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# 21st ANNUAL REPORT 2000-2001

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## Banaras Beads Ltd.

A-1, Industrial Estate
Varanasi – 221 006.

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# BANARAS BEADS LIMITED

## BOARD OF DIRECTORS

Mr. Ashok Kumar Gupta
Chairman & Managing Director
Mr. Ashok Kumar Kapoor
Mr. Praveen Singh
Mr. Tanmay Deva

## REGISTERED OFFICE

A-1, Industrial Estate
Varanasi -221 106.
Tel.# : 0542-2370161 - 2370164
Fax.# : 0542-2370165 / 2370214

## DELHI OFFICE INCHARGE

Mr. Raj Kumar Gupta
As Executive Director

## AUDITORS

Kamal Kishore & Co.,
Chartered Accountants,
Varanasi

## DELHI OFFICE

Vishwa Sadan Building,
9, Jahangiri District Centre
New Delhi - 110 059.
Tel.# : 011-25504160/25504161/25510223
Fax.# : 011-25504162/25526549

## UNITS

A-1, Industrial Estate, Varanasi
Tandia, G.T. Road, Varanasi
41-C, Sector-58 Noida.

## BANKERS

The Beanaras State Bank Ltd.

## REGISTRAR & SHARE TRANSFER AGENTS

MAS SERVICES (P) LTD.
AB—4, SAFADRJUNG ENCLAVE
NEW DELHI – 110 029.

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# BANARAS BEADS LIMITED

## REGISTERED OFFICE : A-1, INDUSTRIAL ESTATE

## VARANASI - 221106.

## NOTICE

NOTICE is hereby given that the Supplementary Meeting of 21st Annual General Meeting of the Members of Banaras Beads Limited will be held at Registered Office of the Company at A-1, Industrial Estate, Varanasi-221106 on Thursday the 10th April, 2003 at 1:30 P.M. to receive, consider and adopt the Audited Balance Sheet as at 31/03/2001 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

By Order of the Board of Directors
for **BANARAS BEADS LIMITED,**
Sd/-
(R.K.SINGH)
**Company Secretary**

Place : VARANASI
Date : 10.03.2003

## NOTES

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER.

   The proxy form duly completed and signed must be deposited with the Company at its Registered Office not later than forty-eight hours before the time of commencement of the meeting.

2. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

3. The Director's Report, Auditors Report and Audited Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date are enclosed. Members are requested to bring their copy of the Annual Report at the Supplementary Annual General Meeting.

4. The Annual Accounts for the F.Y. 2000-2001 have been finalised and audited by Statutory Auditors with the intervention of Hon'ble Company Law Board, New Delhi vide their Order dt. 02.07.2002 and 19.12.2002.

5. This Supplementary Annual General Meeting is being called by the board under the authority given by the Members in their meeting held on 27.09.2001 to receive, consider and adopt the Audited Balance Sheet as at 31/03/2001 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

By Order of the Board of Directors
for **BANARAS BEADS LIMITED,**
Sd/-
(R.K.SINGH)
**Company Secretary**

Place : VARANASI
Date : 10.03.2003



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**BANARAS BEADS LIMITED**

**DIRECTORS REPORT :**

Dear Shareholders,

Your Directors are presenting the 21st Annual Reports together with the Audited Statements of Accounts of the Company for the year ended on 31st March, 2001. The Management's dispute is still going on. The said Accounts have been finalised and audited after the intervention of Hon'ble Company Law Board, dated 02.07.2002.

**FINANCIAL RESULTS:**

| | 2000-2001 | 1999-2000 |
|---|---|---|
| | (Rs. in lacs) | |
| **TOTAL TURNOVER** | 653.65 | 1037.82 |
| Profit for the year (Before Taxation) | (237.23) | (84.12) |
| Add : Prior period Adjustment/Transfer Net | ---- | (1.16) |
| Less: Provision for taxation | NIL | NIL |
| Net Profit for the year | (237.24) | (85.28) |
| Less: Prior Period Adjustments/ Transfer (Net) | NIL | NIL |
| Available for Appropriation (Loss) | (237.24) | (85.28) |

**APPROPRIATIONS**

| | | |
|---|---|---|
| Payment for Taxes | NIL | NIL |
| Proposed Dividend | NIL | NIL |
| Transfer to General Reserve | NIL | NIL |
| Profit & Loss Account Adj.with General Reserve | (237.24) | (85.28) |

**DIRECTORS RESPONSIBILITY STATEMENT:**

Further the Directors hereby state and confirm regarding Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956 :-

a) that in preparation of Annual Accounts for the F.Y. ended on 31.03.2001, the applicable accounting standards have been followed ;
b) that the directors selected such accounting policies and applied them consistently and made judgements and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the Profit & Loss Accounts of the Company.
c) that the Directors have taken proper and sufficient care for the maintained of adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities ;
d) that the Directors have prepared the Annual Accounts on a "going concern" basis.

**OPERATION** :

Turnover of the Company has been declined by 37.01% (Turnover of Varanasi office declinded by 39.19 % and Delhi office delcined by 55.06%). The dispute between the Management have adversely affected the growth of the Company. Your directors are continuously trying to come out this situation.

**DIVIDENDS** :

Due to unprecedented reasons the Company has suffered heavy loss during the year under review. Hence no dividend has been recommended for this year.



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**DIRECTORS :**

Shri Ashok Kumar Kapoor was re-appointed as the director in the Annual General Meeting held on 27.09.2001.

**AUDITORS & AUDITORS' REPORT :**

At the Annual General Meeting held on 27th September, 2001 M/s Kamal Kishore & Co., Chartered Accountants, Varanasi were appointed as Statutory Auditors of the Company to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting in place of M/s R.P. Pandey & Company, Chartered Accountants, Varanasi.

The notes of Accounts referred to in the Auditors Reports are self explanatory and therefore do not call for any further comments.

**PARTICULARS OF EMPLOYEES :**

Name of the employees of the company is covered by Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules 1975, as amended do not apply to your Company since no employee of the Company falls within the limits stipulated under the said Rules.

**CONSERVATIONOF ENERGY TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO :**

Information as per Section 217 (1)(e) of the Companies Act, 1956 read with Companies (disclosure of particulars in the Report of Board of Directors) Rules, 1988 are furnished as under.

a) **Conservation of Energy:**
The company is engaged in the cottage industrial activity which involves totally manual process. Hence the energy consumption for the product in which Company is dealing is almost negligible. However, your Company has suitable arrangement and it is conscious to conserve energy whenever possible.

b) **Technological Absorption:**
The Company has no collaboration arrangement with any foreign organisation at the present moment. All its technological inputs are developed in house with the efforts of experienced staff who are continuously making efforts to upgrade the quality of the products.

c) **Foreign Exchange Earning and Outgo :**
The foreign exchange earnings of the Company during the has been Rs.426.50 lacs from Exports of Glass Beads, Hand knotted Carpets, Handicrafts and other items. The foreign Exchange Outflow during the year has been of Rs.136.08 lacs for the import of materials, foreign traveling expenses and other sales promotional activities.

**INDUSTRIAL RELATIONS:**

Industrial relation with the employees remained cordial through out the year. your Directors wish to place on record their appreciation for dedicated and sincere services rendered by the executives, staff and workmen at all levels.

**ACKNOWLEDGMENT:**

The Director wish to place on record their sincere appreciation of the devoted and efficient services rendered by all officers and employees of the Company.

By order of the Board of Directors
for BANARAS BEADS LTD.,

Place : VARANASI
Date :- 10.03.2003

(Ashok Kumar Gupta)
Chairman & Managing Director



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# AUDITORS' REPORT

**TO THE SHAREHOLDERS OF BANARAS BEADS LTD.**

We have audited the attached Balance Sheet of Banaras Beads Limited, as at March, 31st 2001 and also the profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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 examining, on a test basis, evidence supporting the amounts and disclosures 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1998 issued by the Central Government in terms of Sec. 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. 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 our knowledge and belief were necessary for the purpose of audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet and Profit and Loss Account deals with by this report are in agreement with the books of account (in view of i) and ii) given in clause 2b above.

   d) In our opinion, the Profit and Loss Account and Balance Sheet deals with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   e) On the basis written representations received from the directors as on 31st March, 2001, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2001, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

   f) *Subject to point Explained in Item No. 1,2,3,4,5,6,7,8,9,10 & 11 of Notes of Accounts* : In our opinion and to the best of our knowledge and according to the explanations given to us, the said accounts read together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and 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 at 31st March, 2001 ; and

      ii) in the case of the Profit and Loss Account, of the Company for the year ended on that date.

For Kamal Kishore & Co.
Chartered Accountants

Kamal Kishore Srivastava)
Partner

Place : Varanasi.
Date : 10/03/2003



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## ANNEXURE TO THE AUDITORS' REPORT

**BANARAS BEADS LTD.**

Statement referred to in paragraph (1) of our report of even date on the Accounts for the year ended 31st March, 2001.

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. As per the information and explanations given to us, the Company has a system of physical verification of all its fixed assets at reasonable intervals. Most of the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets by the management is reasonable having regard to the size of the Company and the nature of its business. As explained to us, no material discrepancies were noticed on such verification.

2. None of the fixed assets have been revalued during the year.

3. The stocks of finished goods, stores, spare parts and raw materials lying at its location have been physically verified by the Management at reasonable intervals. The stock is possession of third parties have been verified by the management at reasonable intervals.

4. The procedures for physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

5. The discrepancies noticed on verification between the physical stock and the book records were not materials and the same have been properly dealt with in the books of account.

6. On the basis of our examination of Stock records, we are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

7. The Company has not taken any loan from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 or from the Companies under the same management as defined under Sec. 370(1B) of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provision of the Section is not applicable to a company on or after 31st October, 1998.

8. The Company has granted loans to Companies, firms or other parties listed in the register maintained under 301 of the Companies Act, 1956 and to the Companies under the same management as defined under Section 370 of the Companies Act, 1956. The Company has not charged interest on such loans. However in terms of sub-section (6) of Section 370 of the Companies Act, 1956, provision of the Section is not applicable to a company on or after 31st October, 1998.

9. In respect of loans and advances in the nature of Loans given by the Company, parties have repaid the principal amount and interest subject to some stickly accounts.



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10. In our opinion and according to the information and explanations given to us, there is need for improvement for adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transaction of purchase of goods and materials and sale of goods, material and service made in purchase of contracts of arrangements entered in the register maintained under 301 of the Companies Act, 1956 and agreegating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods material or services or the prices at which transaction for similar goods material or services have been made with other parties.

12. As explained to us the Company has a regular procedure for the determination of unserviceable or damaged store, raw materials and finished goods adequate provision have been made in the books of account in respect of the items so determined.

13. The Company has not accepted any deposit from the public to which the provisions of Section 58A of the Companies Act, 956 and the rules made there under would apply.

14. In our opinion reasonable records have been maintained by the Company for the sale and disposal of realizable by products and scrap.

15. In our opinion the Company requires improvement in internal audit system commensurate with the size and nature of its business.

16. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of Company's roducts.
17. According to the records of the Company, Provident Fund and Employees' State Insurance dues, where applicable, have been regularly deposited during the year with the appreciate authorities.
18. According to the information and explanations given to us no personal expenses have been charged to revenue account other than those payable under Contractual obligation or in accordance with generally accepted business practices.

19. According to the information and explanations given to us there were no undisputed amount payable in respect of Income tax, Wealth tax, Sale tax, Customs duty and excise duty as at 31st March, 2001 which are outstanding for a period of more than six months from the date they become payable. Provision for Gratuity have been made looking into upto date liability.

20. The Company is not sick industrial Company within the meaning of Clause of (o) of sub-Section (1) of Section 3 of sick industrial Companies (Special provisions) Act, 1985.
21. In respect of the trading activities of the Company there were no damaged goods during the year.

**For Kamal Kishore & Co.**
**Chartered Accountants**

**Place : Varanasi.**
**Date : 10/03/2003**

**(Kamal Kishore Srivastava)**
**Partner**



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