

Annexure to notice for the period ended 31st March,2010

REPORT ON CORPORATE GOVERNANCE

1) Company's Philosophy on Code of Corporate Governance

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stake holders, including shareholders, employees, the government and lenders.

2) Board of Directors

The Board comprises of the Chairman, Managing Director, and Five Non-Executive and Independent Directors.

Composition and category of directors is as follows:

Category

Name of Directors

Promoter/Executive Directors

Shri Ashok Mehra - Chairman
Shri C.P. Mehra - Managing Director

Non Executive and
Independent Directors

Shri S.A. Hussain
Shri Amitabha Mukherjee
Shri Sanjay Khanna
Shri Syama priya Sinha
Shri B.B.Bhattercharya

Attendance of each Director of the Board Meetings, last Annual General Meeting & Number of other Directorship and Chairmanship/Membership of Committee of each Director in various Companies:

Name of the Directors	Attendance Particulars		No. of the Directorships and Committee member /Chairmanship		
	Board Meeting	Last AGM	Other Directorship including Pvt. Ltd. Cos.	Other Committee Membership	Other Committee Chairmanship
Shri Ashok Mehra	8	Yes	2	None	None
Shri C.P. Mehra	8	Yes	2	None	None
Shri Amitabha Mukherjee	8	Yes	3	None	2
Shri Syama Priya Sinha	4	Yes	None	None	None
Shri Sanjay Khanna	2	No	None	None	None
Shri S.A Hussain	-	No	5	2	None
Shri B.B.Bhattacharya	-	No	2	None	None

In accordance with clause 49 of the listing agreement, membership/ chairmanship in Audit Committee and Shareholders/Investors grievance committee have been considered only.

Number of Board Meetings held and the date on which held.

Eight Board Meetings were held during the period. The date on which the meetings were held are as under:-

1	28.04.2009	5	16.09.2009
2	05.06.2009	6	29.10.2009
3	29.07.2009	7	15.12.2009
4	04.09.2009	8	29.01.2010

The maximum time gap between any two meetings was not more than three months.

3) Board Committees :

(a) Audit Committee

i) Terms of Reference : The terms of reference of the Audit committee are in conformity with the requirement of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. These broadly cover the following :

- 1) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) To review and recommend to the Board about the appointment, reappointment and if required the replacement or removal of Statutory Auditors and fixation of their fees.
- 3) To review with the management, the financial statements before submission to the Board, focusing primarily on Management discussion and Analysis, Directors' responsibility Statement which forms part of the Director's Report, accounting policies, compliance with accounting standards, compliance with Stock Exchange and legal requirements and any related party transactions etc.
- 4) To review with the management, performance of external and internal auditors, the adequacy of internal control systems & internal audit reports if any, on internal control weaknesses .
- 5) To discuss with the Auditors on the scope and nature of Audit and also to have Post Audit discussion to ascertain any area of concern.
- 6) To review the Company's financial and risk management policies.

- 7) A statement of material related party transactions, if any.
- 8) To undertake such other matters as may be delegated by the board from time to time.

ii) Composition

The composition of the Audit Committee is as follows :

Shri Shyama Priya Sinha (Chairman)
 Shri Amitabha Mukherjee(Member)
 Shri Sanjay Khanna (Member)

All the members of the Committee are Non-executive and Independent Directors.

Secretary of the company acts as the Secretary to the Committee.

iii) Meetings and Attendance

During the period ended on 31st March, 2010, four meetings were held on 28.04.2009, 29.07.2009, 29.10.2009 and 29.01.2010.

The attendance of the Audit Committee Members is as follows :

Name(s)	Held	Attended
Shri Shyama Priya Sinha	04	04
Shri Amitabha Mukherjee	04	04
Shri Sanjay Khanna	04	02

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (duly amended), the Board has approved the code of conduct for prevention of Insider Trading "and authorised Committee to implement and monitor the various requirements as set out in the code.

4) Remuneration Committee

Remuneration Committee has been constituted to consider the policy and the matters relating to the remuneration of Managerial persons.

The Composition of the Remuneration Committee is as under :

Name of the Director	Category	Position in the Committee
Shri Syama Priya Sinha	Non- Executive and Independent	Chairman
Shri Amitabha Mukherjee	-DO-	Member
Shri Sanjay Khanna	-DO-	Member

Remuneration Committee met on 30.08.2010. All the members of the committee were present. The committee took note that during the year:

(i) No remuneration was paid to any director of the company.

(ii) No Directors' fee for attending meeting of the Board or its committee was paid.

Pecuniary relationship or transactions of the non-executive Directors of the Company : NIL

5) **Shareholder/Investor Grievance Committee**

The Shareholder/Investor Grievance Committee consists of non executive independent Directors namely Shri Amitabha Mukherjee as chairman and Shri Syama Priya Sinha and Shri Sanjay Khanna as members.

The Committee reviews the redressing of shareholders and investors complaints regarding transfer and dematerialization of shares, non-receipt of Annual Reports, besides complaints from SEBI, Stock Exchanges, Court, ROC and various Investor Forums. The committee also oversees the performance of Registrar and Transfer Agents and recommends measures for overall improvement in the quality of service to the investors.

The Board has designated Sri T.K. Das, the Secretary of the company as Compliance officer.

No complaint was outstanding at the beginning of the year. During the year out of eight complaints received, six were attended and two remained outstanding. No request for transfer of shares was pending as on 31.03.2010 except one electronic request which was dealt with by our Registrar and Share Transfer Agent in April, 2010

In pursuance of Clause 47(f) of the listing agreement, the company has displayed email ID **balatechnoindustries@gmail.com** in the Website for the purpose of registering complaints by investors and also to take necessary follow up action.

6) **Code of Conduct**

The Company has already adopted a Code of Conduct which was made applicable to all its directors, whether executive or non-executive and all Senior Management Personnel of the Company. All Board members and Senior Management personnel have affirmed compliance with the Company's code of conduct during the period. A certificate pursuant to Clause 49(v) of the listing agreement and a declaration to the effect that all Board members and senior management personnel have complied with the Company's code of conduct during the year under review by the Chairman and Managing Director of the Company duly signed by them, is annexed and forms part of the Report. The aforesaid code of conduct has been posted on the website of the Company.

7) **Risk Management**

The company has laid down procedures to inform Board of Directors about the risk assessment and minimisation procedures.

8) General Body Meetings

8.1 Location and time for last three Annual General Meeting held :

Year	Location	Date	Day	Time
2006-2007	Company's Registered Office at Falta Industrial Growth Centre, Sector-III, Falta, Dist. 24 Parganas(S), West Bengal	28.09.2007	Friday	10.00 a.m
2007-2008	-DO-	29.09.2008	Saturday	10.00 a.m
2008-2009	-DO-	30.09.2009	Wednesday	10.00 a.m

8.2 Whether special resolutions were put through postal ballot, last year? : No

8.3 Are votes proposed to be conducted through postal ballot, this year?: No

8.4 No Extra ordinary general meeting during last 3 financial years

9) Disclosures

- a. Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with any of the related parties that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transactions undertaken during the year have been disclosed in Note No 12 of Schedule 18 forming part of the Accounts for the period ended 31st March, 2010.
- b. There was no penalties, strictures imposed on the Company by stock Exchanges or SEBI or any Statutory Authority on any mater related to Capital Market during the last 3 years.
- c. The Company duly complies with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange. However, the Company has not adopted the non-mandatory requirements defined therein except formation of remuneration committee.

10) Means of communication

- i) Quarterly results are published in leading newspaper such as, The Financial Express (English) and Dainik Statesman/Kalantar (Regional Newspaper).
- ii) The quarterly and yearly financial results of the company are immediately sent to the Stock Exchange(s) at which the Company's shares are listed.
- iii) The Management Discussion and Analysis forms a part of this Annual Report.

11) **General Shareholder Information**

a) Annual General Meeting

Date and Time : 30th September, 2010 at 10.00 a.m.

Venue : Falta Industrial Growth Centre,
Sector-III, Falta,
Dist. 24-Parganas(S),
West Bengal, Pin - 743504

b) Financial calendar (tentative) for the year 2009-10

Results for quarter ending:

30 th June, 2010	:	Last week of July, 2010
30 th September, 2010	:	2 nd week of November, 2010
31 st December, 2010	:	2 nd week of February, 2011
31 st March, 2011	:	2 nd week of May, 2011

- c) Book closure Date** : 24th September, 2010 to 30th September, 2010 (both days inclusive) - Book closing once in a year at the time of Annual General Meeting.
- d) Dividend payment date** : No Dividend has been proposed
- e) Listing of Equity Shares on Stock Exchanges at** : Bombay Stock Exchange

Listing fees for the year 2010-2011 has been paid to Bombay Stock Exchange.

- f) (i) Stock Code :
- | | | |
|-----------------------|---|--------|
| Bombay Stock Exchange | : | 514199 |
|-----------------------|---|--------|
- (ii) Demat ISIN No. in NSDL and CDSL for Equity Shares. : INE 653 B01016

g) Stock Market Data: Company's Equity Shares were traded in Mumbai Stock Exchange as under:

MONTHS	MUMBAI STOCK EXCHANGE	
	Month's Higher Price Rate (Rs.)	Month's low Price Rate (Rs.)
April, 2009	3.43	2.50
May, 2009	2.61	2.19
June, 2009	3.01	2.29
July, 2009	4.00	2.70
August, 2009	3.75	2.94
September, 2009	3.50	2.60
October, 2009	3.07	2.15
November, 2009	2.80	2.25
December, 2009	2.75	2.20
January , 2010	3.27	2.26
February,2010	3.07	2.54
March,2010	2.60	2.07

h) **Registrar and Transfer Agents:** NICHE TECHNOLOGIES PVT LTD.
D-511, Bagre Market
71, B.R.B. Basu Road
KOLKATA – 700 001
Phones: 2235-7270/ 7271/ 3070,
2234-3576/2318
Fax: 033 22156823

i) **Share Transfer System :** Presently, the shares received in physical form for transfer are returned within a period of 21 days from the date of receipt, subject to the documents being valid and complete in all respects. As regards shares held in Electronic form, the credit being given as per guide lines by laws issued by SEBI/NSDL/CDSL.

j) **A) Share holding pattern as on 31st March, 2010**

Sl. No.	Category	No. of shares(issued Equity)	Percentage
1.	Promoters	12,45,938	17.857
2.	Banks, Indian Financial Institutions, Central/State Govt. Institutions, Mutual Funds etc.	7,22,300	10.352
3.	NRI/OCB	300	00.004
4.	Others	50,08,602	71.787
		6977140	100.00

B) Distribution on shareholding as on 31st March, 2010

No. of shares held	No. of shareholders	% of share holders	No. of Shares issued Equity	% of Shareholding
1-500	11948	93.1545	16,91,327	24.24 10
501-1000	512	3.9919	4,50,339	6.4545
1001-5000	293	2.2844	6,94,358	9.9519
5001-10000	35	0.2729	2,51,641	3.6066
10001 - 50000	25	0.1949	5,13,152	7.3548
50001 - 100000	2	0.0156	1,44,175	2.0664
100001 and above	11	0.0858	32,32,148	46.3248
TOTAL	12826	100.0000	69,77,140	100.0000

k) **Dematerialization of shares and liquidity**

The Shares of the Company are compulsory traded in demat form. The Company has arrangements with both National Depositories Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. As on 27.08.2010 33.76% shares of the company were held in dematerialized form.

The shares of the company are actively traded in the Bombay Stock Exchange (BSE).

l) **Outstanding GDR/ADR/Warrants or any Convertible investements, Conversion Date and impact on Equity.**

: Not applicable

m) **Plant location**

: Falta Industrial Growth Centre,
Sector-III, Falta,
Dist. 24-Parganas (South),
West Bengal.

n) **Investor's correspondence for transfer/ dematerialization of shares and any other query relating to the shares, Annual Report etc.**

: **Secreterial Department**
Bala Techno Industries Ltd.
P-22, C.I.T. Road,
Scheme -55
Kolkata - 700 014.

The above report was adopted by the Board of Directors at their meeting held on 30th August, 2010.

For AND ON BEHALF OF THE BAORD

Place: Kolkata
Date: 30th August, 2010

C.P.Mehra
Chairman

Ashok Mehra
Managing Director

Compliance Certificate on the corporate governance :

The certificate dated 30th August,2010 obtained from the Company Secretaries, S.A & ASSOCIATES confirming compliance with the corporate governance requirements as stipulated under clause 49 of the listing agreement is annexed hereto.

CERTIFICATE FROM COMPANY SECRETARIES ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To,
The Members of Bala Techno Industries Ltd.

- 1) We have reviewed the implementation of Corporate Governance by Bala Techno Industries Limited during the year ended on 31st March, 2010 with the relevant records and documents maintained by the company, furnished to us for our review and report on Corporate Governance as approved by the Board of Directors.
- 2) The compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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.

- 3) We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investors Grievance Committee.
- 4) On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchanges have been complied with in all material respect by the Company.

For **S.A & ASSOCIATES**
COMPANY SECRETARIES

Place : 'SWASTIK' 334/157
Jessore Road, S.N- 8 (Ground Floor)
Kolkata – 700 089
Date: 30thAugust,2010

(SHIPRA AGARWAL)
Proprietor
CP No. 3173