

ANNUAL REPORT

=====2004=====

Report  Junction.com

BALURGHAT

TECHNOLOGIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Shri Uttam Chand Sethia

Managing Director
Shri Pawan Kumar Sethia

Executive Director
Shri Arun Kumar Sethia

Director
Shri Mahavir Prasad Goenka

LISTINGS AT
The Calcutta Stock Exchange Assn. Ltd.
Bombay Stock Exchange

Secretary & Finance Manager
Shri Debashis Banerjee

REGISTRARS & SHARE TRANSFER AGENTS

MCS Ltd.
3rd & 5th Floor
77/2A, Hazra Road,
Kolkata – 700 029.

Auditors
Guha & Sons
Chartered Accountants
Kolkata

REGISTERED OFFICE
170/2C A.J.C. Bose Road,
Kolkata – 700 014.

Banker
Vijaya Bank

BALURGHAT TECHNOLOGIES LIMITED

NOTICE

Notice is hereby given that the 10th Annual General Meeting of the Shareholders of Balurghat Technologies Ltd. will be held on Tuesday, 28th September, 2004 (10:00 AM), at Bhartiya Bhasa Parishad 36A, Shakespeare Sarani, Kolkata- 700 017.

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Accounts of the Company for the year ended 31st March, 2004 along with the Director's and Auditors Report there upon.
2. To appoint Director in place Sh. Uttam Chand Sethia, who retires by rotation, being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

By The Order Of The Board
For BALURGHAT TECHNOLOGIES LTD.

Report  Junction.com

Regd. Office :
170/2C A.J.C. Bose Road,
Kolkata - 700 014.

D. BANERJEE
Secretary And Finance Manager

BALURGHAT TECHNOLOGIES LIMITED**NOTES:**

1. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2004 to 28th September, 2004 (both days inclusive).
2. A member entitled to attend and vote at the meeting is also 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 received 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 along with 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.
5. Pursuant to the provision under Sec. 205A of the Companies Act 1956, as amended the balance dividend for the financial year 1994-95 remaining unpaid and unclaimed till date, has been transferred to the Investor Education and Protection Fund of the Central Government, 7 years having lapsed since its date of declaration.

**INFORMATION PURSUANT TO LISTING AGREEMENTS
DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT
AT THE ENSUING ANNUAL GENERAL MEETING:**

Name	Sh. Uttam Chand Sethia
Date of Appointment	27-09-2002
Nature of expertise in functional areas	Entrepreneur Par Excellence and recognized Philanthropist with a distinguished Social Status.
Names of Companies in which Concerned is Interested	Balurghat Minerals (P) Ltd. Director SSM Pharmaceuticals (P) Ltd. Director
Names of comities in other companies in which concerned is a member	NIL

The above report had been taken on record at the meeting of the Board of Directors held on 30th July, 2004.

Dated : 30th July, 2004.
Place : Kolkata

Pawan Kr. Sethia
Managing Director



BALURGHAT TECHNOLOGIES LIMITED**DIRECTORS' REPORT**

To the Members:

Your Directors herewith present the 10th Annual report of the Company along with the Audited Accounts for the year ended 31st March, 2004.

The summarized Financial performance of your Company is presented herein under:

(Amount Rs. In Lacs)

Particulars	Year Ended 31-03-04	Year Ended 31-03-03
Total Earnings	828.95	1492.83
Total Expenditure	1207.23	1729.73
PBDIT	<u>(378.28)</u>	<u>(236.90)</u>
LESS: Finance Charges	4.18	8.52
Depreciation	<u>22.19</u>	<u>23.18</u>
Profit / Loss before Tax	(26.37)	(31.70)
Provision for Tax	<u>NIL</u>	
Profit / Loss after Tax	(404.65)	(268.60)
Balance b/f from previous year	NIL	NIL
LESS: Adjustment related to assets withdrawn	NIL	(0.91)
LESS: Loss on sale of Investment	NIL	(13.89)
Profit/Loss available for appropriation	<u>(404.65)</u>	<u>(283.40)</u>
APPROPRIATIONS		
Loss charged to General reserve	66.26	(283.40)
Balance Carried Forward	<u>338.39</u>	<u>NIL</u>

DIVIDEND

In view of the adverse performance and uncertain outlook during the year, your Directors regret their inability to recommend any Dividend for the approval of the Members.

OPERATIONS

The performance of your Company had suffered a severe set back due to prolonged Suspension of Operations declared in its primary profit centre at Kolkata. The decline in business turnover clearly indicates that the Company is currently Surviving on its Branch operations, the revenue generated whereby is grossly insufficient to fund the elaborate establishment expenses and other overheads, which gives rise to a huge deficit leading to rapid accrual of liabilities presently beyond the service capacity.

With the limited resources in hand your Directors had put in their best efforts and in absence of external funding support, revival based upon internal accruals involves a longer gestation period and even more of patience and perseverance to bear with.

While fullest co-operation had been received from the majority employees accepting voluntary discharge from employment, along with a significant volume of Creditors agreeing to reschedule the debts, the necessary fiscal reliefs by way of waiver of penalties and damages imposed upon by various Statutory agencies are still under negotiation.

BALURGHAT TECHNOLOGIES LIMITED

Your Directors believes that active support of the various Statutory Agencies by way of suitable grants and reliefs are sine quanon to a successful rehabilitation scheme and to make your company economically viable.

FUTURE OUTLOOK

In view of the tremendous potential that the industry offers, necessary and effective measures are being implemented to preserve and continue with the business identity or the goodwill attained over 50 years of participation and presence in the trade. Your directors ensure that their hard work and sacrifice undertaken with utmost sincerity is bound to yield fair returns, if not in the short run then definitely in the long run, depending upon the overall economic climate of the Country.

IMMEDIATE CONCERNS

The continuity of operations over the years under prolonged paucity of funds compelled the deferment of the various liabilities, which had ultimately culminated into numerous recovery actions and litigations against the Company, challenging its solvency and the ability to continue as a going concern. Individually considered such actions involve no more than normal business risk and a part of the routine business, whereas accumulated over the years, the aggregate impact of which may lead to insolvency, if enforced at a time, amounts to a distinct threat to the survival and continuity of the business concern. Your Directors are fully aware of such contingency and have taken the most effective route of Compromise and settlement rather than contesting such claims with insufficient defence. The requirements of funds although remains as a major constraint, yet appropriate mobilization through disposal of Unproductive Assets, figures out to be an important source along with immediate reduction of overheads burden as a matter of fact is the key to the rehabilitation and revival process, which are already in effect

EMPLOYEE RELATIONS

Due to lack of Working Capital availability, the business volume had been reduced significantly resulting in rapid escalation of surplus manpower.

The instigation of anti management activities imputed in the idle workforce making non permissible demands and frequent staging of demonstrations opting Go slow techniques , and series of strikes in fact developed into an acute labour unrest which had compelled the Management to declare indefinite Suspension of Work at all the Kolkata Units, primarily to arrest unproductive outflow of funds and the rapid progression of the accumulated losses in continuing with the operations, under the said constraints.

Although the Suspension of work declared on 13.03.2003, initially met with stiff resistance and militant protests but as on date, a large section of the Workman had finally agreed to accept Voluntary discharge from employment unconditionally upon realization of the true intent of the Management and withdrawn their demonstrations and protest, restoring the normalcy in support of the rehabilitation programme. Apart from Kolkata, the employee relations at the various branches had remained undisturbed and satisfactory.

DIRECTORS

In accordance with the provisions contained in the Articles of Association of the Company, Sri Uttam Chand Sethia, Non Executive Chairman and Director of the Company retires by rotation at the end of the ensuing Annual General Meeting and being eligible offers himself for reappointment.



BALURGHAT TECHNOLOGIES LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) That in the preparation of the annual accounts the applicable accounting standards have been followed with proper explanation to all material departures, in case if any,
- (ii) That your Directors have selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period
- (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and also for safeguarding the assets of your Company and or preventing and detecting fraud and other irregularities;
- (iv) That your Directors have prepared the Annual Accounts on a going concern basis and considers the same to be most appropriate, irrespective of any observations to the contrary;
- (v) On account of adverse business environment, the Directors had been compelled to allow certain departures pertaining to the regulatory provisions and has taken on record the reservations stated by the Auditors in their Report, all of which had been dealt within the notes at appropriate places in the Account that are self explanatory.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report as Annexure – 1 and 2. The certificate from the Company's auditors conforming the compliance of the terms as stipulated in the clause 49 of the listing agreement is annexed along with.

CONSERVATION OF ENERGY AND TECHNOLOGY 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 EARNINGS

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.24,00,000/- per annum or Rs.2,00,000/- 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, retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment.

LISTING OF SHARES

The Securities of the Company are listed with Mumbai Stock Exchange and shall continue to be listed thereat only. Pursuant to the SEBI (Delisting of Securities) Regulations 2003, upon confirming the applicable compliances Company had made necessary application for Voluntary Delisting of its shares from Jaipur, Madras and Kolkata and the same are pending disposal as on date, with the respective Exchanges.



BALURGHAT TECHNOLOGIES LIMITED

TRANSFER OF UNCLAIMED DIVIDENDS

Pursuant to the provisions of Sec. 205A of the Companies Act, 1956, Unclaimed Dividend for the year 1994-95, amounting to Rs. 8,200/- lying in the unclaimed Dividend account with the Allahabad Bank, Chowringhee branch for a period of last 7 years, has since been closed. The said Amount has been deposited in the Investor Education and Protection Fund of the Central Govt. as per the regulations applicable in this regard.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to various Deps. of the State and Central Governments, Suppliers and esteemed customer for their valuable support. Your Directors also place on record their gratitude for the valued shareholders for their unstinted support for enhancing the true values of a corporate democracy.

Dated: 30th July, 2004
Place: Kolkata

For & on Behalf of the Board
PAWAN KUMAR SETHIA
Managing Director



BALURGHAT TECHNOLOGIES LIMITED**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2004.****A. MANAGEMENT DISCUSSION AND ANALYSIS**

It has been a well established fact that the transport operation is a recession free business, wherein demand and the market for services are perpetually increasing for a developing economy. In the recent days of fierce competition in the manufacturing sector, the success of a Company primarily depends upon its edge over logistics and distribution as thus commonly known as Supply Chain Management which has assumed a great significance these days.

The Company had been in the transportation and goods carriage trade for over 50 years, and had matered sufficient goodwill with established clientele all across the country.

However the present situation of the Company happens to be alarming indeed, with its primary profit centre being under suspension of operations since more than an year, carrying a significant burden of loss which happens to be the result of an unplanned growth and partly on account of a series of natural calamities which the operations had been subject to year after year. The surplus manpower maintained under compelling circumstances also contributed to the burden of escalating liabilities, the carrying cost of which infact exceeded the disposable earnings of the company. Despite the several bottlenecks which the resumption of the operations at Kolkata shall be subject to, the Management, in view of the assured market for its services, are keen upon rehabilitation of the business to its full capacity wherein planned utilization of economic resources is bound to be profitable and will add to the shareholder value in the long run.

CAUTIONARY STATEMENT:

Whereas the Directors are confident of their ability to rehabilitate the business and have made forward looking statement based thereupon. The success of a rehabilitation scheme to a large extent depends upon the Government policies, protection and relief's extended by the Statutory agencies, to the Company, which are infact beyond the control of this Management.

B.1. CORPORATE PHILOSOPHY

Whereas the Company under strained economic condition is unable to yield pecuniary benefits to its shareholders, it is committed to provide them with satisfactory Investor's services and transparent information sharing and disclosures to justify the efforts of the Directors and employees, so that the same are not misinterpreted.

2. BOARD OF DIRECTORS**a. Composition :**

- | | |
|----------------------------------|--------------------------------------|
| i. Sharvasree Uttam Chand Sethia | – Non Executive Chairman |
| ii. Sri Mahavir Prasad Goenka | – Non Executive Independent Director |
| iii. Sri Pawan Kumar Sethia | – Managing Director |
| iv. Sri Arun Sethia | – Executive Director |

BALURGHAT TECHNOLOGIES LIMITED**b. Attendance:**

In the event of the Management declaring indefinite suspension of operations at all the Kolkata units, including the Registered Office of the Company w.e.f. 14th March, 2003 only 3 (three) meetings of the Board of Directors could be held during the year 2003-2004 apart from the Annual General Meeting. The attendance of the Directors are stated as under:

NAMES	NO. OF MEETINGS	18/8	30/10	30/01/04	ATTENDED	AGM 27/09/03
Sri U.C. Sethia	3	No	Yes	Yes	2	Not present
Sri M.P. Goenka	3	Yes	Yes	Yes	3	Present
Sri P.K. Sethia	3	Yes	Yes	Yes	3	Present
Sri Arun Sethia	3	Yes	Yes	Yes	3	Present

A. Declaration of Interests:

Pursuant to provisions of Sec 299(I) of the Companies Act 1956, Notice in Form 24AA was received from all the Directors and were taken on record at the Board Meeting held on 18/08/03.

3. AUDIT COMMITTEE:

(i) Chairman - Sh. M.P. Goenka (Non Executive Director)

Member - Sh Arun Sethia

Member - Sh Pawan Kumar Sethia

(ii) No. of Meetings		3 Nos.	18/08	30/10	30/01
Sh. M.P. Goenka	-	3 Nos.	Y	Y	Y
Sh. Arun Sethia	-	3 Nos.	Y	Y	Y
Sh. Pawan Kr. Sethia	-	3 Nos.	N	Y	Y

(iii) Terms of Reference -

- (i) Review of Unaudited Results.
- (ii) Review of Annual Accounts.
- (iii) Management representations to Auditors.
- (iv) Internal Audit and Review Internal Controls Procedures.
- (v) Statutory Compliance Review.
- (vi) Directors Remuneration

4. REMUNERATION COMMITTEE

Not yet constituted formally

Details of Remuneration to Directors (2003-2004)

Heads of Payments	Sh. U.C. Sethia	Sh. M.P. Goenka	Sh. P.K. Sethia	Sh.A.Sethia
Consolidated Salary	NIL	NIL	96,000/-	96,000/-
Benefits (HRA)	NIL	NIL	NIL	57,600/-
Bonus	NIL	NIL	NIL	NIL
Others (Sitting Fees)	NIL	1500/-	NIL	NIL
Total	NIL	1500/-	96,000/-	1,53,600/-