

ANNUAL REPORT

=====2007===== 0



TECHNOLOGIES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

- Shri Hansraj Sethia
(Appointed w.e.f. 31.07.2007)
- Shri Uttam Chand Sethia
(Resigned on 31.07.2007)

Director

Shri Mahavir Prasad Goenka
Shri Madanlal Agarwal
(appointed w.e.f. 10.08.2007)

Managing Director

Shri Pawan Kumar Sethia

Executive Director

Shri Arun Kumar Sethia

Auditors

Guha & Sons
Chartered Accountants
Kolkata

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 13th Annual General Meeting of the Shareholders of Balurghat Technologies Ltd. will be held on Wednesday, 26th September, 2007 (10:00 AM), at Baishakhi Housing Club, No.2 Deodhar Rahman Road, Kolkata – 700 033 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March, 2007 and reports of Directors and Auditor's thereon.
2. To appoint Director in place Sri Mahabir Prasad Goenka , who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit to pass, with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Guha & Sons, Chartered Accountants, Kolkata, who retire at this meeting, being eligible and willing to act as Auditor, be and are hereby appointed Auditors of the Company to hold office till the conclusion of the next Annual General Meeting at a remuneration may be approved by the Board of Directors"

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution.

4. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions if any of the Companies Act 1956, Mr. Madanlal Agarwal, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company"

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2007 to 26th September, 2007 (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.

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

Item No. 4

The Board of Directors of the Company (the board) has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the act) & Articles of Association of the Company, Mr. Madanlal Agarwal as an Additional Director of the Company w.e.f. 10.08.2007.

In terms of the provisions of section 260 of the act, Mr. Madanlal Agarwal would hold office up to the date of the Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Mr. Madanlal Agarwal for the office of Director of the Company, under the provisions of Section 257 of the Act.

Mr. Madanlal Agarwal has, to his credit more than 40 years experience in Travel & Transport Industry & corporate governance. Keeping in view his enriched expertise and knowledge, it will be in the interest of the Company that Mr. Madanlal Agarwal is appointed as a Director, who if appointed shall be liable to retire by rotation, in accordance with the provisions of the Articles of Association of the Company.

The Board commends the resolution set out at Item4 of the Notice for your approval.

Save and except Mr. Madanlal Agarwal none of the other Directors of the Company is, in any way concerned or interested in the resolution.

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

REGISTERED OFFICE

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

Dated: 14TH August, 2007.

ARUN KUMAR SETHIA
EXECUTIVE DIRECTOR

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

Name :	Sri Mahabir Prasad Goenka	Sri Madanlal Agarwal
DIN:	00157026	00272513
Age:	69 years	69years
Date of Appointment :	28 th September, 2004	10 th August, 2007
Academic Qualification :	Under Graduate	Under Graduate
Nature of expertise in functional Areas :	Entrepreneur par Excellence with over 45 years experience in Transport Trade Organization & Operations.	Enriched Expertise in Travel & Transport Industry for over 40 years
Interest in Other Companies & nature :	Orissa Spinning Mills Ltd. – Director	Gandhamardhan Sponge Industries Pvt Ltd – Director
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 14th August, 2007.

For & on Behalf of the Board

Dated: 14th August, 2007
Place: Kolkata

Arun Kumar Sethia
Executive Director

DIRECTOR'S REPORT

To the Members:

Your Director's herewith present the 13th Annual report of the Company along with the Audited Accounts for the year ended 31st March,07.

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

Particulars	Year Ended 31-03-07	Year Ended 31-03-06
Total Earnings	1489.18	875.28
Total Expenditure	1480.04	1324.89
PBDIT	9.14	(449.61)
LESS: Finance Charges	5.52	0.91
Depreciation	<u>15.62</u> (21.14)	<u>15.75</u> (16.66)
Profit / Loss before Tax	(12.00)	(466.27)
Provision for Tax	(.93)	NIL
Profit / Loss after Tax	(12.93)	(466.27)
Accumulated Profit / Loss b/f	(1170.39)	(699.04)
Adjustment relating to assets withdrawn Loss on sale of Investment		01.92 <u>07.00</u> (05.08)
Profit/Loss for appropriation	(1183.32)	(1170.39)
Profit / Loss c/f	(1183.32)	(1170.39)

DIVIDEND-

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

REVIEW OF OPERATIONS AND STRATEGIC PLANNING-

The Directors are pleased to inform you that the suspension of work at our Kolkata office has been withdrawn. Your Company has also resumed its traditional parcel booking service in North Bengal. The Directors are also pleased to inform that the Company has started a Travel Division & the performance has been satisfactory. The board also continues to explore various avenues of business opportunities for the turn around of the company.

FUTURE OUTLOOK-

The economy of the country is showing robust growth in almost all sectors. Our vision to be the customer's choice for all their Logistical needs is based on its guiding principles of trust, reliability and quality. Your company is planning to expand its services in North Bengal to gain higher market share amidst stiff competition. The company is also concentrating on expanding its business in North Zone.

IMMEDIATE CONCERNS-

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 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-

- a) Shri Uttam Chand Sethia resigned from the Board of the Company with effect from 31st July, 2007. The Directors place on record their deep appreciation of the valuable services rendered by Shri U.C. Sethia during his tenure since the inception of this organization as Chairman of the Company
- b) Under Article 97 of the Articles of Association of the Company Shri Mahabir Prasad Goenka retires by rotation at the end of the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
- c) Shri Hansraj Sethia has been appointed as Director with effect from 31.07.07 in the Casual Vacancy caused by resignation of Shri Uttam Chand Sethia. The Board has appointed him as the Chairman of the Board with effect from the date of his appointment. He will hold office until the date of the 14th Annual General Meeting i.e. the date of tenure of Shri Uttam Chand Sethia, had he been in the office.
- d) Shri Madanlal Agarwal an experienced personality in this industry has been appointed as an Additional Director of the Company pursuant by the provisions of the Article 103 of the Articles of Association of the Company. The advantage of his more than 40 years industrial and business experience and acumen will thus be available to the benefit of the Company. He will hold office until the date of the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

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: 14th August, 2007
Place: Kolkata

**Pawan Kumar Sethia
Managing Director**

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 31.03.07-

Total no. of Complaint / queries received: 9

No. of Complaints / Queries disposed: 9

Directly : 3 nos. , Through RTA : 6 nos.

No. of Complaints / Queries pending as on 31.03.2007 – NIL

6. GENERAL MEETINGS:

Sl. No.	Nature of Meeting	Date	Time	Venue	Voting through Postal Ballots
1.	Annual Meeting (10 th) General	28-09-04	10:00 AM	Bhartiya Bhasa Parishad 36A, Shakespeare Sarani Kolkata – 700 017.	No
2.	Annual Meeting (11 th) General	26-09-05	10:00 AM	-do-	No
3.	Annual Meeting (12 th) General	25-09-06	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 31.03.07, 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 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 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.
- (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: 26th September, 2007 at 10:00 AM.
Baishakhi Housing Club,
No.2 Deodhar Rahman Road, Kolkata – 700 033
- (ii) Financial Year: 1st April, 2006 to 31st March, 2007
- (iii) Book Closure : 25th September, 2007 to 26th September, 2007 (both days inclusive)
- (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.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2007.

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 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. Shri 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 Kumar Sethia | - Executive Director (Whole time) |

b. Attendance:

During the financial year 2006-2007, 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	29.04	28.07	30.10	31.01	ATTENDED	AGM 25/09/06
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 whole time Director's.

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

Names	29.04	28.07	30.10	31.01	Total
Sh. M.P. Goenka	YES	YES	YES	YES	04
Sh. Pawan Kr. Sethia	YES	YES	YES	YES	04
Sh. Arun Kumar 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 (2006-2007)

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	57600/-	57,600/-
P.F. Cont.	NIL	NIL	11,520/-	11,520/-
Bonus/ Commission	NIL	NIL	NIL	NIL
Others (Sitting Fees)	NIL	4000/-	NIL	NIL
Total	NIL	4000/-	1,65,120/-	1,65,120/-

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

(ix) Compliance Officer: Mr. Arun Kumar Sethia
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 allied 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 -06	1.99	1.50
MAY - 06	2.92	1.75
JUNE -06	2.05	1.41
JULY -06	1.92	1.22
AUGUST -06	1.82	1.41
SEPTEMBER -06	1.97	1.09
OCTOBER -06	1.65	1.04
NOVEMBER -06	1.50	1.20
DECEMBER -06	1.65	1.33
JANUARY -07	2.74	1.60
FEBRUARY -07	2.54	1.87
MARCH -07	2.55	1.67

N.B. : THE ABOVE QUOTED RELATES TO TRADING AT THE STOCK EXCHANGE- MUMBAI.
MARKET CAPITALIZATION AS AT 31.03.07 - RS. 3.00 CRORES (APPROX)

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

Name of Company: **BALURGHAT TECHNOLOGIES LIMITED**

Statement showing Shareholding Pattern 31.03.2007.

Category Date	Category of Shareholder	No. of Shareholders	Total no. of Shares	No. of shares held in dematerialized form	Total shareholding as percentage of total number of shares.	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoter & Promoter group	42	6755045	3342945	37.12	37.12
(1)	Indian					
(a)	Individuals / Hindu Undivided family	33	2735545	1973145	15.03	15.03
(b)	Central Government / State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	9	4019500	1369800	22.09	22.09
(d)	Financial Institutions / Banks	-	-	-	-	-
(e)	Any other (specify)	-	-	-	-	-
	Sub Total (A) (1)	42	6755045	3342945	37.12	37.12
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals / Foreign non Individuals)	-	-	-	-	-

(b)	Bodies Corporate	-	-	-	-	-
(c)	Institutions	-	-	-	-	-
(d)	Any other (Specify)	-	-	-	-	-
	Sub Total (A) (2)					
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	42	6755045	3342945	37.12	37.12
(B)	Public Shareholding	13954	11444955	5246743	62.88	62.88
(1)	Institutions					
(a)	Mutual Funds / UTI					
(b)	Financial Institutions / Banks					
(c)	Central Government / State Government(s)					
(d)	Venture Capital Funds					
	Insurance Companies					
(e)	Insurance Companies					
(f)	Foreign Institution Investors					
(g)	Foreign Venture Capital Investors					
(h)	Any Other (specify)					
	Sub- Total (B) (1)	-	-	-	-	-
(2)	Non- Institutions					
(a)	Bodies Corporate	159	2854263	811963	15.68	15.68
	Individuals					
(b)	i. Individual shareholders holding nominal Capital upto 1 Lakh	13704	7202475	3115763	39.57	39.57
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	53	1361525	1312925	7.48	7.48
(c)	Individual (Non-Resident Individual / Foreign non Individuals)	38	26692	6092	0.15	0.15
	Sub Total (B) (2)	13954	11444955	5246743	62.88	62.88
	Total public shareholding (B) = (B) (1) + (B) (2)	13954	11444955	5246743	62.88	62.88
	TOTAL (A)+(B)	13996	18200000	8589688	100.00	100.00
(C)	Shares held by Custodians and against which depository receipts have been issued.					
	GRAND TOTAL (A)+(B)+(C)	13996	18200000	8589688	100.00	100.00

RANGE ANALYSIS AS ON (31-MAR-2007)

Range	Shares	Folios	Percent shares	Percent folios
1 - 500	3042396	11276	16.7165	80.5659
501 - 1000	1268551	1519	6.9701	10.8531
1001 - 2000	825400	522	4.5352	3.7296
2001 - 3000	740709	289	4.0698	2.0649
3001 - 4000	287418	79	1.5792	0.5644
4001 - 5000	475247	99	2.6112	0.7073
5001 - 10000	852040	114	4.6815	0.8145
10001 - 50000	1454012	72	7.9891	0.5144
50001 - 100000	631331	9	3.4689	0.0643
AND ABOVE	8622896	17	47.3785	0.1215
Sum Count	18200000	13996	100.0000	100.0000

BALURGHAT TECHNOLOGIES LIMITED
AUDITOR'S CERTIFICATE

We have examined the compliance of the conditions of Corporate Governance by Balurghat Technologies Limited for the year ended 31st March, 2007 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

On the basis of representation received from the Company, we state that during the year ended 31st March, 2007 no justifiable investor grievances were pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GUHA & Sons
Chartered Accountants

Place: Kolkata
Date: 14th August, 2007.

K. Guha
Proprietor
Membership No. – F/8256

AUDITORS REPORT

To the Shareholders:

We have audited the attached Balance Sheet of Balurghat Technologies Limited as at 31st March, 2007 and the annexed Profit & Loss Account for the year ended on that date. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the Audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination on a test basis the evidence supporting the amounts and disclosures made in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial reporting. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) order 2005, issued by the Central Govt. in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
- b) In our opinion, proper books of accounts as required by law had been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our Audit have been received from the Branches, not visited by us.
- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of Accounts and the returns from the Branches.
- d) *Subject to the observations made in para 1 of clause 6 of the Notes on Accounts*, in our opinion the Balance Sheet and Profit & Loss Account dealt with by this report, substantially complies with the Accounting Standards referred to in Sec. 211 (3C) of the Companies Act, 1956.
- e) On the basis of representations received from the Director's taken on record by the Board, we report that none of the Director's are disqualified as on 31.03.2007 from being reappointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- f) The primary operating centre at Kolkata had been under Suspension of Operations for almost three and a half years which had a considerable impact on the business viability in the region, and without institutional funding arranged for working Capital support, the long term ability of the Company to continue as a going concern is presently not ascertainable. Consequently, classifications and provisioning of the Assets and Liabilities in the manner required had not been disclosed, and / or been reflected in the Financial Statements referred to in our report.

Subject to the observation referred to above, in our opinion and to the best of the information and explanation given to us, the annexed accounts give the information required under the Companies Act, 1956 in the manner so required and give a true & fair view, in conformity, with the accounting principles generally accepted in India.

- i. in the case of the Balance sheet, of the state of affairs of the Company as on 31st March, 2007;
- ii. in the case of the Profit & Loss Account of the Losses incurred by the Company for the year ended on that date.

Place: Kolkata
Date: 14th August, 2007.

GUHA & SONS
CHARTERED ACCOUNTANTS

K.GUHA
PROPRIETOR
Membership No. – F/8256

ANNEXURE

Re: Balurghat Technologies Limited.

Referred to in para 3 of our report of even date.

- i.
 - a) The fixed assets of the Company are widely dispersed and the Company is maintaining necessary records of all the particulars relating of such assets including the situation thereof:
- ii.
 - b) The Fixed Assets of the Company have not been physically verified during the year.
 - a) The inventory had been physically verified by the Management during the year.
 - b) The frequency and the procedures of the physical verification of the inventories followed by the Management are reasonable and adequate commensurate with the volume of business.
 - c) The Company is maintaining proper and adequate records of the inventories at the location and no material discrepancies were reported during the year
- iii.
 - a) The Company has granted Interest free unsecured loan to a Company under the same management with due approval of the Board which has been adequately disclosed in the notes on Accounts as the only related party transaction, listed in the Register maintained under sec 301 of the Companies Act, 1956.
 - b) The Company has granted the above loan free of interest which in contrary to the provisions of Sec 372A (3) of the Companies Act, 1956.
 - c) The principal amount repayable on demand is good and fully recoverable as per stipulated terms, in the regular course of business.
 - d) No amount is overdue on such loan account with the concerned party.
 - e) The Company has taken interest free unsecured loan from three parties enlisted in the Register maintained pursuant to Sec 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 27,50,000/-(previous year Rs.50,50,000/-)
 - f) In our opinion the terms of funding of the said loans are prima-facie not prejudicial to the interests of the Company.
 - g) According to the information and explanations given to us, due to acute paucity of funds arising from the prolonged suspension of operations, the Company was not in a position to repay the matured obligations as such all of which stands overdue for repayment. However the Management has obtained favorable reschedulement in almost all cases, expect a few cases wherein the recovery proceedings initiated and are being contested on merits also expected to be settled favorable.
- iv. In our opinion and as per the information and the explanations given to us in the course of the Audit, the Internal control systems are satisfactory and there are no evidences of any continuing weakness and /or failure in the system.
- v. In our opinion and according to the information and explanations given to us in course of our Audit, there were no transactions with any related party listed in the Register maintained under Sec. 301 of the Companies Act, 1956 over Rs. Five Lacs during the year.
- vi. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public to which the provisions of Sec. 58A & Sec. 58AA along with applicable rules under the Companies Act, 1956 are applicable, as such the question of compliance or non- compliance with the said rules does not arise.
- vii. In our opinion the provisions of the Clause VII of the CAR (Amendment) Order 2005, are applicable to the Company, but as per the information and explanations given to us, the acute paucity of funds prevented Company to arrange for the Internal Audit, which shall be complied with on priority basis as and when the situation improves.
- viii. In our opinion and according to the information and explanations given to us, the provisions for maintenances of Cost Records in terms of Sec. 209 (1) (d) of the Companies Act, 1956 are not applicable to this Company.

ix.

- a) According to the information and explanations given to us in course of the Audit, in our opinion the Company was not regular in payment of statutory obligations viz. in respect of E.S.I. contributions. Whereas the arrears pertaining to the PF contributions had been deposited with the authorities concerned up to the date of suspension of operations at Kolkata region and there are no further accruals thereafter, the Company continues to be liable for the Interest and damages applicable. The undisputed liabilities in arrears for the year ended 31.03.07 pending for more than 6 months include the following:

o EPF – NIL (Previous year Rs. 80907/-)
ESI – Rs. 2,68,058/- (Previous year Rs. 2,68,058/-)

- b) As regard the liabilities under dispute, there were no amounts in arrears payable to any of the Statutory Authorities e.g. under Income tax, Sales Tax, Service Tax, Customs and Excise Duties / Cess as at the year end expect an amount of damages imposed by the PF authorities Rs. 9,86,513/- (Previous year Rs. 2,0,2380/--) for a period prior to incorporation of the Company, pending before the Hon'ble High Court at Calcutta for necessary adjudication.

- x. In our opinion and as per the information and explanations given to us, the accumulated losses incurred by the Company has exceeded 50 % of its net worth, and has not incurred cash loss for the year under review.
- xi. In our opinion and as per the information and explanation given to us, the Company had defaulted in payments of its Interest and redemption obligations in respect of the privately placed Debentures of Rs. 100.00 Lacs to Karnataka State Financial Corporation, Bangalore the dues in respect of which outstanding at the year end aggregates to Rs. 423.00 Lacs (previous year Rs. 327.00 Lacs) being the maximum amount due as at 31.12.06.
- xii. The Company has not granted any loans and advances against any securities placed to it and as such maintenance of any records in the context does not apply.
- xiii. In our opinion and as per the information and explanation given to us the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/ Society and as such provision of Clause 4 (xiii) of the order does not apply.
- xiv. In our opinion and as per the information and explanation given to us in the normal course of our Audit the Company is not dealing or trading in shares, debentures or any other securities and as such Clause 4 (xiv) of the order has no application herein.
- xv. In our opinion and as per the information and explanation given to us in the normal course of Audit the Company the company had not Issued any guarantee for loans taken by any third party from Banks and/or Financial institutions and thus provisions for clause 4(xv) of the order are not applicable to this Company.
- xvi. As per the information and explanation given to us in normal course of our Audit, the Company has not availed any Term Loan from any of the Banks or financial Institutions and thus any comment on the deployment of such funds, are impertinent to the context.
- xvii. In our opinion and as per the information and explanation given to us in the normal course of Audit and upon overall examination of the Balance Sheet of the Company no funds raised on short term basis were deployed for long term purposes and vice versa.
- xviii. According to the information and explanation given to us, the Company had not issued/allotted any shares to the parties enlisted in the Register maintained under Sec. 301 of the Companies Act, 1956, on preferential basis during the year under review.
- xix. According to the information and explanation given to us, the debentures issued by the Company is adequately secured, with the charge there upon created on the securities are duly registered with the appropriate authority.
- xx. According to the information and explanation given to us, the Company has not raised any money through a public issue during the year.
- xxi. Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no fraud on or by the Company had been noticed or reported during the course of our Audit.

GUHA & SONS
Chartered Accountants

Place: Kolkata
Dated: 14th August, 2007.

K. Guha
Proprietor
Membership No. – F/8256

BALURGHAT TECHNOLOGIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

		31st March 2007		31st March 2006	
Schedules		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	174076880		174076880	
Reserves & Surplus	2	9755818		9755818	
			183832698		183832698
Loan Funds					
Secured Loans	3	12611699		11534390	
Unsecured Loans	4	9981032		11507229	
			22592731		23041619
TOTAL			206425429		206874317
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	51001024		48657265	
Less: Depreciation		17655689		16298591	
Net Block			33345335		32358674
Investment	6		100000		100000
Current Assets, Loans And Advances					
Inventories	7	1581811		1195061	
Sundry Debtors	8	31813265		90842464	
Cash & Bank Balances	9	1292438		2038071	
Other Current Assets	10	28643304		11708582	
Loans	11	3332088		5043542	
		66662906		110827720	
Less :					
Current Liabilities & Provisions					
Current Liabilities	12	13407620		12610186	
Provisions	13	71658		42793943	
		13479278		55404129	
Net Current Assets			53183628		55423591
Deferred Revenue Expenditure					
VRS A/c			1464965		1953286
(to the extent not written off or adjusted)					
Loss carried forward			118331501		117038766
T-O-T-A-L			206425429		206874317

As per our attached report of even date.

For GUHA & SONS
Chartered Accountants

Place : Kolkata
Date : 14th August, 2007

(K. Guha)
Proprietor

P. K. SETHIA : Managing Director
ARUN SETHIA : Executive Director
M.P.GOENKA : Director

BALURGHAT TECHNOLOGIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

		31ST March 2007		31st March, 2006	
	Schedules	Rs.	Rs.	Rs.	Rs.
INCOME	14				
Freight	A	41806908		29351017	
Sales & Services	B	72332847		58026489	
Income (Travel Division)	C	34758903		-	
Commission Received		-		116990	
Others		19819		34320	
			148918477		87528816
EXPENDITURE					
Transport	15	37626361		26969929	
Travel	15	33466619			
Materials	16	70975671		56809206	
			142068651		83779135
GROSS PROFIT			6849826		3749681
OTHER EXPENSES					
Administrative Expenses	17	5935010		48709554	
Finance Charges	18	552193		91137	
Depreciation		1562693		1575819	
			8049896		50376510
Profit/Loss Before Taxation			(1200070)		(46626829)
Provision for Taxation FBT			92076		-
Income Tax paid for earlier year			589		-
Profit/ Loss After Taxation			(1292735)		(46626829)
Balance brought forward from previous year			(117038766)		(69904037)
Less : Adjustment relating to assets withdrawn			-		192100
Less : Loss on sale of Investment			-		(700000)
Available for Appropriation			(118331501)		(117038766)
APPROPRIATIONS :					
General Reserve			-		-
Balance Carried to Balance Sheet			(118331501)		(117038766)
			(118331501)		(117038766)

As per our attached report of even date

For GUHA & SONS
Chartered Accountants

Place : Kolkata
Date : 14th August, 2007

(K. Guha)
Proprietor

P. K. SETHIA : Managing Director
ARUN SETHIA : Executive Director
M.P.GOENKA : Director

BALURGHAT TECHNOLOGIES LIMITED

SCHEDULES TO THE BALANCE SHEET

	Rs. 31st March 2007	Rs. 30st March 2006
SCHEDULE - 1: SHARE HOLDER'S FUND		
SHARE CAPITAL		
Authorised		
3,00,00,000 Equity Shares of Rs. 10/- each	<u>300000000</u>	<u>300000000</u>
Issued and Subscribed		
1,66,16,360 Equity Shares of Rs. 10/- each fully paid-up (Previous Year 1,66,12,360)	<u>166163600</u>	<u>166163600</u>
15,83,640 Equity Shares of Rs. 10/- each partly paid-up (Previous Year 15,87,640)	<u>7913280</u>	<u>7913280</u>
	<u>174076880</u>	<u>174076880</u>

**SCHEDULE - 2
RESERVES & SURPLUS**

	General Reserve	Revaluation Reserve	Debenture Redemption Reserve	Profit & Loss A/c	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
As on 1st April 2007	-	9755818	-	-	9755818
Less:					
Transfer to General Reserve					
		9755818			9755818
Add:					
Addition to General Reserve		-			-
P & L A/c Balance Carried Forward					
As on 31st March 2007		9755818			9755818

**SCHEDULE - 3
SECURED LOANS**

KSFC (on acct. of 18% Secured N.C.D. issued favouring Karnataka State Financial Corpn. Pending Redemption)	<u>10000000</u>	<u>10000000</u>
Car Loan		
(Secured against Vehicles)	<u>2611699</u>	<u>1534390</u>
	<u>12611699</u>	<u>11534390</u>

BALURGHAT TECHNOLOGIES LIMITED

SCHEDULES TO THE BALANCE SHEET

	31st March, 2007	31st March, 2006
	Rs.	Rs.
SCHEDULE - 4		
UNSECURED LOANS		
Loans from Shareholders	3175000	2600000
Inter Corporate Deposit	4396690	4671690
Loans Deposit from others	2409342	4235539
	<u>9981032</u>	<u>11507229</u>
SCHEDULE - 6		
INVESTMENT		
<u>Quoted</u> (at cost)		
10,000 Equity		
Shares of Rs. 10 each of Tai Industries Ltd.	100000	100000
	<u>100000</u>	<u>100000</u>
SCHEDULE - 7		
INVENTORIES		
High Speed Diesel	704142	614140
Petrol	227851	209990
Lubricant Oil	638322	358694
Grease	8710	9640
Acid	1350	1420
Distilled Water	1436	1177
	<u>1581811</u>	<u>1195061</u>
SCHEDULE - 8		
SUNDRY DEBTORS		
Outstanding for over six months considered good	17787015	77403107
Others Considered good	14026250	13439357
	<u>31813265</u>	<u>90842464</u>
SCHEDULE - 9		
CASH & BANK BALANCES		
Cash in hand	1339738	1190734
(at H.O. and Branches)		
Balance with Banks	(47300)	847337
	<u>1292438</u>	<u>2038071</u>

SCHEDULES TO THE BALANCE SHEET

SCHEDULE - 5

I. FIXED ASSETS

FIXED ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Gross Block as on 01.04.2006 Rs.	Additions during the period Rs.	Deductions or Sales Rs.	Gross Block as on 31.03.2007 Rs.	Balance as on 01.04.2006 Rs.	For the Year Rs.	Deductions During Period Rs.	Balance as on 31.03.2007 Rs.	Balance as on 31.03.2007 Rs.
LAND	9140816	234094	160000	9214910					9214910
BUILDING & GODOWN	20269929			20269929	2654331	330400		2984731	17285198
MOTOR CARS	5702586	2483654	280595	7905645	2795369	650087	205595	3239861	4665784
SCOOTERS & CYCLES	944295			944295	884728			884728	59567
FURNITURE & FIXTURES	4670568			4670568	3814677	295647		4110324	560244
FUEL STATION	1637684			1637684	701993	54699		756692	880992
ELECTRIC GENERATORS	517280			517280	467274	36572		503846	13434
COMPUTER ETC.	2632135	66606		2698741	2476668			2476668	222073
WEIGHING SCALES	1500000			1500000	1021613	79200		1100813	399187
AIR CONDITIONERS	1314972			1314972	1187171	92969		1280140	34832
PUMP SETS	327000			327000	294767	23119		317886	9114
	48657265	2784354	440595	51001024	16298591	1562693	205595	17655689	33345335
AS ON 31ST MARCCH 2006	48966449	90816	400000	48657265	15157872	1575819	435100	16298591	32358674

BALURGHAT TECHNOLOGIES LIMITED**SCHEDULES TO THE BALANCE SHEET**

	31st March, 2007	31st March, 2006
	Rs.	Rs.
SCHEDULE - 10		
OTHER CURRENT ASSETS		
Trade Advance	-	490000
Security Deposit	1180660	1574660
Godown Advance	465400	467950
Branch Account	210892	999845
Advance Against Order	-	6200000
Staff Advance	969126	810368
T. D. S. A.Y. 07-08	992768	-
T. D. S. A.Y. 06-07	965758	965759
Advance Against Settlement/ Expenses	200000	200000
Reserve for bad debts	23658700	-
	<u>28643304</u>	<u>11708582</u>
SCHEDULE - 11		
LOANS & ADVANCES		
Inter Corporate Deposit		
(Loans to companies under same management)	1593000	2079000
Loans to Directors and their relatives	-	-
Loans to others	1739088	2964542
	<u>3332088</u>	<u>5043542</u>
SCHEDULE - 12		
CURRENT LIABILITIES		
Lorry Hire Charges payable	2512059	1128530
Claims payable	256850	787540
Auditor's Remuneration	7000	7490
Interest payable	5729410	5729410
T.D.S. Payable	2332	5445
Creditors	4692416	4324342
Gratuity Payable	104539	234539
Liabilities for Expenses		348966
FBT Payable	99713	37543
Service Tax Payable	3301	6381
	<u>13407620</u>	<u>12610186</u>
SCHEDULE - 13		
PROVISIONS		
Gratuity	71658	67068
Provision for Doubtful Book Debts	-	35036875
Provision for Doubtful Trade Advance/Loans	-	7690000
	<u>71658</u>	<u>42793943</u>
SCHEDULE - 14		
INCOME		
A. Freight	41806908	29351017
B. Sales		
H. S. D.	60275377	48652204
Petrol	9522801	7339218
Lub. Oil	2442475	1953642
Distilled Water	13860	11736
Grease	71406	63841
Acid	6928	5848
Super Diesel	-	-
	<u>72332847</u>	<u>58026489</u>
C. Other Income		
Travel Division	34758903	-
Commssion	-	116990
Other Income	19819	-
Interest (Net)	-	34320
	<u>148918477</u>	<u>87528816</u>

BALURGHAT TECHNOLOGIES LIMITED

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

	31st March, 2007		31st March, 2006	
	Rs.	Rs.	Rs.	Rs.
SSCHEDULE - 15				
DIRECT COST				
Transport Division				
Transport Expenses	37165861			26443246
Coolie Expenses	460500	37626361		526683
Travel Division				
Travel Division Operating Exp	30953200			-
Car & Coach Hire	2265690			-
Car Running Expenses	247729	33466619		-
		<u>71092980</u>		<u>26969929</u>
SCHEDULE - 16				
MATERIALS				
Opening Stock :				
H. S. D.	614140		837789	
Petrol	209990		142842	
Lubricant Oil	358694		200466	
Distilled Water	1177		299	
Grease	9640		7535	
Acid	1420		480	
		1195061		1189411
Purchase :				
H.S.D.	59487040		47610101	
Petrol	9360533		7251976	
Lubricant Oil	2440871		1880457	
Distilled Water	7993		7267	
Grease	62312		60937	
Acid	3672		4118	
		71362421		56814856
		<u>72557482</u>		<u>58004267</u>
Less : Closing Stock				
H. S. D.	704142		614140	
Petrol	227851		209990	
Lubricant Oil	638322		358694	
Distilled Water	1436		1177	
Grease	8710		9640	
Acid	1350		1420	
		1581811		1195061
		<u>70975671</u>		<u>56809206</u>

BALURGHAT TECHNOLOGIES LIMITED

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

	31st March, 2007	31st March, 2006
	Rs.	Rs.
SCHEDULE - 17		
Administrative Expenses:		
Advertisement	7480	35682
Auditors' Remuneration	5000	5000
Bonus & Ex-gratia	23280	22560
Claims	675548	898814
Computer Maintenance	43112	1660
Conveyance & Car Expenses	269966	-
Directors' Remuneration	311200	253100
E.S.I.	3624	3906
Electricity	224235	362579
Filing Fees	2500	1000
FBT	-	37543
General Expenses	576819	551654
Godown Repair	45610	33515
Gratuity	4590	3850
Insurance	31624	26917
Legal Expenses	103719	161300
Medical Expenses	766	-
P.F.Contribution/Pension Fund	40283	37986
Postage	116936	110044
Profession Tax	5000	4520
Provision for Bad Debts	-	35036875
Provision for Doubtfull Advance/ Trade Adv.	-	7690000
Repair & Maintenance	30740	-
Rates & Taxes	49192	19149
Registrar & Share Transfer	41556	41007
Rent	839593	974694
Salary & Perks	1169096	1029781
Stationery & Printing	169097	50879
Stock Exchange Fees	29405	19080
Tax Audit	2000	2490
Telephone	382070	395396
Travelling & Conveyance	242648	410252
VRS Expenses	488321	488321
	5935010	48673872
SCHEDULE - 18		
Finance Charges		
Interest & Finance Charges	270855	-
Bank Charges	281338	91137
	552193	91137

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 AND THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE.

SCHEDULE – 19

ACCOUNTING POLICIES WITH NOTES ON ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES:-

- 1) The accounting practices followed by the Company are consistent and in consonance with the Indian Generally Accepted Accounting Principles. The financial statements prepared are by and large are in accordance with the Accounting Standards referred to in the Sec. 211(3) (c) of the Companies Act, 1956.

2) FIXED ASSETS:-

- (i) The fixed Assets are stated either at their cost or in certain cases as at their revalued amount determined in the year 1993.
- (ii) The depreciation on the fixed assets are provided on Straight line method at the rates specified in Schedule XIV to the Companies Act, 1956.

	Year Ended 31-03-07	Year Ended 31-03-06
Revaluation Reserve	Rs. 97,55,818/-	Rs. 9,31,0451/-
Less: Adjustments relating to Asset withdrawn / (Loss)	-	(Rs. 4,45,367/-)
Balance Carried Forward	Rs. 97,55,818/- =====	Rs. 97,55,818/- =====

- (iii) Estimated amounts of contracts pending execution on Capital Account is Rs. Nil (Previous year Nil)

3) INVESTMENT:-

The Investments being long term in nature are carried over at its cost of acquisition. However, in cases of quoted securities any changes of market price are ignored considering the same to be temporary and reversible in the long run.

4) INVENTORIES:-

The closing stock of the materials is valued at their cost of sales, being lower than its realizable market value, in conformity with AS-2.

5) DEFERRED REVENUE EXPENDITURE:-

The Company had successfully discharged its entire surplus manpower primarily at Kolkata and at the various unproductive branches, through a scheme of Voluntary Separation which had been accepted by the employees concerned, following some initial resistance demonstrated by the Trade Unions. Since the benefit arising there from is expected to prevail over a period of time, the cost incurred had been amortized over a 5 year term, in conformity with the Income Tax regulations applicable, whereas 1/5th has been charged to the current year Profit & Loss a/c aggregating to Rs.4,88,321/- (Previous year Rs.4,88,321/-) and the balance being carried over in the Balance Sheet as Deferred Revenue Expenditure.

6) RETIREMENT BENEFITS:-

The Company follows an actuarial valuation annually for the Gratuity accrual to its employees, wherein the incremental value of the liability ascertained at the year end is provided in the books. However during the current year in view of only 4 continuing employees & appointment of few new employees the actuarial valuation was not considered to be necessary and a reasonable estimation was made in respect of the same, over the certified amount as at 31.03.04.

Whereas in respect of the dues of the employees discharged under Voluntary separation scheme, implemented in Kolkata and various other branches, dues if any on Gratuity A/c has been considered as a current liability wherein there shall be no further accrual over and above balance as ascertained on 31.03.03.

7) CONTINGENT LIABILITIES:-

- (i) The disputed and time barred obligations pending before the Courts of Law, has not been provided for in the books, since the Management is reasonably certain that such claims will not be sustained and are unlikely to have any further material implication on the financial conditions of the Company. The estimated amount of such claims not acknowledged as Debts aggregates to Rs. 58,80,000/- (previous Year Rs. 65,75,000/-).
- (ii) The Company under certain unavoidable circumstances defaulted in payment of interest obligations and subsequently redemption of its privately placed Debentures to the tune of RS. 100.00 Lacs to Karnataka State Financial Corporation, Bangalore. Any claim of the Creditor over and above the amounts already provided in the books are considered by the Management to be contingent in nature and requires no provision in the books. The Director's are confident to settle such entire claim through an OTS offer for amounts not exceeding the sums as already provided in the books.
- (iii) In respect of the damages imposed upon by the Provident Fund authorities for certain delay in depositing the monthly contributions, currently under review, the Company reasonably believes that genuine grounds for such lapses exists, considering which substantial relief will be extended in favour of the Company and as such the incidence of the liability is not readily ascertainable and hence are considered to be of contingent nature.

8) PROVISIONS & RESERVES:-

- (i) Of the total amount of Sundry Debtors, a significant amount happens to be outstanding for more than 6 months. Of this segment balances not showing any movements despite the necessary steps for their recovery over 4 years are provided for as Reserve for Bad Debts in nature aggregating to Rs. 2,36,58,700/- (Previous year Rs. 3,50,36,875/-).
- (ii) The Company is in default in respect of payment of ESI contributions pertaining to the period 2002-2003 aggregating to an amount of Rs. 2,68,058/- (previous year Rs. 2,68,058/-). The said amount was not provided earlier and upon issue of assessment Notice for the same in the current year, it has been provided in the books.
- (iii) In respect of Provident Fund no contributions are outstanding till date of Suspension of operations and there shall be no accrual thereafter, till date. However an amount of NIL- (previous year Rs. 80,907/-) was been provided in the books pursuant to the order passed by the Hon'ble high Court Calcutta on 18.04.05 for payment of the same in installments.

9) MANAGERIAL REMUNERATION:-

The Managing Director and the Executive Director are paid remunerations approved by the General Body of the Company, within the limits prescribed under schedule XIII of the Companies Act, 1956. None of them are paid any commission or whatsoever other than their contractual entitlements approved as above. The Non- Executive Director's are only entitled to sitting fees @ Rs. 1000/- for every meeting attended by them. The following amounts were paid to the Director's during the year under review:

	Year Ended 31-03-07	Year Ended 31-03-06
Consolidated Salary	192000/-	192000/-
Other Perquisites	115200/-	57600/-
Sitting Fees	4000/-	3500/-
	-----	-----
TOTAL	311200/-	253100/-
	=====	=====

Provident Fund and Family pension includes a payment of Rs. 23040/- (Previous year Rs. 23040/-) payable on account of the Director's pursuant to the terms of employment, with the Company.

10) AUDITORS REMUNERATION :-

The following amount had been provided in the Books as payable to the Auditors of the year under reference:-

	As on 31.03.2007 (Rs.)	As on 31.03.2006 (Rs.)
Statutory Audit	5000/-	5000/-
Tax Audit	2000/-	2490/-
	-----	-----
	7000/-	7490/-
	=====	=====

11) SEGMENT REVENUES, SEGMENT RESULT AND CAPITAL EMPLOYED AS AT 31ST MARCH, 2007:

A. SEGMENT REVENUE	31-03-2007 (RS.)	31-03-2006 (RS.)
Transportation Operations	4,18,06,908/-	2,93,51,017/-
Trading / Other Income	7,23,52,666/-	5,81,77,799/-
Travel Division	3,47,58,903/-	-
Less: Inter Segment revenue	-	-
TOTAL REVENUE INFLOW	14,89,18,477/-	8,75,28,816/-

B. SEGMENT RESULTS Profit / Loss before finance charges Depreciation after taxation	31-03-2007 (RS.)	31-03-2006 (RS.)
Transportation Operations	(17,34,644)	(4,63,28,466)
Trading / Other Income	13,57,176/-	13,68,593/-
Travel Division	12,92,284/-	-
Less: Finance Charges	5,52,193/-	91,137/-
Less: Depreciation	15,62,693/-	15,75,819/-
Less: Provision for Taxation	99,713/-	-
Profit & Loss after Tax	(12,00,070)	(4,66,26,829)
C. CAPITAL EMPLOYED Segment Asset – Segment Liability	31-03-2007 (RS.)	31-03-2006 (RS.)
Transportation Operations	8,59,41,407/-	8,76,76,051/-
Trading / Other Business	46,74,460/-	20,25,000/-
TOTAL CAPITAL EMPLOYED	9,06,15,867/-	8,98,35,551/-

Notes:

- The Company's operation consists of two (3) nos. reportable segment, in consideration to the nature of activities undertaken by it.
- Geographically segmentations will not be relevant to report the nature of activities which will vary in such classifications and will not be comparable due to diversity of operation in each segment.

12) DEFERRED TAX:-

Due to absence of virtual certainty of the future taxable income, deferred tax assets in the form of unabsorbed depreciation and carry forward losses are not recognized, as per the provisions of AS-22.

13) RELATED PARTY TRANSACTIONS:-

Advances includes a sum of Rs. 15,93,000/- (Previous year Rs. 20,79,000/-) being interest free advance made on account to a Company under the same management, as a short term unsecured accommodation, repayable on demand as per details below:-

Related Party – M/s BALURGHAT MINERALS PVT. LTD.
R.O. 170/2C A.J.C. Bose Road
Kolkata – 700 014.

Common Interested Director - Sh. Uttam Chand Sethia
Sum Advanced - Rs. 3878000/- being maximum amount
Outstanding in the year 2000- 2001.

14) QUANTITATIVE INFORMATION ON STOCK:-

ITEMS	UNIT	OPENING STOCK		PURCHASE		SALES		CLOSING STOCK	
		QTY	VALUE (RS.)	QTY	VALUE (RS.)	QTY	VALUE (RS.)	QTY	VALUE (RS.)
H.S.D.	LTRS	18706	614140	1762000	59487040	1758483	60275377	21523	704142
LUBRICANT OIL	LTRS	4236	358694	24839	2440871	26646	2442475	6051	638322
PETROL	LTRS	4565	209990	194000	9360533	193552	9522801	4963	227851
DIST. WATER	JARS	181	1177	1195	7993	1155	13860	221	1436
GREASE	KGS	95	9640	532	62312	545	71406	71	8710
ACID	BOTTLE	334	1420	832	3672	866	6928	300	1350

15) FOREIGN CURRENCY TRANSACTION:-

There are no earnings in Foreign Currency during the year ended 31.03.07

16) NOTE:-

The previous year's figures had been rearranged and regrouped wherever necessary.

BALURGHAT TECHNOLOGIES LIMITED**PART IV****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL****BUSINESS PROFILE FOR THE YEAR ENDED 31ST MARCH 2007****I. Registration Details**

Registration No. 5 9 2 9 6 State Code 2 1

Balance Sheet Date 3 1 0 3 0 7

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	<input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> 1 <input type="text"/> L <input type="text"/> <input type="text"/>	Rights Issue	<input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> 1 <input type="text"/> L <input type="text"/> <input type="text"/>
Bonus Issue	<input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> 1 <input type="text"/> L <input type="text"/> <input type="text"/>	Private Placement	<input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> 1 <input type="text"/> L <input type="text"/> <input type="text"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text"/> <input type="text"/> <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 6 <input type="text"/> 4 <input type="text"/> 2 <input type="text"/> 5 <input type="text"/>	Total Assets	<input type="text"/> <input type="text"/> <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 6 <input type="text"/> 4 <input type="text"/> 2 <input type="text"/> 5 <input type="text"/>
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Sources of Funds

Paid - up Capital	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 7 <input type="text"/> 4 <input type="text"/> 0 <input type="text"/> 7 <input type="text"/> 7 <input type="text"/>	Reserves & Surplus	<input type="text"/> <input type="text"/> <input type="text"/> 9 <input type="text"/> 7 <input type="text"/> 5 <input type="text"/> 5 <input type="text"/>
Secured Loans	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 2 <input type="text"/> 6 <input type="text"/> 1 <input type="text"/> 2 <input type="text"/>	Unsecured Loans	<input type="text"/> <input type="text"/> <input type="text"/> 9 <input type="text"/> 9 <input type="text"/> 8 <input type="text"/> 1 <input type="text"/>
Advance from Promoters	<input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> 1 <input type="text"/> L <input type="text"/> <input type="text"/>		

Application of Funds

Net Fixed Assets	<input type="text"/> <input type="text"/> <input type="text"/> 3 <input type="text"/> 3 <input type="text"/> 3 <input type="text"/> 4 <input type="text"/> 5 <input type="text"/>	Investments	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 0 <input type="text"/> 0 <input type="text"/>
Net Current Assets	<input type="text"/> <input type="text"/> <input type="text"/> 5 <input type="text"/> 3 <input type="text"/> 1 <input type="text"/> 8 <input type="text"/> 4 <input type="text"/>	Misc. Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 4 <input type="text"/> 6 <input type="text"/> 5 <input type="text"/>
Accumulate Losses	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 1 <input type="text"/> 8 <input type="text"/> 3 <input type="text"/> 3 <input type="text"/> 2 <input type="text"/>		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 4 <input type="text"/> 8 <input type="text"/> 9 <input type="text"/> 1 <input type="text"/> 8 <input type="text"/>	Total Expenditure	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 5 <input type="text"/> 0 <input type="text"/> 1 <input type="text"/> 1 <input type="text"/> 8 <input type="text"/>
Loss before tax	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 2 <input type="text"/> 0 <input type="text"/> 0 <input type="text"/>	Loss after tax	<input type="text"/> <input type="text"/> <input type="text"/> 1 <input type="text"/> 2 <input type="text"/> 9 <input type="text"/> 3 <input type="text"/>

(Please tick Appropriate box + for Profit, - for Loss)

Loss per Share in Rs.	<input type="text"/> <input type="text"/> <input type="text"/> 0 <input type="text"/> 0 <input type="text"/> 7 <input type="text"/> 4 <input type="text"/>	Dividend rate %	<input type="text"/> N <input type="text"/> 1 <input type="text"/> L <input type="text"/>
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V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item code No. (ITC Code)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> N <input type="text"/> 1 <input type="text"/> L <input type="text"/>	Product	<input type="text"/> N <input type="text"/> 1 <input type="text"/> L <input type="text"/>
		Description	<input type="text"/> T <input type="text"/> R <input type="text"/> A <input type="text"/> N <input type="text"/> S <input type="text"/> P <input type="text"/> O <input type="text"/> R <input type="text"/> T <input type="text"/>
			<input type="text"/> T <input type="text"/> R <input type="text"/> A <input type="text"/> V <input type="text"/> E <input type="text"/> L <input type="text"/>
			<input type="text"/> F <input type="text"/> U <input type="text"/> E <input type="text"/> L <input type="text"/> P <input type="text"/> U <input type="text"/> M <input type="text"/> P <input type="text"/>

For GUHA & SONS

Chartered Accountants

P. K. SETHIA

Managing Director

ARUN SETHIA

Executive Director

Place : Kolkata

(K. Guha)

M. P. GOENKA

Director

Date : 14th August, 2007

BALURGHAT TECHNOLOGIES LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2007

	31st March, 2007 Rs.	31st March, 2006 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS	(1200070)	(46626829)
ADJUSTMENT FOR		
Depreciation	1562693	1575819
VRS Expenses W/Off	488321	-
Foreign exchange loss	-	-
Interest Income	-	-
Interest Expenses	552193	91137
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1403137	(44959873)
Increase/Decrease in Sundry Debtors	59029199	34093447
Increase/Decrease in Inventories	(386750)	(5650)
Increase/Decrease in Sundry Creditors	(41924851)	(9994529)
Increase/Decrease in Other Current Assets	(15223268)	21942463
CASH GENERATED FROM OPERATIONS	2897467	1075858
Income tax provided	92665	-
CASH FLOW BEFORE EXTRAORDINARY ITEMS	2804802	384564
Extra Ordinary item	-	-
(i) Public Issue Expenses (W.O.)	-	-
(ii) Adjustment in revaluation Reserve	-	-
NET CASH FROM OPERATING ACTIVITIES	2804802	384564
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2784354)	(90816)
Proceeds from sale of Fixed Assets	235000	400000
Interest received	-	-
Dividend Received	-	-
NET CASH FROM INVESTING ACTIVITIES	255448	693748
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of Share Capital	-	-
Proceeds from Long term borrowings	1077309	-
Re-payment of long term borrowings	(1526197)	-
Interest paid	(552193)	(91137)
Dividend Paid	-	-
NET CASH USED IN FINANCING ACTIVITIES	(745633)	602611
NET INCREASE IN CASH & CASH EQUIVALENTS AS AT 31.03.2006	2038071	1435460
(Opening Balance)		
NET INCREASE IN CASH & CASH EQUIVALENTS AS AT 31.03.2007		
(Closing Balance)	1292438	2038071

For GUHA & SONS
Chartered Accountants

P. K. SETHIA : Managing Director
ARUN SETHIA : Executive Director
M.P.GOENKA : Director

Place : Kolkata
Date : 14th August, 2007

(K. Guha)
Proprietor

AUDITOR'S CERTIFICATE

To,
The Board of Director's
Balurghat Technologies Limited
170/2C A.J.C. Bose Road,
Kolkata – 700 014.

We have examined the attached cash flow statement of Balurghat Technologies Limited for the year ended 31st March, 2007. The statement has been prepared by the Company in accordance with requirements of Clause 32 of listing agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 14th August, 2007, to the members of the Company.

• GUHA & SONS
CHARTERED ACCOUNTANTS

Place: Kolkata
Date: 14th August, 2007

• K.Guha
Proprietor
Membership No. – F/8256

PROXY

I/We.....

Of.....

being a member of.....

.....hereby appoint.....or failing

him.....or failing him.....as my/our Proxy

to represent, act and vote for me/us and on my/ our behalf at the Annual general Meeting of the Company to be held on Wednesday, 26th September, 2007 at 10:00 A.M. and at any adjournment thereof.

Dated.....day of.....2007

Witness.....

Rupees
One
Revenue
Stamp

Note: An instrument appointing a proxy shall be deposited at the Registered office of the Company not less than forty eight hours before the time fixed for the meeting.

.....

ADMISSION SLIP

**PLEASE COMPLETE THIS ADMISSION CARD AND HAND IT OVER AT THE
ENTRANCE OF THE MEETING HALL**

BALURGHAT TECHNOLOGIES LIMITED

Registered Office:
170/2C A.J..C Bose Road,
Kolkata – 700 014.

I hereby record my presence at this Annual General Meeting of the Company at Baishakhi Housing Club, No.2 Deodhar Rahman Road, Kolkata – 700 033 on Wednesday, 26th September, 2007 at 10:00 A.M

Members NameFolio no.....

(in block Capitals)

Member's/ Proxy's Signature.....

BOOK-POST

If Undelivered please return to:

Balurghat
The Balurghat Group Since 1952

BALURGHAT TECHNOLOGIES LIMITED
170/2C A.J.C. Bose Road,
Kolkata – 700 014.