as a whole coupled with the natural calamities, devastated the operations of your Company. The Super Cyclone at Orissa, flood in the North Bengal and the strike by the Transporters Association at the National level for days together had a combined impact, yet that our Turnover had been a modest Rs. 50 Crore which although had been our expectation at the bare minimum. The leaping input costs of vehicle hire, fluctuating every hour had eroded the profitability to a sizeable extent. There upon the limited cooperation of the principal Banker and the immense delay to provide enhanced credit facilities for sufficient working capital assistance has caused an irreparable loss of valuable time which had been sufficiently reflected in the operating results. However as a break

BALURGHAT TECHNOLOGIES LIMITED

through the Company had formulated aggressive plans and programmes to diversify its operation in the field of Information Technology and Tele communications. With India being recognized as a major source of I. T. skills by the global Industry, Balurghat Technologies is well poised to grow as a major player in this sector, and very soon it will be in a position to support the needs of the transportation business, that the same may operates at its full potential widening the scale of its operations.

FUTURE PROSPECTS

Your Directors are constantly engaged pursuing the various possible alternatives to workout a break through which is visible on the cards. While on one hand efforts are being given to arrange for Working Capital Assistance to stabilize the transportation business, on the other hand a massive diversification programme had just been taken in the Information Technology sector capable of generating super profits to add to our Corporate resources, which in fact will also rejuvenate the transportation activities, as well and exploit its full potential to operate on a larger scale providing value addition in its services offered.

DIRECTORS

Sarvasree Uttam Chand Sethia, Chairman of the Company retires by rotation at the ensuing Annual General Meeting. Sri. U. C. Sethia being eligible offers himself for reappointment.

CONSERVATION OF ENERGY AND TECHNOLOGICAL ABSORPTION

Having regard to the nature of business undertaken by your Company, the aforesaid disclosures are not required.

FOREIGN EXCHANGE EARNING AND OUTGO

There had been no foreign exchange earnings and outgo during the period under review.

PARTICULARS OF EMPLOYEES

No statement in terms of Sec. 217(2A) of the Companies Act 1956 is annexed to this report as the Company did not have any employee who has been in receipt of remuneration above Rs. 3,00,000/- per annum or Rs. 25,000/- per month, during whole or any part of the year under review.

AUDITORS

M/s. Guha & Sons, Chartered Accountants are the Auditors of the Company, retiring at the conclusion of the ensuing Annual General Meeting, and being eligible offer themselves for reappointment.

LISTING OF SHARES

The shares of the Company are listed in the Stock Exchanges at MUMBAI, CALCUTTA, CHENNAI and JAIPUR. Steps are being taken for listing of shares at National Stock Exchange.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to various Depts. of the State and Central Governments, bank and financial institutions, suppliers and esteemed customer for their valuable support. Your Directors also appreciate the support provided by the Employees and Workmen at all levels of the organisation for their contributions that had led to maintain peace and harmony in the over all industrial relations. Your Directors also place on record their gratitude to the valued shareholders for their unstinted support for enhancing the values of a true Corporate democracy.

For and on behalf of the Board,

– Sd –

PAWAN K. SETHIA
Managing Director.

Dated : 29th April, 2000
Place : Calcutta