

ANNUAL REPORT

=====2011=====



TECHNOLOGIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

Shri Hansraj Sethia

Director

Shri Mahavir Prasad Goenka

Shri Madanlal Agarwal

Shri Sushil Kumar Sancheti

Managing Director

Shri Pawan Kumar Sethia

Executive Director

Shri Arun Kumar Sethia

Auditors

Guha & Sons

Chartered Accountants

Kolkata

Company Secretary

Shri Deepak Pandey

REGISTRARS & SHARE TRANSFER AGENTS

MCS Ltd.

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

AUDIT COMMITTEE

Shri Mahavir Prasad Goenka - Chairman

Shri Pawan Kumar Sethia - Member

Shri Arun Kumar Sethia - Member

REGISTERED OFFICE

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

BALURGHAT TECHNOLOGIES LIMITED

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

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of Balurghat Technologies Ltd. will be held on Tuesday, 27th September, 2011 (9:30 AM), at Jay Narayan Gupta Smriti Hall, AB-47, Salt Lake City, Kolkata - 700 064, to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Mahavir Prasad Goenka who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sushil Kumar Sancheti who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

M/s Guha & Sons, Chartered Accountants, retire from the office of the Auditors and being eligible offer themselves for re-appointment.

NOTES:

1. The details of persons seeking appointment / re- appointment as required by clause 49 of the Listing Agreements entered into with the Stock Exchange are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Members holding share in dematerialised form are requested to bring their Depository Account No. and Client I.D. No. for identification.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2011 to 27th September, 2011 (both days inclusive).
5. 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.
6. Members are requested to notify any correction/change in their address immediately to the Registrars and Transfer agent.

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

REGISTERED OFFICE

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

Dated: 13th August, 2011.

PAWAN KUMAR SETHIA
MANAGING DIRECTOR

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

| | | |
|--|---|--|
| Name : | Sri Sushil Kumar Sancheti | Sri Mahavir Prasad Goenka |
| DIN: | 03193796 | 00157026 |
| Age: | 74 | 73 |
| Date of Appointment : | 17 th September 2010 | 24 th September 2009 |
| Academic Qualification : | Graduate | Under Graduate |
| Nature of expertise in functional Areas : | Excellence with more than 30 Years experience in Transport Industry | Entrepreneur par Excellence with over 50 Years experience in Transport Trade Organisation & Operations |
| Interest in Other Companies & nature : | Nil | Nil |
| Membership of committees in other Concerns : | Nil | Nil |

The above report had been taken on record at the meeting of the Board of Director's held on 13th August, 2011.

For & on Behalf of the Board

Dated: 13th August, 2011
Place: Kolkata

**Pawan Kumar Sethia
Managing Director**

DIRECTOR'S REPORT

To the Members:

Your Director's herewith present the 17th Annual report of the Company along with the Audited Accounts for the year ended 31st March, 11.

1. The summarized financial performance of your Company is presented herein under: (Amount Rs. In Lacs)

| Particulars | Year Ended 31-03-11 | Year Ended 31-03-10 |
|---|------------------------|------------------------|
| Total Earnings | 3265.81 | 2439.42 |
| Total Expenditure | 3216.15 | 2405.41 |
| PBDIT | 49.66 | 34.01 |
| LESS: Interest & Finance Charges | 1.24 | 1.88 |
| Depreciation | <u>10.17</u> - 11.41 | <u>11.07</u> - |
| | | 12.95 |
| Profit / Loss before Tax | 38.25 | 21.05 |
| Provision for Tax | -8.23 | -4.21 |
| Profit / Loss after Tax | | 16.85 |
| Accumulated Profit / Loss b/f | 30.02 | |
| Adjustment relating to assets withdrawn | (1406.92) | (1423.21) |
| Loss on sale of Investment | | (.56) |
| Profit/Loss for appropriation | | (1406.92) |
| Profit / Loss c/f | 0 | (1406.92) |
| | (1376.90) | (1406.92) |

DIVIDEND-

In view of the accumulated losses during the current year, your Director's are unable to recommend any Dividend for the year under reference.

REVIEW OF OPERATIONS AND STRATEGIC PLANNING-

The Rs 4,000 billion Indian logistics industry, growing at an average growth rate of 20% annually, is driven by robust economic growth, rising export and import, government infrastructure investment and logistics outsourcing. The year under review was an exceptional year of turbulences. The depression in the US destroyed investor wealth worth trillions of dollars across the world. The burst claimed high profile banks and insurance companies, resulting into complete financial chaos all over the world.

During the year, your company achieved a turnover of Rs. 3265.81 Lacs as against Rs. 2439.42 Lacs in the previous year, showing a growth of 33.87 percent. There have been significant profit in compared to last year, Company have been able to achieve a profit of Rs 38.25 Lacs before tax during the current Fiscal Year as compared to Profit of Rs. 21.05 Lacs previous year.

FUTURE OUTLOOK-

India's logistics sector is projected to grow from Rs 8,000 billion to Rs 10,000 billion by 2015 to Rs 20,000 billion by 2020 (Source: ASSOCHAM), supported by a rapid growth in the manufacturing and service sectors, substantial domestic and international freight growth, consumption proliferating in Tier II and Tier III cities and the government's proposal to invest US\$17 billion in the transportation infrastructure by 2017. The entry of global logistics players in India is helping local companies benchmark with global standards.

IMMEDIATE CONCERNS-

The Indian logistics sector is fragmented. Two-thirds of the total trucks are owned and operated by transporters with fleets smaller than five trucks. The result is intense competition, low freight rates and thin profitability. The logistics cost in India is still high compared with developed markets owing to a non-conducive policy environment, extensive industry fragmentation and infrastructure inadequacy.

While it is true that India cannot remain immune to global meltdown and the impact of global financial crisis on India were stronger than expected, it is also showing that it will be the first to recover. The measures taken by our Apex Bank had resulted into comfortable liquidity of rupee. Indian banks are much more conservative than American & European Banks when it comes to lending. Hence, the exact same problems that distributed that distributed global financial institutions, is not expected to effect Indian financial system.

EMPLOYEE RELATIONS-

The Company is left with very few persons, which fits the existing requirement. 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.

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 relating to 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-

Your Company has been practicing the principles of good corporate governance. A detailed section on Corporate Governance pursuant to the requirements of Clause 49 of the listing agreement forms part of 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 foreign exchange earnings USD 4978 equivalent to INR 222765/-and outgo USD 4000, equivalent to INR 182120/-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 Directors take this opportunity to convey their sincere appreciation to the Shareholders for their valuable support and continued confidence in the Company. Your Directors are also deeply grateful to Company's associates, suppliers, Government authorities for their continued support.

For & on Behalf of the Board

Dated: 13th August, 2011
Place: Kolkata

Pawan Kumar Sethia
Managing Director

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2011.

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:

Corporate Governance is the set of processes, custom, policies, law and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The basic philosophy of Corporate governance in the Company is to achieve business excellence and dedicate itself for increasing long term shareholder value, keeping in view the needs and interests of all its stakeholders. However, due to 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. Sri Hansraj 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 Kumar Sethia | - Executive Director (Whole time) |
| v. Sri Madan Lal Agarwal | -- Director (Non Executive/ Independent) |
| vi. Sri Sushil Kumar Sancheti | -- Director (Non Executive/ Independent) |

b. Attendance:

During the financial year 2010-2011, Four (5) nos. Board Meetings were held, along with the Annual General Meeting on the various dates, stated as under vis-a-vis the attendance of the Director's thereat:

| NAMES | 30.04 | 31.07 | 17.08 | 30.10 | 31.01 | ATTENDED | AGM 17/09/10 |
|---------------------------|-------|-------|-------|-------|-------|----------|--------------|
| Sri H.R. Sethia | YES | YES | YES | YES | YES | 05 | Present |
| Sri M.P. Goenka | YES | YES | YES | YES | YES | 05 | Present |
| Sri P.K. Sethia | YES | YES | YES | YES | YES | 05 | Present |
| Sri Arun Sethia | YES | YES | YES | YES | YES | 05 | Present |
| Sri Madan Agarwal | YES | YES | YES | YES | YES | 05 | Present |
| Sri Sushil Kumar Sancheti | YES | YES | YES | YES | YES | 05 | 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 3 other Independent Director's.

ii) Attendance: The audit Committee met 5 times during the Financial Year under reference on the dates preceding the Board Meetings and the attendance therein is stated as under:

| NAMES | 30.04 | 31.07 | 17.08 | 30.10 | 31.01 | Total |
|---------------------------|-------|-------|-------|-------|-------|-------|
| Sri M.P. Goenka | YES | YES | YES | YES | YES | 05 |
| Sri Madan Agarwal | YES | YES | YES | YES | YES | 05 |
| Sri Sushil Kumar Sancheti | NO | No | No | YES | YES | 02 |

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 Director's (2008-2011)

| Heads of Payments | Sh.H.R. Sethia | Sh. M.P. Goenka | Sh. P.K. Sethia | Sh.A. Sethia | Sh. M.L. Agarwal | Sh. S.K. Sancheti |
|-----------------------|-------------------|--------------------|--------------------|-----------------|---------------------|----------------------|
| Consolidated Salary | NIL | NIL | 330000/- | 330000/- | NIL | NIL |
| House Rent Allowance | NIL | NIL | 114000/- | 114000/- | NIL | NIL |
| P.F. Cont | NIL | NIL | 39600/- | 39600/- | NIL | NIL |
| Bonus/ Commission | NIL | NIL | NIL | NIL | NIL | NIL |
| Others (Sitting Fees) | NIL | 15000/- | NIL | NIL | 15000/- | 6000/- |
| Total | NIL | 15000/- | 483600/- | 483600/- | 15000/- | 6000/- |

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. 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 Compliance Officer as the Authorized Signatory along with the mechanized signatures imprinted on the Certificates.

During the year ended 31.03.11-

Total no. of Complaint / queries received: 12

No. of Complaints / Queries disposed: 12

Directly : 8 nos. , Through RTA: 4 nos.

No. of Complaints / Queries pending as on 31.03.2011 - Nil

6. GENERAL MEETINGS:

| Sl. No. | Nature of Meeting | Date | Time | Venue | Voting through Postal Ballots |
|---------|--|----------|----------|--|-------------------------------|
| 1. | Annual General Meeting (14 th) | 26-09-08 | 10:00 AM | Baisakhi Hosing Club No. 2 Deodhar Rahman Road, Kolkata-700 033 | No |
| 2. | Annual General Meeting (15 th) | 24-09-09 | 9:30 AM | Jay Narayan Gupta Smriti Hall AB-47, Salt Lake City, Kolkata-700 064 | No |
| 3. | Annual General Meeting (16 th) | 17-09-10 | 9:30 AM | Jay Narayan Gupta Smriti Hall AB-47, Salt Lake City, Kolkata-700 064 | No |

7. DISCLOSURES:

- There were no related party transactions, materially significant for the disclosures in specific were made during the year ended 31.03.11, other than as disclosed by way of Notes on Accounts.
- 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 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:

- The quarterly Financial (Provisional) results are forwarded to the Exchange 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.
- 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.
- The Management Discussions and analysis is presented as a part of the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION:

- AGM date, time & venue: 27th September, 2011 at 09:30 AM.
Jay Narayan **Gupta Smriti** Hail,
AB-47, Salt Lake City, Kolkata - 700 064.
- Financial Year: 1st April, 2010 to 31st March, 2011
- Book Closure : 21st September, 2011 to 27th September, 2011 (both days inclusive)
- Listings: The Stock Exchange - Mumbai
- Stock Code: The Stock Exchange, Mumbai - 520127
- ISIN (for Demat Shares): **INE 654 B01014.**
- Market Price Data: Refer to Annexure on Market Price Data
- Registrar & Transfer Agents: **MCS Ltd.**
77/2A, Hazra Road, Kolkata - 700 029.
Phone: 2454 1892/93.
- Compliance Officer: **Mr. Arun Kumar Sethia**
170/2C A.J.C. Bose Road,
Kolkata - 700 014.
Phone : 2284 0613
- 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.
- 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 few transactions in the physical mode.
- 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.

STOCK PRICE DATA

| MONTH | HIGHEST RATE | LOWEST RATE |
|---------------|--------------|-------------|
| APRIL -10 | 2.55 | 1.90 |
| MAY - 10 | 2.28 | 1.66 |
| JUNE -10 | 2.60 | 1.71 |
| JULY -10 | 2.24 | 1.76 |
| AUGUST -10 | 2.40 | 1.85 |
| SEPTEMBER -10 | 2.34 | 1.81 |
| OCTOBER -10 | 3.39 | 1.86 |
| NOVEMBER -10 | 2.54 | 1.94 |
| DECEMBER -10 | 2.27 | 1.82 |
| JANUARY -11 | 2.17 | 1.77 |
| FEBRUARY -11 | 1.86 | 1.55 |
| MARCH -11 | 1.98 | 1.64 |

N.B. : THE ABOVE QUOTED RELATES TO TRADING AT THE STOCK EXCHANGE- MUMBAI.
MARKET CAPITALIZATION AS AT 31.03.11 - RS. 3.04 Crores (APPROX)