

32nd Annual Report 2004-2005





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BOARD OF DIRECTORS

BOARD OF DIRECTORS

1. Shri Bholanath Baranwal, Chairman & Managing Director
 2. Shri Dinanath Baranwal, Joint Managing Director
 3. Shri Hridayanath Baranwal, Executive Director
 4. Shri Harbhajan Singh
 5. Shri Sajeve Deora
 6. Shri Rajeev Puri
 7. Smt. Renu Baranwal
-

MANAGER (FINANCE) & COMPANY SECRETARY:

Shri Ajay Misra

AUDITORS:

M/s Gyan Chandra & Co.
Chartered Accountants
New Delhi

BANKER:

Allahabad Bank, Khamaria, Bhadohi

REGISTERED OFFICE & WORKS:

Khamaria
Bhadohi (Sant Ravidas Nagar)-221306
Phone: +5414-243501, 243502.
Fax: +5414-243504

REGISTRARS AND SHARE TRANSFER AGENTS

MAS Services Private Limited
AB-4, Safdurjung Enclave
New Delhi-110 049
Phone: +11-26104142, 26104326

STATUTORY COMMITTEES

AUDIT COMMITTEE:

1. Shri Sajeve Deora, Chairman
 2. Shri Harbhajan Singh
 3. Shri Rajeev Puri
 3. Smt. Renu Baranwal
-

SHARE TRANSFER & GRIEVANCE COMMITTEE

1. Shri Bholanath Baranwal, Chairman
 2. Shri Hridayanath Baranwal
-

DELHI SHOWROOM & OFFICE:

M-56, Greater Kailash Part II (Market)
New Delhi-110048
Phone: +11-51 63 80 55/57.
Fax: 11-51 63 80 58

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of Bholanath International Limited will be held on Friday the 30th day of September 2005, at 4.00 p.m. at registered office of the company at, Khamaria, Bhadohi, (U.P.) 221306 to transact the following businesses:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Profit and Loss Account for the period ended 31st March, 2005 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
- 2 To declare dividend on equity shares of the Company.
- 3 To appoint a Director in place of Smt. Renu Baranwal, who retires by rotation and being eligible offers herself for reappointment.
- 4 To appoint a Director in place of Shri Rajeev Puri, who retires by rotation and being eligible offers himself for reappointment.
- 5 To appoint M/s. Gyan Chandra & Co., Chartered Accountants as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

To pass following resolution, as ordinary resolution with or without modification

6. **APPOINTMENT OF SHRI BHOLANATH BARANWAL AS MANAGING DIRECTOR**
 "RESOLVED THAT pursuant to the provisions of Sections 198, 309, 311, part I and II of Schedule XIII and all other applicable provisions (if any) of the Companies Act, 1956 consent of the company be and is hereby accorded to the reappointment of Shri. Bholanath Baranwal as a Managing Director of the Company for a period of five years with effect from 25th June' 2005 on the remuneration getting at the time with liberty to the Board of Directors to alter and to vary the terms and conditions of the said appointment/ remuneration within the limit specified in part II of Schedule XIII of the Companies Act, 1956, including any statutory modification or re enactment thereof for the time being in force or any amendment and/ or modifications hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed between Board of Directors and Mr. Bholanath Baranwal"
7. **APPOINTMENT OF SHRI DINANATH BARANWAL AS JOINT MANAGING DIRECTOR**
 "RESOLVED THAT pursuant to the provisions of Sections 198, 309, 311, part I and II of Schedule XIII and all other applicable provisions (if any) of the Companies Act, 1956 consent of the company be and is hereby accorded to the reappointment of Shri. Dinanath Baranwal as a Joint Managing Director Company for a period of five years with effect from 25th June' 2005 on the remuneration getting at the time with liberty to the Board of Directors to alter and to vary the terms and conditions of the said appointment/ remuneration within the limit specified in part II of Schedule XIII of the Companies Act, 1956, including any statutory modification or re enactment thereof for the time being in force or any amendment and/ or modifications hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed between Board of Directors and Mr. Dinanath Baranwal"

8. APPOINTMENT OF SHRI HIRDAYANATH BARANWAL AS EXECUTIVE DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 311, part I and II of Schedule XIII and all other applicable provisions (if any) of the Companies Act, 1956 consent of the company be and is hereby accorded to the reappointment of Shri Hridaynath Baranwal as a Executive Director of the Company for a period of five years with effect from 25th June' 2005 on the remuneration getting at the time with liberty to the Board of Directors to alter and to vary the terms and conditions of the said appointment/ remuneration within the limit specified in part II of Schedule XIII of the Companies Act, 1956, including any statutory modification or re enactment thereof for the time being in force or any amendment and/ or modifications hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed between Board of Directors and Mr. Hridaynath Baranwal".

9. APPOINTMENT OF MR. RAJ KUMAR DUBEY AS DIRECTOR

"RESOLVED THAT Mr. Raj Kumar Dubey, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed a Director of the Company liable to retirement by rotation".

Registered Office:

Khamaria

Bhadohi

Date: 25.06.2005

By Order of the Board

Sd/-

Ajay Misra

Manager (Finance) Company Secretary

Explanatory Statement Pursuant To Section 173 (2) Of The Companies Act:**Item No. 6:**

Shri Bholanath Baranwal is Chairman & Managing Director of the Company. In order to keep his appointment as such it is required that an Ordinary Resolution be passed in General Meeting.

Board of Directors proposes for his reappointment.

Shri Bholanath Baranwal, Shri Dinanath Baranwal, Shri Hridaynath Baranwal and Smt. Renu Baranwal are interested in the above resolution.

Item No. 7:

Shri Dinanath Baranwal Joint Managing Director of the Company. In order to keep his appointment as such it is required that an Ordinary Resolution be passed in General Meeting.

Board of Directors proposes for his reappointment.

Shri Bholanath Baranwal, Shri Dinanath Baranwal, Shri Hridaynath Baranwal and Smt. Renu Baranwal are interested in the above resolution.

Item No. 8:

Shri Hridaynath Baranwal is Executive Director of the Company. In order to keep his appointment as such it is required that an Ordinary Resolution be passed in General Meeting.

Board of Directors proposes for his reappointment.

Shri Bholanath Baranwal, Shri Dinanath Baranwal, Shri Hridaynath Baranwal and Smt. Renu Baranwal are interested in the above resolution.

Item No. 9

Mr. Raj Kumar Dubey, advocate, was appointed an Additional director of the Company on 25th Day of June 2005 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from member signifying his intention to propose appointment of Mr. Raj Kumar Dubey as a Director along with a deposit of Rs. 500/-. The Board considers it desirable that the Company should continue to avail itself of his services.

NOTES

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. The instrument appointing proxy should, however, be deposited at the Registered Office/Corporate office of the Company not less than forty eight hours before the commencement of the meeting.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from 16th day of September 2005 to 21st day of September 2005. (both days inclusive).

4. All documents referred to in the accompanying notice are open for inspection at the Registered Office/ Corporate office of the Company during office hours on all working days, except Saturdays, and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
5. Members are requested to notify promptly any change in their addresses to the Company's Registered Office or to the Share Transfer Agent M/s MAS Services Private Limited, AB-4, Safdurjung Enclave, New Delhi - 110049.
6. The Shareholders, who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 1998 are requested to make their claim to the Company. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
7. Appointment/Re-appointment of Directors: At the ensuing Annual General Meeting, Shri Rajeev Puri, and Smt. Renu Baranwal Director, shall be retiring by rotation and being eligible, offer them selves for reappointment.
8. Any queries relating to Accounts must be sent to the Company at least 10 days before the date of the meeting.

Registered Office :
Khamaria
Bhadohi
Date : 25.06.2005



By Order of the Board
Sd/-
Ajay Misra
Manager (Finance) Company Secretary

DIRECTORS' REPORT

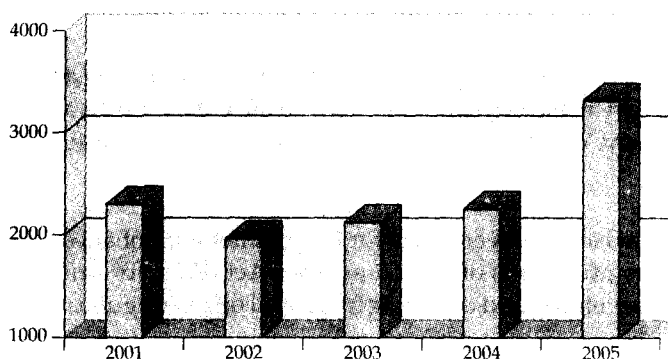
Dear Member,

Your Directors have pleasure in presenting the 32nd Annual Report together with the Audited Statements of Accounts along with the Report of the Auditors for the year ended March 31, 2005.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Year ended 31/03/2005	Year ended 31/03/2004
Profit Before Interest, Depreciation & Miscellaneous	170.56	179.73
Expenses written off		
Interest	103.52	81.56
Depreciation & Miscellaneous Expenses written off	54.52	48.83
Profit before tax	12.52	49.34
Provision for taxation: Current	2.00	9.00
Deferred	3.59	4.62
Profit after tax	6.93	35.72
Prior Period adjustment	1.59	(0.12)
Appropriations:		
Proposed Dividend	19.18	(28.80)
Income- tax on proposed Dividend	2.51	(3.69)
Surplus in Profit & Loss Account brought forward	(16.35)	338.44
Surplus in Profit & Loss Account carried over	325.44	341.79

TURNOVER

The total turnover increased by 41% over financial year (FY) 2003-04 and achieved turnover of Rs. 3320.04 Lacs during FY 2004-05 as compared to Rs. 2347.11 Lacs of FY 2003-04. The significant increase was due to export of woolen yarn.

PROFITABILITY

Your directors are concerned about the return on investment. In the FY 2004-05, the Company faced several challenges due to increase of oil prices resulting higher input cost & freights, decrease of USD rates hitting the margins badly and slackness in European market affecting inflow of orders. The situation in current

FY 2005-06 is also very challenging. The Company will work towards improving productivity, process efficiency, inventory reduction and other such methods. We are also working towards reduction of financial charges by swapping the Rupee loan with USD loans. These efforts will improve the profitability of the Company in long run as well.

PUBLIC DEPOSITS

Your Company did not accept any Public Deposit, during the year under review.

INSURANCE

Your Company's assets continue to be fully insured against the risk of fire, riot, earthquake, terrorism etc. The Company has engaged an expert consultant to study the insurance adequacy and suggest ways to reduce our premium costs, without compromising the risks covered.

DIVIDEND

Your directors take pleasure in recommending dividend at the rate of 4%, out of the balanced surplus of the previous year for the financial year ended 31st March 2005. The dividend, if declared, shall be paid to those shareholders whose names appear in the register of members as on date of the book closure.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
 - ii) they have selected such accounting policies and applied them consistently and 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 as on 31st March, 2005 and of the profit or loss of the company for that period;
 - iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - iv) the annual accounts are prepared on a going concern basis.
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