

# ANNUAL REPORT

## =====2006=====

Report  junction.com

**Balurghat**  
Since 1950

**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

### LISTING AT

Bombay Stock Exchange

### REGISTRARS & SHARE TRANSFER AGENTS

MCS Ltd.

77/2A, Hazra Road,  
Kolkata - 700 029.

### REGISTERED OFFICE

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

### Auditors

Guha & Sons

Chartered Accountants  
Kolkata

### Banker

UTI Bank Ltd.

**NOTICE**

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of the Shareholders of Balurghat Technologies Ltd. will be held on Monday, 25<sup>th</sup> September, 2006 (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 31<sup>st</sup> March, 2006 along with the Auditor's Report thereon and the Report of the Director's on that date.
2. To appoint Director in place Sri Uttam Chand Sethia, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

BY THE ORDER OF THE BOARD  
for **BALURGHAT TECHNOLOGIES LTD.**

Dated: 28<sup>th</sup> July, 2006.  
Place : Kolkata

**PAWAN KUMAR SETHIA**  
**MANAGING DIRECTOR**

**NOTES:**

1. The Register of Members and Share Transfer Books of the Company will remain closed from 19<sup>th</sup> September, 2006 to 25<sup>th</sup> September, 2006 (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 any correction/change in their address immediately to the Registrars and Transfer agent.

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

|   |   |
|---|---|
| <b>Name :</b>                                       | Sri Uttam Chand Sethia  |
| <b>DIN:</b>   | 00534337  |
| <b>Age:</b>   | 85 years  |
| <b>Date of Appointment :</b>                        | 28 <sup>th</sup> September, 2004  |
| <b>Academic Qualification :</b>                     | Under Graduate  |
| <b>Nature of expertise in functional Areas :</b>    | Entrepreneur par Excellence and recognized Philanthropist with a distinguished Social Status. |
| <b>Interest in Other Companies &amp; nature :</b>   | Balurghat Minerals Pvt. Ltd. – Director<br>S.S.M. Pharmaceuticals Pvt. Ltd. - Director        |
| <b>Membership of committees in other Concerns :</b> | NIL   |

The above report had been taken on record at the meeting of the Board of Director's held on 28<sup>th</sup> July, 2006.

**For & on Behalf of the Board**

Dated: 28<sup>th</sup> July, 2006.  
Place: Kolkata

**Pawan Kumar Sethia**  
**Managing Director**

**DIRECTOR'S REPORT**

To the Members:

Your Director's herewith present the 12<sup>th</sup> Annual report of the Company along with the Audited Accounts for the year ended 31<sup>st</sup> March, 2006.

1. The summarized financial performance of your Company is presented herein under:

(Amount Rs. In Lacs)

| Particulars                             | Year Ended<br>31-03-06 | Year ended<br>31-03-05 |
|---|------------------------|------------------------|
| Total Earnings                          | 875.28                 | 1009.93                |
| Total Expenditure                       | 1324.89                | 1351.75                |
| PBDIT                                   | (449.61)               | (341.82)               |
| LESS: Finance Charges                   | 0.91                   | 1.32                   |
| Depreciation                            | 15.75                  | 17.50                  |
|   | (16.66)                | (18.82)                |
| Profit / Loss before Tax                | (466.27)               | (360.64)               |
| Provision for Tax                       | NIL                    | NIL                    |
| Profit / Loss after Tax                 | (466.27)               | (360.64)               |
| Accumulated Profit / Loss b/f           | (699.04)               | (338.39)               |
| Adjustment relating to assets withdrawn | 01.92                  |                        |
| Loss on sale of Investment              | 07.00                  |                        |
|   | (05.08)                |                        |
| Profit/Loss for appropriation           | (1170.39)              | (699.03)               |
| Profit / Loss c/f                       | (1170.39)              | 699.03)                |

**DIVIDEND-**

In view of the growing accumulated losses and uncertain outlook during the current year, your Director are unable to recommend any Dividend for the year under reference.

**REVIEW OF OPERATIONS AND STRATEGIC PLANNING-**

During the year under review, your company has crossed the worst possible phase of its existence since over last fifty years. The cream of business operations at Kolkata was suspended for more than two years consequently the profitability of the Company became disastrous with huge burden of loss steadily accumulating. The rate of net worth is declining rapidly. However your Director's are trying their level best to start the business operations at the Company's Kolkata front hopefully within this current financial year.

**FUTURE OUTLOOK-**

The Logistics business in the country has developed and the competition has also become steeper. Your Company was out of business for two years and your Director's are trying their best to revive the business and to gain the prime goodwill of the Company. The revival programme primarily is being funded from internal accruals. The institutional finance will be possible once the business is in operation.

**IMMEDIATE CONCERNS-**

The immediate concern as of now is the resumption of Kolkata operations as the wide spread market share and goodwill can no longer be retained without active business participation and presence in the trade. However, upon the resumption of activities the problem pertaining to allocation of resources both for working capital and settlement of outstanding liabilities unless be accommodated in full the success of the Management will entirely depend upon balancing of the liquidity which as such will be the key to the survival.

**EMPLOYEE RELATIONS-**

The surplus manpower discharged from employment and the Company is left with very few persons, which fits the requirement for existing statutory continuity. Your Directors had taken cognizance of manpower and are in the process of taking appropriate steps as necessary, in the context. The employee relations at the branch level continues to be stable and satisfactory productive at the present juncture.

**COMPANY SECRETARY-**

The Board & Directors record with heavy heart the sudden and immature demise of Mr. Debasish Banerjee, the Company Secretary of the Company. The Board expresses its heartiest condolence to the bereaved family. The Board also places on record its deep appreciation of the service rendered by Late Mr. Debasish Banerjee during his tenure with the Company.

**DIRECTOR'S-**

In accordance with the provisions contained in the Articles of Association of the Company, Sh. 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.

**DIRECTOR'S RESPONSIBILITY STATEMENT-**

Pursuant to the provisions contained in the Section 217(2AA) of the Companies Act, 1956, your Director's state as under:

- (i) That in the preparation of the annual accounts the accounting standards had been substantially complied along with proper explanation to all the material departures;
- (ii) That your Director's have selected such accounting policies and have applied the same consistently and had 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 as well as the profit or loss of the Company pertaining to such period;
- (iii) That your Director's have taken proper and sufficient care for the maintenance of accounting records, as also for safe guarding the assets of the Company and for detection of frauds and other irregularities;
- (iv) That on account of the adverse circumstances prevailing in the Company your Director's had been compelled to allow certain departures in respect of certain regulatory provisions all of which had been justified with proper explanations as also with regards to the adverse opinions and reservations made by the Auditors, in their report to the members.
- (v) Your Director's have prepared the accounts on the going concern basis and considers the same to be appropriate irrespective of opinions to the contrary.

**CORPORATE GOVERNANCE-**

A separate section on Corporate Governance is included in the Annual Report as Annexure - I and II. A certificate from the Auditors as to compliance of the various provisions of the Clause 49 of the listing agreement is annexed herewith.

**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.

**ACKNOWLEDGEMENT-**

Your Director's 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 Director's also place on record their gratitude for the valued shareholders for their unstinted support for enhancing the true values of a corporate democracy.

**For & on Behalf of the Board**

Dated: 28<sup>th</sup> July, 2006  
Place: Kolkata

**Pawan Kumar Sethia  
Managing Director**

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2006.

The listing agreement of the Stock Exchanges in Clause 49 (revised) has laid down a code of Corporate Governance, which your Company has complied with as follows:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The company's philosophy on corporate governance has been developed with a tradition and culture of fair and transparent governance and disclosure practices were in existence even before they were declared mandatory by legislation. Your Company believes in transparency, integrity, professionalism and accountability in its dealings. However, due to operational suspension of recent past and the strained financial conditions the Company was unable to provide pecuniary benefits to stakeholders expectations and strictly complies with regulatory guidelines on corporate governance.

### 2. BOARD OF DIRECTOR'S

#### a. Composition :

- i. Sharvasree Uttam Chand Sethia - Chairman (Non Executive)
- ii. Sri Mahavir Prasad Goenka - Director (Non Executive/ Independent)
- iii. Sri Pawan Kumar Sethia - Managing Director (Whole time)
- iv. Sri Arun Sethia - Executive Director (Whole time)

#### b. Attendance:

During the financial year 2005-2006, Four (4) nos. Board Meetings were held, along with the Annual General Meeting on the various dates, stated as under vis-à-vis the attendance of the Director's thereat:

| NAMES           | 30.04 | 30.07 | 31.10 | 31.01 | ATTENDED | AGM 26/09/05 |
|-----------------|-------|-------|-------|-------|----------|--------------|
| Sri U.C. Sethia | YES   | YES   | YES   | YES   | 04       | Not present  |
| Sri M.P. Goenka | YES   | YES   | YES   | YES   | 04       | Present      |
| Sri P.K. Sethia | YES   | YES   | YES   | YES   | 04       | Present      |
| Sri Arun Sethia | YES   | YES   | YES   | YES   | 04       | Present      |

### C. DECLARATION OF INTEREST:

Pursuant to provisions of Sec 299(I) of the Companies Act 1956, Notice in Form 24AA was received from all the Director's, along with the necessary declaration U/s 274(1) (g) had been taken on record at the relevant Board Meeting on the commencements of the financial year under reference.

### 3. AUDIT COMMITTEE:

i ) Composition: The Audit Committee is constituted of 3 Members under the Chairmanship of Sri M.P. Goenka an Independent & Non Executive Director with 2 other who'e time Director's along with: Secretary & Finance Manager as the Secretary of the Committee.

ii ) Attendance: The audit Committee met 4 times during the Financial Year under reference on the dates usually preceding the Board Meetings and the attendance therein is stated as under:

| Names                | 30.04 | 30.07 | 31.10 | 31.01 | Total |
|----------------------|-------|-------|-------|-------|-------|
| Sh. M.P. Goenka      | YES   | YES   | YES   | YES   | 04    |
| Sh. Pawan Kr. Sethia | YES   | YES   | YES   | YES   | 04    |
| Sh. Arun Sethia      | YES   | YES   | YES   | YES   | 04    |

#### (iii) Terms of Reference -

- (i) Review of Unaudited Financials.
- (ii) Review of Annual Accounts.
- (iii) Management representations & Co-ordinations of Statutory Audit.
- (iv) Internal Audit Appraisals and Review of Internal Controls.
- (v) Review & assessment of Compliance under applicable laws.
- (vi) Review & recommendation in respect of Managerial Remuneration.

### 4. REMUNERATION COMMITTEE:

Not yet formally constituted and the relevant functions are discharged by the Audit Committee above referred.

Details of Remuneration paid to the to Director's (2005-2006)

| 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/-          |
| House Rent Allowance    | NIL             | NIL             | NIL               | 57,600/-          |
| Perquisites /P.F. Cont. | NIL             | NIL             | 11,520/-          | 11,520/-          |
| Bonus/ Commission       | NIL             | NIL             | NIL               | NIL               |
| Others (Sitting Fees)   | NIL             | 3500/-          | NIL               | NIL               |
| <b>Total</b>            | <b>NIL</b>      | <b>3500/-</b>   | <b>1,07,520/-</b> | <b>1,65,120/-</b> |

Notes: Apart from the aforesaid no other sum was paid to the Director's, apart from reimbursements of expenses incurred on behalf of the Company, if any. However, the Managing and the Executive Director being in whole time employment with the Company are not

entitled to sitting fees for attending the meetings The Chairman has waived all the sitting fees for attending the meeting as a gesture of goodwill. The concerned Director's have waived their entitlements of the sitting fees for attending the Meetings of the Committees.

#### 5. SHARE COMMITTEE:

The Share Committee as it is known is responsible for both the Share Transfer Management and Investors Redressal Services. The Committee constitutes of Sri Arun Sethia, as the Chairman, Sri M.P. Goenka as Director and the Compliance Officer, Sri D. Banerjee as the other Committee Members. The Share committee holds its meetings monthly as per requisition of the Registrars and Share Transfer Agents, processing the transfer applications which are approved at the meeting. The RTA concerned reports the committee on Dematerialization status and requests over 21 days, if any. The committee also reviews the status of redressal of Investor's Complaints on the basis of report of the RTA along with the Compliance Officer for the cases received by them respectively and any pending complaints as may be referred to it are disposed by the Committee itself. Further that the Committee has been authorized and empowered by the Board for issue of Share Certificate upon dematerialization and / or sub-division consolidation and / or Duplicate Certificates under the signature of the Secretary as the Authorized Signatory along with the mechanized signatures imprinted on the Certificates.

During the year ended 31.03.05-

Total no. of Complaint / queries received: 12

No. of Complaints / Queries disposed: 12

Directly : 3 nos. , Through RTA : 9 nos.

No. of Complaints / Queries pending as on 31.03.2006 – NIL

#### 6. GENERAL MEETINGS:

| Sl. No. | Nature of Meeting                          | Date     | Time     | Venue  | Voting through Postal Ballots |
|---------|--|----------|----------|--|-------------------------------|
| 1.      | Annual Meeting (9 <sup>th</sup> ) General  | 27-09-03 | 10:00 AM | Bhartiya Bhasa Parishad<br>36A, Shakespeare Sarani<br>Kolkata – 700 017. | No                            |
| 2.      | Annual Meeting (10 <sup>th</sup> ) General | 28-09-04 | 10:00 AM | -do-   | No                            |
| 3.      | Annual Meeting (11 <sup>th</sup> ) General | 26-09-05 | 10:00 AM | -do-   | No                            |

#### 7. DISCLOSURES:

- (i) There were no related party transactions, materially significant for the disclosures in specific were made during the year ended 31.03.06, other than as disclosed by way of Notes on Accounts.
- (ii) There were no significant non compliance reported against the Company during the year under reference, attributing any penal liability imposed upon, by any of the Regulatory Authorities related to the Capital Market
- (iii) Whereas due to suspension of Operations at Kolkata and the prevailing financial stringency over the last several years, the Company was not in a position to pay the listing fees to certain Stock Exchanges except Mumbai Stock Exchange in respect of which there are no outstanding as on date. The Company have applied for delisting of its securities from the Madras, Jaipur, Kolkata, pending disposal till date. Under similar circumstances the Company is not in a position to pay to fees introduced by CDSL, which are since been pending till date.

#### 8. MEANS OF COMMUNICATION:

- (i) The quarterly Financial (Provisional) results are forwarded to the Exchanges with 24 hours from its approval by the Board and are generally published in both National and Regional Newspapers within 48 hours from their publication.
- (ii) The Company has not made any specific representations, to any of the Investors, other than routine queries from the Shareholders, which are promptly responded by the Compliance Officer.
- (iii) The Management Discussions and analysis is presented as a part of the Annual Report.

#### 9. GENERAL SHAREHOLDER INFORMATION:

- (i) AGM date, time & venue: 25<sup>th</sup> September, 2006 at 10:00 AM.  
Bhartiya Bhasa Parishad  
36A, Shakespeare Sarani,  
Kolkata – 700 017.
- (ii) Financial Year: 1<sup>st</sup> April, 2005 to 31<sup>st</sup> March, 2006
- (iii) Book Closure : 19<sup>th</sup> September, 2006 to 25<sup>th</sup> September, 2006.
- (iv) Listings: The Stock Exchange - Mumbai
- (v) Stock Code: The Stock Exchange, Mumbai – 520127
- (vi) ISIN (for Demat Shares): INE 654 B01014.
- (vii) Market Price Data: Refer to Annexure on Market Price Data



- (viii) Registrar & Transfer Agents: MCS Ltd.  
77/2A, Hazra Road, Kolkata – 700 029.  
Phone: 2454 1892/93.
- (ix) Compliance Officer: D.Banerjee – Secretary & Finance Manager.  
170/2C A.J.C. Bose Road,  
Kolkata – 700 014.  
Phone : 2284 0613
- (x) Share Transfer System: Shares received for physical transfer at the registered office are marked with an inward serial number. The documents after a preliminary scrutiny about the fitness of their delivery are handed over twice a week to the RTA for processing of transfer which after needful checking are entered in a register for transfer authorization. The transfer register is placed before the Share committee, once a fortnight is approved on the basis of RTA recommendation. Subject to approval the RTA endorses the certificates and mails the same on specific advises and issues option Letter for Demat within 21 days from lodgment of transfer, and provides confirmation to the Company. which is tallied with the Transfer register and monitored, periodically.
- (xi) Dematerialization: The Company's shares are under compulsory dematerialization enlisted with both the Depositories viz. NSDL and CSDL. A significant portion of the floating stock had been dematerialized. Over the period the transactions in the dematerialized securities have substantially increased whereas there are hardly any transactions in the physical mode.
- (xii) Redressal of Investor Grievances: Low volume turnover hardly provides scope of any routine activity in this area; hence the primary responsibility for redressal activities had been entrusted upon the RTA backed by the Compliance Officer under the supervision and control of Share Committee. The nature of Complaints were mainly the delay in receipt of share certificates as most of the share holders misinterpreted the Option Letters sent by the RTA following registration of transfer. The acceptances of Demat were slow to begin with.

**STOCK PRICE DATA**

| MONTH         | HIGHEST RATE | LOWEST RATE |
|---------------|--------------|-------------|
| APRIL -05     | 3.35         | 2.51        |
| MAY - 05      | 4.50         | 2.50        |
| JUNE -05      | 3.95         | 2.62        |
| JULY -05      | 4.00         | 2.80        |
| AUGUST -05    | 9.11         | 3.15        |
| SEPTEMBER -05 | 7.60         | 3.73        |
| OCTOBER -05   | 3.90         | 2.28        |
| NOVEMBER -05  | 3.50         | 2.41        |
| DECEMBER -05  | 3.08         | 2.45        |
| JANUARY -06   | 2.74         | 2.30        |
| FEBRUARY -06  | 2.39         | 1.53        |
| MARCH -06     | 1.77         | 1.39        |

N.B. : THE ABOVE QUOTED RELATES TO TRADING AT THE STOCK EXCHANGE- MUMBAI.  
MARKET CAPITALIZATION AS AT 31.03.06 - RS. 5.00 CRORES (APPROX)

**DISTRIBUTION OF SHAREHOLDING AS PER AMENDMENTS TO CLAUSE 35 OF LISTING AGREEMENT.**

Name of Company: **BALURGHAT TECHNOLOGIES LIMITED**

Distribution of shareholding as on quarter ending 31.03.2006.

|     | Category   | No. of shares held | Percentage of shareholding |
|-----|--|--------------------|----------------------------|
| A.  | Promoter's holding   |                    |                            |
| 1.  | Promoters *<br>- Indian Promoters<br>- Foreign Promoters   | 36,04,300          | 19.80                      |
| 2.  | Persons acting in Concert #  | 30,66,300          | 16.85                      |
|     | Sub-Total  | 66,70,600          | 36.65                      |
| B.  | Non- Promoters Holding   |                    |                            |
| 3.  | Institutional Investors  |                    |                            |
| a.  | Mutual Funds and UTI   | -                  | -                          |
| b.  | Banks, Financial Institutions, Insurance Companies (Central/ State Gov. Institutions/ Non-government Institutions) | -                  | -                          |
| c.  | FII's  | -                  | -                          |
|     | Sub-Total  | -                  | -                          |
| 4.  | Others   |                    |                            |
| a.  | Private Corporate Bodies   | 29,41,756          | 16.16                      |
| b.  | Indian Public  | 85,63,944          | 47.06                      |
| *c. | NRIs / OCBs  | 23,700             | 0.13                       |
| d.  | Any Other (please specify)   | -                  | -                          |
|     | Sub-Total  | 1,15,29,400        | 63.35                      |
|     | GRAND TOTAL  | 1,82,00,000        | 100.00                     |

\* Total foreign shareholding is 23700 having 0.13 % against 4 (c) i.e. NRIs / OCBs.